

## APPENDIX 1

### BUSINESS AS USUAL SAVINGS

#### 1. Finance and Corporate Resources

The proposals are in line with the Council's priorities to continue the drive towards increased efficiency and income generation.

Budget of Service Area £000	FINANCE AND CORPORATE RESOURCES SAVINGS / INCOME PROPOSAL	2020/21 £000	2021/22 £000	2022/23 £000	Total £000	Rationale for the Saving and why is the service being looked at
3,300 Admin Budget 146,500 Income	F&R 1: Council Tax and Business Rates Administration. In the 2019/20 Budget and in previous years it was assumed that we will collect 95% of the council tax debit raised after taking account of exemptions, discounts and other adjustments. This rate was assumed in the current MTPF. Collection performance in the last two years indicates that we are exceeding this rate and now that this improved performance appears sustainable, we are going to increase the collection rate to 95.5% in 2020/21 and to 96% in 2021/22. This in turn will increase the in-year budgeted income from Council Tax by c. £925k in 2020/21 (£451k) and 2021/22 (£474k).	451	474		925	We are applying the financial benefit of improved collection and efficiency
3,300 Admin Budget 146,500 Income	F&R 2: We also anticipate increased income from improved administration in Council Tax (from improved data from the London Fraud Hub and from successful single person discount campaigns) and from Business Rates arising from the identification of properties that should be paying business rates that aren't). We anticipate increased income of £600k from this improvement.  So, we anticipate an additional income of £1,525k from improved council tax collection and improvements in council tax and business rates administration. However, it should be noted that the increased income from improved council tax collection (£925k) was included in the latest MTFP and is therefore already netted off the budget gap.	300	300		600	Again, we are applying the financial benefit resulting from improved administrative efficiency, enhanced fraud detection capabilities and ongoing efforts to remove discounts from taxpayers that aren't entitled to them

82,300	F&R 3: Council Tax Income. When setting the council tax income budget for any given year, we use the council taxbase in the previous November. So, the 2019/20 budgeted council tax income was based on the taxbase as at November 2018. We then make a prudent assumption about the amount of taxbase growth there will be in the year in question. In the 2019/20 Budget and in previous years, we assumed growth equivalent to 680 Band C properties. However, we have just completed a review of the profile of council tax income over 2018/19 and 2017/18 and on the basis of this, propose to set the assumed growth equal to 1,000 Band C properties in 2020/21. This will generate an additional £310k of in-year income in 2020/21.	310			310	This saving is derived from applying an updated assumption based on actual data of the in-year council tax debit
2,715	F&R 5: Finance Teams. Since the last review in 2016 it is now timely to undertake a further review of structure and processes to ensure they remain best in class with the introduction of Financial Management Code and changes to Audit Code of Practice. It is expected that the review will save £150k in 2020/21 and a further £150k from 2021/22.	150	150		300	Likely outcome of a review of operations which is necessary because of the introduction of new Financial Management & Audit Codes
N/A	<b>TOTAL F&amp;R SAVINGS EXCLUDING SAVINGS ALREADY INCLUDED IN MTFP</b>	<b>760</b>	<b>450</b>	<b>0</b>	<b>1,210</b>	

## 2 Children, Adults and Community Health (CACH)

Total 2019/20 budget £'000	CACH SAVINGS / INCOME PROPOSAL	20/21 £'000	21/22 £'000	22/23 £'000	Total £'000	Rationale for the service being looked at/ why the savings proposal is put forward
4,200	CACH 1: Substance misuse	150	150	0	300	The Substance Misuse service is being reprocured and programmed to go to Capital Procurement Committee (CPC) in September 2019. The improved new service also delivers savings following a thorough engagement exercise and the development of a revised clinical pathway.
6,656	CACH 2: Young Hackney: minor underspends	60	40	0	100	This is the aggregation of underspends across Young Hackney cost centres including commissioning of time limited projects, supplies and services, and naturally occurring delays in recruitment. Budget shown is Young Hackney budget excluding recharges. The budget and spend on commissioning in Young Hackney are currently £2.1million not including the savings identified.
	<b>TOTAL</b>	<b>210</b>	<b>190</b>	<b>0</b>	<b>400</b>	

### 3 Neighbourhoods and Housing

N&H has produced a raft of BAU savings which are summarised in the table below. The proposals have been put forward because they are in line with the Council's current policies, are relatively easy to implement and do not result in a service reduction.

2019/20 Budget £000	NEIGHBOURHOODS & HOUSING SAVINGS / INCOME PROPOSALS	2020/21 £000	2021/22 £000	2022/23 £000	Total £000	Rationale
6,381	<p><b>1: Parking &amp; Street Markets:</b> Parking Zone Expansion. At present over 80% of the borough is covered by parking controls which generates most of the Parking income. The effects of displacement parking from drivers seeking to park for free in areas without controls causes high levels of parking stress leading to a deterioration of local air quality, increased traffic flow and accidents. This has been exacerbated most recently by Haringey implementing controls to the north of the Seven Sisters Rd causing additional stress to the Stamford Hill area. Parking stress surveys will be carried out in the remaining uncontrolled areas over the next 12 months in line with the Council's PEP with a view to introduce controls to alleviate these issues and protect parking availability for residents as defined in the Parking hierarchy of needs also set out in the PEP.</p> <p>The anticipated expansion of parking controls in these remaining areas will generate additional income through the purchase of parking permits, visitor vouchers and the collection of PCN fines. It should be noted that any surplus income from car parking must be spent on specified purposes including transport infrastructure, road safety initiatives, public realm improvements and freedom passes for people over 60 and the disabled.</p>			150	150	in line with current policy

4,408	<p><b>5: Parking &amp; Street Markets:</b> Parking and Markets Restructure - within Parking this will see a restructure leading to a reduction in the number of senior management team, while in Markets savings are being delivered by reshaping the workforce away from full time staff to an increased number of part time officers, which will better align resources with demand, which is heaviest on Saturdays.</p>	224			224	Continuation of the shift to digitalisation and efficiency
554	<p><b>7: Streetscene:</b> Street Lighting reduction in maintenance costs and LED lighting</p>	75	55		130	Efficiencies from using new technologies in the public realm
1,400	<p><b>8: Regeneration:</b> Private Sector Housing - Income from the introduction of Licensing Scheme per the Cabinet approval of the scheme in March 2018.</p> <p>Hackney currently has a selective licensing scheme covering only three wards. The number of licensable properties covered by the scheme is 4,149. This figure represents 12.2% of the total PRS stock in the Borough of Hackney.</p>	200			200	In line with policy
700	<p><b>9: Streetscene:</b> Network Management - The service has reviewed and benchmarked fees and charges for the use of the transport network, highways licenses and temporary traffic orders, and with the continued greater enforcement which is improving compliance we can increase income.</p>	50			50	Increased income from activities, in line with current policy
3,474	<p><b>11: Streetscene:</b> Capitalise Revenue maintenance spend. Some highways maintenance works funded from revenue budgets extend the life of the asset and, in terms of cost, are large enough to be capitalised. There is a £900k reactive maintenance budget and approximately £275k is spent on carriageways. These repairs add life to the road as the norm is to repair on a permanent basis and to a depth of 100mm. Accordingly this could be capitalised and would represent a revenue saving if added to the capital programme.</p>	275			275	

	This is an accounting change to reduce the pressure on the revenue budget although it will reduce the amount of capital available for planned highways maintenance.					
	<b>TOTAL</b>	<b>824</b>	<b>55</b>	<b>150</b>	<b>1,029</b>	

#### 4. Housing Revenue Account (HRA)

2019/20 Budget £000	HRA BUSINESS AS USUAL SAVINGS / INCOME PROPOSALS	2020/21 £000	2020/21 £000	2022/23 £000	Total £000	Rationale
100	HRA 1: Review of the operation of the recharge policy to recharge tenants for property damage and deep cleans. The policy on rechargeable repairs has been reviewed and tenants will be required to contribute towards the cost of repairing damage and clean ups of tenants vacating properties. The total budget for reactive repairs inside dwellings is £3.5m.	60	60		120	Review of recharge identified potential to defray costs of malicious and/or negligent property damage through charging for the cost of these repairs
1,490	HRA 2: Increase garage rents. Based on £1 per week increase at current occupancy levels for each year (Saving for year 2 of proposal)	120			120	Year 2 of saving approved as part of 2018/9 budget
2,241	HRA 3: Additional income from improvement to void turnaround time. Current void turnaround times target is 55 days. The new target will be a further improvement of 7 days to 48 days.	60			60	Existing policy and performance improvement
	<b>TOTAL</b>	<b>240</b>	<b>60</b>		<b>300</b>	

#### 5.0 General Fund Summary by Directorate

Directorate	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
<b>CACH</b>	210	190	400	400
<b>F&amp;R</b>	760	450	0	1,210
<b>N&amp;H</b>	824	55	150	1,029
<b>TOTAL</b>	<b>1,794</b>	<b>695</b>	<b>150</b>	<b>2,639</b>

## 6.0 CACH - Further Proposal

In addition to the above, a further Business as usual saving has been identified and proposed by CACH but this is subject to the review of the impact of phase 1 of implementation of the increased fees in Hackney's Children's Centres. For information, it is shown below

### HLT

Saving	20/21 £'000	21/22 £'000	22/23 £'000	Total £'000	Total 2019/20 budget £'000	Rationale for the service being looked at/ why the savings proposal is put forward
CACH 4: HLT:Fees and charges	75	75	0	150	4,061	This is Phase 2 of the increase in childcare fees in Hackney children's centres estimated at £150k. Phase 1 was a target saving of £350k in 2019-20. The saving is split over 2 years given the September implementation date. These proposals were discussed in detail at the Fees and Charges Task and Finish Group and phase 1 subsequently agreed by Cabinet. It is proposed that Phase 2 is subject to the review of the impact of Phase 1 and that if this increase is agreed, it will be approved via the Council's budget setting report.