

Report for: Cabinet 11 February 2020

Title: 2020-21 Budget and 2020-2025 Medium Term Financial Strategy

Report authorised by: Jon Warlow, Director of Finance

Lead Officer: Frances Palopoli, Head of Corporate Financial Strategy & Monitoring

Ward(s) affected: All

Report for Key/ Non-Key Decision: Key

1. Describe the issue under consideration

- 1.1 Cabinet received a report on the Draft Budget on 10th December 2019 which highlighted an outstanding budget gap to be resolved between then and now and also proposed that Cabinet agree to start consultation. The budget gap has now been bridged and has been achieved without needing to make any further reductions to Service budgets. The 2020/21 Budget and 2020-2025 Medium Term Financial Strategy (MTFS) now proposed also have due regard to the corporate Equalities Impact Assessment, consultation feedback and recommendations from the Council's Overview and Scrutiny Committee.
- 1.2 The Council has a statutory requirement to set a balanced budget for 2020/21 and this report forms a key part of the budget setting process by setting out the likely funding and expenditure for that year. Additionally, in order to ensure the Council's finances over the medium term are built on a sound basis, this report also sets out the funding and expenditure assumptions for the following four years (2021/25) in the form of an MTFS. Cabinet's role in this is to recommend the Budget and key policy proposals to Full Council for agreement and this report satisfies this duty.
- 1.3 In accordance with the Local Government Finance Act (LGFA) 1992, Full Council must approve the budget for the forthcoming year and agree the Council tax for that year by the statutory deadline of 11th March. Full Council will consider the Budget package contained in this report at their meeting on 24th February 2020.
- 1.4 The report has been prepared with reference to the Borough Plan 2019-2023 in order that the Council's resources are directed at supporting delivery of the agreed priorities and outcomes which are summarised below:
 - **Housing** - a safe, stable and affordable home for everyone, whatever their circumstances
 - **People** - our vision is a Haringey where strong families, strong networks and strong communities nurture all residents to live well and achieve their potential
 - **Place** - a place with strong, resilient and connected communities where people can lead active and healthy lives in an environment that is safe, clean and green

- **Economy** - a growing economy which provides opportunities for all our residents and supports our businesses to thrive
- **Your Council** - the way the council works

1.5 The 2020/21 Budget and MTFS 2020-25 presented has been updated since the report to Cabinet on 10 December 2019 and now proposes a balanced General Fund Revenue Budget for 2020/21. This has been achieved through funding and corporate adjustments and has not required any further reductions to Service budgets. The changes have been summarised below showing the impact across the 2020-2025 MTFS period:

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
December 2019 Gap - Cumulative	612	487	1,696	8,642	12,409
Total Changes since December	(612)	1,467	3,436	3,174	3,151
Revised Gap - Cumulative	0	1,954	5,132	11,816	15,560

- 1.6 The draft Local Government Finance Settlement published on 20 December 2019 confirmed that local authorities could increase their Council Tax up to 1.99% without referendum and also allowed for an additional 2% ASC precept to be raised. This Budget assumes that both of these increases are adopted by Haringey.
- 1.7 The Government grant funding for 2020/21 assumed in the December report has also been confirmed along with some other key funding streams not part of the main Settlement such as the grants to help address Homelessness.
- 1.8 The first Queen's Speech of the new Government was delivered on 19 December 2019 and proposed a total of 29 Bills and various other policies and commitments which may require additional legislation. The most pertinent to this report are that the £1bn additional funding announced in SR19 is committed for each year of the Parliament and that the fundamental review of the Business rates system will take place. The announcement about funding is welcomed and the MTFS presented now assumes that we continue to receive similar levels of grant across each year. However, while the total grant funding may remain at 2020/21 levels, the methodology for distribution may change which could negatively impact on our future financial and service planning.
- 1.9 The total proposed General Fund budget reductions for 2020/21 from this round of the MTFS 2020/21 are £7.1m, considerably lower than the £13.2m that were forecast to be necessary last February. Because of the Council's approach to live budgeting, the decisions it made in July and its active use of Invest to Save (Savings for 20/21 of £1.6m), the further proposals necessary at this stage come to £5.5m. When added to the reductions already agreed for 2020/21 (£7.4m), the total reductions to be delivered are £14.5m. This is a not insignificant sum and continued close focus will need to be placed on ensuring delivery is achieved as planned.
- 1.10 Despite the financial pressure on the Council, it continues to look to respond where it can to the most pressing demands upon it. This year's budget includes additional funding of £4.3m for the extension of the London Living Wage and increase in its capacity to make full use of the apprenticeship opportunities. It also proposes to continue to fund the budget priorities identified in last year's budget.

- 1.11 The relevant sections of the report have been updated to highlight relevant new information arising from the final Local Government Finance Settlement and other funding announcements made since the last report. The report also includes summaries of the responses to the public Budget Consultation as well as those from Overview and Scrutiny Committee along with Cabinet responses. The proposed Budget does not depend on contributions from reserves in order to balance.
- 1.12 The report also re-confirms the substantial proposed additions to the current General Fund Capital Programme which were presented in the December report. These include: schools conditions work; Adults supported living and nursing home schemes; modernised street lighting; civic buildings; street and greenspace improvements; property acquisitions to expand existing businesses or attract new businesses; an ambitious development to deliver a community focussed housing and mixed-use scheme, and improving access to our libraries.
- 1.13 The Dedicated Schools Budget (DSB) funding for 2020/21, which is ring fenced for the delivery of education services, has been re-presented and now reflects the final schools Settlement announced in December and discussed at the January Schools Forum. This includes the implications of the on-going budget pressure on the High Needs Block (HNB) from legislative changes to service provision responsibilities introduced in the 2014 Children and Families Act. The report recognises that this is, to an extent, addressed by the increase in High Needs DSG grant announced for 2020/21 and onwards, but the council still has a difficult legacy position to be addressed in the form of an overdrawn DSG reserve.
- 1.14 The report includes the final proposed 2020/21 Budget & MTFs for the Housing Revenue Account (HRA) revenue budget and HRA Capital programme and provides a comprehensive commentary on the development of the current Business Plan and proposals to develop it further over the coming year.
- 1.15 In summary, this report finalises the Council's General Fund and HRA 2020/21 Budgets and Medium-Term Financial Strategies for 2020-2025.
- 1.16 The only items not confirmed at this stage are:
- Notification of final levy sums however, we are not forecasting any levies to be significantly different to the sums currently budgeted for;
 - Confirmation of the GLA council tax element;
 - Final 2020/21 Local Government Finance Settlement announcement – again there are no indications that this will bring forward any / material changes to the provisional figures already received.

As stated, these final notifications are not expected to lead to any significant budget implications, but an update will be included in the Full Council report on 24th February; this will also include details of any final budget adjustments required.

2. Cabinet Member Introduction

- 2.1 The proposals set out in this report contain our 2020/21 Budget and five-year Medium-Term Financial Strategy (MTFS) that will provide a clear financial plan during this unprecedented period of uncertainty for Local Authority budgeting. I am pleased to announce that we have bridged the budget gap of £0.6m for 2020/21 outlined in my last report to Cabinet and confirm that this has been achieved without needing to make any further reductions to Service budgets.

Manifesto Priorities

- 2.2 Last year's budget put in place additional funding for a number of priorities. The Council Tax Reduction Scheme (CTRS) was extended to a maximum of 100% for our least well-off families with children. This came into effect on 1st April 2019 and Full Council agreed that this policy remain unchanged for 2020/21.
- 2.4 The 2019/20 Budget also provided ongoing investment into a school meal pilot and a youth services programme, a large portion of which has been used to fund the Summer Holiday Programme which offered more than 150 activities with 19,602 young people taking part.
- 2.5 We are already an accredited London Living Wage employer, ensuring fair levels of pay for all staff directly employed by the Council but this Budget makes a funding commitment of more than £4m to ensure that staff providing care services to adults through our partner organisations are paid at least the London Living Wage.
- 2.6 An additional sum has also been built in to provide ongoing extra capacity to increase apprenticeship numbers within the Council and across other organisations within the Borough.
- 2.7 The capital strategy recognises the role that local investment has in changing our locality and the lives of our residents. We are proud that 99% of our schools continue to be good or outstanding but our children deserve to be taught in modern buildings in safe environments, so we plan to invest £50m in our school buildings over the next 5 years. Over the past 10 years we have protected Haringey's nine libraries and now we plan to invest in these buildings to ensure they are used to their full potential and are accessible to all.
- 2.8 We were elected last year with a promise to deliver 1,000 additional council homes at council rent. We have secured more than £60m funding from the Mayor of London to support this housing programme. We are also buying new homes to let to those in need of temporary accommodation which will improve the standard for tenants and save the Council money.
- 2.9 As part of our plans to tackle the climate emergency this budget will enable 750 additional trees to be planted in the next couple of years and are investing more than £6m in a School Streets programme aimed at reducing pollution around our schools.

Addressing Budget Pressures

- 2.10 The budget update reports that I have presented this year highlight the progress that has been made on stabilising budgets and confirms that the action we took in setting the 2019/20 Budget was appropriate. While we still forecast an in year overspend, the future impact of the main underlying pressures has been addressed as part of the 2020/21 Budget now proposed. We have also taken advantage of making Live budgeting decisions in year such as the approval of a suite of invest to save proposals

in Children's services which are now well underway and will contribute to better outcomes for our young people and their families.

- 2.11 This year's Budget comes in the context of severe ongoing budget pressures. Haringey, just like most Councils across the country, has seen huge cuts in funding since 2010. Government grant funding to Haringey has reduced by £124 million; the number of people working to provide council services has almost halved whilst our population and their needs continues to grow. We will need to deliver £7.1m savings or new income to balance next year's Budget, with total further savings required over the next 5 years of over £28m, of which we still need to put in place plans for £15.6m. So, there remain some tough decisions ahead.
- 2.12 It becomes ever harder to find solutions to balance our budget while seeking to manage the impact on those with the greatest need of our support. This is why you will see that the new budget reductions proposed in this report focus as much as possible on delivering efficiencies and service re-design or increasing income instead of service cuts. We also propose a further increase to Council Tax next year of 1.99% and will also levy the 2% supplement allowed by national Government to support the increasing costs of adult social care
- 2.13 Despite all of this we will never lose sight of why we exist – to serve the residents, communities and businesses in our Borough by building a greener, fairer, safer Haringey. The Budget I now present is all about delivering on our priorities; fighting housing injustice, building a fairer economy, ensuring every child and young person has a bright future and tackling the climate emergency. To achieve this, despite continuing austerity we will be funding services more efficiently, promoting early intervention and maximising our income.
- 2.14 The budget consultation period has now ended, and I thank our residents, local businesses, community sector partners and any others that took the time to respond and engage with the process. I was particularly pleased that some had taken time to put forward other ideas for consideration and confirm that, as an administration, we will review these and where appropriate build into future plans.
- 2.15 In Summary, I am pleased to be able to propose a balanced Budget for 2020/21 which does not utilise any balances and enables us to invest funds to continue to deliver our shared Borough Plan outcomes and make the Borough a place we can all be proud to live and work in.

3. Recommendations

Cabinet is asked to:

- 3.1 Consider the outcome of the budget consultation as set out in Appendix 10, to be included in the report to Council. Having taken this into account this report does not propose any amendment to the Budget for 2020/21 nor to the MTFS 2020/25.
- 3.2 Approve the responses made to the Overview and Scrutiny Committee recommendations following their consideration of the draft budget proposals as set out in Appendix 11. Having taken this into account this report does not propose any amendment to the Budget for 2020/21 nor to the MTFS 2020/25.
- 3.3 Propose approval to the Council of the 2020/21 Budget and MTFS 2020/25 Budget Reduction Proposals as set out in Appendix 2.

- 3.4 Propose approval to the Council of the 2020/21 General Fund Revenue Budget as set out in Appendix 1, including specifically a General Fund budget requirement of £242,292m, but subject to final decisions of the levying and precepting bodies and the final local government finance Settlement.
- 3.5 Propose approval to the Council of the General Fund Medium Term Financial Strategy (MTFS) 2020-2025 as set out in Appendix 1.
- 3.6 Propose approval to the Council that the overall Haringey element of Council Tax to be set by London Borough of Haringey for 2020/21 will be £1,372.55 per Band D property, which represents a 1.99% increase on the 2019/20 Haringey element and with an additional 2% for the Adult Social Care Precept amount.
- 3.7 Note the Council Tax Base of the London Borough of Haringey, as agreed by the Section 151 Officer under delegated authority (Article 4.01(b), Part 2, of the Constitution), as 78,543 for the financial year 2020/21.
- 3.8 Propose approval to the Council of the 2020/21 Housing Revenue Account budget as set out in Table 9.3.
- 3.9 Propose approval to the Council of the Housing Revenue Account Medium Term Financial Strategy (MTFS) 2020-2025 as set out in Section 9.6 and Table 9.3.
- 3.10 Approve the changes to the rent levels for residents in temporary accommodation, Council tenants in General Needs, Sheltered/Supported, and Affordable homes reflecting the recent rent guideline requiring Councils in England to increase rent by no more than the Consumer Price Index (CPI) at September of the previous year plus 1% This will increase the average weekly rents as set out in Tables 9.1 and 9.2.
- 3.11 Agree the changes to service charges to tenants as set out in Appendix 8.
- 3.12 Propose approval to the Council of the 2020/21 – 2024/25 General Fund capital programme detailed in Appendix 4.
- 3.13 Propose approval to the Council of the 2020/21 – 2024/25 Housing Revenue Account (HRA) capital programme detailed in Appendix 7.
- 3.14 Propose approval to the Council of the Capital Strategy detailed in Section 8 of this report.
- 3.15 Propose approval to Council of the strategy on the use of flexible capital receipts to facilitate the delivery of efficiency savings including capitalisation of redundancy costs (Appendix 6).
- 3.16 Propose to the Council the Dedicated Schools Budget (DSB) allocations for 2020/21 of £261.9m as set out in Appendix 9.
- 3.17 Note the funding to be distributed to primary and secondary schools for 2020/21 based on the figures advised to Schools Forum and submitted to the Education Funding Agency in January 2019 set out in Section 10.
- 3.18 Note the budgets (including the use of brought forward DSG) for the Schools Block, Central Services Block, High Needs Block and Early Years Block as per Appendix 9.

- 3.19 Delegate to the Director of Children Services, in consultation with the Cabinet Member for Children, Education and Families, the power to amend the Delegated Schools Budget to take account of any changes to Haringey's total schools funding allocation by the Education and Skills Funding Agency.
- 3.20 Delegate to the Section 151 officer, in consultation with the Cabinet Member for Finance, the power to make further changes to the 2020/21 budget proposals to Full Council up to a maximum limit of £1.0m.

4. Reasons for decision

- 4.1 The Council has a statutory requirement to set a balanced budget for 2020/21 and this report forms a key part of the budget setting process by setting out the forecast funding and expenditure for that year. Additionally, in order to ensure the Council's finances for the medium term are maintained on a sound basis, this report also sets out the funding and expenditure assumptions for the following four years in the form of a Medium-Term Financial Strategy.

5. Alternative options considered

- 5.1 The Cabinet must consider how to deliver a balanced 2020/21 Budget and sustainable MTFS over the five-year period 2020/25, to be reviewed and ultimately adopted at the meeting of Full Council on 24th February 2020.
- 5.2 Clearly there are options available to achieve a balanced budget and the Council has developed the proposals contained in this report for determining levels of both income and service provision in this report. These take account of the Council's priorities, the extent of the estimated funding shortfall and the Council's overall financial position.
- 5.3 These proposals have been subject to consultation both externally and through the Overview & Scrutiny process. The outcomes from these consultations, which are expanded on in Section 11 and Appendices 10 & 11 to this report, have been considered by Cabinet. After due consideration, Cabinet considers that the issues raised are addressed in the budget put forward in this report.

6. General Fund Revenue Funding Assumptions

- 6.1 The Council has access to five main sources of funding:
- Business Rates
 - Grants
 - Council Tax
 - Fees & Charges
 - Use of Reserves

The first two are largely driven by the outcome of Spending Rounds and the Local Government Finance Settlement.

The following paragraphs provide commentary on the Spending Round 2019 (SR19) and the draft Local Government Finance Settlement and then sets out the assumptions made in this draft 2020/21 Budget & MTFS 2020-2025 about each of the five funding streams.

SR19 and the Draft Local Government Finance Settlement 2020/21

- 6.2 A one-year Spending Round for 2020/21 was announced in September 2019. This replaced the expected 3-year Spending Round and allied Fair Funding Review & Review of the Local Business Rates Retention scheme. These are all now expected to take place next year and lead to a multi-year Spending Round covering the period 2021-2024.
- 6.3 The draft Local Government Finance Settlement 2020/21 was announced on 20 December 2019 and has confirmed the draft funding assumed in the December Cabinet report.
- 6.4 The announcement provided details regarding Revenue Support Grant (RSG) and other grant funding allocations covering the next financial year. Nationally, the amounts will increase by the September 2019 CPI Figure (1.7%). Although not shown in the table below, it should also be noted that national funding figures have reduced every year since 2010, this being the first increase since then.

Table 6.1 – National Grant Figures – England (inc. assumed Business Rates)

England Totals				
	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Total SFA	16,632	15,574	14,560	14,822
Percentage Change	(10.6%)	(6.4%)	(6.5%)	1.7%
Plus Additional Funding				
S31 Grant (2% cap in NDR)	175	275	400	408
New Homes Bonus (RSG)	1252	948	918	900
Transition Grant	150	-	-	-
Improved Better Care Fund	1115	1499	1837	2077
Rural Services Delivery Grant	65	81	81	81
Levy Account Refund	-	180	0	0
Winter pressures Grant	-	240	240	0
Social Care Support Grant	-	-	410	1410
Adult Social Care Support Grant	241	150	-	-
Total Funding	19,630	18,946	18,445	19,698
Percentage Change	(4.2%)	(3.5%)	(2.6%)	6.8%

- 6.5 Settlement Funding Assessment (SFA) comprises the council's Revenue Support Grant for the year, its retained business rates and top up business rates uprated year on year in line with inflation.
- 6.6 With regard to Government Grant funding, the Haringey 2020/21 increase in Settlement Funding Assessment (SFA – Revenue Support Grant, Retained and Top up Business Rates) mirrors the national position of 1.7%, which the Government states is in line with CPI inflation. However, this of course comes after nine years of reductions in grant funding and is against the background of rising demand for services, particularly Adults, Children's and Housing Services. To an extent Government has recognised the pressures on Social Care by announcing an additional £1bn nationally, which is expected to increase the amount of Social Care Grant receivable to £7m for next year. The Queen's Speech confirmed that this additional funding is committed for each year of the Parliament however, it's distribution beyond 2020/21 is likely to be impacted by the planned Fair Funding Review which will adjust the current allocation methodology. Any significant change could have major ramifications on our future financial and service planning.

6.7 The equivalent funding assumptions for Haringey are shown at table 6.2. Based on these draft figures Government funding support to Haringey via SFA will increase by 5.7% in 2020/21.

Table 6.2 – Haringey Grant Forecast (inc. Business Rates)

Haringey Forecast	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Settlement Funding Assessment	115.2	109.1	102.3	104.0
Percentage Change	-	(5.3%)	(6.2%)	1.7%
Plus Additional Funding				
S31 Grant (2% cap in NDR)	1.2	1.8	2.6	2.7
Improved Better Care Fund	5.4	7.1	8.4	9.5
New Homes Bonus - Local Forecast	5.7	2.7	2.5	2.5
2017-18 ASC Support Grant	1.2	0.7	-	-
Winter Pressure Grant	-	1.1	1.1	-
Social Care Grant	-	-	2.0	7.0
Haringey Corporate Grants	128.7	122.5	118.9	125.7
Percentage Change	(4.0%)	(4.7%)	(3.0%)	5.7%

6.8 The difference between the National 6.8% increase and the 5.7% increase forecast for Haringey is caused by the distribution methodology used to allocate the total funding figures between authorities.

6.9 The following were also announced:

- The Fair Funding Review, reform of Business Rates system and full Business Rates reset will be deferred to 2021/22.
- Only the 100% Business Rates Pilot areas will continue in 2020-21; all other pilots will cease.
- Nationally, Core Spending Power is forecast to rise from £46.2 billion to £49.1 billion in 2020-21 (the majority of this increase is from an increase to Council Tax revenue through tax rate and tax base increases);
- An additional £700m for High Needs funding for schools and colleges;
- A real-terms increase in the Public Health Grant (CPI plus 1%); and
- The NHS contribution to the Better Care Fund will increase in line with the planned additional investment in the NHS (3.4%).

Core Spending Power (CSP)

6.10 Core Spending Power describes the expected available revenue to fund expenditure. From 2016/17 onwards CSP is defined as the sum of the Settlement Funding Assessment (comprising NNDR Baseline Funding Level and Revenue Support Grant), estimated Council Tax income, additional Council Tax income from the Adult Social Care flexibility, Better Care Fund, and the New Homes Bonus.

6.11 The overall headline referred to in the Spending Round document and by the Chancellor is that “additional resources available to local government” will increase by more than £3.5 billion. This includes an increase in existing funding streams and some new funding announcements. Elements of the CSP will increase with inflation (Settlement Funding Assessment) with others maintained at 2019-20 levels (New Homes Bonus, Winter Pressures Grant).

- 6.12 It is also important to note that RSG payments will be reinstated from 2020/21 as a consequence of the London Business Rates Pool pilot ending at the end of 2019/20. In 2020/21, Haringey is due to receive £22m in RSG funding based on government figures. The Council received £51m of RSG in 2016/17, therefore RSG funding to the Council would have fallen by 59% (£29m) between 2016/17 and 2020/21.
- 6.13 Historic and draft 2020/21 CSP figures for Haringey are set out in table 6.3 below.

Table 6.3 – Local Forecast of CSP

Local Forecast	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Settlement Funding Assessment	115.2	109.1	102.3	104.0
Plus Additional Funding				
Council Tax Requirement	93.8	101.9	102.0	107.1
S31 Grant (2% cap in NDR)	1.2	1.8	2.6	2.7
Improved Better Care Fund	5.4	7.1	8.4	9.5
New Homes Bonus - Local Forecast	5.5	2.7	2.5	2.5
2017-18 ASC Support Grant	1.2	0.7	-	-
Winter Pressure Grant	-	1.1	1.1	-
Social Care Grant	-	-	2.0	7.0
Core Spending Power	222.3	224.4	220.9	232.8
Percentage Change	-	0.9%	(1.6%)	5.4%

Business Rates

- 6.14 A number of changes were introduced to business rates in April 2017 including a revaluation of the business rates base. Although, the revaluation was revenue neutral nationally, some businesses in Haringey would have seen increases in their business rates charges. For small businesses in this position, relief was provided in the form of a three-year transitional grant that is administered and distributed to affected businesses in each year during the transition period.
- 6.15 The intention was for Business Rates Baselines to be reset from April 2020, however the Government has announced, as part of SR19 that this will be delayed until April 2021. As to whether this is advantageous or not will be determined by the level of the baseline funding that government sets in relation to what we are actually able to collect.
- 6.16 The Council has been part of the London Pool Pilot since 2018/19. In that year, London retained 100% of business rates locally, generating a significant additional benefit to the Council (£6.4m). The estimated financial benefit to Haringey in 2019/20 is £2.7m - £3m. The reduced figure is due to a lower percentage (75%) being retained in London.
- 6.17 The SR19 announced that the Pilot in London would cease from 2020/21. Since the December report, it has been confirmed that London will continue to pool business rates from April 2020 at the lower rate of 67%. This means that the financial benefit from retained growth will be much lower, with the current estimate for Haringey approximately £0.4m which has been built into the 2020/21 Budget. Because of the

uncertainty beyond 2020/21, no share of pool growth has been assumed in future years.

- 6.18 Realisation of business rates income is dependent on collection performance, prevailing economic conditions and decisions on appeal by the Valuation Agency Office and some risk has already been built into the forecast income for future years in recognition of this. Business rates income is expected to decrease by £1.6m in 2020/21, mainly due to any growth in business rates income being offset by the discontinuation of the Pool Pilot as discussed above.
- 6.19 The current planning assumption across the MTFs period is that there will be no net growth in the business rates tax base / hereditaments.
- 6.20 Revenue Support Grant of approximately £22m will be paid in 2020/21 as a consequence of the retention rate reverting to 67%. This grant was reduced to nil in 2018/19 due to Haringey's participation in the London Business Rates Pool Pilot, as the grant was included as part of the payments received from the Pool and MHCLG. As the Pilot will not continue in future years, this grant will be received again by Haringey. It is assumed that this grant will increase in line with CPI across the MTFs period.
- 6.21 The estimated mandatory reliefs applied to Haringey businesses is £6.7m in 2020/21. These reliefs cover, among others, discounts for small businesses and will be fully reimbursed via Section 31 Grants by Central Government. From 2021/22, we expect the Section 31 Grants to be rolled into the SFA.
- 6.22 The forecast income across the MTFs period from business rates related income, including revenue support grant is shown in table 6.4 below.

Table 6.4 – Business Rates Related Income Forecast

Business Rates Related income Forecast	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Revenue Support Grant	-	21,993	22,434	22,880	23,340	23,807
Business Rates Top Up	65,196	58,412	61,089	62,290	63,490	63,958
Retained Business Rates	33,484	22,100	22,540	22,985	23,425	24,695
NNDR Levy Surplus 2019/20	1,238	-	-	-	-	-
NNDR Surplus/(Deficit)	-	(1,654)	2,324	2,232	2,131	2,174
S31 Grants	6,624	6,688	-	-	-	-
Share of Pool Growth	3,000	400	-	-	-	-
Total	109,542	107,938	108,387	110,386	112,386	114,634

- 6.23 There are considerable planned and potential changes to the business rates regime beyond 2020/21. These are set out below:
- Business rate baselines are expected to be reset in 2021/22.
 - The Government have been consulting on a simplification of the Business Rates Retention scheme including how growth can be incentivised and how it can be measured. No decisions have been made yet either about a new scheme or timing of any implementation.
 - The outcome of the Fair Funding Review is still awaited. This will impact on business rates as it derives each authorities baseline funding against which growth is measured.

- The Government has committed to introducing more frequent business rates revaluations and have consulted on bringing forward the date of the next revaluation from 2022 to 2021. Thereafter the Government plan to move to 3 yearly revaluations ensuring rating assessments are more up to date.

6.24 Because of the uncertainty beyond 2020/21, the assumptions in Table 6.4 and their impact on the MTFS will need to be reviewed and, where necessary, updated.

Grants

6.25 The Council will receive a number of grants in addition to its main funding allocation. The Council is mostly allowed to use these grants to fund any council services, but some are ring-fenced, which means they can only be spent on specific services.

Social Care Grants

6.26 As part of SR19 it was announced that an additional £1.5bn of funding for adult and children's social care would be available for Local Authorities to access next year (i.e. £1bn of additional funding and up to £0.5bn from the additional 2% Social Care Precept). It also announced the following in relation to social care related funding:

- Additional Improved Better Care Fund – Expected to remain at 2019/20 levels of £1.6m for Haringey.
- The Improved Better Care Fund and Winter Pressures Grants are expected to continue at 2019/20 levels; however, these will be rolled into a single grant.
- Social Care Support Grant is expected to increase from £2m in 2019/20 to £7m in 2020/21 for Haringey, which will incorporate Haringey's share of the new £1bn additional funding.

6.27 The assumptions around social care funding across the MTFS period are set out in the table below. Whilst we only have announcements for 2020/21, the current planning assumptions are that funding of a similar level will be made available across the planning period. This will need to be kept under review and the MTFS updated when further details emerge. The Queen's Speech confirmed that the £1bn additional Social Care grant funding announced in SR19 is committed for each year of the Parliament however, the distribution of any of the grant funding could change. If it changes materially, it will have a significant impact on the current forecast gap across those years. This has been highlighted as one of the biggest risks to the current MTFS, explored in more detail in Section 7.18.

It should also be noted that all these grants have been netted against the service budget expenditure heads rather than being shown separately. Since the December report a review of the budgeting of Adults and Children's service grants has been undertaken. In the light of this and consistent with the 2019/20 treatment, the new Social Care Support Grant announced for 2020/21 has now been allocated 50:50 between the two services.

Table 6.5 – Social Care Grants

Original Grant Name	Revised Grant Name (LG Settlement Consultation)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		£'000	£'000	£'000	£'000	£'000	£'000
Better Care Fund (BCF) - (CCG Contribution)		5,819	6,017	6,017	6,017	6,017	6,017
Improved Better Care Fund (iBCF)	Improved Better Care Fund (iBCF)	6,749	6,749	6,749	6,749	6,749	6,749
Additional Improved Better Care Fund (iBCF)		1,621	1,621	1,621	1,621	1,621	1,621
Winter pressure Funding		1,148	1,148	1,148	1,148	1,148	1,148
Social Care Support Grant (ASC/CSC)	Social Care Support Grant	1,962	1,962	1,962	1,962	1,962	1,962
New Funding for Adult & Children's Social Care (SR19)		0	4,998	4,998	4,998	4,998	4,998
	TOTAL	17,299	22,495	22,495	22,495	22,495	22,495

Core Grants

6.28 Based on the SR19 and draft Local Government Finance Settlement 2020/21, the MTFS assumptions for the Core Grants received by Haringey are as follows:

- Public Health Grant will increase by 1% above inflation to £20.2m in 2020/21. Inflationary increases are expected to be applied to the grant across the MTFS period.
- New Homes Bonus – there are indicative signs that this scheme will be stopped or replaced from 2021/22 however it is assumed that funding at a similar level will continue in some form or other.
- The Council Tax Support and Housing Benefit Admin Grants are expected to continue at 2019/20 levels in 2020/21 (£2m). From 2021/22, the MTFS assumes a drop of £0.5m on the assumption that the Universal Credit programme proceeds with more cases returned to Government.
- Section 31 (S31) grants in relation to mandatory business rate reliefs are expected to continue for 2020/21 but beyond that it is expected that these will be rolled into the baseline figures and come through as part of the SFA.
- The Government announced additional resource funding for MHCLG to reduce homelessness and rough sleeping through the Flexible Homelessness Support Grant and the Homelessness Reduction Grant. Haringey will receive £7.8m in 2020/21.

6.29 The table below shows assumptions about the core grants over the 5-year MTFS period.

Table 6.6 – Core Grants

Grant Name	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Council Tax Support Grant	457	457	408	408	408	408
Housing Benefit Admin Grant	1,491	1,491	1,043	1,043	1,043	1,043
Public Health Grant	19,677	20,228	20,632	21,045	21,466	21,466
New Homes Bonus	2,541	2,199	2,199	2,199	2,199	2,199
Additional Improved Better Care Fund *	1,621	-	-	-	-	-
S31 - Business Rates Multiplier Cap	1,134	1,019	-	-	-	-
S31 - Cost of doubling SBRR & threshold changes for 2019-20	3,285	3,327	-	-	-	-
S31 - Retail Discount Relief & Other Grants	2,205	2,341	-	-	-	-
NNDR Levy Surplus 2019/20	1,238	-	-	-	-	-
Local Flood Grant	22	-	-	-	-	-
Total	33,671	31,062	24,282	24,694	25,115	25,115

* this funding continues to be received but will be allocated directly to the service budget from 2020/21

Council Tax

6.30 Since the December report, the 2020/21 council Tax base has been calculated as required by statute and the final report is attached in Appendix 13. This enables the Council to calculate its own council tax but this figure is also required to be notified by 31st January to the GLA as the major precepting authority and the levying bodies (Environment Agency, Lee Valley Regional Park Authority, North London Waste Authority and London Pension Fund Authority) in order for them to calculate and set their own budgets and determine the level of precept / levy to be made to Haringey.

6.31 The Tax base figure for Haringey for 2020/21 has been set at 78,543 and the impact of this has been reflected in Table 6.7 below. The key assumptions in the MTFS on Council Tax are:

- A 1.99% increase in Council Tax in 2020/21 and for each subsequent year (subject to the referendum limits set by Government)
- Additionally, an Adult Social Care (ASC) precept of 2% is proposed in 2020/21 (as per SR19), but no subsequent increases are assumed in the years post 2020/21.
- The collection rate will be at least 96.50% throughout the planning period.
- The tax base is forecast to grow by 1.7% in 2020/21, followed by increases of 1% per annum throughout the remainder of MTFS planning period
- The Council Tax Collection Fund account has had surpluses of up to £6m over the past few years, largely due to an overestimation of the impact of the Council Tax Reduction Scheme (CTRS) on income levels. The forecasting has been refined and is reflected in a reduced forecast surplus across the MTFS period (£2.18m).
- The latest forecast of the number of CTRS claimants is lower than the number forecast last year, a change which looks to be driven by changes in the national benefits system and the rollout of Universal Credit in Haringey.

6.32 The resulting projections for Council Tax income and Band D Rates are set out below. These figures are subject to confirmation of the council tax base, which is due to be

finalised in January 2020 and formal Council ratification of Council Tax Rates in February 2020.

Table 6.7 – Council Tax Assumptions

COUNCIL TAX ASSUMPTIONS						
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Taxbase before collection rate	80,096	80,067	81,392	82,206	83,028	83,858
Taxbase change	0.0%	1.7%	1.0%	1.0%	1.0%	1.0%
Taxbase for year	80,067	81,392	82,206	83,028	83,858	84,697
Collection Rate	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%
Taxbase after collection rate	77,265	78,543	79,329	80,122	80,923	81,732
Council Tax increase	2.99%	1.99%	1.99%	1.99%	1.99%	1.99%
Social Care precept	0%	2.00%	0%	0%	0%	0%
Band D rate	£1,319.89	£1,372.55	£1,399.87	£1,427.72	£1,456.14	£1,485.11
Council Tax Before Surplus (£000)	£101,981	£107,805	£111,050	£114,392	£117,835	£121,382
Previous Year (Estimated) Surplus	£3,850	£2,175	£2,175	£2,175	£2,175	£2,175
Council Tax Yield (£000)	£105,831	£109,980	£113,225	£116,567	£120,010	£123,557

Fees and Charges

- 6.33 The Council's policy in relation to varying external income requires service managers to review the level of fees and charges annually as part of budget setting and that charges should generally increase by the rate of inflation to maximise allowable income.
- 6.34 The setting of fees and charges, along with raising essential financial resources, can contribute to meeting the Council's objectives. Through the pricing mechanism and wider market forces, outcomes can be achieved and services can be promoted through variable charging policies and proactive use of fees to promote or dissuade certain behaviours.
- 6.35 In the main, fees and charges are set at a level where the full cost of provision is recovered through the price structure. However, in many circumstances those charges are reduced through subsidy to meet broader Council priorities.
- 6.36 Each year the Council reviews the level of its fees and charges through consideration of a report by the Cabinet and its Regulatory Committee, where it is a requirement that they are considered and approved outside of the Executive. Both Cabinet and the Regulatory Committee have received and approved the fees and charges reports in relation to 2020/21.
- 6.37 The impact of fees and charges increases have been included in the revenue income projections in the MTFs.

Use of Reserves

- 6.38 The Council's (Non-Earmarked) General Fund Balance is held to cover the net impact of risks and opportunities and other unforeseen emergencies. The funds held in the General Fund Reserve can only be used once and therefore are not a recurring source of income that can meet permanent budget gaps.

- 6.39 No use of corporate reserves is required to balance the 2020/21 Budget and financial plans presented in this report assume the maintenance of the General Fund Reserve at the current level of c.£15.5m across the MTFs.
- 6.40 The Full Council report on 24 February 2020 will provide a more comprehensive review of the overall sufficiency of Council reserves as part of the S151 statement.

Summary of Corporate General Fund Assumptions

- 6.41 A summary of the of the funding assumptions and breakdown of funding sources is set out in table 6.8.

Table 6.8 – Funding Assumptions

	Source of Funding	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		£'000	£'000	£'000	£'000	£'000	£'000
Table 6.4	Revenue Support Grant	-	21,993	22,434	22,880	23,340	23,807
	Top up Business Rates	65,196	58,412	61,089	62,290	63,490	63,958
	Retained Business Rates	33,484	22,100	22,540	22,985	23,425	24,695
	NNDR Growth	3,000	400	-	-	-	-
	NNDR Surplus/(Deficit)	-	(1,654)	2,324	2,232	2,131	2,174
Table 6.7	Council Tax	101,981	107,805	111,050	114,392	117,835	121,382
	Council Tax Surplus	3,850	2,175	2,175	2,175	2,175	2,175
Table 6.6	New Homes Bonus	2,541	2,199	2,199	2,199	2,199	2,199
	Public Health	19,677	20,228	20,632	21,045	21,466	21,466
	Other Core Grants	11,453	8,635	1,450	1,450	1,450	1,450
	Total (External) Funding	241,182	242,292	245,894	251,648	257,512	263,306

- 6.42 As mentioned above, the social care Grants previously held as Other Core Grants will be allocated to the service budgets from 2021.

7. General Fund Revenue Expenditure Assumptions

7.1 2019/20 Financial Performance – General Fund Revenue

- 7.1.1 The General Fund (GF) revenue forecast of £5.2m overspend has remained stable across the first two quarters of the year which is significantly below the £15.9m reported in the same period in 2018/19 (which was before the application of budget contingencies of £6.6m in that year). This evidences that last year's approach to financial planning and setting the budget was sound and is having the intended consequence.
- 7.1.2 The next update on the 2019/20 Budget position will be presented to Cabinet at its meeting in March however, the Council's Corporate Board monitor this monthly via an update report which confirms that the forecasts provided in December remain largely sound.
- 7.1.3 This year's monitoring and financial planning processes have sought to embed the Live Budgeting approach outlined in the February 2019 Budget/MTFS report. There was one write-off of an unachievable saving relating to the Customer First programme and approval of a series of Children's services Invest to Save proposals at the July Cabinet. That July Cabinet was also presented with in year budget forecasts which

enabled emerging budget pressures to be considered as part of the financial planning process for 2020-2025 at an early stage.

- 7.1.4 As outlined in the December 2019 report, the 2020/21 Budget proposed has addressed the two most significant budget pressures driving the forecast overspend. The first is demand growth in Adults, where the additional budget built into 2019/20 base budgets for this service area was not able to fully address the underlying need; the second is a recognition that a pre-agreed savings which planned to achieve income contributions from letting out office space in Council buildings is no longer achievable as intended and the 2020/21 Budget plans that this is written out from April 2020.
- 7.1.5 Regular review of the progress in delivering the agreed savings proposals is undertaken and focusses on both in year and future years. This enables early interventions to be taken and has proved successful this year in significantly reducing the level of non-delivery seen in previous years. The Qtr2 report recognises that some savings, over and above the one outlined above, will not deliver in year as planned, but this is a profiling issue, rather non-delivery; the budgetary impact is largely being mitigated in year and the savings will deliver early 2020/21.
- 7.1.6 The Dedicated Schools Grant (DSG) year-end forecast remains at c.£5.1m (£1.8m Qtr1). This is due to the on-going pressures in the High Needs Block (HNB) which Members will be aware is a national issue facing the entire local government sector mainly as a consequence of the expansion of age ranges for EHCP eligibility. In the context of the increased demand the service is reviewing its savings plan to see how costs can be reduced.
- 7.1.7 The SR19 announcement of one-off additional funding (c. £4.4m) for the 2020/21 HNB was welcome but does not cover the full estimated future years overspend and doesn't provide the permanent resolution that we require. It also doesn't clear the estimated £7.3m DSG deficit balance at the end of this year. Correspondence with the DfE has continued over the past months in an attempt to get confirmation on when a sustainable funding stream will be announced. Until this is clarified, it remains one of the biggest financial risks to the authority. The Council will need to review how it carries that risk on its balance sheet at the end of 2019/20, in light of the accounting guidance at that time. An update will be included in the report to Full Council on 24th February 2020 as part of the S151 review of the adequacy of reserves.
- 7.1.8 In summary, the major underlying pressures highlighted in the in-year budget monitoring are proposed to be resolved as part of the 2020/21 budget and officers will continue to work on reducing and mitigating the in-year GF forecast overspend to bring it to a balanced position by March 2020; an update on progress will be provided in the Quarter 3 / Budget Update report being presented to Cabinet on 10th March but it is currently forecast to be achieved without recourse to balances

7.2 Budget Growth / Pressures

- 7.2.1 The financial planning process has sought to identify, and where possible address, budget pressures and necessary growth in order that the 2020/21 Budget in particular, but also the MTFS 2020-2025 are set are realistically as possible – matching forecast expenditure against forecast income and deliverability of newly proposed savings.

7.2.2 Some growth for the period to 2024 was already built into last year's MTFS and the financial planning work undertaken since May has reviewed the assumptions driving those figures, updated them where appropriate and has also assessed new pressures or identified growth.

7.2.3 The main corporate assumptions across the 2020-2025 period are outlined below followed by a paragraph which focusses on the policy priorities and service specific items.

7.3 Pay Inflation (+£2.5m pa)

7.3.1 The current pay deal ends at 31/03/2020 and negotiations are still underway over the next agreement. While no firm information has been received, the MTFS for the two years 2021/22 & 2022/23 now includes an additional £1.25m, over and above the £2.5m already assumed, as a hedge against the impact on pay levels of the Government pledge to end austerity.

7.4 Non-Pay Inflation (+£1m pa)

7.4.1 The assumption continues that the services will broadly have to manage within existing budgets, thus absorbing any inflationary pressures. However, in recognition that (a) some contracts include inflation-linked increases (b) utility costs continue to be volatile and difficult to predict and (c) legislative changes can impact on cost of services, additional budget has been built in across the period. Similar to the revised assumptions on pay inflation beyond 2020/21, the MTFS now assumes an additional £1m for both 21/22 & 22/23 recognising the potential impact of Brexit on general expenditure costs.

7.5 Employer Pension Contributions (-£0.5m pa)

7.5.1 The outcome of the most recent triennial valuation, which covers the period 2020/21 – 2022/23, confirms that the Pension Fund has performed well allowing for a decrease to the Council's contribution rate of 0.5% each year for three years.

7.6 Treasury & Capital Financing

7.6.1 The MTFS has been updated to reflect the impact of both the recent 1% increase in the PWLB rates on the existing capital programme as well as the newly proposed investment. The impact of this is estimated at £1m in total over the period of the MTFS.

7.6.2 It also builds in the overall step up in forecast borrowing costs associated with the new capital proposals.

7.6.3 All assumptions have been revisited following the December report and the Budget/MTFS now reflect the most up to date assumptions and are in line with the final Treasury Management Strategy Statement which will be presented to Full Council on 24th February.

7.7 Levies

7.7.1 The current assumption is that all Levy costs except the North London Waste Authority (NLWA) levy will remain broadly in line with the 2019/20 figures across the period. Final figures are expected to be available to include in the Full Council report on 24th February.

7.7.2 The NLWA's North London Heat and Power Project will replace the existing Energy from Waste plant at the Edmonton EcoPark with an Energy Recovery Facility and includes a new Resource Recovery Facility. This major project will have financial implications for each of the 7 London boroughs involved, representing 2 million people. The existing MTFS had assumed a £0.5m p.a. levy increase to commence from 2020/21, due the impact of increased borrowing costs which must be met by the levy. The latest NLWA planning, however, is that this will commence later. This has allowed a one-off amendment to the previous MTFS assumptions for 2020/21. The receipt of any firmer information on increases to the levy for the years 2021/22 and beyond will be reflected in future budget plans.

7.8 Policy Priorities

7.8.1 Last year the Council agreed that the following policy priorities receive additional funding through the 2019/20 Budget and it is proposed that this is continued to be funded in each year of the new MTFS:

- Youth Services programme - £0.25m
- School meals pilot - £0.05m
- Council Tax Reduction Scheme - £1.6m

7.8.2 The table below shows the policy growth now confirmed as built into the 2020/21 Budget & 2020-2025 MTFS.

Table 7.1 Policy Growth Proposals

POLICY GROWTH PROPOSALS	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Adult Social Care - London Living Wage for Homecare & Direct Payments (above previous corp funding)	3,507	(1,733)	(1,363)	(411)	-
Adult Social Care - London Living Wage for Extra Care Sheltered Housing	800	-	-	-	-
HR - Apprenticeship Support	134	-	-	-	-
TOTAL	4,441	(1,733)	(1,363)	(411)	0

7.8.3 This Budget proposes the introduction from April 2020 of London Living Wage (LLW) rates for Council contracted Homecare staff and also those working in Extra Care Sheltered Housing; additionally, an uplift has been applied to Social Care Direct Payments to individuals in line with LLW rates.

7.8.4 This addresses a key policy position of the council and also addresses the fact that, when compared to our neighbours, Haringey is paying relatively low rates for Home Care and Direct Payments. The enhanced rates will be implemented in conjunction with the introduction of alternative delivery models including electronic call monitoring, assistive technology, reablement and the associated changes to care plans. These changes are planned to make this programme cost neutral by 2024/25 except for the enhancement of Extra Care rates, where the cost cannot be mitigated down.

7.8.5 The additional investment in apprenticeships will create social and economic benefits for residents as well as providing opportunities for current and future Council staff. The investment will enable the creation of a team to form and manage an enhanced approach to apprentice recruitment, support and development, providing training opportunities across the council. Creation of new apprenticeship opportunities will enable the Council to utilise the Apprenticeship Levy to a far greater degree than has been possible at current resourcing levels. The levy can be used to support training for current staff taking up apprenticeships as well as new recruits to the workforce. The availability of an increased number of apprenticeship opportunities will also make the council an attractive employer and help to target groups that are often disadvantaged in the recruitment marketplace, such as young people and people returning to work after a break.

7.9 Service Growth Needs

7.9.1 The table below shows the service specific growth proposals / unachievable savings write-off now included in the 2020/21 Budget and 2020-2025 MTFs.

Table 7.2 – Service Growth Needs / Write-Off Unachievable Savings

SERVICE GROWTH NEEDS / WRITE OFF UNACHIEVABLE SAVINGS	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Net Demographic / inflation growth Adults Social Care (above current MTFs assumption)	2,124	(697)	(813)	2,788	3,102
Inflation growth Children's Social Care	0	500	500	500	500
Rectify HR -Shortfall in schools' income	270	-	-	-	-
HR - base budget insufficiency. Long Term resolution via proposed restructure	546	(546)	-	-	-
Rectify historical structural deficit - Electoral Services	120	-	-	-	-
Highways Street Tree Maintenance	95	6	6	6	6
Local Plan Review	50	0	-	-	-
Write-off Alexandra House decant pre-agreed saving	800	-	-	-	-
TOTAL	4,005	(737)	(307)	3,294	3,608

7.9.2 The biggest single growth items relate to Adults and Children's services in recognition of the forecast pressures across the MTFs period over and above the sums already built into the existing plans.

7.9.3 It is forecast that the Adults service will need to address both demographic and inflationary pressures. The figures have been generated by detailed modelling and trend analysis moderated down by the impact of early interventions, reablement and the use of technology, which is hoped will provide an environment of greater resilience amongst the cohort of potentially vulnerable clients. Consequently, this should allow clients to remain independent for longer before the need to enter the

care system. This additional funding also addresses the £2.7m pressure highlighted in Adult's budgets in 2019/20.

- 7.9.4 Children's services are not expecting demographic growth however, it is prudent to recognise the impact of inflationary growth in the market and therefore some additional funding for this has been assumed from 2021/22.
- 7.9.5 The remaining growth proposals look to address historic or forecast base budget pressures. All build in additional budget on an on-going basis with the exception of the £0.546m for HR which the service are looking to resolve as part of a forthcoming restructure of that service and therefore the funding is only provided for 2020/21.
- 7.9.6 The proposed write off of the existing saving associated with realising income from decanting Alexander House to enable rental accounts for the final £0.8m growth.

7.10 Budget Reduction Proposals

- 7.10.1 The 2019 Budget and MTFS 2019-2024 agreed a total of £29.9m budget reductions to be delivered across that period. Whilst the Council was able to set a balanced budget for 2019/20, the MTFS acknowledged that a forecast £20.5m additional savings would be required over the years from 2020/21 to match the assumed funding and expenditure plans at that point (giving a total forecast savings requirement of over £50m).
- 7.10.2 The July 2019 report agreed a couple of changes to this position. It approved the write-off of an unachievable saving and agreed to a set of Invest to Save proposals put forward by the Children's service (£2.5m over the five-year MTFS period).
- 7.10.3 The net impact of these decisions on the draft 2020-2025 MTFS were built into the financial planning process underway since May this year.

7.11 2020-2025 Approach to Budget Reduction Proposals / Savings

- 7.11.1 The financial planning process looked to build on the progress made last year where the budgets agreed were more realistic and understood and owned by the wider organisation. As last year, the Council started its budget process at a very early stage in order to identify and propose the options contained in this report.
- 7.11.2 The key themes underpinning this planning strategy were:
- Move towards long term sustainable position
 - Earlier officer/Member discussion about priority issues, opportunities and risks
 - Change orientated
 - Better integration of capital and revenue decision making
 - More comprehensive resource planning
 - Embed the principle of Live budgeting decisions
 - Continued integration of in year monitoring with financial planning
- 7.11.3 The new budget reduction proposals arising from this process are set out in Table 7.4 below, allocated by priority.

Table 7.4 – New Budget Reduction Proposals by Priority

Priority	2020/21	2021/22	2022/23	2023/24	2024/25	Total Savings
	£000	£000	£000	£000	£000	£000
Housing	68	136	136	136	136	612
People - Adults	1,034	60	0	(476)	0	618
People - Children	225	150	175	100	200	850
Place	2,002	1,467	989	0	0	4,458
Economy	815	120	130	120	0	1,185
Your Council	1,370	517	784	0	0	2,671
Total - New Proposals	5,514	2,450	2,214	(120)	336	10,394
Total - Invest to Save	1,635	669	244	-	-	2,548
Total Savings Proposals	7,149	3,119	2,458	(120)	336	12,942

7.11.4 The new proposals have been analysed by delivery type;-

Table 7.5 – Budget Reduction Proposals by Delivery Type

Saving Proposal by Type	2020-21	2021-22	2022-23	2023-24	2024-25	Total	Percentage
	£000	£000	£000	£000	£000	£000	%
Efficiency savings	1,367	399	575	-	-	2,341	18%
Increase in income	2,383	1,248	653	-	-	4,284	33%
New Delivery Model	1,610	806	588	220	200	3,424	26%
Service redesign	680	666	567	136	136	2,185	17%
Stopping / reducing service	1,109	-	75	(476)	-	708	5%
Total	7,149	3,119	2,458	(120)	336	12,942	100%

7.11.5 The total proposed new budget reductions for 2020/21 of £7.1 are considerably lower than the £13.2m that have been forecast to be necessary last February. Because of the Council's approach to live budgeting, the decisions it made in July and its active use of Invest to Save (£1.6m), the new proposals necessary at this stage come to £5.5m. When added to the reductions already agreed for 2020/21 (£7.1m), the total to be delivered is £14.6m. The table below provides a summary of the total agreed savings (pre-agreed and newly identified as part of this Budget/MTFS process) and forecast unidentified savings across the period 2020-2025. A more detailed version is available in Appendix 3.

Table 7.6 – Total Savings Proposals 2020-2025

Priority	2020/21	2020/21	2020/21	Total Savings				
	Pre-Agreed Savings	New Savings	Total Savings	2021/22 Total Savings	2022/23 Total Savings	2023/24 Total Savings	2024/25 Total Savings	Total Savings
	£000	£000	£000	£000	£000	£000	£000	£000
Housing	1,108	68	1,176	709	136	136	136	2,293
People - Adults	4,039	1,034	5,073	3,245	3,270	(376)	0	11,212
People - Children	2,036	225	2,261	909	419	100	200	3,889
Place	1,012	2,002	3,014	2,067	1,059	70	0	6,210
Economy	15	815	830	120	130	120	0	1,200
Your Council	918	1,370	2,288	542	790	6	0	3,626
Total Savings	9,128	5,514	14,642	7,592	5,804	56	336	28,430
Unidentified Savings			0	1,954	3,178	6,684	3,743	15,560
Total Savings Requirement			14,642	9,546	8,982	6,740	4,079	43,990

7.11.6 To help de-risk the budget in future years, officers have assessed delivery confidence which will help when monitoring delivery in the new year. All proposals have been reviewed by the Policy and Equalities team and have been subject to equalities screening and where required, a full EqIA's. The outcome of this process is included in Appendix 12.

7.11.7 The monitoring of savings delivery in 2019/20 has provided a growing assurance that services have a greater understanding of and capacity to deliver budget reduction proposals. This, when coupled with the indicative delivery confidence provided for the new proposals, supports a one-off reduction in the budgeted resilience contingency for 2020/21.

7.12 Summary Revenue Budget Position 2020/21 – 2024/25

The summary revenue budget position, including the projected gaps for future years is set out in the table below.

Table 7.7 – Summary Revenue Budget Position

	2019/20 Budget	2020/21 (Draft) Budget	2021/22 Projected	2022/23 Projected	2023/24 Projected	2024/25 Projected
Priority Area	£'000	£'000	£'000	£'000	£'000	£'000
Housing	18,888	16,382	15,673	15,537	15,401	15,265
People - Children	58,310	55,189	54,780	54,861	55,261	55,561
People - Adults	82,312	83,784	81,693	79,968	83,142	86,244
Place	26,652	24,915	22,854	21,801	21,737	21,743
Economy	1,173	1,006	886	756	636	636
Your Council	35,805	35,999	34,911	34,121	34,115	34,115
Non-Service Revenue	23,529	25,017	37,051	49,736	59,036	65,302
Council Cash Limit	246,669	242,292	247,848	256,780	269,328	278,866
Planned Contributions from Reserves	(5,487)	-	-	-	-	-
Further Savings to be Identified	-	(0)	(1,954)	(5,132)	(11,816)	(15,560)
Total General Fund Budget	241,182	242,292	245,893	251,648	257,512	263,306
Council Tax	101,981	107,805	111,050	114,392	117,835	121,382
Council Tax Surplus	3,850	2,175	2,175	2,175	2,175	2,175
RSG	-	21,993	22,434	22,880	23,340	23,807
Top up Business Rates	65,196	58,412	61,089	62,290	63,490	63,958
Retained Business Rates	33,484	22,100	22,540	22,985	23,425	24,695
NNDR Surplus/(Deficit)	-	(1,654)	2,324	2,232	2,131	2,174
NNDR Growth	3,000	400	-	-	-	-
Total (Main Funding)	207,511	211,230	221,612	226,953	232,396	238,191
Core/Other External Grants						
New Homes Bonus	2,541	2,199	2,199	2,199	2,199	2,199
Public Health	19,677	20,228	20,632	21,045	21,466	21,466
Other core grants	11,453	8,635	1,450	1,450	1,450	1,450
TOTAL (Core/Other External Grants)	33,671	31,062	24,282	24,694	25,115	25,115

7.12.1 The net Non-Service Revenue budget line in the table covers Council costs which are not specifically attributable to any particular service. The main drivers of its increasing budget size over the MTFs period are higher financing costs due to the significant expansion in the Council's capital programme, budget resilience contingency against non-delivery of agreed savings and provision for inflation. The latter are held centrally at the Budget setting stage and will be allocated out to the various service budgets during the year when it is clearer what the actual pressure is.

Changes Since the December 2019 Report

7.12.2 The draft General Fund Budget 2020/21 presented in the December 2019 Cabinet report had a budget gap of £0.6m. This compares to the £7.5m & £6.5m gaps at this point in preparing the budgets for 18/19 & 19/20. The £0.6m gap has now been addressed by technical and corporate adjustments and there has been no need to make further changes to service budgets or utilise balances (reserves).

7.12.3 The forecast budget gap for future years is now greater than previously reported, taking account of the levels of uncertainties in our operating climate.

7.12.4 The budget changes between the December report and those now included in this report are summarised in the table below.

Table 7.8 – GAP Update

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
December 2019 Gap - Cumulative	612	487	1,696	8,642	12,409
Total Changes since December	(612)	1,467	3,436	3,174	3,151
Revised Gap - Cumulative	0	1,954	5,132	11,816	15,560

7.12.5 The main changes to the Budget since December are described below.

Provisional Local Government Finance Settlement 2020/21

- 7.13 Since the last report was published, the Provisional Local Government Finance Settlement has been announced. There were no substantive changes to the main core funding streams, however notification has subsequently been provided of Housing related grants. This confirmed the continuation of the Flexible Housing Support Grant (FHSG) in 2020/21 at the same level as 2019/20 (£6.7m) plus a Homelessness Reduction Grant (£1.0m) which is an enhancement of £0.6m compared to current level.
- 7.14 In recognition of the increased and on-going substantially increased Corporate contribution to funding Homelessness / Temporary Accommodation since 2017, the Budget for 2020/21 assumes that £6.2m will be passed onto the service.
- 7.15 A review of the budgeting of Adults and Children’s service grants has been undertaken. In the light of this, and consistent with the 2019/20 treatment, the new Social Care Support Grant announced for 2020/21 has now been allocated 50:50 between the two services. This has had no impact on the gross expenditure budgets assumed in the December report i.e. no resultant further savings or growth requirements. It does however show as a reduced net budget for Children’s and an increased net budget for Adults.

Corporate Budget Changes

- 7.16 As signalled in the December report, the treasury and capital financing assumptions have been reviewed and adjusted where appropriate. A similar review of the contingency provided for inflation and contract pressures has been undertaken and figures adjusted.

Council Tax Assumptions

- 7.17 Each Council is required to calculate and set its tax base by 31st of January each year. This figure is provided to levying and precepting bodies and is also used to calculate the budget for Council Tax receipts. In arriving at the proposed tax base, the current list is reviewed and updated following consideration of a number of items such as increases in residential properties during the year, forecast number of CTRS claimants, the expected collection rate etc. The review has led to a higher tax base figure than assumed when the December report was written which translates into an increase in council tax receipts. We are also assuming that the arrears project (part funded by the GLA) which helps realise older, harder to recover council tax and business rates receipts, will continue for the foreseeable future and therefore the associated administrative costs of £0.350m need to be built into the 2020/21 Budget.

Summary

- 7.17.1 It must be emphasised that the planning assumptions beyond 2020/21 included in the MTFS assume that the Council will continue to receive a similar level of grant funding as was announced in the Spending Round 2019 (SR19) and confirmed in the Local Government Finance Settlement, which included a significant step up in the level of social care grants receivable in 2020/21. The Queen's speech announced in December 2019 confirmed a commitment to underpin this at a National level however, this may not translate into the same grant at a local level as we expect the distribution methodology for all local Government funding to be changed as part of the long awaited Fair Funding Review. Any loss will impact on the current forecast gap across those years.
- 7.17.2 In undertaking this multi-year financial planning, the levels of uncertainty and risk increase substantially beyond the immediate budget for next year. Reference has been made above to the scale of the assumption made in regard to future years grants. This report elsewhere highlights the many other risks that may impact and increase the size of the gaps forecasted above for years 2 and beyond. This authority, like all other social care councils, must be particularly concerned about the risks regarding its care services finances. While the year-on-year cash limit profiles for our care services detailed above have been prepared with reference to best intelligence on future years grants, demographics, savings and other pressures, these need to be kept under closest review. The section below expands on what are currently considered as the most material risks and assumptions that could impact on the 2020/21 Budget and 2020-2025 MTFS now presented.

7.18 Review of assumptions and risks 2020/21 – 2024/25

- 7.18.1 The Council's Section 151 Officer has a statutory responsibility to assess the robustness of the Council's budget and to ensure that the Council has sufficient contingency/reserves to provide against known risks in respect of both expenditure and income. This formal assessment will be made as part of the final report on the Council's budget on 24th February 2020 and will draw on independent assessments of the Council's financial resilience (CIPFA & London Councils) however, it is critical that this report outlines the assumptions and approach to risk taken when arriving at the budget proposals included in the proposed Budget & MTFS.
- 7.18.2 Given the increased financial pressure that is falling upon this council's budget, this statutory role is acquiring more and more significance. The number and breadth of potential risks and level of uncertainty, particularly around future funding, underlines the need to maintain both a budgeted resilience contingency and keep general and earmarked reserves at current levels.
- 7.18.3 The main uncertainties and risks identified to date which the impact on the Council's budget over the period of the MTFS are:
- Funding assumptions for 2020/21 are subject to the final Local Government Finance Settlement expected in early February 2020 and therefore there may be changes.
 - There have been no announcements about funding beyond 2020/21 so professional judgement has had to be used in forecasting funding for the later years of the MTFS. These assume that Government funding of a similar level to that announced in SR19 will continue across the whole period. Should this not be realised it will have a

significant impact on the current forecast gap across those years. This will be kept under close review.

- The expected Fair Funding Review and redesign of the Business Rates Retention scheme did not complete during 2019/20 as expected and are now planned for 2020/21. The impact on funding for the Council on the eventual outcomes of both are not known at this time but any significant change to the quantum or distribution methodology could negatively impact on the current budget plans.
- The continued pressure on High Needs Block Dedicated Schools Block (DSG) resources, lack of a clear strategy for resolution from the DfE and ongoing uncertainty about where the accounting risk for this overspend sits.
- The on-going uncertainty over the impact that Brexit might have – particularly on staffing in critical social care & health services, on local tax income levels and potentially numbers presenting as No Recourse to Public Funds (NRPF).
- Increases in London Living Wage in future years.
- The impact of pay and general inflation pressures above current assumptions.
- General population increases that are expected over the next 5 years and any associated growth in demand - other than specifically allowed for – may lead to financial pressure.
- Planned actions to increase Council managed temporary accommodation options do not progress at the pace expected.
- The Council's Transformational Programmes do not deliver the required savings, do not deliver savings quickly enough, or are counteracted by demographic trends particularly in critical areas such as Children's and Adults Social Care and Temporary Accommodation.
- Any further deterioration in the forecast 2019/20 position including non-delivery of in year savings.
- The need to balance revenue and capital priorities to ensure the most appropriate use of available resources and the risk that the required skilled workforce to deliver at pace is not available.
- Business rates base negatively impacted by any economic slowdown and continuing trend to on-line services

8. Council's Capital Strategy and Capital Programme 2020/21 – 2024/25

Introduction

- 8.1 This is the second capital strategy report that has been prepared since it became a mandatory requirement of local authorities to produce one. It gives a high-level overview of how capital expenditure, capital financing, and treasury management activities contribute to the provision of public services. It also provides an overview of how the risks of the capital programme are managed and the implications for future financial sustainability.

Background

- 8.2 Capital expenditure in local government is defined in statute and accounting practices/codes and as such must be complied with. Within these rules, capital budgets and capital expenditure decisions offer the opportunity for the Council to profoundly affect the lives of its residents, businesses, and visitors in both the immediate and the longer term.
- 8.3 Capital programmes can shape the local environment (e.g. through the provision of new housing, traffic schemes or regeneration schemes); positively impact people's lives (e.g. through creating appropriate housing for adults with learning difficulties or investment in parks and open spaces); transform the way the Council interacts with local residents (e.g. through the libraries investment programme or proposals for a new customer service centre); and deliver fit for purpose schools. The key objectives for the Council's capital programme are to deliver the borough plan and assist the Council in meeting the financial challenges that it continues to face.

Capital expenditure and financing

- 8.4 Capital expenditure is where the Council spends money on a project, with the view to derive economic benefit from the outcome of the expenditure, for a period longer than twelve months. This also includes spending on assets owned by other bodies, loans and grants to other bodies enabling them to buy assets.
- 8.5 The table below shows a high-level summary of the Council's outline capital spending in the medium-term; i.e. for the financial years 2020-25 which shows the continued and growing capital investment that is being undertaken to support the achievement of the borough plan objectives.

Table 8.1: Capital expenditure plans overview 2020/21-2024/25

	2019/20 Budget (£'000)	2020/21 Budget (£'000)	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	Total (£'000)
Existing Capital Programme							
General Fund Account (GF)	152,637	163,895	158,622	90,577	107,481		673,212
Housing Revenue Account (HRA)	148,145	106,470	365,215	236,314	190,840		1,046,984
Total	300,782	270,365	523,837	326,891	298,321		1,720,196
Updated Capital Programme							
General Fund Account (GF)		217,762	213,535	170,420	139,435	96,888	838,039
Housing Revenue Account (HRA)		236,331	214,146	204,392	165,200	194,501	1,014,570
Total		454,093	427,681	374,812	304,635	291,389	1,852,609

- 8.6 The capital programme is composed of individual priority programmes. Within these priority totals there are schemes and within most schemes there are individual projects. For instance, Scheme 302, Borough Roads, will contain individual projects on individual roads.
- 8.7 The inclusion of a scheme within the capital programme is not necessarily permission to spend. Most schemes will be subject to the completion of an approved business case that validates the high-level cost and time estimates contained within the programme. An integral part of the business case will be an assessment of the risks that a project faces and once a project is agreed, the review of the risk register is a standing item on the agenda for the project's governance arrangements.
- 8.8 There are a range of schemes within the General Fund capital programme that will only proceed, if they are estimated to result in a net reduction in expenditure. That reduction will include the cost of financing the capital expenditure. These schemes are known as self-financing schemes.
- 8.9 Service managers bid annually as part of the Council's budget setting process. The bids are assessed against their "fit" in relation to the Borough Plan, the asset management plan and meeting the objectives of the medium-term financial strategy (MTFS).
- 8.10 The Housing Revenue Account (HRA) is a ring-fenced account, which ensures that the Council's housing activities are not subsidised by the Council's non-housing activities. It also ensures that the Council's non-housing activities are not subsidised by its HRA. HRA capital expenditure is recorded separately.

The table below details the proposed capital expenditure plans by priority.

Table 8.2: Capital expenditure plans by priority

	2020/21 Budget (£'000)	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	Total (£'000)
People - Children's	21,263	18,236	13,766	13,611	11,131	78,007
People - Adults	13,370	24,970	25,720	12,400	4,470	80,930
Place	28,150	25,084	17,964	13,244	9,053	93,495
Economy	143,968	138,905	109,520	95,130	69,134	556,657
Housing (GF)	1,000	1,000	1,000	1,000	0	4,000
Your Council	10,010	5,340	2,450	4,050	3,100	24,950
Total General Fund (GF)	217,762	213,535	170,420	139,435	96,888	838,039
Housing (HRA)	236,331	214,146	204,392	165,200	194,501	1,014,570
Overall Total	454,093	427,681	374,812	304,635	291,389	1,852,609

8.11 Appendix 4 includes the previously agreed schemes plus any changes since the last budget (up to and including the November 2019 Cabinet), plus details of the new schemes proposed. Additionally, Appendix 5 provides details of the new schemes. The following paragraphs provide a high-level description of each of the proposed new schemes.

Children's Services

8.12 Extensive work has been undertaken during 2019/20 to understand the extent of the investment required in the Children's Services estate. This work has provided comprehensive information on the condition of the estate and provides the foundation of the forthcoming Children's Services asset management plan. The asset management plan will provide a framework for the decisions on where and when the investment in the estate best serves the needs of our young people so that they are educated in facilities that are fit for today and the future. The significant new investment of £50m will be targeted to achieve that maximum effect. This new investment relates to the existing stock rather than any expansion requirements. The building surveying work on the Children's Services Estate Strategy is nearing completion. This will then be translated into a programme of prioritised investment in the estate, sometime around June 2020. At that point work on feasibility studies will commence and will be initially funded from the overall Children's Service capital programme (acknowledging that some costs may be abortive and thence a charge on revenue). It is proposed that any major future Fortismere Secondary School scheme is addressed via this programme (and not as a specific scheme) and therefore any budget provision will be dependent upon the further work on prioritisation of major schemes.

School Streets Initiative 2020/21-2024/25 (scheme 119)

8.13 The proposal is for streets outside schools that will have a range of physical treatments to change travel patterns and behaviours, to encourage more sustainable modes of travel to school, to improve the air quality and to provide a safer environment for children.

School Condition Works 2020/21-2024/25 (scheme 120)

- 8.14 During 2018/9-2019/20 extensive surveys have been undertaken of the school's estate. This has identified a range of work that needed to be done immediately as they related to H&S issues. These works have been completed and the focus is now on further works to the school estate to ensure that the buildings are fit for purpose.

Adult Services

- 8.15 The continued focus of the Adults Services capital programme is to enhance the lives of disabled and older adults. The new proposals for capital expenditure are based on providing assets and services that enable people to lead fulfilling lives, where possible independently within their own homes.

Burgoyne Road 2020/21-2024/5 (scheme 217)

- 8.16 This proposal is for the conversion of Burgoyne Road (once acquired from the NHS) into a refuge for survivors of domestic abuse.

Social, Emotional & Mental Health provision 2020/21-2024/25 (scheme 218)

- 8.17 This capital proposal is to develop the social, emotional and mental health provision within the borough.

Additional Supported Living scheme 2020/21-2024/25 (scheme 219)

- 8.18 This proposal is to add to the current budget in the light of the successful Linden House project and will provide funding for further supported living schemes.

Osborne Grove Nursing Home 2020/21-2024/25 (scheme 220)

- 8.19 Cabinet considered the outcome of the detailed feasibility study into the expansion of the facility and agreed to proceed to create a new 70 bed unit. This proposal is for the additional funding to meet that decision and to allow for the emerging housing development on the site.

Place

- 8.20 The proposed increase in the Place priority capital programme are designed to make the borough a cleaner and safer place where residents can lead active and healthy lives. The proposed investment in the school streets initiative, the street and green space greening programme, the conversion of the streetlights to efficient LED's, when combined with the existing investment programmes will make a significant improvement in the environment.

Additional Asset Management of Council buildings 2020/21-2024/25 (scheme 316)

- 8.21 The need for works to River Park House has been identified to address a range of issues in the building. This proposal is to deal with the highest priority items. An additional allowance has been provided to fund any essential works following a series of proposed condition surveys.

Road Maintenance 2020/21-2024/25 (scheme 326)

- 8.22 This proposal is to enhance the existing budget for road maintenance to undertake essential works to the highway.

Principal Road Maintenance 2020/21 (scheme 327)

- 8.23 This proposal is for additional resources to cover a projected one-year shortfall in funding from TfL.

Street and green space greening programme 2020/21-2024/25 (scheme 328)

- 8.24 This programme seeks to increase the number of trees planted on Haringey's streets which will have several benefits to resident. The early phases of the scheme will concentrate on the east of the borough, where tree canopy cover is less than 20%.

Park Building Improvements & Carbon Reduction 2020/21-2024/25 (scheme 329)

- 8.25 The parks service is responsible for a portfolio of 58 buildings the majority of which are leased to stakeholders within parks. Fourteen of these buildings are used operationally by the parks service either as depots, sports pavilions or plant nursery. All these buildings need improvement to meet current legislative standards, council accommodation standards and energy efficiency.

Civic Centre Refurbishment 2020/21-2024/25 (scheme 330)

- 8.26 Surveys undertaken have identified substantial works being required at the Civic Centre. At this stage the budgetary provision is based on very high-level costings pending further investigations.

Borough Streetlight Conversion to LED's 2020/21-2024/25 (scheme 331)

- 8.27 This proposal is a self-financing one to replace the Council's current stock of inefficient streetlights with state-of-the-art LED bulbs.

Economy

- 8.28 The capital programme proposals for the Economy priority directly support wealth creation, regeneration and community aspirations in the borough. The considerable investment in the Council's own commercial property, along with the potential acquisition of other properties, will allow for the expansion of industrial, commercial and office space. Once invested in or acquired, these can be used to expand existing businesses or to attract new businesses. A significant amount of investment has been identified as being needed to reopen the Pendarren Centre. Once this work is fully developed it is proposed to meet that expenditure from the Strategic Regeneration Initiatives and Community Assets budget.

Capital Maintenance of Tottenham Green Workshop 2020/21-2024/25 (scheme 4001)

- 8.29 This proposal is to enhance the existing budget for the Tottenham Green Workshop so that economies in upgrading the building are achieved.

Northumberland Park Estate improvements 2020/21-2024/25 (scheme 4002)

- 8.30 This proposal is to provide improvements to the area around Northumberland Park Estate that are not covered by any works funded by the HRA.

Tottenham Hale DCF 2020/21-2024/25 (scheme 4003)

- 8.31 The strategies for the Tottenham Hale district centre framework (CF) were agreed some time ago and since then there has been considerable cost inflation. This proposal is to provide funding to complete the schemes as originally agreed.
Strategic Acquisitions Budget 2020/21-2024/25 (scheme 4004)
- 8.32 This proposal is to expand the coverage of the existing strategic acquisitions programme and to increase the budget. Any acquisitions will be subject to an approved business case.
Expanded or Intensify Employment Space 2020/21-2024/25 (scheme 4005)
- 8.33 This proposal is to expand and/or intensify existing Council workspaces.
Council Acquisition of Head Leases 2020/21-2024/25 (scheme 4006)
- 8.34 The Council's commercial property portfolio includes several industrial estates where there are head leases and freeholds held by third parties. This proposal is to acquire head leases with each acquisition being subject to an approved business case.
Tottenham Hale Decentralised Energy Network 2020/21-2024/25 (scheme 4007)
- 8.35 The proposal is for the construction of a decentralise energy network (DEN) in Tottenham Hale to provide the neighbourhood with affordable low carbon energy.
Wood Green DEN 2020/21-2024/25 (scheme 4008)
- 8.36 The proposal is for the construction of a decentralise energy network (DEN) in Wood Green to provide the neighbourhood with affordable low carbon energy.
Additional Carbon Reduction project 2020/21-2024/25 (scheme 4009)
- 8.37 This proposal is to provide additional funding to other schemes in the approved capital programme as they come forward to move the Council towards achieving its carbon reduction targets. Release of the funding will be subject to an approved business case.
Selby Urban Village project 2020/21-2024/15 (scheme 4010)
- 8.38 The Selby Urban Village project is an ambitious development arising from a shared aspiration between Haringey Council and the Selby Trust to deliver a community focused, mixed-use scheme on the Selby Centre and Bull Lane Playing Field sites and will support the Council's Priorities set out in the Borough Plan.
Further remediation of the commercial property portfolio 2020/21-2024/25 (scheme 4011)
- 8.39 This proposal is to deal with the backlog maintenance of the commercial portfolio to maintain and enhance its letting ability.

Your Council

8.40 The Communities First initiative will help transform the way in which the Council engages with its residents. The investment in the library stock sits beside the Connected Communities initiative and will improve the accessibility of libraries and the range of services that they offer.

Community First programme 2020/21-2024/25 (scheme 650)

8.41 This proposal is to support the creation of the infrastructure needed to deliver the community first programme.

Further remediation of library condition & accessibility issue 2020/21-2024/25 (scheme 651)

8.42 A number of libraries are affected by poor condition and accessibility issues that curtail operations at the various sites. This proposal seeks to remedy these matters.

Re-imagining our library offer 2020/21-2024/25 (scheme 652)

8.43 The proposed investment will enable the library service to generate additional income through increased space utilisation.

Capitalisation of infrastructure staff 2021/22-2024/25 (scheme 653)

8.44 This proposal will capitalise the cost of staff against ICT assets created so that the true cost of the asset is recognised.

Approved Capital Programme Contingency 2021/22-2024/25 (scheme 699)

8.45 It is prudent, given the scale of the proposed capital programme that a contingency is budgeted for.

Financing

8.46 All capital expenditure must be financed from either external source's (government grant and other contributions), the Council's own resources (revenue, reserves or capital receipts) or debt (borrowing, leasing, Private Finance Initiative). The Council's capital programme is moving to a financing strategy that seeks to ensure that investment via the capital programme is self-financing or funded from external resources. The new schemes proposed to be added to the programme for 2020/21-2024/25 are analysed in the table below and show that the majority of schemes being proposed (77%) are either self-financing or funded via external resources:

Table 8.3: Financing Strategy

	Borrowing (£'000)	External (£'000)	Self- Financing (£'000)	Total (£'000)
People - Children's	51,500	1,500	0	53,000
People - Adults	700	3,510	42,420	46,630
Place	24,293	373	10,500	35,165
Economy	1,250	76,000	154,100	231,350
Your Council	10,880	0	5,650	16,530
Total	88,623	81,383	212,670	382,675

- 8.47 The self-financing schemes will normally only proceed if they produce a reduction in expenditure that includes reductions enough to cover the cost of financing the investment. This is necessary to ensure that the investment contributes to meeting the financial challenges that the Council faces. It is noted however, that in some limited circumstances, that schemes may proceed even if they do not produce a reduction in expenditure enough to cover the cost of financing the investment.
- 8.48 As debt needs to be repaid the Council is required by statute to set aside from its revenue account an annual amount sufficient to repay borrowings. This is known as the minimum revenue provision (MRP). The MRP for the period is set out below:

Table 8.4: Estimated MRP

	2019/20 Forecast (£'000)	2020/21 Budget (£'000)	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)
MRP	4,351	6,449	11,710	17,756	23,404	26,366

- 8.49 The Council's cumulative outstanding amount of debt is measured by the capital financing requirement (CFR). This increases when new debt financed expenditure is incurred and reduces when MRP is made.

Table 8.5: Prudential Indicator: Estimates of Capital Financing Requirement

	2019/20 Forecast (£'000)	2020/21 Budget (£'000)	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)
CFR	767,221	1,073,041	1,330,014	1,498,632	1,621,584	1,738,913

Asset Management

- 8.50 The Asset Management Plan is the subject of a separate report elsewhere on the agenda.

Asset Disposals

- 8.51 When a capital asset is no longer needed, it may be sold and the proceeds (known as capital receipts) can be spent on new assets or can be used to repay debt. Repayments of grants, loans and non-treasury investments also generate capital receipts. The Council is currently permitted by legislation to spend capital receipts to deliver cost reductions and/or transformation until 2021/22. This is known as the

flexible use of capital receipts and this flexibility is currently due to expire on the 31st March 2022.

- 8.52 As stated above, capital receipts can be used to fund capital expenditure or repay debt. The budget assumption is that capital receipts will not fund capital expenditure or debt repayment. It is anticipated that the capital receipts received in the MTFS period covered by the flexibility (up to 31st March 2022) will be used to deliver cost reductions and/or transformation. There is a separate policy statement and schedule of proposed initiatives to utilise capital receipts flexibly.

Treasury Management

- 8.53 The Council has a separate Treasury Management Strategy Statement (TMSS) that deals in detail with treasury management matters. The Capital Strategy document repeats some of the information contained within the TMSS but places the information in the context of the capital programme and Borough Plan.
- 8.54 Treasury management is concerned with keeping enough but not excessive cash balances available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing. This is to avoid excess credit balances or overdrafts at the bank. The Council is typically cash rich in the short term as cash revenue income is received before it is spent but cash poor in the long-term as capital expenditure is incurred before it is financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce borrowing.

Borrowing Strategy

- 8.55 The council's main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should its plans change in the future. These objectives are often in conflict as the Council seeks to strike a balance between cheap short-term loans and long-term fixed loans where the future cost is known, but higher.
- 8.56 Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities and leasing) are shown below and compared to the capital financing requirement.

Table 8.6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	31/3/19 Actual (£'000)	31/3/20 Forecast (£'000)	31/3/21 Budget (£'000)	31/3/22 Budget (£'000)	31/3/23 Budget (£'000)	31/3/24 Budget (£'000)	31/3/25 Budget (£'000)
Borrowing Debt	388,762	526,641	836,529	1,097,736	12,709,764	1,398,310	1,517,575
PFI & Lease Debt	31,800	27,463	23,396	19,161	14,752	10,158	82,211
Total Debt	420,562	554,104	859,925	1,116,897	12,724,516	1,408,468	1,599,786
Capital Financing Requirement	633,679	767,221	1,073,041	1,330,014	1,498,632	1,621,584	1,738,913

- 8.57 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from the above, the Council expects to comply with this requirement.

Affordable Borrowing Limit

8.58 The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower operational boundary is also set as a warning level should debt approach the limit.

Table 8.7: Prudential Indicator: Authorised limit and operational boundary for external debt

	2019/20 limit (£'000)	2020/21 limit (£'000)	2021/22 limit (£'000)	2022/23 limit (£'000)	2023/24 limit (£'000)	2024/25 limit (£'000)
Authorised limit – borrowing	752,382	979,646	1,240,853	1,413,881	1,541,427	1,660,691
Authorised limit – PFI & leases	39,935	30,882	25,293	19,472	13,408	10,852
Authorised limit – total external debt	792,317	1,010,528	1,266,146	1,433,353	1,554,835	1,671,544
Operational boundary - borrowing	702,382	929,646	1,190,853	1,363,881	1,491,427	1,610,691
Operational boundary – PFI & leases	36,305	28,075	22,993	17,702	12,189	9,866
Operational boundary – total external debt	738,687	957,720	1,213,846	1,381,582	1,503,616	1,620,557

8.59 Although capital expenditure is not charged directly to the revenue account, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs. This is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 8.8: Proportion of financing costs to net revenue stream

	2019/20 Forecast (£'000)	2020/21 Budget (£'000)	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)
Financing Costs General Fund	8,595	9,289	12,653	16,677	20,076	22,343
Proportion of net revenue stream	3.40%	3.80%	5.20%	6.60%	7.80%	8.50%
Financing Costs HRA	14,426	16,426	22,043	25,376	27,427	30,040
Proportion of net revenue stream	14.20%	15.40%	19.90%	21.80%	22.50%	23.60%

8.60 It can be seen that over the MTFS period that the General Fund ratio increases. However, whilst costs of financing investment increases there will be offsetting revenue savings from those schemes which are self-financing, and these savings will be reflected in reduced service area budgets. It is also possible that once business cases are prepared that some of the schemes within the capital programme may well not proceed. The ratio also increases for the HRA. This level of ratio has been modelled into the current version of the evolving HRA business plan and capital programme and is affordable.

Governance

8.61 Decisions on treasury management investment and borrowing are made on a daily basis and are delegated to the Director of Finance. There is a further sub-delegation to members of the Director of Finance's staff to facilitate day-to-day operations. Whoever is making the decision(s) will need to act in line with the treasury management strategy as approved by full Council.

Flexible use of capital receipts

8.62 This strategy sets out the Council's approach to the flexibility afforded by the government's change to the rules surrounding the use of capital receipts. Capital receipts can only be used for specified purposes and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, which is made under Section 11 of the Local Government Act 2003. The main permitted use of capital receipts is to fund capital expenditure and the use of capital receipts to support revenue expenditure is not permitted by the regulations.

8.63 The Secretary of State has issued directions allowing expenditure incurred by local authorities to be treated as capital expenditure in certain circumstances. On 6 February 2018 a direction was which superseded the previous direction issued on 17 December 2015, to give local authorities the continued freedom to use capital receipts from the sale of their own assets (excluding right to Buy receipts) to help fund the revenue costs of transformation projects and release savings.. The revised directions extend the period of the flexibility to the financial year 2021/22.

- 8.64 The then Secretary of State for the Department for Communities and Local Government issued statutory guidance in March 2016, which local authorities must have regard to, which applies to all years that the flexible use of capital receipts directions applies.
- 8.65 The Statutory Guidance requires for each financial year authorities to prepare, publish and maintain a flexible use of capital receipts strategy with the initial strategy being effective from the 1st April 2016 with future strategies being included within future annual budget document.
- 8.66 The Statutory Guidance for the flexible use of capital receipts strategy states that the strategy should include a list of each project that is intended to be funded via this flexibility, together with the expected savings that the projects will realise. The strategy should also include the impact that the flexibility has on the affordability of borrowing by including updated prudential indicators. In addition, from 2017-18 the strategy should contain details on the projects approved in previous years, and commentary on whether the planned savings or service transformation have/are being realised in line with the original analysis
- 8.67 The Statutory Guidance requires that the strategy should be presented to full council for approval. The Council's strategy for the flexible use of capital receipts is detailed in Appendix 6.

9. Housing Revenue Account (HRA)

9.1 Introduction

9.1.1 The HRA is the Council's record of the income and revenue expenditure relating to council housing and related services. Under the Local Government and Housing Act 1989, the HRA is ring-fenced and cannot be subsidised by increases in council tax. Equally, any surplus in the HRA or balances held in reserves cannot be transferred to the General Fund. Since April 2012, the HRA has been self-financing. Under self-financing Councils retain all the money they receive from rent and use it to manage and maintain their homes.

9.1.2 The main sources of income to the HRA is the rents and service charges.

9.2 2020/21-30 HRA Financial Plan/Capital Programme Overview

9.2.1 Expenditure in the Council's Housing stock in respect of its landlord's role is met by the Housing Revenue Account which deals with ongoing Management & Repairs and the Housing Capital Programme. In previous years the council's HRA capital programme has mainly consisted of the maintenance of existing stock. The council's ambition to develop, build and acquire dwellings in the HRA was severely hindered by the HRA borrowing cap. On 28th October 2018, following the abolition of HRA borrowing cap, the council embarked on expansion of its housing stock in the HRA.

9.2.2 This led to the development of a new 10-year HRA financial plan to ensure the affordability of the existing stock maintenance, the new homes build and new homes acquisition programmes. The plan was developed in order to determine how the council might best use the new HRA borrowing capability (still of course constrained by the prudential borrowing code) to both fulfil its responsibilities in respect of its existing stock and deliver the council's objectives for its provision of additional housing.

9.2.3 The 2020/21-30 HRA financial plan contains a long-term assessment of the need for investment in assets, such as Major works (Haringey standard) and other cyclical maintenance requirements, as well as forecasts on income streams such as rents, in line with rent standards, and future developments.

9.2.4 The HRA financial plan provides the basis for understanding the affordability of current capital programme delivery plans and assessing options to ensure a viable HRA. It considered the build costs, inflation, exposure to housing market and delivery capacity within the Council.

9.2.5 There is adequate prudence in the construct of this 10-year financial plan, and it is such that the Council can only commit to programme which is comfortably forecast to be financially deliverable.

9.2.6 The plan recognises that to undertake the proposed extensive expansion programme, the HRA must be viable now and in the future. It also recognises that there will be ongoing gateway reviews to update and test viability before future programme phases are released. One of the measures of viability adopted in the plan is the revenue contribution to capital outlay (RCCO). RCCO is the revenue surplus after expenditure; and it is key in assessing the HRA resilience. A programme combination in the HRA that generates a positive and upward RCCO trend in the 10-year period demonstrates viability.

- 9.2.7 The financial plan assumes a reasonable revenue contribution to capital outlay (RCCO) minimum year on year. In February 2019, it was proposed that the RCCO remain at a minimum level of £10m in any given year. However, given the level of prudence of other estimates factored into this new HRA financial plan, it is considered that the forecast annual RCCO's during the MTFs period (the lowest is £9.3m) are adequate. This will enable the Council to react to changes in government policies and manage risks associated with such an extensive expansion programme. The plan also assumes a working balance of £14.2m.
- 9.2.8 The plan recognises certain risks. For example; the impact of government policy changes in respect of types of tenancy, rent levels, right to buy, and treatment of voids. The recent 1% increase in PWLB interest rate poses another risk to the HRA financial plan.
- 9.2.9 The Council will work with Homes for Haringey to update the current Asset Management plan, to align with the new HRA Financial Plan. This will be presented to Cabinet in the next financial year.
- 9.2.10 The 2020/21-30 HRA Financial plan underpins the 2020/21 HRA Budget and 2020/21-25 MTFs. It has been prepared, recognising implications of the capital programmes delivery both to the HRA revenue budget and HRA capital programme.
- 9.2.11 It sets out the new challenges, opportunities and the assumptions underlying the entire capital programme; provides clarity on the current state of the HRA and the key capital programme strands, namely:
- Existing stock investment: Major works - Haringey standard, Carbon reduction, Fire safety, Broadwater Farm.
 - New homes build
 - New homes acquisition
 - Temporary accommodation (TA) acquisition.

9.3 Additional New Homes

- 9.3.1 In May 2018, the Council committed to deliver a thousand new Council homes at Council rents by 2022. This commitment forms a key priority of the new Borough Plan, adopted in February 2019.
- 9.3.2 The first construction contract – on a former car park in Tottenham - was agreed by Cabinet in July 2019. By May 2020, 500 new Council homes will have planning approval and 350 homes will have started on site. By March 2021, new council homes will be under construction at thirty sites across our borough.
- 9.3.3 The Council's strong preference is for these new homes to be built by the Council itself, on its own land: it is usually cheaper; it has the best guarantee of quality and certainty of delivery; and the homes built are most truly additional to what would be delivered without Council intervention. However, the Council will also acquire developments where homes can be converted to high quality Council homes for Council rent. Whilst this is particularly important as development capacity is built up internally, there will always be a significant place for acquisition; particularly where

those acquisitions take place early enough for the Council to steer the development, design and specification of the new homes delivered.

- 9.3.4 Where the Council builds directly, there is in the medium term enough Council-owned land to support this programme. That land is a mixture of sites on housing estates and land not currently used for housing purposes. While most of these sites are held in the Housing Revenue Account (HRA), some are held in the General Fund and will need to be appropriated into the HRA. Infill sites in the HRA comprise underused land, generally on or around housing estates. Typically, these are garages, car parking spaces, or land between existing blocks. It is worth noting that the development of every infill site means taking space for new homes that existing residents may be using for other purposes. General Fund land ranges from the conversion of two shops into four homes, to the redevelopment of larger sites such as the former Cranwood Care Home.
- 9.3.5 £62.8m of capital grant has been secured for Council housing delivery from the Mayor of London – one of the largest allocations in London – and this will be drawn down as work starts on each site from a programme of 62 identified across the borough. The grant programme provides scope to substitute in new schemes where others are found not to be viable. Additional GLA grant will be sought where Council homes are developed for specific client groups requiring support.
- 9.3.6 GLA Grant will be supplemented by a major programme of Housing Revenue Account (HRA) borrowing for capital investment against future rents. The HRA, which has a very large income stream with relatively low gearing, accounts for debt and repayments in a much less restrictive way than is required by the General Fund.
- 9.3.7 Nevertheless, in the current funding environment it will only be possible to deliver new homes for council rent by generating significant additional cross subsidy. As such, over the coming years the Council will need to commit capital spending to build homes for market sale. Whilst the number of private homes required will need to be kept under review as external factors such as Public Works Loan Board rates change, it is currently estimated that around 40 per cent of the homes built will need to be sold in order to cross-subsidise our programme of homes for social rent. It should be noted that market sale cross subsidy has a degree of uncertainty in the current housing market and the Council will develop strategies and plans to manage this risk. It is also worth noting that as we move beyond our first thousand homes, we will have to develop more complex sites and buy land into the programme.
- 9.3.8 The Council does not plan to develop any form of intermediate housing: at a borough-wide level, Housing Associations are currently overproviding intermediate and underproviding social rent within their affordable offer, so our programme is a corrective to help us deliver our borough-wide strategic target.
- 9.3.9 We have not yet agreed housing targets beyond our current administration. However, we are putting in place the capacity to deliver a sustainable programme of council housebuilding that lasts a generation or more. We anticipate building 250 homes a year from 2024/25 over the next five years; and acquiring 150 homes over the same period. We have therefore identified opportunities for a substantial number of additional council homes on our own land as well as through land acquisition and partnering with developers around s106 requirements.
- 9.3.10 The HRA financial plan recognises the flexibility in funding between new homes build and acquisition. This means that if opportunity comes up to acquire more homes than

proposed, funds can be used from new homes build if the homes meets the parameters set within the plan and are viable within the HRA.

9.4 Housing rents

Context

- 9.4.1 Rent limits are set by Government through the guidelines which set the formula for rents. These rents are called formula rent or social rent. Formula Rent is based on property value, number of bedrooms, average earnings in the area, location of the property. The current rent (2019/20) was set at 2018/19 rent minus 1.0%. This is due to the statutory four years social rent reduction imposed by Government from April 2016.
- 9.4.2 This statutory 1% social rent reduction ends on 31 March 2020. From 1 April 2020, the government will permit local authorities in England to increase social rents and affordable rents every year by no more than the Consumer Price Index (CPI) at September of the previous year plus 1% for at least five years.
- 9.4.3 Individual rents in Haringey are below the formula rent in many properties. This is because historically Haringey rents are lower than the formula rent. Government introduced rent restructuring to converge actual rents to the formula rent. This was abandoned in 2015/16. However, government allows local authorities to charge formula rents in such properties when they are re-let following a vacancy.
- 9.4.4 Haringey Council must set housing rents for 2020/21 using the formula set out in the government's policy on social housing rents. Given that the CPI at September 2019 is 1.7%, housing rents in Haringey will increase by no more than 2.7% (CPI plus 1%) from 6 April 2020 (the first Monday in April).
- 9.4.5 The 10years HRA financial plan includes annual rent increases of CPI plus 1% in 2020/21 and the next four years and reverts to annual increases of CPI only for the remaining five years of the HRA financial plan.

General Needs and Sheltered / Supported Housing Rents

- 9.4.6 Provisional rents for general needs and sheltered / supported housing for 2020/21 have been calculated so that the weekly rents paid by tenants increase by no more than 2.7% from 6 April 2020. On this basis, the average weekly rent will increase by £2.75 from £101.82 to £104.57.
- 9.4.7 There is a range of rents across different sizes of properties. Table 9.1 sets out the provisional average weekly rents for 2020/21 and the proposed rent increase by property size.

Table 9.1: Proposed average general needs & sheltered/supported housing rents

Number of Bedrooms	Number of Properties	Current average weekly rent 2019/20	Provisional average weekly rent 2020/21	Proposed average rent increase	Percentage increase
Bedsit	135	£82.61	£84.84	£2.23	2.7%
1	5,383	£87.49	£89.85	£2.36	2.7%
2	5,146	£101.97	£104.72	£2.75	2.7%
3	3,717	£116.76	£119.91	£3.15	2.7%
4	601	£132.93	£136.52	£3.59	2.7%
5	104	£155.51	£159.71	£4.20	2.7%
6	15	£161.60	£165.96	£4.36	2.7%
7	2	£152.91	£157.04	£4.13	2.7%
8	1	£173.10	£177.77	£4.67	2.7%
All dwellings	15,104	£101.82	£104.57	£2.75	2.7%

9.4.8 As some properties have not reached the formula rent, the current policy of increasing rents to the formula rents on re-let to new secure tenants will continue.

Affordable Housing Rents

9.4.9 There are eighteen homes, built under the New Homes Infill Programme, let at affordable rents. From 6 April 2020, affordable rents will increase by 2.7% from their current levels. The current average weekly affordable rent will increase by £6.66 from £246.65 to £253.31. There is a range of affordable rents across different sizes of properties. Table 9.2 sets out the provisional average weekly affordable rents for 2020/21 by property size.

Table 9.2: Proposed average affordable housing rent

Number of Bedrooms	Number of Properties	Current average weekly rent 2019/20	Provisional average weekly rent 2020/21	Proposed average rent increase	Percentage increase
1	1	£205.25	£210.79	£5.54	2.70%
2	5	£228.13	£234.29	£6.16	2.70%
3	7	£228.82	£235.00	£6.18	2.70%
4	3	£287.03	£294.78	£7.75	2.70%
5	2	£315.51	£324.03	£8.52	2.70%
All dwellings	18	£246.65	£253.31	£6.66	2.70%

Temporary Accommodation Rents

- 9.4.10 Following a recent legal advice that all council acquired properties for housing homeless households should be held in the HRA, the investment in these properties are captured in the HRA capital programme schemes. These properties will be leased to the Community benefit society (CBS) and CBS proposes to charge rents at Local Housing Allowance (LHA) level. HRA receives Lease payments from CBS for a period of seven years from the start date of each lease. The HRA financial plan includes these lease incomes. From year eight, it recognises incomes from these properties at formula rent plus CPI as these properties will revert to the HRA.
- 9.4.11 All existing council-owned properties that are used as temporary accommodation will have the rents increased by 2.7% from their current levels.

Rent Consultation

- 9.4.12 The Council must give written notice to tenants at least four weeks before the new rents for 2020/21 start on 6 April 2020. This will follow the consideration by cabinet in February 2020.

Tenants' Service Charges

- 9.4.13 In addition to rents, tenants pay charges for services they receive which are not covered by the rent. The Council's policy has been to set tenants' service charges at the start of each financial year to match budgeted expenditure.
- 9.4.14 Service charges must be set at a level that recovers the cost of the service, and no more than this. Charges are calculated by dividing the budgeted cost of providing the service to tenants by the number of tenants receiving the service. Therefore, a flat rate is charged to tenants receiving each service and the weekly amount is fixed. The amount tenants pay increases where the cost of providing the service is anticipated to increase. Equally, charges are reduced when the cost of providing the service reduces or where there has been an over-recovery in the previous year.
- 9.4.15 Tenants currently pay for the following property-related services;
- Concierge
 - Grounds maintenance
 - Caretaking
 - Street sweeping (Waste collection)
 - Light and power (Communal lighting)
 - Heating
 - Integrated reception service (Digital TV)
 - Estates road maintenance
 - Door entry system maintenance
 - Sheltered housing cleaning service
 - Good neighbour cleaning service
 - Converted properties cleaning
 - Window cleaning service.
 - TV aerial maintenance

9.4.16 Tenants living in sheltered and supported housing also pay the following additional support charges:

- Sheltered Housing Charge
- Good Neighbour Charge
- Additional Good Neighbour Charge

9.4.17 Full details of the proposed Tenant Service Charges are presented in Appendix 8.

9.4.18 As no new charges are being introduced, there is no requirement for tenant consultation. However, a four weeks' written notice will be served on all tenants prior to April 6, 2020.

9.5 HRA Expenditure

9.5.1 The Council's Arms' Length Management Company (ALMO), Homes for Haringey (HfH), manages the dwellings stock and garages on behalf of the Council. The management fee the council pays for these services is budgeted at £41m for 2020/21. This includes £19m for repairs and about £2m for housing demand. There is a reduction in management fee of £1.3m due to 3% efficiency savings agreed with HfH and a 6% reduction in employer pensions contribution.

9.5.2 Other significant items of expenditure include the capital financing charge and depreciation. The capital financing charge is the interest on HRA loans and internal funding and is budgeted at a higher level than 2019/20 due to a recent increase in borrowing rates and increase in the level of capital works programme and New build programme.

9.6 Revenue Budget/MTFS

HRA 5 Years Budget & MTFS (2020/21-2024/25)

9.6.1 This report sets out the proposed HRA 5 years Budget/MTFS in Table 9.3. It accommodates the scale of development presently assumed within the financial planning in terms of its impact of the future years HRA revenue position.

9.6.2 It represents the first five years of the 2020/21-30 HRA Financial plan developed.

9.6.3 The HRA budget for 2020/21 is a balanced budget maintaining a reasonable revenue contribution to capital of £11.6m.

9.6.4 This shows an improvement when compared to the figures presented in the December 2019 draft report. This is due to the recognition of the savings target and reduction in employer pension contribution highlighted in section 9.5.1 above.

Table 9.3 - HRA 5 Years Revenue Budget & MTFS (2020/21 – 2024/25)

Housing Revenue Account (HRA)						
	2020-21	2021-22	2022-23	2023-24	2024-25	5 Years
Income & Expenditure	£'000	£'000	£'000	£'000	£'000	Total
Income						
Dwellings Rent Income	(83,817)	(87,658)	(92,928)	(97,404)	(102,246)	(464,053)
Void Loss	825	877	929	974	1,022	4,627
Hostel Rent Income	(2,135)	(2,189)	(2,244)	(2,301)	(2,360)	(11,230)
Service Charge Income	(11,397)	(11,710)	(12,099)	(12,412)	(12,753)	(60,371)
Leaseholder Income	(7,378)	(7,609)	(7,840)	(8,077)	(8,321)	(39,225)
Other Income (Garages /Aerials/Interest)	(2,244)	(2,288)	(2,334)	(2,381)	(2,429)	(11,676)
Total Income	(106,146)	(110,577)	(116,516)	(121,601)	(127,087)	(581,928)
Expenditure						
Repairs	19,314	19,700	20,094	20,496	20,906	100,510
Housing Management	19,763	19,581	19,973	21,372	21,799	102,488
Housing Demand	1,879	1,917	1,955	1,994	2,034	9,779
Management Fee (HfH)	40,955	41,198	42,022	43,862	44,739	212,776
Estates Costs (Managed)	10,168	10,167	10,370	10,577	10,789	52,071
Provision for Bad Debts (Tenants)	836	855	881	903	927	4,402
Provision for Bad Debts (Leaseholders)	19	20	20	21	22	102
Total Managed Expenditure	11,023	11,042	11,271	11,501	11,738	56,575
Other Costs (GF Services)	3,850	3,927	4,006	4,006	4,086	19,875
Other Costs (Property/Insurance)	2,213	2,257	2,302	2,348	2,395	11,515
Capital Financing Costs	16,412	19,898	25,194	27,185	29,736	118,425
Contribution to Major Repairs (Depreciation)	20,097	21,661	22,359	23,202	24,415	111,734
Revenue Contributions to Capital	11,596	10,594	9,362	9,497	9,978	51,028
Total Expenditure	106,146	110,577	116,516	121,601	127,087	581,928

9.7 HRA Capital Budget

HRA 5 Years Capital Programme (2020/21 – 2024/25)

- 9.7.1 This represents the capital implications of the new financial plan, focused on the delivery of new homes, improvement of existing stock and provision of temporary accommodation. In this financial plan, there is a strong emphasis on meeting the needs of the existing stocks first before other capital programmes. The HRA MTFS is geared towards maximising the use of other available resources and use borrowing as last resort. The MTFS capital programme funding assumes a mix of grant funding, revenue contribution and prudential borrowing. The total capital investment in 2020/21 is £236m fully funded from revenue contribution, grants, RTB retained receipt, Major repairs reserve and borrowing.
- 9.7.2 The detailed HRA 5-Year capital programme is presented in Appendix 7.
- 9.7.3 The approach to the capital investment for the New Homes Acquisition and Build is set out in sections 9.2 and 9.3. The strategy for the existing Stock investment and TA Acquisitions is outlined in the following sections.
- 9.7.4 **Existing stock Investment**

9.7.4.1 Major Works – Haringey Standard:

The HRA Business Plan sets out proposals for investing £363m over the next 10 years. This will support the achievement of the Borough Plan target to improve the quality of Haringey's Council housing by ensuring that a minimum of 95% of homes meet the Decent Homes Standard by March 2022. There is also a commitment to ensure residents are kept safe in their homes and that the Council responds effectively to changes in fire safety and general building regulations.

The Asset Management Strategy (2018-23) set out current plans for investment in the Council's housing stock, following the end of the Decent Homes programme. This includes an enhanced investment standard, which goes beyond Decent Homes to include wider estate works which contribute to improving the quality of life of our residents.

The main work streams are summarised as follows:

- Externals, including window and roof renewal.
- Communal and environmental improvements, including security.
- Internals including kitchens, bathrooms, heating, wiring and lift replacements.

The proposals for the new HRA Business Plan (2020/21- 2030) include provision for the following works strands:

9.7.4.2 **Fire Safety**

There is a 10-year budget provision of £57m. This will fund fire door and composite door replacement, window infill panel replacements, automatic fire detection installations and compartmentation works. It is intended that it will fund the cost of and any follow up works from the Fire Risk Assessments (FRAs) currently being undertaken and the potential requirement of future fire regulation.

Pending legislation on proposed changes to building safety regulations following the 'Building a Safer Future' consultation, as well as the outcome of the full Public Enquiry into the Grenfell Tower fire, the Council must continue to ensure the aforementioned programmes are fully funded, and consider the implications of any new and emerging mandatory requirements as and when they are known.

9.7.4.3 **Carbon reduction/Affordable energy:**

The emerging Zero Carbon and Affordable Energy strategies reflect the Council's current ambitions to improve the energy performance of the existing stock, tackle fuel poverty, and ensure the new homes to be built will have the required energy ratings. Although no specific targets are set out in the Borough plan, in order to meet some wider council objectives, we need to incorporate stretching energy efficiency measures in all our future investment plans – for both new and existing stock.

Provision of £101m has therefore been included over the next 10 years for the existing stock, over and above the cost allowed for in the current investment standard with the overall objective of improving the average energy rating of existing Council homes.

As well as loft and cavity wall insulation, the additional funding will support more extensive measures including internal and external solid wall insulation, and renewables e.g. installation of solar panels. An additional £3m is also included in the proposed new build capital programme to enable the Council deliver new home to a Zero Carbon standard.

9.7.4.4 **Broadwater Farm**

The 5-year investment plan was being developed for Council stock, before the Council became aware of the significant structural issues on the estate. These unforeseen circumstances have required a rapid response and development of solutions to not only address these issues, but incorporate opportunities for overall improvements to the estate, and additional homes.

A budget was included in the existing capital programme to cover immediate remedial works, the full costs for delivering the demolition of Tangmere and Northolt, the new Decentralised Energy System, strengthening works and refurbishment of the 10 retained blocks. These will be met by the HRA over the next 10 years. Thus, the provision of £68m in the financial plan.

9.7.5 **Temporary Accommodation (TA) Acquisition**

The Council's TA acquisition programme is based on the purchase of homes using Right to Buy receipts and subsequent leasing to the Haringey Community Benefit Society ('the CBS') for seven years. The CBS itself was set up by the Council in December 2019 with the sole aim of providing housing to households in housing need nominated to it by Haringey Council.

These arrangements allow homes to be purchased which would have previously been unaffordable to the Council and so remained in the Private Sector. The use of the CBS instead allows for an expected 65 homes a year to be purchased and used to provide homes for those in housing need. Because all rents are set at Local Housing Allowance, these homes will remain affordable to those in receipt of Housing Benefit. The CBS receives these rental incomes and pays the HRA lease payments for the lease of these properties.

This scheme has already provided 13 new homes to homeless residents in December 2019 with another 8 to be completed in February 2020. A further 92 premium homes acquisition will be completed in March 2020. This TA acquisition scheme in the HRA will generate adequate rental income to cover the cost of capital and associated cost. There is also a General Fund (GF) saving generated by the provision of homes to homeless households in the HRA via reduction in the use of privately-owned temporary accommodation in GF.

10. Dedicated Schools Budget (DSB)

- 10.1 The Dedicated Schools Budget (DSB) is substantially funded from the ring-fenced Dedicated Schools Grant and two other funding streams (Pupil Premium and Post 16 Grant) which are, in effect, passported to schools. Spending must be consistent with the requirements of the prevailing Schools and Early Years Funding Regulations. There are requirements for Schools Forum to act as a decision-making and/or a consultative role in determining budget levels for each year.
- 10.2 The Quarter 3 financial position is still projecting an overall overspend in (DSB) for the financial year. The continued the budget pressures in the High Needs Block is estimated to add an additional £5.627m to the existing deficit of £2.228m.
- 10.3 It should be noted that the financial position reported to Schools Forum in January 2019 set out the forecast year end position as a deficit reserve of £5.469m to the High Needs Block and a surplus of £0.494m to the Early Years block based on the Period 8 2019-20 projections.
- 10.4 Table 10.1 below sets out Haringey's Dedicated Schools Grant allocations for 2018-19, the minimum rebased DSG baseline allocation for 2019-20 and National Funding Formula (NFF) allocation for 2020-21.

Table 10.1 Haringey's Dedicated Schools Grant Allocation

Dedicated Schools Grant	2018-19 DSG allocations	2019-20 NFF	2020-21 NFF
	£m	£m	£m
Schools Block	195.3	196.97	200.15
Central School Services Block	3.09	3.02	2.95
Early Years Block	20.18	20.09	20.36
High Needs Block	35.47	36.14	40.69*
Total DSG	254.04	256.22	264.15

* Includes £2.2m for direct funding of places. The total net funding for Haringey Council is £38.48m for the financial year 2020-21

- 10.5 Overall, Haringey's provisional NFF allocation for 2020/21 is an increase and was confirmed on 13th of December 2019. The overall net uplift across the DSB is 2.23% equivalent to £5.72m. This is based on 2019 October census pupil numbers. The impact of this funding by Block is:

- Schools Block - uplift of 1.61% equivalent to £3.18m.

- Central School Services Block - has lost 2.32% equivalent to £0.070m.
- High Needs Block – uplift of 13% equivalent to £4.55m before direct adjustments. The net cash uplift for Haringey after the direct adjustment is 6.47% equivalent to £2.34m.
- Early Years Block – uplift of 1.34% equivalent to £0.270m

10.6 Following consultation with Schools’ Forum, Haringey Council’s Local Schools Funding Formula for the 2020-21 Financial Year has been agreed. The ESFA require sign off from the lead Cabinet Member for Education and this was signed off on 17th January 2020. This met the ESFA’s deadline of 21st January 2020 of submitting the authority’s funding allocation for 2020-21 via Authority proforma tool (APT). A detailed breakdown of the DSG budget is presented in Appendix 9.

DSG Reserves

10.7 As at Quarter 3, the DSG Reserves are expected to close with a cumulative deficit of £7.623m at the end of 2019-20 (Table 10.2). The pressure is mainly in the High Needs Block and is mainly due to the general increase in pupil numbers with special educational needs within the borough.

Table 10.2 2019/20 Year End DSG reserves forecast

Blocks	Opening DSG at 01/04/19	Rebalancing Between Blocks agreed by Forum	Revised Block Balances	Qtr 3 Year End Forecast	Qtr 3 Forecast Closing DSG Balance
	£'000	£'000	£'000	£'000	£'000
Schools Block	(1,265)	1,265	0	0	0
Central Block	13	(13)	0	0	0
Early Years Block	(785)	785	0	(232)	(232)
High Needs Block	4,267	(2,038)	2,229	5,627	7,855
Total	2,229	0	2,229	5,394	7,623

10.8 All local authorities that have a cumulative DSG deficit of above 1% threshold will be required to submit a three-year deficit recovery plan. Recovery plans will be discussed with Schools’ Forums and be signed off by the local authority’s chief financial officer (CFO) before the plans are submitted to the DfE – expected to be June 2020.

11 Consultation & Scrutiny

- 11.1 The Council, as part of the process by which it sets its budget, seeks the views and opinions of residents, service users and Overview & Scrutiny which is used to inform the final decision of the Council when setting the budget.

Public Consultation

- 11.2 As such a formal consultation has taken place based on the consultation plan included in the December Budget/MTFS report. A detailed summary of the process and the responses received can be found in Appendix 10. Cabinet has considered the responses and, after due consideration, considers that the issues raised are addressed in the budget strategy and it is therefore not proposing any consequential changes.

Overview and Scrutiny

- 11.4 As part of the Council's governance arrangements for scrutiny of the Budget and Medium-Term Financial Strategy, the Council's Overview and Scrutiny Committee and Panels met during late December 2019 and early January 2020 and have scrutinised all the proposals presented in the 10th December 2019 report to Cabinet.
- 11.5 Cabinet Members, senior officers and heads of finance were in attendance at each meeting to present proposals and respond to questions from members. For some proposals, additional information was requested, which was provided.
- 11.6 All recommendations put forward by the Panels and the main Committee were considered by the Overview and Scrutiny Committee on 23rd January 2020 and a schedule of final recommendations were agreed and referred to Cabinet. These recommendations, along with the Cabinet responses, are provided in Appendix 11.

12. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance

- 12.1 As the MTFS report is primarily financial in its nature, comments of the Chief Financial Officer are essentially contained throughout the report.
- 12.2 Ensuring the robustness of the Council's 2020/21 budget and its MTFS 2020/21 – 2024/25 is a key function for the Council's Section 151 Officer. This includes having confidence that the budget proposals are realistic and deliverable and that the political leadership and senior officers have been fully engaged in the compilation of the proposals now presented. The quality and extent of both statutory and non-statutory consultation, the assessment and management of risks, feedback and challenge via scrutiny processes, and the coherence of the working papers supporting budget proposals are also critical factors that enable the Chief Finance Officer to be able to sign off the Budget as robust.
- 12.3 The report underlines that, although formal confirmation of Government grant funding has only been received for 2020/21 as part of the Spending Round 2019 (SR19) and the provisional Local Government Finance Settlement, the

Council's financial plans for 2021/22 – 2024/25 now assume that this level of funding continues at the same level. While the Queen's speech confirmed the additional Social Care grant funding announced in SR19 was committed for each year of the Parliament, if the planned Fair Funding Review does conclude next year as forecast, it will lead to a revised methodology for distributing all Government grants. If it changes materially, it could have a significant impact on the current budget gap across those years. This has been highlighted as one of the key financial risks for the authority.

- 12.4 Another significant financial challenge is the further increase in the scale of the Council's capital programme, with its consequent implications on the Council's balance sheet, including its level of debt which has implications for the General Fund revenue budgets which have to cover the increased financing costs.
- 12.5 This report also underlines the size of the savings already agreed to be delivered over the MTFs period of over £28m but it is important that Members are clear that the financial plans now presented, also require plans for a further £15.5m. These are challenging figures and it is critical that the council continues to identify and approve new solutions at pace. Furthermore, although delivery in 2019/20 has shown a distinct improvement over prior years, senior officers and Cabinet need to ensure that this continues during 2020/21 to avoid the need to draw on reserves or increase the gap in future years.
- 12.6 The formal Section 151 Officer assessment of the robustness of the council's budget, including sufficiency of contingency and reserves to provide against future risks will be made as part of the final budget report to Council in February and will draw on independent assessments of the Council's financial resilience. This statutory role is acquiring more and more significance given the increased pressure falling upon this council's budget and uncertainty about the implications of Brexit on the economy.

Procurement

- 12.7 Strategic Procurement notes the contents of this report and will continue to work with services to enable cost reductions.

Assistant Director of Corporate Governance Comments

- 12.8 The Council's duties and legal implications arising in relation to the budget setting process are covered in the main body of the report.
- 12.9 The Local Authorities (Standing Orders) (England) (Regulations) 2001 and the Budget and Policy Framework Procedure Rules at Part 4 Section E of the Constitution, set out the process that must be followed when the Council sets its budget. It is for the Cabinet to approve the proposals and submit the same to the Full Council for adoption in order to set the budget. However, the setting of rents and service charges for Council properties is an executive function to be determined by the Cabinet.
- 12.10 The Council must ensure that it has due regard to its public Sector Equalities Duty under the Equalities Act 2010 in considering whether to adopt the recommendations set out in this report.

12.11 Where detailed savings proposals are yet to be developed, the Cabinet will need to ensure that where necessary, consultation is carried out and equalities impact assessments are undertaken, and the outcomes of these exercises inform any final decisions.

Equality

12.12 Haringey Council has a consistent approach to equality analysis across service areas and ensures that the impacts of individual budget decisions on legally protected groups are evaluated.

12.13 The Equality Act 2010 places a 'General Duty' on all public bodies, including Haringey Council, to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

12.14 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty. In addition, the Council complies with the Marriage (same sex couples) Act 2013.

12.15 Haringey Council also has specific duties to publish information to demonstrate compliance with the Equality Duty, at least annually; and to set and publish equality objectives, at least every four years. This includes publishing information relating to people who are affected by our policies and practices who share protected characteristics.

12.16 The Borough Plan 2019-2023 sets the Council's objectives for the next four years. In addition to these, the Plan presents a set of Equality Principles reflecting Haringey Council's commitment to the principles of equality and opportunity, fairness and quality of life for all, both in terms of the work carried out with the community and in the role as an employer:

- Work with residents and employees to create communities which are able to come together, value diversity and challenge discrimination
- Actively talk to community groups who are made up of and/or support people with protected characteristics
- Work alongside the wider voluntary sector, statutory partners and local businesses to promote equality of opportunity and foster good relations
- Continue to monitor and assess the impact of our strategies, policies, programmes, projects and commissioning on equalities
- Improve and strengthen the collection and use of equality data, so that we can seek to improve outcomes for groups with protected characteristics
- Continuously seek to improve our approach to promoting equality, drawing on best practice from elsewhere, input from our staff equality networks and feedback from our residents

- Ensure that the requirements of the Equality Act are well communicated in the borough; starting conversations about equalities at the earliest opportunity; and fostering an environment where everyone understands their responsibilities under the Act

12.17 The Haringey Borough Plan 2019-23 sets out Haringey Council's Equalities Objectives. These are:

1. To narrow the gap in outcomes
2. To identify and reduce violence that has a disproportionate impact on particular communities and groups
3. To support the development of strong communities
4. To have a diverse workforce at all levels of the organisation

12.18 Haringey Council undertakes Equality Impact Assessments (EqIAs) on significant changes to policy or services and decisions that may impact on individuals or groups protected under the Equality Act 2010.

12.19 Equality Impact Assessments enable the Council to:

- Demonstrate due regard for the provisions of the Public Sector Equality Duty
- Identify possible negative impacts of decisions on individuals and groups with protected characteristics and plan mitigating action accordingly
- Identify additional opportunities to advance equality within policies, strategies, and services

12.20 Haringey Council guidance stipulates that EqIAs should:

- Contain enough relevant information on the groups likely to be affected by a decision to enable the Council to demonstrate that it has had due regard for the aims of the equality duty in its decision making
- Consider ways of mitigating or avoiding any adverse impacts

12.21 EqIAs need to be proportionate to the decision being made. All proposals for changes in policy, practice, procedure, budgets are screened to establish whether a full EqIA is needed to inform the decision-taker.

12.22 Further [detail on EqIAs in Haringey Council, including contextual information, published EqIAs and how to complete an EqIA](#), is available on the Haringey website.

12.23 The total population of the borough is 254,926 according to the 2011 Census. In terms of the protected characteristics, the breakdown is as follows:

- There is a relatively equal gender split in Haringey, just over half of the population is female (50.5%), in line with England and London
- Haringey has a relatively young population with a quarter of the population under the age of 20
- 91% of the population is aged under 65 (89% London; 83% England)
- Haringey is the 5th most ethnically diverse borough in the country. Over 65% of residents come from non-White British communities (55% for London; 20% England)

- The proportion of non-White British communities varies across the different wards from 35.2% in Muswell Hill to 83.4% in Northumberland Park
- Haringey is one of the most religiously diverse places in the UK
- The most common religion was Christianity, accounting for 45% of residents (London 48.4%; England 59.4%)
- The next most common religions were Muslim (14.3%) – higher than London (12.3%) – and Jewish (3%)
- Haringey had a lower percentage of residents who were Hindu (1.8%) and Sikh (0.3%) than London (5.0% and 1.5%, respectively)
- A quarter of Haringey residents stated that they did not have a religion, higher than London (20.7%)
- 14% of residents have a long-term health problem that limits their day to day activity, lower than England but in line with London
- 5.7% of residents report being in bad health, slightly higher than England and London
- Haringey has a higher proportion of couples in a registered same sex civil partnership than England and London: 0.6% or 1,191 residents (London 0.4%; England 0.2%)
- As per the ONS Integrated Household Survey, 3.2% of London residents aged 16 or over identified themselves as lesbian, gay or bisexual in 2013. In Haringey this would equate to 6,491 residents

12.24 Further detail on the equalities profile of Haringey is available on the Haringey website.

12.25 Since 2010, Haringey Council has seen a 62% real terms reduction in government funding, with the central government grant funding reduced by £123.7m in real terms. This financial challenge is significant, but the Council has stated a commitment to delivering budget reductions as fairly as possible and minimising the direct impact on residents who need the most support. The following set of guiding principles have informed the budget-setting process:

- Identify where we are spending money on things that are not a stated priority
- Identify commercial, income-generating or invest to-save options
- Identify alternative ways of meeting people's needs
- Identify opportunities for contract efficiencies or changes to service levels
- Continue to invest in early help or preventative services where they deliver a clear benefit
- Closer integration of revenue and capital expenditure in decision making
- To set realistic budgets that recognise the realities of the service pressures that we face

12.26 In line with the Equality Act 2010 and in order to ensure that proposed measures in the budget do not have preventable or disproportionate negative impacts on individuals or groups who share the protected characteristics within

Haringey, the Council has completed the following process when developing proposals:

- The Council has evaluated the impact of MTFS proposals in line with the corporate equality impact assessment process. This involves screening proposals for potential impact and completing full equality impact assessments (EqIAs) where appropriate.
- For MTFS proposals where full EqIAs have been appropriate, the full range of potential impacts have been identified and analysed, with mitigations specified where any potential negative impacts are noted.
- Eight MTFS proposals were subject to full EqIAs. Two of these proposals were identified as having potential negative equality impacts. Mitigations have been developed for these potential impacts. Moreover, the two proposals are considered proportionate means of achieving legitimate aims.

12.27 The proposed decision in this paper is not anticipated to have a negative impact on equality in Haringey. The Council has designed the proposals in this report with reference to the Borough Plan equalities objectives and in line with a set of principles that ensure that minimises the direct impact on residents. Full details can be found in Appendix 12.

13. Use of Appendices

Appendix 1 – Summary of General Fund Revenue 2020/21 Budget and Medium-Term Financial Plan 2020-2025

Appendix 2 – Summary of new budget reductions

Appendix 3 – Summary of total budget reduction proposals by year

Appendix 4 – Draft General Fund Capital Programme 2020/21 – 2024/25

Appendix 5 – Summary of new proposed capital investment

Appendix 6 – Flexible Use of Capital Receipts Strategy

Appendix 6a – Flexible Use of Capital Receipts Detail

Appendix 7 – HRA Capital Programme 2020/21 -2024/25

Appendix 8 – Tenants Service Charges 2020/21

Appendix 9 – DSB Budget 2020/21

Appendix 10 – Budget Consultation Summary of Responses

Appendix 11 – Overview and Scrutiny Committee recommendations and Cabinet responses

Appendix 12 – Equalities Impact Assessment (EqIA) Report

Appendix 12a – Summary of Budget Reduction EqIAs

Appendix 12b – Completed Full EqIA Proformas Pack

- Appendix 12b.0 Cover
- Appendix 12b.1 Osborne Grove
- Appendix 12b.2 PH Lifestyles
- Appendix 12b.3 0-19 Integrated Service Model
- Appendix 12b.4 SEND Transport
- Appendix 12b.5 Positive Families Partnership
- Appendix 12b.6 PAUSE
- Appendix 12b.7 SELECTIVE LICENSING
- Appendix 12b.8 Parking Transformation Programme

14. Local Government (Access to Information) Act 1985

Background papers are as follows:

2020-21 Budget and 2020-2025 Medium Term Financial Strategy

2019/20 Qtr 1 and Qtr 2 Budget Reports

2019/20 Budget & MTFS 2019-2024

2020/21 Tax Base Delegated Decision Report