

LONDON BOROUGH OF CAMDEN	WARDS: ALL
REPORT TITLE Review of Camden Medium Term Financial Strategy (FIN/2015/21)	
REPORT OF Cabinet Member for Finance and Technology Policy	
FOR SUBMISSION TO Children, Schools and Families Scrutiny Committee Culture and Environment Scrutiny Committee Resources and Corporate Performance Scrutiny Committee Cabinet	DATE 8 December 2015 10 December 2015 15 December 2015 16 December 2015
SUMMARY OF REPORT <p>The Spending Review has confirmed that the Council's funding will continue to reduce into the medium-term, and that cuts to core council funding will continue beyond the end of the current 3 year financial strategy in 2017/18. This report presents a progress update on the implementation of our £75m financial strategy, and sets out an update on the scale of the challenge following the Spending Review and Autumn Statement, noting that these cuts will inevitably have an increasing effect on service delivery and staff. The report sets out the initial steps we are proposing to take to ensure we are able to balance our books beyond 2017/18 while continuing to deliver the Camden Plan, and recommends that Cabinet agree further savings to be implemented in 2016/17 to help balance the budget and respond to the ongoing financial challenge.</p> <p>The Council needs to set a balanced budget in February 2016 and this report sets out various pressures and developments that will impact on the 2016/17 budget.</p> <p>The report asks the Cabinet to agree to revisions and re-profiling in the Capital Programme following a comprehensive appraisal of CIP schemes and an extension of the Better Homes programme. It also asks the Cabinet to agree new fees and charges and to agree the fees and charges where the proposed increase is over 5%.</p> <p>Local Government Act 1972 – Access to Information</p> <p>No documents required to be listed were used in the writing of this report.</p> <p>Contact Officer Neil Simcock Head of Strategic Finance Finance Department 5 Pancras Square</p> <p>Telephone 020 7974 6740</p> <p>Email Neil.Simcock@camden.gov.uk</p>	

WHAT DECISIONS ARE BEING ASKED FOR?

The Scrutiny Committees are asked to consider the report and forward any comments to the Cabinet.

The Cabinet is recommended to:

- (a) Note the latest position regarding the Council's medium-term deficit projections following the Spending Review
- (b) Note the progress towards implementing the financial strategy as set out in [section 4.71 – 4.75](#)
- (c) Agree to the early delivery of two existing savings projects to bring forward an element of the saving expected in 2017/18 to 2016/17 as set out in [paragraph 4.74](#)
- (d) Agree the additional savings proposals to be implemented in 2016/17 and 2017/18 as set out in [table 1](#) and agree the delegation sought for each project as specified in [paragraph 4.35](#)
- (e) Note, subject to agreeing recommendation (d), that decisions on how to implement the savings proposals for adult social care will be subject to further information being made available on how the new social care council tax precept will work and council decision on whether to introduce a social care precept in 2016/17 budget setting
- (f) Note the in-year cut to the public health grant and the Council's approach to achieve the required savings as set out in [paragraph 4.25](#)
- (g) Note the current allocations for Unavoidable Pressures for 2016/17 as presented in [section 4.80 – 4.82](#)
- (h) Agree reallocation of the Council's earmarked reserves as set out in [section 4.92 – 4.93](#)
- (i) Agree allocation of underspend to support the HS2 programme in 2016/17 as set out in [section 4.97](#)
- (j) In relation to fees and charges in [paragraphs 4.90 – 4.91](#):
 - a. Delegate authority to Chief Officers to decide increases to existing fees and charges up to a maximum of 5%, in consultation with the relevant portfolio holders
 - b. Note the particular content in [Appendix D](#) setting out supporting information for the new fees and charges and the fees and charges where the proposed increase is over 5%
 - c. Agree the new fees and charges shown in [Appendix E](#)
 - d. Agree increase in fees and charges where the proposed increase is over 5% as shown in [Appendix F](#)
- (k) Note the forecast outturn financial position for 2015/16 discussed in [section 4.94 – 4.96](#) (revenue) and [4.110 – 4.113](#) (capital)
- (l) Agree the revised Capital Programme, funding and capital receipts targets summarised [sections 4.98 – 4.109](#) and presented in [Appendices G, H and I](#)

Agreed by Mike O'Donnell, Director of Finance

Date: 3rd December 2015

1.0 WHAT IS THIS REPORT ABOUT?

1.1 The Cabinet receives three financial updates a year. These allow the Cabinet and residents to understand the financial position and the decisions required to ensure the Council makes the most of its investments.

1.2 This report updates Cabinet on a number of financial developments. The recommendations in this report are focussed on these main areas in which Cabinet endorsement is sought.

- The report updates Members on the **outlook for council funding** following the recent Spending Review and Autumn Statement, and sets out the announcements which are likely to have the most **significant impact on local government**
- The report explains **that the financial challenge will continue beyond 2017/18** and presents initial steps we will take to develop a financial strategy to close the expected funding gap
- The report sets out **additional savings** to be implemented to allow the Council to respond should the Finance Settlement mean further savings are required in 2016/17, and to help prepare for the further cuts expected from 2018/19
- The report recommends re-allocation of the Council's **earmarked reserves** resulting from the review of all earmarked reserves
- The report recommends the level of **fees and charges** for 2016/17 to allow the Council to set a balanced budget for 2016/17 and presents new and updated fees and charges for approval
- Finally, the report presents an **update on the shape of the Capital Programme** following an appraisal of all major CIP schemes and the extension of the Better Homes Programme to 2025

2.0 WHY IS THIS REPORT NECESSARY?

2.1 Effective financial strategy and governance are necessary to ensure that an organisation functions well. It is important that Members and the public are apprised of the major financial issues facing the Council and are able to make effective financial decisions.

2.2 The Council regularly reviews its underlying medium-term financial assumptions, and this report updates Members and the public on changes to cost and income profiles and the funding outlook following the Spending Review and Autumn Statement in November.

2.3 The Council needs to set a balanced budget in February 2016 and this report takes some of the necessary preparatory actions and sets out the main risks to setting a balanced budget for 2016/17.

- 2.4 The Spending Review has confirmed that the Council will continue to face funding cuts beyond the delivery of the current £75m programme, which runs to 2017/18. Reductions in central government funding (the main source of the Council's income) will continue in the years beyond and we have therefore started to prepare a strategy that will enable us to respond to this challenge. As a first step and to allow us to respond should further savings be necessary in the short-term, the report proposes new savings projects to be implemented from 2016/17.

3.0 OPTIONS

- 3.1 The report presents an updated outlook for Council funding and includes additional savings proposals to be implemented from 2016/17. The Cabinet could consider alternative sources of savings or choose to implement them later. This would however present a risk to our ability to set a balanced budget for 2016/17 should there be additional cuts in the Finance Settlement to those anticipated, and harm our ability to manage risks such as business rates income and the potential slippage of savings.
- 3.2 The report asks the Cabinet to agree Fees and Charges where the increase is more than 5% or where the charge is being levied for the first time. The Cabinet could decide not to agree these Fees and Charges for 2016/17.
- 3.3 Alternative usage for the reserve balances now deemed unnecessary are proposed. Cabinet could choose to allocate the balances differently, or to leave them where they are presently.
- 3.4 The report also presents an updated capital programme for Cabinet agreement following a Second Review of Capital. Cabinet could choose to make adjustments to spending profiles or choose alternative priorities for capital expenditure.

4.0 WHAT ARE THE REASONS FOR THE RECOMMENDED DECISIONS?

The Outlook for Council Funding following the Spending Review

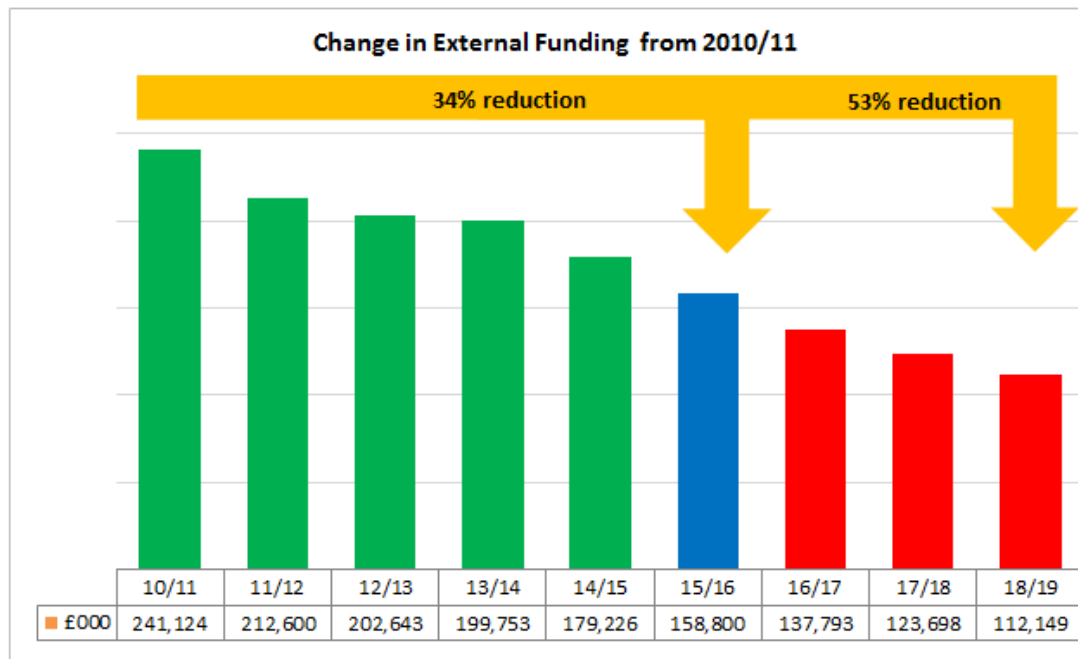
- 4.1 The November Spending Review confirmed the government's intention to achieve a national budget surplus in 2019/20, and that the funding outlook for local authorities will therefore remain challenging into the medium-term. The Council is preparing for this and therefore Cabinet is asked to agree a number of additional saving projects to be implemented in 2016/17 in addition to the £75m savings programme that is already in place. The report also sets out initial steps we are proposing to take to ensure we are able to balance our books beyond 2017/18.
- 4.2 In the July Budget, the Chancellor stated the government will make savings of £37bn over this parliament. Of this, a total of £12bn will come from welfare cuts and £5bn will come from tackling tax avoidance and tax planning, evasion and compliance, and imbalances in the tax system. This left £20bn of savings to be identified in the Spending Review.

- 4.3 Since the July Budget, the Office for Budget Responsibility (OBR) forecast for public finances has improved. This is largely due to:
- **Increased revenue** - gross tax increases over the 5 year period (up to 2020/21) total £28.5bn. These include the new apprenticeship levy (£11.6bn), higher council tax (£6.2bn), and the introduction of higher rates of stamp duty land tax for second homes and buy-to-let purchases (£3.8bn)
 - **Lower interest on the government debt** - Spending on debt interest is lower in all years, reflecting a further fall in market interest rates
- 4.4 The improvements to the forecast since July Budget 2015 mean that the reduction in spending now required is £18bn. Spending Review 2015 presents £12bn of savings to overall departmental (RDEL) government spending. As announced at Summer Budget 2015, the government is introducing the apprenticeship levy which will be worth £3bn per annum by 2019/20. The remaining £3bn is to be delivered through measures aimed at tackling tax avoidance. The Council must be mindful that over the course of the last parliament, following the revision of economic forecasts, cuts to councils were subsequently increased from those announced as part of Spending Review 2010 to help meet deficit reduction targets.
- 4.5 The cut of £12bn to total departmental resource spending by 2019/20 is made up of £21.5bn of savings from unprotected departments, of which £9.5bn will be reinvested in the government's priorities which include:
- spend 2% of Gross Domestic Product (GDP) on defence for the rest of this decade
 - spend 0.7% of Gross National Income on overseas aid
 - provide the NHS in England £10bn per year more in real terms by 2020/21 than in 2014/15
 - increase the basic State Pension by the triple lock in April 2016, so that it rises to £119.30 a week
 - protect overall police spending in real terms over the Spending Review period
- 4.6 The scale of protection afforded to these departments and budgets means local government will continue to bear a larger proportion of funding cuts.

Medium-term Financial Projections Following the Spending Review

- 4.7 Camden is heavily dependent on funding it receives from central government, which has been cut year on year since 2010. As grant funding used to be linked to levels of deprivation, areas of high historical need like Camden have seen more significant cuts to their grant funding and overall spending power. Between 2010/11 and 2018/19, Camden's like-for-like government funding is expected to fall by 53%.

Chart 1 - Percentage Decrease in like-for-like Government Funding to Camden since 2010/11*



* Change in like for like external General Fund funding: e.g. excludes funding for new services like Public Health Grant for new service from 2013/14, and ring-fenced schools funding. Figures are projected from 2016/17.

- 4.8 Camden has already delivered a savings programme that reduced budgets by £93m between 2011/12 and 2014/15. In response to the further expected cuts to the government funding, and various inflationary, demographic and other pressures on the Council, Cabinet has agreed a £75m savings strategy to be delivered between 2015/16 and 2017/18.
- 4.9 The Council has been consistent in stating that further savings are likely to be required beyond the delivery of the current programme in 2017/18. On our latest extrapolation of the government's high-level expenditure limits, the current financial strategy, including the additional savings set out in this report, will be sufficient to balance the Council's budget up to 2017/18 if delivered in full. We will continue to keep this position under review as more information emerges from Spending Review.
- 4.10 The announcements in the Spending Review confirmed that funding cuts will continue beyond 2017/18 and up to the end of the current parliament. The projections suggest that incremental increases in costs due to inflation and demographic pressures will combine with a decrease in income to produce a deficit currently estimated as around £20m in 2018/19 alone. This is consistent with previous analysis and information presented to Cabinet, and assumes that the Settlement for the next two years is as anticipated and that the current programme is delivered in full.
- 4.11 However, there remains a great deal of uncertainty in accurately projecting the Council's future funding, while we must continue to manage a growing range of potential and actual risks, as set out in this paper. The grant

allocation for 2016/17 will not be known until the Local Government Finance Settlement, expected in December, and it is not clear whether this settlement will be for one or multiple years.

- 4.12 Over the medium term, the Spending Review announced a range of policy initiatives that will have a financial impact on the Council, including changes to the business rate retention system and corresponding transfer of responsibility to local government. There is insufficient detail at this stage to state what the impact of these new policies will be on the Council's medium-term position with precision.

Significant Policies in the Autumn Statement and Spending Review Impacting Camden

- 4.13 The Spending Review and Autumn Statement announced a range of policies that will have an impact on Camden in the medium-term. The exact impact on the Council's medium-term position is not yet clear.

A National Formula for Schools Funding

- 4.14 The government has confirmed its intention to introduce a national funding formula, known as "fairer funding", for all three blocks of the ring-fenced Dedicated Schools Grant from April 2017, and set out its commitment to introduce 30 hours childcare for 3 and 4 year olds in working families from September 2017. These policies could have very serious impacts on funding for Camden schools and impinge on our ability to continue deliver 30 hours free childcare in children's centre and nursery settings. The government has also stated that it intends to end local authorities' roles in running schools. Further information is set out in [5.17–5.23](#).

Council Tax

- 4.15 The Spending Review announced that local authorities responsible for social care will be allowed collect a social care precept, giving them the power to raise new funding to be spent exclusively on adult social care. The precept will work by giving local authorities the flexibility to raise council tax in their area by up to 2% above the existing threshold, which has been 2% in recent years, without the need for a referendum. The government is expected to publish further information on how this will work at the time of the local government finance settlement.
- 4.16 There was no announcement regarding the referendum threshold for increasing existing council tax for 2016/17, or whether a freeze grant would be available for councils that did not increase their tax.

Business Rates, Core Grant, and other Funding Changes

- 4.17 The government previously announced that by end of the parliament 'core grant' (RSG) would be phased out and councils would retain all business rates generated nationally. The government has been clear that this policy

would be fiscally-neutral – i.e. local government wouldn't be able to retain additional business rates without a corresponding increase in its responsibilities and/or the substitution for existing sources of income (that is, an increase in retained rates would be matched by a decrease in other grants). A number of these were mooted in the Review:

- Administration of Housing Benefits for pensioners (working age claimants to be administered by JCP through Universal Credit)
- Capital projects currently undertaken by TfL
- Public Health grant

4.18 The position remains that under the reforms, councils will have the power to cut but not raise rates, except in limited cases for elected mayors, who, following consultation with the business community will have the power to increase rates to pay for infrastructure. It is also important to note that the system of top-ups and tariffs that distribute rates across the country will also remain and that Camden will not retain all of the rates it generates. The changes to business rates will be included in a forthcoming consultation on local government finance in 2016.

4.19 The doubling of small business rates relief has been extended to 2016/17. Eligible businesses will pay either no rate, or have their rate tapered. In the past councils have been recompensed for this loss of income with a specific 's31' grant, and it remains to be seen whether this will be the case for 2016/17. Modelling income in the current business retention regime has been fraught with difficulty due to excessive appeals levels, as set out in [section 4.85-4.89](#) and [5.7-5.11](#).

4.20 The Spending Review announced other important changes to local government funding. These include:

- New Homes Bonus – the government announced it will consult on reducing the length of payments from 6 years to 4 years. This would present a further funding cut for both capital projects and revenue
- The Review has stated that local authorities will have the flexibility to spend capital receipts excluding those from Right to Buy on the costs of service reform. This is only a minor adjustment since it was possible to bid for the ability to do this in the past through 'capitalisation directives', and is of limited use in Camden where our capital programme is heavily reliant on receipts. The conditions will be detailed in the December Local Government Finance Settlement

4.21 The Chancellor also announced an increase to the Better Care Fund by £1.5bn to support integration between health and social care. In order to improve the integration further, every part of the country will have to set out a plan for the integration by 2017 with implementation by 2020.

- 4.22 The apprenticeship levy on larger employers (including the Council), announced in the Summer Budget, will be introduced in April 2017. It will be set at a rate of 0.5% of an employer's paybill. On broad initial estimates, this could mean that the Council will be paying £1.4m in levy per annum across the general fund, HRA and in schools. Currently, nearly all our apprentice training costs are covered by central government so this tax will be an increase in costs for the Council.
- 4.23 The Chancellor announced that capital spending will increase by 50% while the Department for Transport budget is cut by 37% by 2020. The Department for Transport will phase out TfL's resource grant, leaving TfL to fund its services through commercial investment, cuts or potentially higher fares.
- 4.24 The Spending Review also announced £11bn support for transport investment helping the Mayor to deliver investment including Crossrail, new Underground trains, new buses, and a network of cycle superhighways.

Public Health

- 4.25 In addition to the cuts announced in the Spending Review, on 4th June 2015 the Chancellor announced a package of savings to be made across government in-year for 2015/16. This included £200m in the Department of Health that will be targeted at Public Health budgets devolved to local authorities. As a result, Camden will see its Public Health grant reduced by £1.7m in this financial year alone. The service has identified a range of options as to how it can respond to the cuts, including holding vacancies, line by line reviews of budgets, delaying/revising existing procurements and reviewing where contracted and project activity can be restrained. In addition, planned investment commitments from the Public Health grant and reserve have been reviewed for savings; the most significant of these is the previously agreed one-off investment of around £1.1m in Camden's outdoor gym programme which has been reduced by half. This review process has informed a more strategic assessment of options for addressing the further expected cut from 2016/17.
- 4.26 The Spending Review has confirmed that Public Health will be expected to deliver further cuts of 3.9% per annum over the next 5 years in real terms, an implied reduction to Camden's grant of around £2.4m per annum by the end of the period. The ring-fence on public health spending will be maintained in 2016-17 and 2017-18. The future of funding after this is unclear, and will be considered as part of the exchange for 100% Business Rate retention.

Welfare

- 4.27 The Chancellor abandoned plans to make changes to Working Tax Credit. To pay for the funding gap that this creates, he confirmed that the £12bn saving to the welfare budget would be met over a longer period. Current claimants will continue to retain their tax credit, with a "transitional period" when these claimants go over to Universal Credit. There will be tougher

rules on new claimants. It is currently anticipated that new claimants in Camden will begin to be transferred to Universal Credit in 2016, with existing claimants likely to follow in 2017 or 2018.

- 4.28 Additional Discretionary Housing Payments (the fund used for councils to mitigate the impacts of the welfare changes) will continue to be given to local authorities, although the level of funding is not yet clear.

Housing

- 4.29 Social sector rents for tenants on Housing Benefit will be capped at the equivalent Local Housing Allowance (LHA) rate for new tenants from April 2016 and existing tenants from April 2018. Due to low rents in general stock and high private sector rents, this will (on current LHA rates) have no impact in general stock, even for those tenants claiming the lowest LHA rates. However, it may have considerable impact on Housing Revenue Account hostels, as they charge higher rents. The exact level of impact is currently being assessed.
- 4.30 The Spending Review announced a shift in temporary accommodation financing, removing the management charge out of the welfare budget and instead providing funds directly to councils. Councils will receive at least the same amount of money initially and have more control over where it is spent, but the risk is that this funding will decrease over time if it becomes part of core council funding.

Health and Adult Social Care

- 4.31 The government will continue the Better Care Fund, maintaining this as a mandatory contribution from the NHS. This will be increased by an additional £1.5 billion by 2019/20. As part of this every part of the country must have a plan for health and social care integration by 2017, for implementation by 2020.
- 4.32 The Chancellor said that the government remains committed to introducing the Dilnot reforms to social care, with funding provided in 2019/20 to cover the costs of local authorities preparing for these changes.

Saving proposals to be implemented in 2016/17

- 4.33 In the December 2014 MTFs, alongside the proposed saving programme we set out a list of projects under development, with the view that these would be further developed and agreed in 2015. The first of these was agreed in June when Cabinet agreed to make further savings of £2m from the waste contract in 2017/18. We are now proposing further savings to be agreed for implementation in 2016/17 and 2017/18. The savings proposals are set out in [table 1](#) and more detail is provided in [Appendix A](#).
- 4.34 These initiatives will help the Council to present a balanced budget in 2016/17 should the cuts in the Finance Settlement be worse than expected,

and will otherwise provide the first steps in delivering additional savings required from 2018/19. If agreed the relevant budget adjustments for 2016/17 will be included in the Revenue Estimates and Council Tax Setting report to be agreed by Cabinet and Council in February 2016.

4.35 Cabinet is recommended to agree in principle the proposals identified in [table 1](#) and [Appendix A](#) subject to a delegation to the relevant Director(s) listed in [Appendix A](#) for all or part of the elements listed below. The specific delegation required is set out within each proposal in [Appendix A](#) and is as follows:

- i. to decide whether and how to implement the specific savings identified within each proposal together with any related additional savings that flow from the project having had due regard to the Council's general equality duties, any other applicable legal duties and the results of any consultation undertaken in respect of the proposal;
- ii. to undertake any necessary consultation exercise for the purposes of (i);
- iii. where the proposals involve organisation restructures of more than 20 staff, to implement such organisational changes in consultation with the relevant Cabinet Portfolio Member.

4.36 The savings regarding Adult Social care have a further delegation: that decisions on how to implement the savings proposals for adult social care will be subject to further information being made available on how the new social care council tax precept will work and council decisions on whether to introduce a social care precept in 2016/17 budget setting.

Table 1: Proposed saving projects to be implemented from 2016/17

Project Ref	Project Title	Potential Savings 2016/17 £	Potential Savings 2017/18 £	Proposal Summary
R1	Rationalising our engagement mechanisms and approach to engaging residents	133,000	323,000	Further savings from consolidating the number of engagement forums and mechanisms across the Council, focusing more on how we involve residents in co-designing services.
DS3	Learning/Physical Disability - First Contact	250,000	250,000	Building on existing work to ensure that when people contact the council they are given the right service at the right time manage to live as independently as possible. Savings are dependent on more robust application of eligibility criteria and reduction in current level of support by focusing on those with most need.
OP2	Older People – First Contact	478,000	478,000	Ensuring the right information, advice and signposting is in place to enable people to have a more informed choice about the services available to support them in everyday day life enabling a more independent lifestyle. Savings are dependent on more robust application of eligibility criteria and reduction in current level of support by focusing on those with most need.

Project Ref	Project Title	Potential Savings 2016/17 £	Potential Savings 2017/18 £	Proposal Summary
DS1	Learning/Physical Disabilities - Making sure people are in the right accommodation	250,000	250,000	Continue to work with providers and commissioning new services to support people to live locally and independently as possible.
CR02	Change the approach to managing ASB cases	283,000	283,000	Learning from the work progressed in the Crime Reduction outcome we will explore whether there are effective ways of further rationalising delivery of these services, allowing a focus on high risk cases and developing the use of mediation approaches where appropriate.
CR03	Rationalise delivery on Youth Violence (YV)	325,000	375,000	Learning from the work progressed in the Crime Reduction outcome we will explore whether there are effective ways of rationalising delivery of resources that tackle Youth Violence (YV) and youth disorder. This could look at targeting those individuals who are at highest risk of causing harm to themselves, their families, their associates and the community.
CR04	Reduce direct delivery on the Night Time Economy (NTE)	65,000	65,000	Learning from the work progressed in the Crime Reduction outcome we will explore whether there are effective ways of further rationalising delivery of these services, maintaining levels of licensing compliance and developing the use of community engagement approaches where appropriate.
CR05	Reduce investment in patrol services	250,000	250,000	Learning from the work progressed in the Crime Reduction outcome we will explore whether there are effective ways of further rationalising delivery of these services so that a focus can be retained on maintaining visible street based services where possible.
IM2	Improving the collection and recovery of income across the Council, including recouping credit card transactions fees	150,000	150,000	Review feasibility of recouping credit card fees in some areas. This work will build on the current systems review of how we collect income to ensure full savings are delivered by extending the scope and target of the existing income collection and recovery project.
Total before HRA element		2,184,000	2,424,000	

- 4.37 The delivery of the £323k of savings from rationalising our engagement mechanisms (project R1) had an initial planned delivery date of 2016/17 but will now be achieved incrementally over 2016/17 (£133k) and 2017/18 (£190k).
- 4.38 The proposed crime reduction savings and revised community safety strategy are subject to public consultation commencing in January 2016 (references CR). This is expected to take six weeks, followed by staff consultation. As a result the achievement of the full year savings from April 2016 may slip, with any shortfall in 2016/17 to be met from either the Community Safety or wider C&E budget.
- 4.39 Decisions on how to implement the savings proposals for adult social care (project references OP and DS) will be subject to further information

being made available on how the new social care council tax precept will work, which are expected with the local Government Finance Settlement (in particular, the rules around eligibility and use of the funds). Linked to this will be a greater understanding of the demographic changes that the council currently faces. Council will make a decision on whether to introduce a social care precept as part of budget setting at its February 2016 meeting.

- 4.40 Subject to agreement by Cabinet of another report on this agenda, 'A New Strategic Relationship with the Voluntary Sector', an additional proposal highlighted as under development in December 2014 will contribute an additional £0.7m of savings and this has been assumed as agreed in the analysis of the total programme in [table 2](#) below.
- 4.41 If agreed, these projects will bring the total savings programme for the General Fund to £77.8m, as per [table 2](#).

Table 2: Total savings programme 2015/16 – 2017/18

	2015/16 £	2016/17 £	2017/18 £
Total General Fund savings programme 2015/16 – 2017/18	30,367,667	50,627,770	75,026,000
Savings proposed in <i>A New Strategic Relationship with the Voluntary Sector</i>	-	700,000	700,000
Total General Fund savings proposed in this report	-	2,184,000	2,424,000
Less savings in the HRA	-	(60,000)	(160,000)
Less overlapping savings	-	(120,000)	(200,000)
Total savings 2015/16 - 2017/18	30,367,667	53,331,770	77,790,000

Next Steps in the Financial Strategy

- 4.42 The agreed MTFs strategy and the proposed savings in [table 1](#) will help to ensure we can balance our books up to 2017/18 should the cuts be deeper than expected or if some projects are not delivered. However, as noted above, we are expecting a further funding gap in the following years. In order to allow us to thoroughly evaluate any opportunities for savings and to continue to invest our diminishing resources in a way that best supports the delivery of the Camden Plan, we have already started thinking about our future financial strategy.
- 4.43 We will build on the work we have done in the past two years and harness the intelligence and opportunities developed in forming the current financial strategy. We will continue our focus on achieving the best outcomes for residents through **Outcome Based Budgeting**. The Outcomes Based Budgeting (OBB) approach to making investment and saving decisions involves considering the key issue of clarity regarding organisational priorities and an assessment of the areas of expenditure that make the biggest difference within these outcomes. This approach enables us to

identify innovative ways of delivering for our residents but also helps us to find savings where we think something is less of a priority or is not having a sufficiently positive impact.

- 4.44 We are aware that the scale of the challenge (by 2017/18 we will have taken £168m out of the budget since 2011/12) and the fluidity in which the council is operating means that we need to take a longer-term and high level view of what local government will look like in the future, and the opportunities to innovate that may be available. In recent years a range of opportunities have grown to prominence as a means to either improve service delivery directly, or to reduce costs/increase income as a way to maximise the resources available to focus on key objectives. Under the umbrella term '**Public Service Reform**', these opportunities include a range of potential areas including ensuring the council can derive the maximum benefit from any devolution of powers; maximising income to help offset cuts; and exploring areas of commercialisation, integration and collaboration with partners to share best practice and increase efficiency. We will explore which of these opportunities could work for us – to enable us to transform and re-evaluate some of our services with a more long-term focus whilst making savings and remaining focused on our key outcomes.
- 4.45 The new strategy will be supported by a targeted cost and activity analysis focussing on areas of high spend and high impact to help us identify how we compare with other organisations in terms of achieving value for money from our investments. We remain committed to Right First Time and we will use this technique if we identify the potential to do so.
- 4.46 The aim will be to present around £20m of savings that can be delivered by 2018/19 to Cabinet in December 2016. An overview of the next steps for the implementation of the financial strategy is presented as in [table 3](#). The Programme will incorporate initiatives in the Housing revenue Account (HRA) to ensure a holistic strategy across all council services.

Table 3 - Implementing the Financial Strategy - High Level Milestones December 2015 – December 2016

Year	Month	Action
2015/16	November	Autumn Statement and Spending Review
	December	Overview of updated financial outlook and next steps for the new financial strategy set out in December MTFs Review
	January	Investigation of possible scope for savings in three workstreams:
	February	- Outcome Based Budgeting - Public Sector Reform - Cost and activity analysis
	March	Review findings of the investigatory work done in the three strands. Cabinet agrees areas of focus for savings and business case development.

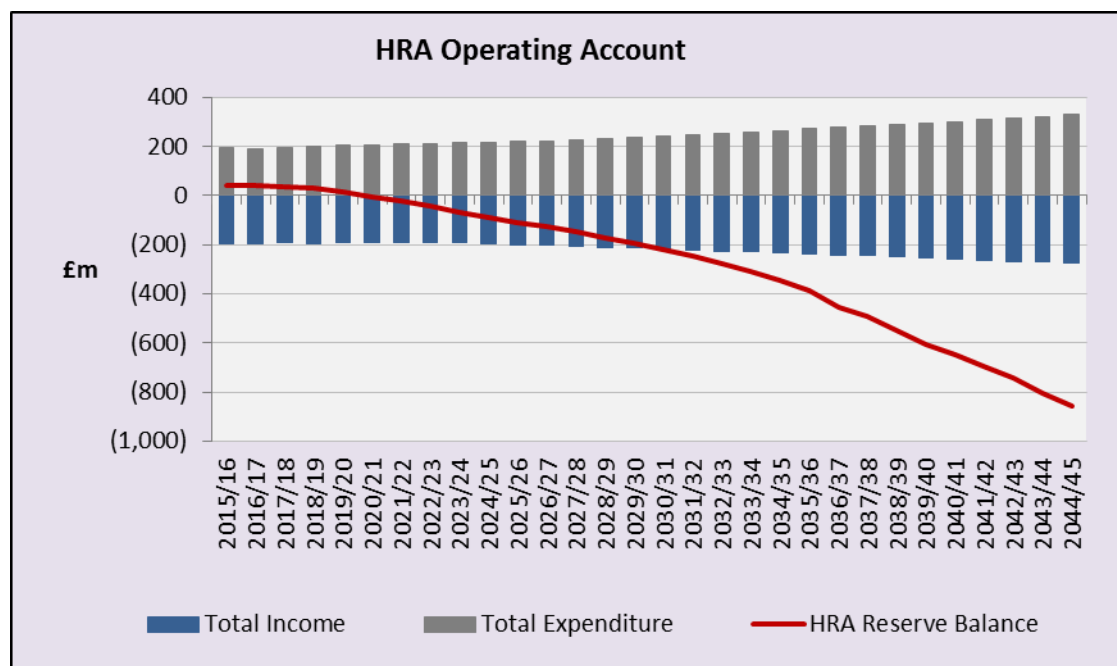
Year	Month	Action
2016/17	April	Development of savings proposals and business cases
	May	
	June	Cabinet provides steer on outcome prioritisation
	July	MTFS update on the progress of new strategy
	August	Cabinet challenge, further development and finalisation of proposals
	September	
	October	
	November	
	December	Savings proposals presented to the Cabinet for agreement

Impact of Government Proposals on the Housing Revenue Account

- 4.47 The Housing Revenue Account (HRA) contains income and expenditure relating to the provision of council housing. On the expenditure side of the account are the costs of managing and maintaining the stock, and debt charges relating to previous acquisition and renovation of property. On the income side are rents, fees and charges.
- 4.48 Prior to 2012 all local authority social housing was part of a national subsidy system with each local authority either paying into the system or receiving subsidy depending on the level of expected income and expenditure within their respective HRAs. From April 2012 the government enacted Self-Financing which meant that councils were able to retain all of the income raised within the HRA in exchange for taking on a level of debt from the national subsidy system.
- 4.49 Under the self-financing settlement Camden was assumed to be able to support £518m of housing debt. The Government assessed that this was affordable for the council based on a range of assumptions about ongoing costs and income streams including the expectation that the Council would continue to raise rents in accordance with the rent restructuring formula until target rents were reached and then by RPI +0.5% per annum.
- 4.50 Despite the self-financing legislation only being in place for three years the government has announced plans to enact a number of legislative changes that will have a negative financial impact on the Council's Housing Revenue Account by changing the assumptions that were used as part of the self-financing debt settlement. In addition the new government legislation may potentially lead to the need to dispose of some of the council's housing stock.

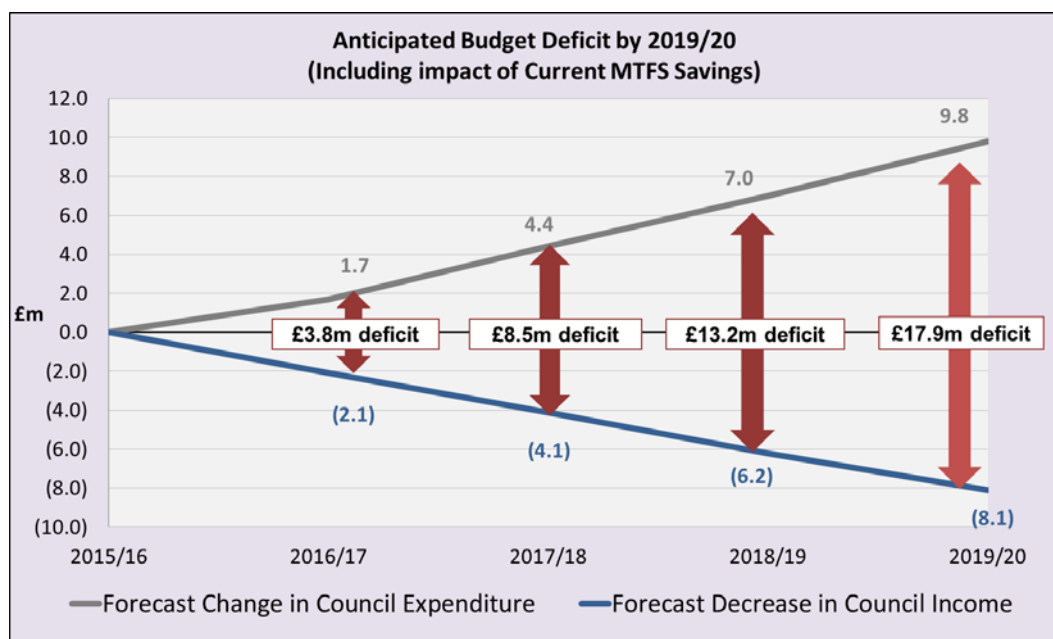
- 4.51 The new areas of government legislation affecting the Housing Revenue Account are;
- A 1% per year reduction in social rents per year over a 4 year period
 - The funding of the extension of Right to Buy to Housing Association tenants from the Housing Revenue Account
 - Enforcing market rents on tenants with 'higher' household incomes above £40,000 with the additional income paid over to the government
- 4.52 **A 1% per Year Reduction in Social Rents:** The council's current 30 year business plan for the HRA is predicated on annual income rises of CPI + 1% + £2 for the next two years and then CPI increases after that. The shift to an enforced 1% reduction in rents could have a potentially large impact on rental income and therefore the ability of the council to use income to continue to invest in stock, for example through Better Homes works.
- 4.53 [Chart 3](#) shows the impact on the current HRA thirty-year business plan if current expenditure levels are maintained in conjunction with the 1% reduction in rents for the next four years followed by a CPI rent increase from 2020/21 onwards.
- 4.54 HRA reserve balances are currently £40million. HRA reserves would be exhausted by 2019/20 and the HRA balance would be a deficit of over £800million by the end of the 30 year business plan.
- 4.55 The Council is required to set a balanced HRA budget and not allow the HRA balance to be in deficit.

Chart 3 – Effect of 1% rent reduction on the HRA business plan



- 4.56 It is estimated that the 1% reduction will have a negative cumulative impact of £69m by 2019/20 compared with existing rent increase assumptions. The council has prudently not yet committed all of these resources, so there are a number of options available for future budget setting, including deferring or reducing the level of expenditure on major works and planned maintenance, identifying alternative sources of capital funding or finding efficiency savings in the housing running cost budgets.
- 4.57 In the medium term the HRA is expected to face an actual funding gap of £13.2m in 2018/19 rising to £17.9m in 2019/20 based on expected cost pressures and the reduction in rental income only.

Chart 4 – anticipated HRA budget deficit by 2019/20



- 4.58 In the short-term, the Council needs to ensure a balanced budget for 2016/17 can be considered by Cabinet in January 2016. Initial proposals for efficiency savings and income maximisation have already been identified to help close the funding gap created by the reduction in rental income, but it may be necessary to tighten service criteria in some areas, for example in responsive repairs.
- 4.59 In the medium term the Council is establishing a HRA savings programme as part of the corporate programme to achieve the savings required to balance the HRA budget.
- 4.60 [Table 4](#) shows the planned changes to the HRA budget in order to ensure a balanced budget from 2016/17 to 2019/20.

Table 4 - HRA Budget Gap and Potential Savings

	HRA Budget Gap and Potential Savings			
	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Estimated Budget Pressure	3.80	8.50	13.20	17.90
Repair and Housing Management Savings	(2.23)	(2.23)	(2.23)	(2.23)
Reduction of Support Costs as a result of the Council's Financial Strategy	(0.40)	(0.40)	(0.40)	(0.40)
Use of Housing stock for enhanced digital connectivity	(0.40)	(0.50)	(0.50)	(0.50)
Increased income from favourable returns on Investment	(0.39)	(0.39)	(0.39)	(0.39)
Inflation increase in Tenants service charges	(0.26)	(0.26)	(0.26)	(0.26)
Increase in non-dwelling rents	(0.10)	(0.10)	(0.10)	(0.10)
Balance	0.00	4.62	9.32	14.02
Balance to be met by Financial Strategy	0.00	(4.62)	(9.32)	(14.02)
Balance	0.00	0.00	0.00	0.00

- 4.61 The potential savings in the HRA will be discussed with District Management Committees as part of the Council's decision making process and final decisions on which savings to implement will be made by Cabinet in January 2016.
- 4.62 In addition to the effect of the 1% reduction the other government legislative changes that will have an impact on the HRA are:
- 4.63 **Funding of Right to Buy to Housing Association Tenants from the Housing Revenue Account:** In order to fund replacement homes for those disposed under the new housing association right to buy scheme the government is planning to charge a levy to Councils' Housing Revenue Accounts. The levy is expected to be calculated based on the value of the Council's housing stock that is estimated to become void during each year. The value and timing of the levy is not yet clear but there is a significant risk that in order to fund the payment of the levy the Council will need to sell a number of housing assets.
- 4.64 Even if the Council is able to fund the payment of the levy without selling Housing Revenue Account assets the Housing Bill puts a duty on the Council to consider selling high value properties when they become void.
- 4.65 While the government has indicated that there will be one-for-one replacement stock built it is not certain where this will be. It is possible that replacement stock could be built outside of the borough resulting in a net loss of council housing in Camden.
- 4.66 The loss of 300 units would result in a loss of revenue income to the HRA of approximately £1.6m per annum. The council would therefore need to identify efficiency savings to compensate for this loss. If the proposals are

confirmed unaltered, they would bring into question the long term viability of the HRA.

- 4.67 **Enforcing market rents on tenants with ‘higher’ household incomes above £40,000:** Current proposals state that any additional income received from higher rents will have to be paid over to the government. The Housing Bill is expected to give Councils the power and the obligation to request income details from Council tenants. However, it is unclear how these additional rents will be collected and how any additional pressure on rent arrears will be dealt with, but it is possible that this could result on additional costs to the HRA. Collecting and maintaining income information for all tenants could be administratively expensive, depending on the details of the final regulations.
- 4.68 Depending on the details of the legislation for the sale of high value voids and ‘pay to stay’ the budget gap by 2019/20 could rise to between £21million and £29million.
- 4.69 There is also presently no clarity on legislation for social rents after 2019/20 and this along with the potential ongoing effects of the ‘levy based on high value voids’ and ‘pay to stay’ mean that further savings in the HRA are likely to be needed from 2020/21 onwards.

Schools Budget 2016/17

- 4.70 The Council currently receives £183m of government Dedicated Schools Grant funding for across 3 blocks – schools, Early Years, and High Needs, the last of which pays for Camden’s special educational needs provision. While there are a range of significant medium-term risks across all three blocks resulting from the government’s “fairer funding” policies, as set out in [section 5.17-5.21](#), the current expectation is that there will be a cash freeze in per pupil funding for 2016/17. Cost rises and pressures such as National Insurance changes discussed in [section 4.81](#) means that this constitutes a real-terms reduction in spending power, and the council is working closely with schools to develop long-term solutions to improve efficiency and reduce costs.

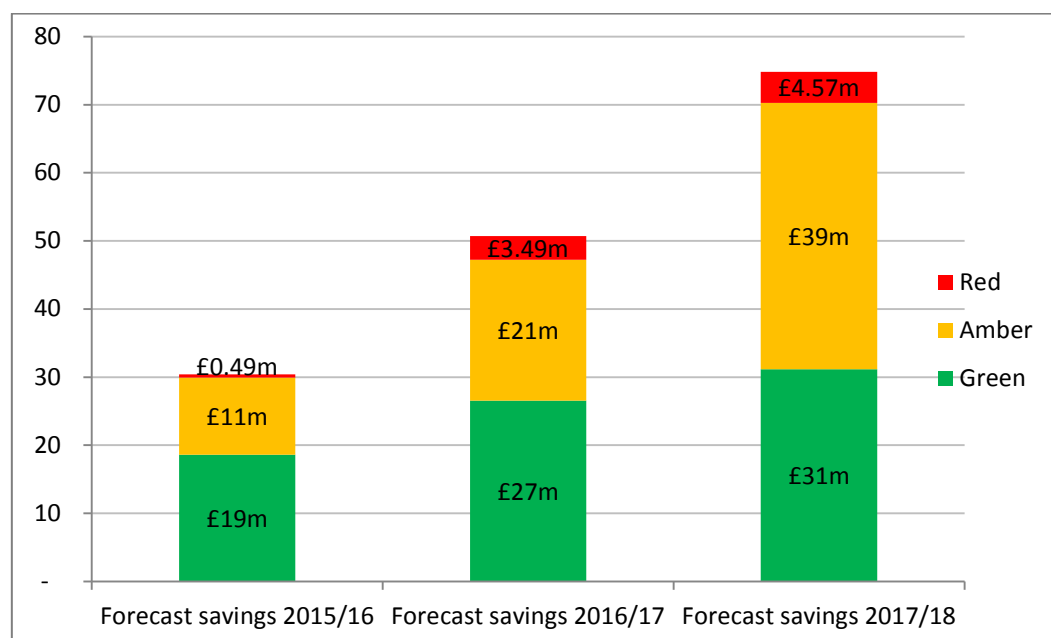
Update on the Delivery of the Medium Term Financial Strategy 2015/16 – 2017/18

- 4.71 As set out in [section 4.1](#), the Cabinet agreed a savings strategy of £75m to manage the expected budget deficit between 2015/16 and 2017/18. Since the financial strategy was agreed in September and December MTFS reports in 2014, the Council has made a strong progress towards implementing the first year of savings. However, a number of projects are still in the planning phase – awaiting engagement with users or staff, further decision making or consideration of equalities impacts.
- 4.72 There are elements of a small number of projects where there are significant barriers to the delivery of savings (‘red RAG’ in [chart 5](#)). Officers are taking

actions to mitigate these risks. Please refer to the online document [‘Financial Strategy Update: December 2015’](#) for more detail.

4.73 [Chart 5](#) shows forecast savings to be delivered in each year of the current MTF5 and the level of risk associated with the savings.

Chart 5 – Forecast Savings per Year and RAG Rating



4.74 There are two projects in the Children, Schools and Families directorate (BS6 and RF5) that are expected to over-deliver in 2016/17 by £0.44m. To avoid unnecessary underspend in 2016/17 and to better support council-wide financial planning it is proposed to re-profile the savings targets for these projects. This is early delivery of agreed savings rather than a policy change and does not represent additional savings for 2017/18. Detail can be found in the online document [‘Financial Strategy Update: December 2015’](#).

4.75 Following a large pre-budget engagement exercise, the Council is now into the next phase of consultation and engagement. The Council has already held consultations on a number of major proposals, for example regarding including libraries and how we can best support Camden’s Voluntary and Community Sector (VCS) organisations in the future. Other engagement exercises, such as consultation on reshaping youth support services are currently taking place.

Effects on Staffing

4.76 The realisation of the Council’s savings programmes has meant the Council has lost valuable and experienced staff who had worked hard over the years to build up highly respected public services. From April 2010, to date, there have been 781 redundancies, of which 454 were compulsory and 327 voluntary. In addition to those appointed to new or different roles as part of

service changes, there were also 90 redeployments to other parts of the Council, which would otherwise have led to redundancy.

- 4.77 The current savings programme is estimated to result in a reduction of around 600 posts, around 80% of which are estimated to result in redundancy. Since April 2014 there have been 151 redundancies, of which 83 have been compulsory and 68 voluntary. These redundancies have mainly come from restructures implemented during 2014/15 in Parking, Human Resources, Finance and Strategy. In addition to these services, 21 redundancies were from St Margaret's and Brach Hill Residential Care Homes. These redundancies were due to a reconfiguration of the service to better reflect the reduction in volume and to ensure that we had the requisite numbers of staff, in the right type of roles to deliver a revised service provision.
- 4.78 Wherever possible, redundancies will continue to be minimised through the use of a variety of measures including holding vacancies, not replacing leavers, the use of voluntary redundancy where appropriate, and redeployment wherever possible. In the situations where redundancies occur, support and training will be offered to staff through counselling, career planning and advice services, as well as skills based workshops designed to support their search for alternative employment.

2016/17 Budget Update

Inflation Rates

- 4.79 The practice of applying low inflation rates to spending budgets and higher inflation to income budget will continue in 2016/17 in order to ensure we bear down on cost increases where possible and continue to maximise income. [Table 5](#) presents the standard inflation rates used in budget setting. A comprehensive list of the exceptions to these standard rates is provided in the online document ['Wider Economic Environment and Medium-term Financial Forecasts: December 2015'](#)

Table 5: 2016/17 Standard Inflation Rates

Type	Description	2016/17
Expenditure	Employees	1.0%
	Premises	1.0%
	Supplies and Services	1.0%
	Transport	1.0%
	Contracts	1.0%
Income	Fees and Charges	1.5%
	Sales	3.0%
	Rents	2.0%

Unavoidable Pressures

- 4.80 Medium term modelling includes £4m each year to contain all unavoidable pressures. Given the pressures the Council faces and the low inflation rates

set out above, containing pressures within this £4m limit is challenging. The current allocations are set out in [table 6](#) below; [Appendix B](#) provides further detail.

Table 6: 2016/17 Unavoidable Pressures

Cause	2016/17 £000
Increase in Employer National Insurance Contribution	2,108
Pensions Back-funding	1,146
North London Waste Authority Levy	746
	4,000

- 4.81 The Council has only nominal influence over the majority of these costs – for example, pensions back funding rates are agreed with the actuary based on an independent valuation of the pension fund. The majority of the £4m set aside is required to cover the increased National Insurance costs from April 2016. This increase is a result of the abolition of the National Insurance Contracted Out Rate, which will remove the reduced contribution employers pay for employees in the pension scheme. A budget of £2.108m has been allocated to cover the additional general fund pressure as there is no indication that the government is to provide additional funding for this new burden.
- 4.82 In recent years, the final North London Waste Authority (NLWA) levy increase has been lower than forecast as a result of the use of NLWA balances and this may reduce the charge against this budget in 2016/17 to below £4m. However, it is possible that new pressures will emerge before the budget is finalised and a further update will therefore be provided within the budget setting Medium Term Financial Strategy report in February.

London Living Wage

- 4.83 The Council is working to implement the London Living Wage (LLW) for all our contractors. We believe that being accredited as a LLW employer is a positive example of how we are helping to tackle inequality and it is a crucial tool in making work pay in the borough. While it may take us some time to introduce the LLW across all new contracts, subject always to the Council deciding that paying the LLW presents best value for those contracts to the Council, we firmly believe that it is an investment that will improve the quality of services and the daily lives of those who work for Camden. In November the Living Wage Foundation announced that LLW would rise from £9.15 an hour to £9.40 an hour from May 2016, an increase of 2.7%. To fund our commitment to LLW, we included within the medium term projection a budget for £2.779m for 2016/17 increasing to £2.863m by 2017/18. Additionally, by 2017/18 we will increase budgets by £2.250m to improve the terms and conditions of employees in the council's in homecare contracts. In the Spending Review, the chancellor confirmed that the National Living Wage announced in the Summer Budget will be £7.20 from April 2016.

Council Tax Base Update

- 4.84 Full Council will be asked to approve the Council Tax base for 2016/17 at its meeting in January. The latest projections suggest that the base will increase faster than previously modelled due to an expected increase in the net number of properties, an expected reduction in the number of Council Tax Reduction Scheme (CTRS) claimants and continued good performance in collecting the council tax. These factors have led to a projected increase in Council Tax receipts of £2.2m from next year over and above those previously expected, and these have been factored into medium-term projections. The higher than previously projected collection rates combined with a strong growth in the number of new properties mean that the Council is likely to have a one-off surplus on its Collection Fund in the current year. The amount of the surplus will be confirmed in the February budget setting report.

Retained Business Rates Update

- 4.85 Business Rates retention was introduced by the government in 2013/14 and replaced an element of grant funding. The government claimed that the system was intended to incentivise economic growth by allowing Authorities to retain a portion of any growth in their local business rates base.
- 4.86 However, it has become clear that the starting position for Camden was significantly overstated, as we have suffered the impact of consistently high levels of appeals from businesses to the Valuation Office. Successful appeals have a two-fold impact: the council must pay back retrospective 'overpayments', usually stretching back to 2010, and suffers the ongoing effect of a lower receipt in future years – a permanent depreciation of the business rates base. The large number of appeals meant that the underlying business rate base is now lower than it was when the retention system was put in place in 2013.
- 4.87 The high level of appeals led to a budgeted deficit of £18m in 2015/16, which was largely addressed through the business rates safety net reserve established to provide resilience given such shocks from the system. By the time of closing the 2014/15 accounts the situation had deteriorated further as there was a large influx in additional appeals towards the end of the year following the announcement that the government will only backdate rebates from successful appeals to the end of March 2015. As at 31st March 2015 there were 3,688 outstanding appeals. Furthermore, this influx was predominantly from businesses with higher rateable values that are likely to benefit more from any rebate, and have the resources to pitch their case to the Valuation Office. This has meant that the collection fund deficit at the end of 2014/15 was worse than anticipated in budget setting.
- 4.88 This surge in appeals, combined with lower than anticipated collection in this financial year, means that the council is facing an additional one-off deficit of £50m in the Collection Fund. Camden's share of the deficit- £13.6m – will need to be made up in 2016/17 budget setting. £11.7m of this deficit will be

funded from the safety net reserve, which was set up to manage large fluctuations and risk inherent in the system. This will mean that the business rate reserve will be fully utilised, leaving no safety net for future years. The remaining amount, £1.9m, will have to be funded from the revenue budget. The combination of these factors emphasises the need to agree further savings to be implemented from 2016/17 – as set out in [table 1](#).

- 4.89 Given the large impact of appeals on our business rate base and as increases in what we may be able to retain are linked to Retail Price Index, which is currently low, medium-term modelling now assumes no growth in the retained business retained share up to 2018/19.

Fees and Charges 2016/17

- 4.90 In December 2011, a comprehensive fees and charges policy was approved by Cabinet. Its core principle was to ensure a transparent fee setting process in which costs are recovered where possible and where the reasons for any discounts or concessions are made clear.
- 4.91 Fees and charges are proposed by officers and approved by Cabinet and, where required, by Council, on an annual basis. Fees requiring approval by Council will be presented in full in the budget setting report in February. Reporting to Cabinet is on an exception basis, with new fees or those fees or charges with proposed increases above the 2016/17 threshold of 5%. These are detailed in full in Appendices E and F. Cabinet is recommended to agree that decisions on increases up to 5% are delegated to Directors in consultation with the relevant portfolio holders.

Review of Earmarked Reserves

- 4.92 Earmarked reserves are one-off balances set aside for investment towards agreed priorities. A key element in handling the Council's earmarked reserves is that the principles of the Camden Plan are incorporated: namely, confidence that the Council is spending and investing resources on delivery outcomes and minimising unnecessary bureaucracy and waste. Each reserve has a framework providing assurance that there are clear owners, managers, timescales, deliverables and outcomes. Reserves are reviewed regularly to ensure that if they are no longer required, they can be reallocated towards strategic priorities.
- 4.93 A recent review of current balances has reduced reserves where outcomes have been delivered or other resources are available to deliver the outcomes. [Table 7](#) highlights the proposed amounts by reserve category and [Appendix C](#) provides a description of the reserves and details the changes to specific earmarked reserves. The review recommends reallocating £0.288m to the Cost of Change / Workforce Re-modelling reserve, which remains crucial for the implementation of the financial strategy. The balance is from unrequired reserves relating to Systems Development and Camden Collective Mayor's Regeneration Fund.

Table 7: Analysis of Earmarked Reserves and Proposed Reallocation by Type

Category of Reserve	2015/16 Opening Balance £000	Amount to be Reallocated £000
To support key revenue budget outcomes	34,355	288
To support the councils service remodelling programme	21,131	0
To support on-going capital activity and asset management	29,333	0
To mitigate future corporate risk	25,809	0
Reserves to support the Mayor's charity	32	0
Total	110,660	288

Financial Revenue Outturn Forecast: Month 7 (October)

- 4.94 The council operates a quarterly revenue budget monitoring system with a process to capture significant movements between quarters. As at month 7 (October), the General Fund is reporting a net underspend of £(3.029)m, equivalent to 1.3% of budget. This is as a result of a number of underspends across the council, including placement costs in children's social care, lower than anticipated Minimum Revenue Provision, lower interest payments, commissioning savings and recharges to the Housing Revenue Account.
- 4.95 The underspends are partially offset by overspends elsewhere. The largest General Fund departmental overspend is in the Culture & Environment directorate. The main contributor to this overspend is the forecast underachievement of Commercial Waste and Building Control Income. This reflects the competitive market in which these services are operating, and is part of a wider range of income pressures in Development Management and Parking Services.
- 4.96 Finance will continue to regularly monitor the position and provide further updates early next year. It is expected that this position will change as forecasts are refined further and work is undertaken to address any overspend. Full details of the forecast can be seen in the online document ['2015/16 Financial Outturn Forecast \(Month 7 – October\)'](#).
- 4.97 It is proposed a sum of £0.502m is allocated for the delivery of the HS2 programme in 2016/17. This sum caters for the possibility of further changes to the scheme in the House of Commons, which Camden would need to respond to, before the Parliamentary process moves into the House of Lords. If the changes require an Additional Provision to the Bill, the programme team would need to review the documentation and there would be consultation on another Environmental Statement plus the opportunity to petition and support the community in doing so as well. The funding is to ensure the continuation of the full programme team to June 2016 to manage this process with a move to a core team for the remainder of 2016/17. If there are no further changes to the HS2 proposals, the proposed allocation of £0.502m may not be fully required. These two options have been agreed in principle by the HS2 Cabinet sub group. Based on current planning

assumptions a significantly reduced HS2 programme would be delivered from existing service budgets for 2017/18, with key elements to be externally funded, for example the delivery of a planning brief for Euston. The Spending Review states that government will support areas to make the most of the economic opportunities created by HS2. Further work is being undertaken to understand what this means for Euston.

Review of the Capital Programme

- 4.98 A review of the capital programme has led to the addition of new schemes, the extension of existing schemes, and revisions to the cost and income estimates and profiles of several CIP projects. In total the capital programme has increased by £319m to £1.572bn.

Table 8 – Capital Programme Changes since Last Approved Budget

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 onwards £m	Total £m
Last Approved Budget	240.151	308.974	229.349	175.107	176.826	123.201	1,253.608
Revised Capital Programme	209.600	298.645	246.680	190.953	180.863	445.715	1,572.455
Change	(30.551)	(10.329)	17.331	15.846	4.037	322.514	318.847

A full breakdown is shown in [Appendices G, H and I](#)

- 4.99 £250m of the increase is the result of extending the Better Homes Programme. The programme was previously budgeted to end in 2020 but provision has now been set aside to extend the programme to 2025, with additional funding in 2018/19 and 2019/20, following a refresh of the council's 30 year HRA business plan. The expenditure will be entirely funded from the Major Repairs Reserve. The council must pay a sum equivalent to depreciation on its HRA assets into this reserve in order to fund required capital improvement work, and therefore this funding will be allocated in line with the purpose intended and will help achieve the council's Better Homes objectives.
- 4.100 £61m of the increase in the total programme is the result of increases in CIP schemes. A targeted and detailed review of all major CIP schemes has been undertaken to re-align the budgets to the latest planned delivery timetables and to reflect the latest cost estimates and funding intentions. There has been a significant contraction in the availability of appropriate labour and supplies in the London construction industry caused by rising demand, and this has caused some delays and increased costs across schemes in Estate Regeneration and CSF. It is therefore appropriate that given this volatility the council has conducted a second formal review of these projects. As a result of the review there has been slippage of expenditure from 2015/16 to future years as summarised in [Table 8](#) above. The effect of inflation has meant that while slippages in expenditure may increase costs, they also generally lead to higher anticipated receipts. In all cases there remains an expectation that

surpluses from sales will be greater than total project cost even before the application of any grant or s106 funding that may be eligible. The exception is Edith Neville/Central Somerstown, which has a minor deficit but is leading to the construction of a new school as well as additional affordable housing.

- 4.101 The council is considering proposals regarding the development of Highgate Newtown Community Centre, which include a comprehensive redevelopment of the site which will deliver new community facilities, including a sports hall and increased provision for Fresh Youth Academy, funded from the delivery of new market homes. It is anticipated that the project would be funded from the general fund and receipts will follow post construction in 2019. A paper outlining the proposed strategy is being drafted for consideration by Cabinet in February 2016.

Table 9 – Major Changes to CIP Projects

CIP Expenditure	First Capital Review £m	Second Capital Review £m	Change £m	Reason
Edith Neville/Central Somers Town	20.0	35.6	15.6	Increase in level of affordable housing delivery - this is funded through £14.6m of Capital receipts and £1.6m of CIL.
Abbey Rd. Regeneration	104.6	117.7	13.0	Changes made to design of phases 2 & 3, however scheme is in overall surplus
Regents Park/HS2	41.6	50.2	8.5	Increase in scope and cost inflation increase to profile. Forecasted receipts have increased by £11m - net improvement of £2.6m.
Bacton Low Rise	101.5	109.7	8.2	Delay to later phases and cost inflation - more than offset by increases in expected capital receipts.
Gospel Oak Infills	43.2	50.8	7.7	Delays, cost inflation and higher than anticipated decant/buyback costs. Scheme remains in overall surplus.
Agar Grove	184.5	192.2	7.6	Reallocation from sales income to expenditure for sales/marketing fees. No change to surplus.
Other	177.1	178.3	1.3	Some reprofiling to later years - better information and cost inflation applied.
Total	672.6	734.5	61.9	

- 4.102 Other significant changes to the Programme are:

- £0.780m increase in the Transport for London (TfL) funded programme
- £1.320m increase in the Carbon Reduction block provision for the five years from 2017/18 to 2021/22 – provision funded from the Revenue contribution to Capital
- £1.101m increase in schemes funded by S106 developer's contributions
- £0.488m Revenue Contribution to Capital from the insurance reserve to meet the costs of the Kingsway Tunnel repairs following the fire in

April. The council hopes to recoup at least part of this cost once liability has been established

Capital Receipts and Disposal Programme

- 4.103 [Appendix I](#) sets out the levels of funding for the Capital Programme. This shows that the Council is heavily dependent on the generation of capital receipts to maintain its capital programme and that receipts are set to fund over half of the total expenditure. This includes £832m from the sale of new private sector housing, but also includes the disposal of some Council assets within the HRA and within the General Fund. A breakdown of the revised capital receipts targets is shown in [appendix H](#).
- 4.104 There has been a decrease of £75.1m in capital receipts that are expected to be delivered during 2015/16 compared to the previous target in July 2015. This is primarily due to slippage in the delivery of CIP projects. Receipts expected from the Estate Regeneration CIP projects have increased overall and have been re-profiled into future years to reflect the planned schedule of delivery.
- 4.105 The overall forecast for capital receipts over the period 2015/16 to 2025/26 has risen from £959.7m to £1,041.7m - an increase of £81.9m. It is proposed that £71m of that increase is used to fund the capital programme with the remaining eventual surplus subject to future decisions and dependent on the progress of generating the revenue anticipated. The receipts have also been re-profiled in line with latest estimates and show slippage from the targets as approved in July 2015, as per [Table 10](#) below.

Table 10 – Projected Capital Receipt Changes since Last Approved Budget

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
First Review Targets	141.106	181.293	134.689	106.017	54.281	342.355	959.741
Revised Targets	65.998	213.998	140.938	148.304	104.170	368.282	1,041.690
Change	(75.108)	32.705	6.249	42.287	49.889	25.927	81.949

- 4.106 There has been some slippage in the delivery of the capital receipts from the planned disposals within the HRA small sites and the General Fund programmes. Some of that slippage is offset by the higher than previously estimated sales under the right to buy which are now added to the capital receipts targets and account for £34.94m increase.
- 4.107 The main increases are in respect of the development projects where capital receipts have been updated for inflation to the point of delivery and in line with latest business cases. Some of the disposals planned with the highest increases are listed in [Table 11](#) below.

Table 11 – Change in Projected Capital Receipts – Main Areas of Increase

Project	Approved July 2015 £m	Revised £m	Change £m
Central Somers Town	19.160	33.744	14.584
Kings Cross Accommodation Strategy	138.792	132.827	(5.965)
HRA Small Sites	41.315	39.198	(2.117)
Right to Buy Receipts	67.092	102.029	34.937
Holly Lodge	16.552	18.572	2.020
Bacton	102.450	113.197	10.747
Abbey	122.033	126.892	4.859
Agar	202.225	209.770	7.545
Gospel Oak	48.885	53.081	4.196
HS2	47.055	58.198	11.143
			81.949

- 4.108 The reliance on future capital receipts to fund the capital programme carries a level of risk and the disposals programme will be closely monitored and scrutinised to ensure receipts projections remain realistic and that robust measures are in place to mitigate the risks of underachievement. While the revised programme is fully funded and if delivered as planned will not breach the HRA debt cap, the council is mindful of its reliance on receipts yet to be generated and therefore this should be carefully considered before any new schemes that would entail HRA borrowing are agreed.
- 4.109 [Section 5.13 – 5.16](#) sets out the risks in the capital programme and the council's approach to mitigating these, which includes regular and detailed project governance processes and multi-stage projects with break clauses to allow us to respond to market changes as required.

Capital Monitoring – Expenditure and Receipts Month 7 (October)

- 4.110 As detailed above, significant variances have been captured in various CIP budgets, and these have now been re-profiled to reflect latest expenditure timetables. These projects are therefore forecasting to match the amended budgets seeking approval above.
- 4.111 Elsewhere in the Programme, capital expenditure including accruals at month 7 is £99.3m. This is lower than the profile for the month and is mainly due to forecast delays on some major projects in Culture & Environment and Housing and Adult Social Care directorates.
- 4.112 The projected outturn is £202.8m, which represents a slippage of **£(37.7)m** compared to the budget for the year of £240.6m. The majority of this underspend relates to slippage on CIP projects, and will be reset following approval of the revised capital budgets.
- 4.113 Capital receipts generated from the planned disposals programme total £36.3m as at month 7, and the latest projections indicate slippage of a

number of sales to the next financial year. These include sales relating to properties at Maiden Lane, the Kings Cross Accommodation strategy, Edith Neville / Central Somerstown, and significant sales in the General Fund disposals programme. Further details of capital forecasts can be found in the online document: ['2015/16 Financial Outturn Forecast \(Month 7 - October\)'](#).

5.0 WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?

Government Funding

- 5.1 The Autumn Statement and Spending Review announced by the Chancellor on 25th November set out the continuation of the Government's austerity programme and further funding cuts beyond the current financial strategy in 2017/18. While the Spending Review provides a direction of travel, the exact impact on Camden funding for 2016/17 won't be known until the Local Government Finance Settlement expected in the week or so before Christmas. Should the Finance Settlement be published before the Cabinet meeting on 16th December, we will provide an oral briefing on the implications of the settlement.
- 5.2 Current modelling on the indicative and high-level Spending Review estimates suggests we may not need additional savings above the savings proposed for agreement in this report and previously for 2016/17 and 2017/18 as long as the current programme is implemented in full and on time.
- 5.3 However, the Government's plan to eradicate the national deficit by 2019/20 is partly dependent on the success of revenue generation plans, such as reducing tax avoidance, increased revenue from Council Tax and income from the apprenticeship levy. If these do not generate the required revenue, the government may seek to make up the shortfall with further cuts. Furthermore, the council must be mindful that in recent years the government has on numerous occasions made unexpected cuts to funding levels on top of those previously set out, and if cuts to funding prove higher than currently expected we may have to find additional savings quickly.

Implementing Council's Medium Term Financial Strategy

- 5.4 The Council's financial strategy is aimed at ensuring the Council can make the most of its resources and achieve its strategic priorities. The strategy has been progressing well so far. However, it must be recognised that the strategy is only in its first year of implementation and the Council continues the challenging process of extracting large sums of funding from the Council's budget while achieving transformational service change over the next three years.
- 5.5 A number of savings projects are subject to consultation with residents and other stakeholders and subject to the equalities impact assessment (EIA). The results of any consultations of EIA will be analysed and taken into

account as part of the decision making process whether the decision maker is Cabinet, a Cabinet Member or a Director. If the proposals are changed in a way that materially reduces the budget savings derivable from them, there will be a need to make up for the shortfall from other additional reductions elsewhere.

- 5.6 There will be few, if any, services not affected by the changes, and in some cases the resulting services may be quite different from that previously offered. Although the Council will maintain its policy of minimising redundancies where possible, for example through redeployment, it is anticipated that the scale of cuts means that significant job losses will occur.

Business Rates

- 5.7 The Spending Review confirmed that the government would move towards full retention of business rates by councils nationally. Although we welcome further localisation of the business rate system, there is not sufficient detail to evaluate the impact of this reform on Camden.
- 5.8 There will remain a national 'equalisation system' in place (such as the tariff we pay under the current system), but there was no detail on how the new system will take into account the various levels of population and need across local authorities.
- 5.9 The scrapping of the levy means that the council has the potential to retain 100% of growth in our share of the business rates base rather than incurring the 56% levy as in the current system. However, as the levy is based only on an element of the total rates collected in borough - after allowing for a proportion allocated to the GLA and an equalisation tariff to distribute an element of our receipts to other councils - it remains to be seen how significant this may be. It is not yet clear how the risk that a council may suffer a significant fall in rates will be managed centrally, although it was stated the current 'safety net payment' system, which ensures no council fall too far below the government set target for retained business rates, will stay in place.
- 5.10 The Chancellor stated that the reform will be fiscally neutral, which also means the continuing contribution of local authorities to deficit reduction. The reference that this system will replace core grant is likely to relate to RSG, which has been decreasing been the main mechanism through which the government has driven through funding cuts, and was anyway likely to have been reduced to nil by the end of the parliament.
- 5.11 The government has said it will consult in 2016 on the range of responsibilities they will pass on in exchange for increasing rates. The Spending Review indicated that these could include administration of Housing Benefits for Pensioners, TfL capital projects, and a substitution of the funding for the current Public Health grant. It is possible that any potential financial benefit we could get from the reform of business rate could be outweighed by spending on these new responsibilities. These new

responsibilities may be the way the government is able to continue to pass on cuts to local authorities while allowing them to retain all rates on an ongoing basis. It could also be the mechanism through which funding for further devolved responsibilities could occur.

Housing

- 5.12 There are a range of risks and pressures in the HRA relating to government policies as set out in [section 4.47 – 4.62](#). These have the potential to threaten the viability of the HRA in the long-term. An update on the HRA and the savings required to balance the 2016/17 budget will be provided in the rent setting report to Council in January 2016.

Risks within the Capital Strategy

- 5.13 Capital receipts from the sale of existing and new build properties are funding 53% of the capital programme. This is a slight decrease compared with previous years, as illustrated in [table 12](#).

Table 12 – Proportion of expenditure to be funded by capital receipts

MTFS date	capital receipts funding expenditure	% of total programme funded by receipts
July 2013	£519m	50.5%
July 2014	£708m	53.7%
July 2015	£835m	56.9%
December 2015	£832m	52.9%

- 5.14 The bulk of these receipts are generated by the Community Investment Programme (CIP), with a challenging target of £320m over the next 3 years. A high dependency on capital receipts to fund the Council's capital expenditure programme carries inherent risk, particularly the risk of slippage in the delivery of these sales and the risks that the anticipated sales values will not be achieved. We are already experiencing the effect of such a slippage, which if not managed may put pressure the capital resources.
- 5.15 Whilst the London construction industry has cooled slightly through 2015 in comparison to the overheating seen in 2013/14, capacity constraints remain - contractors are being project selective, basing decisions on available resource, likelihood of success, the client and complexity of work. Contractors are encountering labour shortages and supply chain issues, which has an impact on ability of schemes to achieve pre-agreed timescales. Camden is responding to this environment on a scheme-by-scheme basis. In some cases, officers have had to meet with contractors in order to commercially realign existing delivery in light of the current environment. In terms of practical actions onsite, development officers have increased monitoring using quantity surveyors and Employer's Agents.
- 5.16 The HRA debt cap places a legal limit on the amount of borrowing the council can undertake in relation to the housing capital programme

(including housing related CIP schemes). It is only through stringent monitoring of both expenditure and use of resources that we can manage the risks of breaching the legal debt cap limit. For this reason it is crucial to build in and retain flexibility within the CIP programme, both in expenditure and resource planning. Our larger schemes are broken down into phases (for example at Abbey, Agar Grove, Bacton Low Rise, Bourne, Maiden Lane). This means that we are able to review affordability and borrowing before we contractually commit to each delivery phase. Work is ongoing to consider alternative delivery models which may be necessary to deliver our ambitious CIP targets and to mitigate some of the inherent risks of a programme of this size.

Schools Funding

- 5.17 The Spending Review reconfirmed the objective from the previous parliament to move towards a national system for the distribution of all three blocks of the Dedicated Schools Grant (DSG) from April 2017 which fulfils the government's commitment to introduce "fairer funding". Such moves will impact negatively on Camden schools, early years provision, and high needs, which have historically been better funded than most other local authorities.
- 5.18 The Spending Review stated that core schools funding will be protected in real terms, with per pupil rates paid from the Dedicated Schools Grant (DSG) protected in cash terms. The Pupil Premium will be protected at today's rates. However, it is not yet clear how the government intends to fulfil this commitment whilst at the same time introducing a fairer funding system nationally. There remains a strong risk that better funded areas like Camden may see their school funding reduced to compensate less well funded areas. Camden schools block currently receives around £6,200 compared to a national average of around £4,600. These factors point towards a challenging few years where costs will increase at a rate above inflation, allowing for pensions and other cost changes, while funding is at risk of decreasing from 2017/18, or at best remaining static. Significant changes were made for 2015/16 to the distribution of funding within Camden's local formula to bring the funding of schools closer to the averages for all authorities in England. It is expected that this action will reduce the changes required when a national funding formula is introduced and provides a longer period to phase in the changes.
- 5.19 The Spending Review has committed the government to the increase of childcare entitlement for 3 and 4 year olds from 15 hours to 30 hours from September 2017. The offer will be open to families where there are two working parents who both work over 16 hours a week, and do not earn more than £100k per annum in aggregate. The government has stated that to enable the doubling of free childcare for 3 and 4 year-olds with working parents, they will invest at least £50 million of capital funding to create additional places in nurseries and over £300 million a year to increase the average hourly rate paid to childcare providers. It remains to be seen whether this will be sufficient to fund the costs nationally, especially in areas

with much higher local supply costs such as Camden. For historical reasons, Camden receives funding for early years at a high level compared to other authorities. We use this funding to provide 30 hours nursery provision (including lunch) in children's centres and nurseries. However, as part of the fairer funding initiative, the level of funding that Camden receives is unlikely to be maintained following the introduction of the national funding formula in 2017/18. Early years funding is not included in the government's protection of funding to schools and as a consequence is at greater risk of reduction in order to pay for pressures elsewhere within the educational system such as the government's commitment to extend free child care for working parents. Although no figures are yet available from the government, the possible reduction could eventually be as much as £6m out of a total of £18m early years funding within the DSG.

- 5.20 There are also risks regarding future funding in the high needs block of DSG that funds special educational needs provision. The previous government completed a recent 'call for evidence' as part of its work to establish a funding formula for the distribution of high needs funding. Designing a funding formula that takes account of the various different needs will be extremely challenging for the government as the distribution of pupils and young adults requiring support do not match any particular index of needs. From a simple per head of population calculation, Camden has one of the highest levels of funding and, although we do not know any details yet, our working assumption is that we may lose some £5m per annum out of a total of £32m high needs block funding. It is not clear how quickly such a reduction would be made.
- 5.21 To help mitigate the risk in the Schools and high needs blocks the Council and the Schools Forum have agreed to sponsor two projects to review Camden's schools' funding, with consultative support provided and financed by the council. The Schools Block funding review will compare with schools in other areas, examine proposals to reduce costs and develop a range of practical measures to help schools address the funding challenges. The high needs block funding review will examine special educational needs (SEN) admission arrangements and the transparency of SEN system, distribution of Camden's DSG, arrangements elsewhere in the country and options for cost reductions.
- 5.22 A consultation will be launched in 2016 ahead of the implementation of a national formula in April 2017 and the government has indicated that there will be a transitional period to smooth implementation but it is unclear how long this will be and the potential impact per block.
- 5.23 The government has reiterated the Prime Minister's statement from the Conservative conference that it intends to end local authorities' role in running schools, and that all should become an academy. The timescales and mechanisms for this were not set out, but this would have significant impacts on current school funding methods and processes going forward.

Syrian Refugee Crisis

- 5.24 Camden has committed to resettle 20 refugee families in the borough following the large-scale displacement from Syria, and hopes to resettle the first four families in December 2015 and the remainder over 2016. The government has confirmed that the first 12 months of resettlement costs will be covered using the overseas aid budget. The council is currently seeking to ensure that sufficient funding will be provided to cover all associated costs to the borough. While the government has stated that funding will also be provided for costs beyond the first year, it is as yet unclear whether the level of such funding will be sufficient to cover the extent of our potential costs and therefore a final decision won't be taken on resettling the remaining 16 families until such assurances are given.

Adult Social Care

- 5.25 Phase 1 of Care Act (2014) came into force on 1st April 2015. This legislative change has increased the Council's duties in terms of prevention, information and advice, eligibility for services and support to carers. Phase 2 of the Act, which would have created a considerable unfunded cost pressure on the Council was originally scheduled to come into force on 1st April 2016 but has now been delayed for 4 years. The Council received funding to implement phase 1 via a combination of direct grant and through the Better Care Fund via the NHS. It is uncertain whether these specific funding streams will be available beyond 2015/16 - their withdrawal would lead to additional cost pressures in Adult Social Care.
- 5.26 Following national requirements, the Council and Camden Clinical Commissioning Group entered into a section 75 Better Care Fund (BCF) pooled funding agreement with the Council acting as host. This fund amalgamated a number of existing NHS revenue and Council capital funding streams into one pool, with associated performance and governance arrangements. Although it is anticipated that the BCF will continue beyond 2015/16, the mandated contributions into the fund and national performance conditions are not yet known and there is a risk that funds that are used to protect adult social care services may diminish.
- 5.27 Adult Social Care is currently experiencing a number of demand pressures, potentially as a result of the publicity surrounding the Care Act as well as on going demographic and health system pressures. As at September 2015, there has been a 15% increase in referrals into Adult Social Care with a consequential impact of an increase of 2.3% in customers supported to live in the community. There is also an ongoing pressure from children with complex needs transferring into Adult Social Care Services.

6.0 WHAT ACTIONS WILL BE TAKEN AND WHEN FOLLOWING THE DECISION AND HOW WILL THIS BE MONITORED?

- 6.1 The Council operates a robust financial governance and monitoring process. Chief Officers receive regular reports on the financial position, and regularly

review the Capital Programme and the medium term assumptions that underline the Council's modelling.

7.0 LINKS TO THE CAMDEN PLAN OBJECTIVES

7.1 The outcomes-based Financial Strategy exists to allow the organisation to maximise the deployment of its increasingly limited resources towards the achievement of Camden Plan outcomes.

8.0 CONSULTATION

8.1 There has been no formal public consultation.

9.0 LEGAL IMPLICATIONS

9.1 The comments of the Borough Solicitor are included within the report.

10.0 RESOURCE IMPLICATIONS

10.1 The comments of the Director of Finance are included within this report.

11.0 RESOURCES USED IN THE PREPARATION OF THIS REPORT

11.1 The following resources have been used in the preparation of this report and are available online through the hyperlink below or via the web address www.camden.gov.uk/MTFS:

- [Wider Economic Environment and Medium-term Financial Forecasts: December 2015](#)
- [Capital Projections 2015/16 to 2024/25: December 2015](#)
- [Financial Strategy Update: December 2015](#)
- [2015/16 Financial Outturn Forecast \(Month 7 – October\)](#)

11.2 Further information is provided in the attached appendices.

Appendices:

- A Savings Projects Recommended for Approval 2016/17 - 2017/18
- B 2016/17 Unavoidable Budget Pressures
- C Review of Earmarked Reserves
- D Fees & Charges 2016/17 supporting information
- E New Fees & Charges for 2016/17
- F Fees & Charges increasing over 5% in 2016/17
- G Further detail on the Capital Programme
- H Further Detail on Capital Receipts
- I Further Detail on Capital Programme Funding

REPORT ENDS

A. Savings Projects Recommended for Approval 2016/17 – 2017/18

Cabinet is recommended to agree the savings projects shown below and to agree in principle the proposal identified in the table below subject to a delegation to the relevant Director(s) listed in Appendix A for all or part of the elements listed below, the specific delegation required is set out within each proposal:

- (i) to decide whether and how to implement the specific savings identified within each proposal together with any related additional savings that flow from the project having had due regard to the Council's general equality duties, any other applicable legal duties and the results of any consultation undertaken in respect of the proposal.
- (ii) to undertake take any necessary consultation exercise for the purposes of (i)
- (iii) where the proposals involve organisation restructures of more than 20 staff, to implement such organisational changes in consultation with the relevant Cabinet Portfolio Member.

The savings regarding Adult Social care have a further delegation: that decisions on how to implement the savings proposals for adult social care will be subject to further information being made available on how the new social care council tax precept will work and council decisions on whether to introduce a social care precept in 2016/17 budget setting.

Rationalising our engagement mechanisms and approach to engaging residents

Project Reference	R1	
Project title	Rationalising our engagement mechanisms and approach to engaging residents	
Primary Outcome	Resident involvement	
Supporting Outcomes	NA	
Primary Services in Scope	A range of services across the Council engage residents in their work and these proposals will impact on all service directorates.	
Portfolio Member	Leader; Cabinet Member for Finance and Technology Policy; Cabinet Member for Adult Social Care and Health; Cabinet Member for Housing; Cabinet Member for Customers, Communities and Culture; Cabinet Member for Children; Cabinet Member for Regeneration, Transport & Planning; Cabinet Member for Sustainability and Environment; Cabinet Member for Young People; Cabinet Member for Community Safety	
Savings agreed in 2014	2015/16 - £168,000 2016/17 - £307,000 2-17/18 - £307,000	
Further proposed savings	2016/17	2017/18
	£133,000	£323,000
Description of proposal	In December 2014, cabinet agreed to derive savings from rationalising the council's engagement mechanism. This project will mean going further with making savings from consolidating the number of engagement forums and mechanisms across the Council, focusing on how we involve residents as part of our business as usual processes, co-design services and increase collaboration with other Camden organisations.	
Staffing Implications	These proposals will result in staff posts being deleted, but it is anticipated that these changes will not require organisational change/compulsory redundancies.	
Equality Impact Assessment	An EIA is in progress to assess the potential impacts on residents. Under the current assessment, the project will not directly or indirectly discriminate against those with protected characteristics. Where potential negative impacts have been identified, mitigations will be set out. This is primarily because where engagement forums for those with protected characteristics are stopped, we would continue to ensure we engage effectively with them through other means. The EIA will be updated and re-considered by the delegated officer as the project detail develops, and be reviewed again before the project is implemented. We will ensure we take all appropriate opportunities to advance equality and foster good relations as identified by the EIAs.	
Consultation	Engagement to occur with any groups or forums who might see changes under the proposed savings.	
Decision Required	Agree to delegate to the Director stated below the authority to: (i) decide whether and how to implement the specific savings identified within this proposal together with any related additional savings that flow from the project and having had due regard to any applicable legal duties, in particular the Council's general equalities duties and the results of the consultation/engagement undertaken in respect of the proposal. (ii) undertake the identified consultation/engagement for these purposes. Where the project involves organisation restructures of more than 20 staff, to delegate to the Director stated below authority to implement such organisational changes in consultation with the relevant Cabinet Portfolio Member.	
Delegation	All Directors	

Learning/Physical Disability - First Contact

Project Reference	DS3	
Project title	Learning/Physical Disability - First Contact	
Primary Outcome	Personalisation	
Supporting Outcomes	N/A	
Primary Services in Scope	Learning Disabilities / Physical Disabilities Services	
Portfolio Member	Cabinet Member for Adult Social Care and Health	
Savings agreed in 2014	2015/16 - £232,000 2016/17 - £756,000 2017/18 -£1,691,000	
Further proposed savings	2016/17	2017/18
	£250,000	£250,000
Description of proposal	Further savings from improving our information, advice, support and signposting offer, which would promote more tailored support and signposting to universal services and more focus on resilience and asset based approaches. Encouraging the use of Direct Payments and increasing people's independence and control. Better approaches to procurement. Savings are dependent on more robust application of eligibility criteria and reduction in current level of support by focusing on those with most need.	
Staffing Implications	There are no staffing implications under this proposal.	
Equality Impact Assessment	Under the current assessment, the project will not directly or indirectly discriminate against those with protected characteristics. Where potential negative impacts have been identified, mitigations will be set out. The EIA will be updated and re-considered by the delegated officer as the project detail develops, and be reviewed again before the project is implemented. We will ensure we take all appropriate opportunities to advance equality and foster good relations as identified by the EIAs.	
Consultation	Public consultation is not expected for this proposal however the Council will continue to review the implications of the proposal and consult if necessary.	
Decision Required	<p>Agree to delegate to the Director stated below the authority to:</p> <p>(i) decide whether and how to implement the specific savings identified within this proposal together with any related additional savings that flow from the project and having had due regard to any applicable legal duties, in particular the Council's general equalities duties and the results of the consultation/engagement undertaken in respect of the proposal.</p> <p>(ii) undertake the identified consultation/engagement for these purposes. Where the project involves organisation restructures of more than 20 staff, to delegate to the Director stated below authority to implement such organisational changes in consultation with the relevant Cabinet Portfolio Member.</p> <p>(iii) decide how to implement the savings proposals for adult social care with regard to further information being made available on how the new social care council tax precept will work and council decisions on whether to introduce a social care precept in 2016/17 budget setting.</p>	
Delegation	Director of Housing and Adult Social Care	

Older People – First Contact

Project Reference	OP2	
Project title	Older People – First Contact	
Primary Outcome	Personalisation	
Supporting Outcomes	N/A	
Primary Services in Scope	Older Peoples Services	
Portfolio Member	Cabinet Member for Adult Social Care and Health	
Savings agreed in 2014	2015/16 - £828,000 2016/17 - £2,567,000 2017/18 -£4,511,000	
Further proposed savings	2016/17	2017/18
	£478,000	£478,000
Description of proposal	Deriving further savings from providing improved information and advice services at the right time and in the right place. Promoting more tailored support and signposting to universal service that will focus on resilience and asset based approaches. Ensuring that services such as reablement and care line and equipment are in place quickly with minimum bureaucracy. Savings are dependent on more robust application of eligibility criteria and reduction in current level of support by focusing on those with most need.	
Staffing Implications	There are no staffing implications under this proposal.	
Equality Impact Assessment	Under the current assessment, the project will not directly or indirectly discriminate against those with protected characteristics. Where potential negative impacts have been identified, mitigations will be set out. The EIA will be updated and re-considered by the delegated officer as the project detail develops, and be reviewed again before the project is implemented. We will ensure we take all appropriate opportunities to advance equality and foster good relations as identified by the EIAs.	
Consultation	Public consultation is not expected for this proposal however the Council will continue to review the implications of the proposal and consult if necessary.	
Decision Required	Agree to delegate to the Director stated below the authority to: (i) decide whether and how to implement the specific savings identified within this proposal together with any related additional savings that flow from the project and having had due regard to any applicable legal duties, in particular the Council's general equalities duties and the results of the consultation/engagement undertaken in respect of the proposal. (ii) undertake the identified consultation/engagement for these purposes. Where the project involves organisation restructures of more than 20 staff, to delegate to the Director stated below authority to implement such organisational changes in consultation with the relevant Cabinet Portfolio Member. (iii) decide how to implement the savings proposals for adult social care with regard to further information being made available on how the new social care council tax precept will work and council decisions on whether to introduce a social care precept in 2016/17 budget setting.	
Delegation	Director of Housing and Adult Social Care	

Learning/Physical Disabilities - Making sure people are in the right accommodation

Project Reference	DS1	
Project title	Learning/Physical Disabilities - Making sure people are in the right accommodation	
Primary Outcome	Personalisation	
Supporting Outcomes	N/A	
Primary Services in Scope	Learning Disabilities / Physical Disabilities Services	
Portfolio Member	Cabinet Member for Adult Social Care and Health	
Savings agreed in 2014	2015/16 - £294,000 2016/17 - £623,000 2017/18 -£1,267,000	
Further proposed savings	2016/17	2017/18
	£250,000	£250,000
Description of proposal	Building on previously agreed savings to make sure people are in the right accommodation. Enabling people who have entered a residential care setting outside the Borough to exercise their choice to come back to Camden and to be able to live independently with support within the community.	
Staffing Implications	There are no staffing implications under this proposal.	
Equality Impact Assessment	Under the current assessment, the project will not directly or indirectly discriminate against those with protected characteristics. Where potential negative impacts have been identified, mitigations will be set out. The EIA will be updated and re-considered by the delegated officer as the project detail develops, and be reviewed again before the project is implemented. We will ensure we take all appropriate opportunities to advance equality and foster good relations as identified by the EIAs.	
Consultation	Public consultation is not expected for this proposal however the Council will continue to review the implications of the proposal and consult if necessary.	
Decision Required	Agree to delegate to the Director stated below the authority to: (i) decide whether and how to implement the specific savings identified within this proposal together with any related additional savings that flow from the project and having had due regard to any applicable legal duties, in particular the Council's general equalities duties and the results of the consultation/engagement undertaken in respect of the proposal. (ii) undertake the identified consultation/engagement for these purposes. Where the project involves organisation restructures of more than 20 staff, to delegate to the Director stated below authority to implement such organisational changes in consultation with the relevant Cabinet Portfolio Member. (iii) decide how to implement the savings proposals for adult social care with regard to further information being made available on how the new social care council tax precept will work and council decisions on whether to introduce a social care precept in 2016/17 budget setting.	
Delegation	Director of Housing and Adult Social Care	

Change the approach to managing Anti-Social Behaviour (ASB) cases

Project Reference	CR02	
Project title	Change the approach to managing Anti-Social Behaviour (ASB) cases	
Primary Outcome	Crime Reduction (Safer Communities)	
Supporting Outcomes	More Resilient & Trusting Communities	
Primary Services in Scope	Community Safety Service	
Portfolio Member	Cabinet Member for Community Safety	
Savings agreed in 2014	2015/16 - £160,000 2016/17 - £160,000 2017/18 -£160,000	
Further proposed savings	2016/17	2017/18
	£283,000	£283,000
Description of proposal	<p>We will change our approach to managing Anti-Social Behaviour (ASB) in the community to focus on cases where there is a high risk of harm to victims. We will move away from applying lengthy and costly interventions in response to cases that are low risk.</p> <p>We will create a team of dedicated officers to work with 'high risk' cases, especially where there are adult or child safeguarding concerns, cases linked to complex families or there are opportunities to use legislation successfully.</p> <p>We will move away from providing the same level of resource to cases where there is little risk of harm compared with more complex cases, for example young people playing football that causes some disturbance to residents compared with supporting victims with mental health needs. In lower risk cases we will encourage community members to work together to agree a mutual agreeable solutions to problems in their local area. If the further savings are not agreed this will allow the service to intervene directly in cases where the level of risk of harm is lower.</p>	
Staffing Implications	There may be staffing implications from this proposal, but we are not yet in a position to understand precisely what they will be. Any organisational change will be carried out in accordance with the Council's Organisational Change policy and procedure prior to any changes taking place.	
Equality Impact Assessment	<p>An EIA has been completed to assess the potential impacts on residents. Our assessment suggests there is unlikely to be any direct adverse impact. There will need to be consideration to groups who may be affected by hate-crimes to ensure they are correctly identified as high risk and encouraged to report issues where appropriate. The focus on restorative approaches and community resilience also offers an opportunity to improve equalities through addressing prejudice and discrimination. An EIA is being progressed to assess the potential impacts on staff. If potential negative impacts are identified, mitigations will be set out. These EIAs will be updated and re-considered by the delegated officer in light of the final decision on the proposal and as the project detail develops, and will be reviewed again before the project is implemented. We will ensure we take all appropriate opportunities to advance equality and foster good relations as identified by the EIAs.</p>	
Consultation	<p>We continue to engage with key stakeholders around the proposed changes to investment on crime reduction services in advance of the final Cabinet decision on the savings in December 2015, and have updated the financial challenge web pages to this end.</p> <p>We will do a consultation and further and focused engagement work with our communities in the New Year so that they are aware of the impact of changes to services.</p>	

APPENDIX A

Decision Required	Agree to delegate to the Director stated below the authority to: (i) decide whether and how to implement the specific savings identified within this proposal together with any related additional savings that flow from the project and having had due regard to any applicable legal duties, in particular the Council's general equalities duties and the results of the consultation/engagement undertaken in respect of the proposal. (ii) undertake the identified consultation/engagement for these purposes. Where the project involves organisation restructures of more than 20 staff, to delegate to the Director stated below authority to implement such organisational changes in consultation with the relevant Cabinet Portfolio Member.
Delegation	Director of Culture and Environment

Rationalise delivery on Youth Violence

Project Reference	CR03	
Project title	Rationalise delivery on Youth Violence	
Primary Outcome	Crime Reduction (Safer Communities)	
Supporting Outcomes	More Resilient & Trusting Communities	
Primary Services in Scope	Community Safety	
Portfolio Member	Cabinet Member for Community Safety	
Savings agreed in 2014	2015/16 - 0 2016/17 - 0 2017/18 - 0	
Further proposed savings	2016/17	2017/18
	£325,000	£375,000
Description of proposal	<p>We will change our approach to managing youth disorder so that it is consistent with and delivered as part of our management of ASB cases (see CR02). We will explore whether there are effective ways of rationalising delivery of resources that tackle Youth Violence (YV) and youth disorder. This would look at targeting those individuals who are at highest risk of causing harm to themselves, their families, their associates and the community.</p> <p>We will create a team of dedicated officers to work with 'high risk' cases, especially where there are adult or child safeguarding concerns, cases linked to complex families or there are opportunities to use legislation successfully. We are working closely with colleagues in Children's Schools and Families to look at ways of addressing the service gaps that emerge. Staggering the savings over two years is designed to allow the creation of a 12 month "transitions" post in Community Safety to assist this process. If the further savings are not agreed this will allow the service to intervene directly in cases where the level of risk of harm is lower.</p>	
Staffing Implications	<p>There are likely to be staffing implications from this proposal, but we are not yet in a position to understand precisely what they will be. Any organisational change will be carried out in accordance with the Council's Organisational Change policy and procedure prior to any changes taking place.</p>	
Equality Impact Assessment	<p>An EIA has been completed to assess the potential impacts on residents. Our assessment has identified that some adverse impact is likely and that this can be mitigated through identifying young people who are at highest risk as perpetrators, victims or both and working with the 'Early Help' service which is being established in Children's Schools and Families. An EIA is being progressed to assess the potential impacts on staff. If potential negative impacts are identified, mitigations will be set out. These EIAs will be updated and re-considered by the delegated officer in light of the final decision on the proposal and as the project detail develops, and will be reviewed again before the project is implemented. We will ensure we take all appropriate opportunities to advance equality and foster good relations as identified by the EIAs.</p>	
Consultation	<p>We continue to engage with key stakeholders around the proposed changes to investment on crime reduction services in advance of the final Cabinet decision on the savings in December 2015, and have updated the financial challenge web pages to this end.</p> <p>We will do a consultation and further and focused engagement work with our communities in the New Year so that they are aware of the impact of changes to services.</p>	
Decision Required	<p>Agree to delegate to the Director stated below the authority to:</p> <p>(i) decide whether and how to implement the specific savings identified within this proposal together with any related additional savings that flow from the project and having had due regard to any applicable legal duties, in particular the Council's general equalities duties and the results of the consultation/engagement undertaken in respect of the proposal.</p> <p>(ii) undertake the identified consultation/engagement for these purposes.</p> <p>Where the project involves organisation restructures of more than 20 staff, to delegate to the Director stated below authority to implement such organisational changes in consultation with the relevant Cabinet Portfolio Member.</p>	
Delegation	Director of Culture and Environment	

Reduce direct delivery on the Night Time Economy (NTE)

Project Reference	CR04	
Project title	Reduce direct delivery on the Night Time Economy (NTE)	
Primary Outcome	Crime Reduction (Safer Communities)	
Supporting Outcomes	More Resilient & Trusting Communities	
Primary Services in Scope	Community Safety Service and Regulatory Services	
Portfolio Member	Cabinet Member for Community Safety	
Savings agreed in 2014	2015/16 - 0 2016/17 - £353,000 2017/18 -£353,000	
Further proposed savings	2016/17	2017/18
	£65,000	£65,000
Description of proposal	<p>We will reduce the level of council run services that focus on interventions to reduce the impact of anti-social behaviour (ASB) associated with the night time economy (NTE). We will maintain current levels of licensing compliance; ensuring businesses meet their licence conditions with regards to limiting the levels of external noise and addressing ASB. We will continue to explore how we can better work with residents and venues to reduce the impact of the night time economy on the community, projects such as the 'Quiet Streets' and the 'Reduce the Strength' initiatives have already begun to do this.</p> <p>There will be a reduction in the level of patrolling services provided by the community safety service and the police that specifically target the night time economy. This is reflective of the level of risk posed by cases of anti-social behaviour in this area.</p> <p>The consideration of a Late Night Levy, that asks businesses to contribute to controlling the impact of night time economy issues in Camden, will help us manage crime and ASB generated as a result. If the further savings are not agreed this will allow us to maintain some resources to focus on community based project work to tackle ASB associated with the NTE.</p>	
Staffing Implications	There are likely to be staffing implications from this proposal, but we are not yet in a position to understand precisely what they will be. Any organisational change will be carried out in accordance with the Council's Organisational Change policy and procedure prior to any changes taking place.	
Equality Impact Assessment	An EIA has been completed to assess the potential impacts on residents. Our assessment suggests there is unlikely to be any direct adverse impact. An EIA is being progressed to assess the potential impacts on staff. If potential negative impacts are identified, mitigations will be set out. These EIAs will be updated and re-considered by the delegated officer in light of the final decision on the proposal and as the project detail develops, and will be reviewed again before the project is implemented. We will ensure we take all appropriate opportunities to advance equality and foster good relations as identified by the EIAs.	
Consultation	<p>We continue to engage with key stakeholders around the proposed changes to investment on crime reduction services in advance of the final Cabinet decision on the savings in December 2015, and have updated the financial challenge web pages to this end.</p> <p>We will do a consultation and further and focused engagement work with our communities in the New Year so that they are aware of the impact of changes to services.</p>	
Decision Required	<p>Agree to delegate to the Director stated below the authority to:</p> <p>(i) decide whether and how to implement the specific savings identified within this proposal together with any related additional savings that flow from the project and having had due regard to any applicable legal duties, in particular the Council's general equalities duties and the results of the consultation/engagement undertaken in respect of the proposal.</p> <p>(ii) undertake the identified consultation/engagement for these purposes.</p> <p>Where the project involves organisation restructures of more than 20 staff, to delegate to the Director stated below authority to implement such organisational changes in consultation with the relevant Cabinet Portfolio Member.</p>	
Delegation	Director of Culture and Environment	

Reduce investment in patrol services

Project Reference	CR05	
Project title	Reduce investment in patrol services	
Primary Outcome	Crime Reduction (Safer Communities)	
Supporting Outcomes	N/A	
Primary Services in Scope	Community Safety Service	
Portfolio Member	Cabinet Member for Community Safety	
Savings agreed in 2014	2015/16 - 0 2016/17 - £250,000 2017/18 -£250,000	
Further proposed savings	2016/17	2017/18
	£250,000	£250,000
Description of proposal	<p>We will reduce investment in some of our existing patrol services. We are planning to use the remaining resources to create a "Community Response Team", which will support the delivery of the approach to managing ASB and Youth Violence set out above (see CR02 and CR03). This will include a focus on maintaining a presence in the community along with the use of CCTV addressing issues where there is high risk of harm.</p> <p>We will maintain levels of investment in the Safer Streets Team, the specialist service the council commissions to provide support to people sleeping rough in the borough. There will be changes to the way the council currently delivers patrol services, particularly in regards to the Community Wardens and the investment made in additional police officers. If further savings are not agreed this will allow us to invest more resources in the Community Response Team.</p>	
Staffing Implications	There may be staffing implications from this proposal, but we are not yet in a position to understand precisely what they will be. Any organisational change will be carried out in accordance with the Council's Organisational Change policy and procedure prior to any changes taking place.	
Equality Impact Assessment	An EIA has been completed to assess the potential impacts on residents. Our assessment suggests there is unlikely to be any direct adverse impact but there will need to be consideration to specific groups such as older people who may feel at risk if patrolling services are reduced as visible patrolling services can help them to feel safer. Restorative approaches and measures to develop community resilience may also provide some mitigation in relation to this. An EIA is being progressed to assess the potential impacts on staff. If potential negative impacts are identified, mitigations will be set out. These EIAs will be updated and re-considered by the delegated officer in light of the final decision on the proposal and as the project detail develops, and will be reviewed again before the project is implemented. We will ensure we take all appropriate opportunities to advance equality and foster good relations as identified by the EIAs.	
Consultation	<p>We continue to engage with key stakeholders around the proposed changes to investment on crime reduction services in advance of the final Cabinet decision on the savings in December 2015, and have updated the financial challenge web pages to this end.</p> <p>We will do a consultation and further and focused engagement work with our communities in the New Year so that they are aware of the impact of changes to services.</p>	
Decision Required	<p>Agree to delegate to the Director stated below the authority to:</p> <p>(i) decide whether and how to implement the specific savings identified within this proposal together with any related additional savings that flow from the project and having had due regard to any applicable legal duties, in particular the Council's general equalities duties and the results of the consultation/engagement undertaken in respect of the proposal.</p> <p>(ii) undertake the identified consultation/engagement for these purposes.</p>	

APPENDIX A

	Where the project involves organisation restructures of more than 20 staff, to delegate to the Director stated below authority to implement such organisational changes in consultation with the relevant Cabinet Portfolio Member.
Delegation	Director of Culture and Environment

APPENDIX A

Project Reference	IM2	
Project title	Improving the collection and recovery of income across the Council, including recouping credit card transactions fees	
Primary Outcome	Income Maximisation	
Supporting Outcomes	N/A	
Primary Services in Scope	AI fee charging services	
Portfolio Member	Cabinet Member for Finance and Technology Policy	
Savings agreed in 2014	2015/16 - £100,000 2016/17 - £300,000 2017/18 - £500,000	
Further proposed savings	2016/17	2017/18
	£150,000	£150,000
Description of proposal	<p>Review feasibility of recouping credit card fees in some areas. This proposal presents a number of legal issues that officers are currently working through. This work involves building on the current systems approach to improving how we collect income to make it easier for customers to pay and minimise the cost of collection while maximising the proportion of income due that is collected. It will potentially cover all areas of the council that collect money through fees and charges. The scope will include re-examining how we set fees and charges and the potential for full cost recovery and differential charging. The target covers both the potential for savings from credit card fees and a continuation of the current systems based review to improve how income is collected more broadly.</p>	
Staffing Implications	There are no staffing implications	
Equality Impact Assessment	Evidence to inform the EIA will be gathered throughout the review to understand and manage the impacts of redesign proposals. At this stage we do not anticipate any significant impacts.	
Consultation	The review will explore a number of options and if necessary and appropriate, public consultation will be carried out.	
Decision Required	<p>Agree to delegate to the Director stated below the authority to:</p> <p>(i) decide whether and how to implement the specific savings identified within this proposal together with any related additional savings that flow from the project and having had due regard to any applicable legal duties, in particular the Council's general equalities duties and the results of the consultation/engagement undertaken in respect of the proposal.</p> <p>(ii) undertake the identified consultation/engagement for these purposes. Where the project involves organisation restructures of more than 20 staff, to delegate to the Director stated below authority to implement such organisational changes in consultation with the relevant Cabinet Portfolio Member.</p>	
Delegation	Director of Finance	

B 2016/17 UNAVOIDABLE BUDGET PRESSURES**B1. Additional staffing costs inflation - £2.108m**

The Government announced the abolition of National Insurance Contracted Out Rates from April 2016. The result of this is an increase in National Insurance contributions for Employers for all staff that are part of the pension scheme. The overall impact on the General Fund of this is £2.108m per year.

B2. Pensions Backfunding - £1.146m

An annual increase in funding agreed with the Council's actuaries to address the projected shortfall on the Pensions Fund.

B3. North London Waste Authority - £0.746m

This is the latest projected increase in costs from the North London Waste Authority in over and above the standard 1% the council allows for increases on all contracts and levies. In previous years the estimated pressure has decreased before the budget is finalised.

C REVIEW OF EARMARKED RESERVES

C.1 Note: 2015/16 balances include the reserve adjustments that resulted from 2014/15 outturn surplus

Reserve	Purpose of Reserve	2015/16 Balance £000	Proposed reallocation amounts £000	Outcomes	Reserve Lifespan	Outcomes Led/Risk Led
Dedicated Schools Grant	Unspent Dedicated Schools Grant	11,275	0	Reserved for the schools budget and may be carried forward over to future years.	Indefinite	Outcome Led
Support for Schools in Difficulty	To provide funding to schools should they find themselves in financial difficulties	442	0	Schools protected if exposed to financial difficulty	End of 2020/21	Risk Led
Homes for Older People	To fund preparatory work on the Homes for Older People programme	4,286	0	Delivery of the HOPS Programme	End of 2016/17	Outcome Led
Multi Year Budget Reserve	To fund allocations in future years as part of multi-year budgeting.	10,895	(288)	Set aside for a number of multi-year projects, such as Complex Families, CIP and maintenance works as part of the renegotiated GLL Sports contract.	Various	Outcome Led
Education Commission	To provide funding to help implement proposals to guide education in the borough	1,181	0	More collaborative and partnership working between schools, together with local organisations representing the arts, cultural, sport, leisure and tourism industries, as well as the voluntary and community sector and businesses.	End of 2017/18	Outcome Led
HASC Specific Grants	Hold various unspent grant monies that do not have conditions on its use.	6,276	0	To improve outcomes for adults with social care problems	Various	Outcome Led
Workforce Remodelling/Cost of Change	To fund costs that may arise from workforce remodelling and efficiency projects from the Savings Programme and initiatives in future years	18,340	0	Savings that contribute to closing the projected budget deficit	End of 2017/18	Outcome Led
Camden Plan	To provide funding to implement projects that supports the plan's key priorities.	2,791	0	Aspirations of Camden Plan Achieved	End of 2015/16	Outcome Led
Future Capital Schemes	To provide funding to support the councils costs associated with various capital schemes.	21,418	0	These will depend on what capital schemes are funded from the reserve.	On-going	Outcome Led

APPENDIX C

Reserve	Purpose of Reserve	2015/16 Balance £000	Proposed reallocation amounts £000	Outcomes	Reserve Lifespan	Outcomes Led/Risk Led
Commercial and other property	To provide funding to meet the cost associated with dilapidations and other payments in respect of commercial and other property.	776	0	Putting hostels back into the state they were first acquired by Camden	End of 2019/20	Outcome Led
Haverstock PFI Funding Reserve - amortise initial payment to Kajima	To hold the balance of funding in respect of the Haverstock School PFI project.	2,019	0	Held to meet accounting requirements to write down to revenue the council's investment.	End of 2030/31	Outcome Led
Building Schools for the Future	To provide funding for the preparatory work on the Building Schools for the Future Programme	488	0	Improved school buildings.	End of 2020/21	Outcome Led
Schools PFI Equalisation Reserve	To provide funding to offset future contractor inflationary pressures	501	0	Avoids council having to provide extra funding towards the end of the PFI agreement.	End of 2036/37	Risk Led
Accommodation Strategy	To provide funding to facilitate the office accommodation strategy.	4,131	0	Council has mitigated the 5 Pancras Square project risks regarding start-up costs, project staff, consultants and training.	End of 2017/18	Outcome Led
Self-Insurance Reserve	To provide funding to cover insurance risks, this keeps insurance costs to a minimum.	7,600	0	Reserve designed to keep insurance costs to a minimum.	Indefinite	Risk Led
Business Rates Safety Net	To provide funding to cover reduction in retained business rates.	16,697	0	Provides one-off safety net should the Council incur a loss in business rates, which it must bear part of the cost of.	Indefinite	Risk Led
Contingency Reserve	This is to cover in year overspends that can't be managed within cash limits.	1,512	0	Provides one-off balance to mitigate the effect of unexpected adverse in-year revenue variances.	Indefinite	Risk Led
Mayor's Charity Reserve	To hold donations from businesses to be allocated to charity.	32	0	Charity focussed awareness and fundraising events. Reallocation is to correct the balance after in-year costs have been partially met from service budgets in recent years.	Indefinite	Outcome Led
Total		110,660	(288)			

D. Fees & Charges 2016/17 supporting information**D1. Registrars**

Registrars are proposing to increase several of their fees and charges over the 5% threshold. The price rises are mainly to ensure that the service is recovering the full cost of provision, and are in line with what other boroughs are charging following a benchmarking exercise. The Nationality Checking Service fees are increasing due to the increased amount of officer time required to complete the process following regulation changes made by the Home Office in 2013.

D2. Sports

The proposed prices aim to increase income from non-residents and our residents that are not entitled to a concession. For example it is proposed to roll out the (higher priced) non-resident, prepaid monthly and annual membership to all the leisure centres following a successful trial at Pancras Square Leisure. This approach is in order to sustain concessions for financially disadvantaged residents. This should help to maintain an operational surplus for the ongoing upkeep of our facilities and enable the Service to meet MTFs savings targets.

It is therefore proposed to increase several fees and charges over 5% as well as introducing new fees and charges (and products) to meet customer demand.

Some of the proposed increases are required to correct inconsistencies in the current pricing structure, rebalance prices across certain product lines to emphasise the value of the concessionary offer and to increase income from popular high value products for which customers are prepared to pay more.

It is also proposed to increase some concessions that are currently well under-priced compared with comparative products in other inner London boroughs. This should also help to maintain the concessionary offer in the longer term.

Adult non-resident all-inclusive membership

This was approved and introduced in 2015/16 and piloted at Pancras Square Leisure (PSL). The price increase was from £54 to £78 per month (ceiling). The actual price in 2015/16 is £70.

It is now proposed to extend this product to all the other leisure centres based on the experience of PSL. Here the impact on take up and income has been neutral. It is assumed therefore a similar outcome can be expected at our other facilities. GLL will set the actual price at each centre according to the quality of the facility. Oasis will probably be pitched lower while Swiss Cottage Leisure Centre and Kentish Town Sports Centre are likely to be similar to PSL.

GLL is likely to phase in the increase over 2 stages, like they did at PSL. This may be one of the reasons why the membership of non-resident customers at PSL remained stable.

New Products

A number of new products are being introduced to leisure centres following feedback from the local community which suggest latent demand. These include a single activity adult concession membership where members can choose unlimited access to one of swim, gym or group exercise for £26.40 a month and swim fun sessions with inflatables for junior members costing between £2.50 and £5.00 depending on membership type.

Talacre Soft Play (Private Parties)

It is proposed to significantly increase the price of children’s soft play parties for residents and non-residents. Non-resident prices are significantly higher and the proposed increases maintain the difference.

While available to anyone this product is not a core sport and physical offer but primarily a revenue generating opportunity to help sustain the core offer. It is popular - currently running at full capacity with bookings 6 months in advance.

In view of this the recommended policy is to maximise the commercial value of the product.

Prices will increase to a range of £70 - £130 (dependant on party size and membership type) which is an average monetary increase of £12 per party (varies depending on membership type/residency and party size). Below is a comparison between resident and non-resident prices based on a party of 25 under 5s:

Current member / resident rate	Current Non member / Non resident rate	April 2016 member / resident rate	April 2016 Non Member / Non Resident rate
61.62	108.67	81	118

In a benchmarking exercise conducted against private sector suppliers, the Talacre offer remains over £100 less than the next cheapest offering, as per the table below, and therefore still represents good value:

Venue Name	Address	Party Prices (based on 30 children)	Price includes	Extras
TALACRE	Dalby Street Kentish Town London NW5 3AF	170 Proposed April 2016 price (price based on card holder with party of under 5s)	Invitation Party Bags 1 hour Play Party Food Area	Average Party Food Order £50-£60
CLOWNTOWN	Colney Hatch Lane Muswell Hill London N12 OSH	390	Entry Food Drink 2 hours Play	
TOPSY-TURVY	Prince Charles Drive Hendon London NW4 3RW	570	Party Host Food Unlimited soft drinks Party Hats Downloadable	

Venue Name	Address	Party Prices (based on 30 children)	Price includes	Extras
			Invites Party Bag	
LITTLE DINOSAURS	Alexandra Park London N22 7AY	495	Food Decorations Invitations Party Bag	
KIDZBIZ	220 Green Lanes London N13 5UD	292.5	Food Unlimited Soft Drink	
KIDZ ADVENTURE ZONE	2 Coburg Road Wood Green London N22 6UJ	298.5	Party Meal Unlimited soft drinks Play Session Party Room	

Talacre Soft Play (Open Sessions)

It is also recommended to increase other soft play charges by 18% which is an average monetary increase of 50p per session (varies depending on membership type and age). Proposed prices will range from £2.40 for a concessionary member under 5 years of age to £6.60 for a non-member of 5 years and over.

This is in continuation of the process started in 2015/16 to harmonise the soft play prices with Swiss Cottage Leisure Centre. The two products are very similar with no significant difference in quality following a £30,000 upgrade of the facilities at Talacre. Previous price increases have had no adverse impact on take up and none is foreseen as a result of these changes.

The projected additional income as a result of the combined increases above is £20,000.

Talacre Sports Centre is currently running at an overall deficit which far exceeds this amount and so it is recommended to increase charges where the market can bare it in order to address this position.

Junior Resident pay and play

It is proposed to increase the junior resident pay and play annual membership from £2.75 to £5 from 1st April 2016 (82% uplift). The current price is a historic anomaly that has only recently been identified. It is only £0.05 more than the concessionary equivalent of £2.70. The difference should be greater for a genuine concession.

The package includes a range of activities discounted by up to 40% at all Camden leisure centres.

While the proposed price is almost double the existing it is a one-off (annual) payment and equivalent to an increase of less than 19p per month.

Members will also continue to be entitled to discounted rates for activities. For example the current cost of a junior swim is £1.45 compared with £1.85 for non-members.

In other boroughs where GLL work and there is a similar product, the current comparative product prices are as follows:

Membership type	Camden (current)	Barnet	Islington	Lambeth
Jnr Resident P&P	£2.75	£2.40	£10.20	£5.30

Again, the risk of a drop off in membership following a price increase cannot be completely ruled out but we do not anticipate this will be significant. It is not envisaged the proposed membership price increase would be a deterrent for existing customers as it remains affordable and good value.

At the current membership volume of 5901 the price increase will yield an additional annual gross income of £13,000. This too will contribute to the ongoing viability of the service and concessions and achievement of MTFS savings as described above.

GLL Disability Concessions

It is proposed to increase the price of two of our disability products with the increase to be phased in over 2 years. The monthly disability membership is proposed to increase from £9.95 to £10.95 and the annual prepaid to increase from £99.50 to £109.50 for 2016/17 which is a 10% increase, a further uplift of £1 per month and £10 per annual prepaid will be applied in 2017/18. This membership entitles unlimited access and activities.

This is following a benchmarking exercise with other authorities that GLL currently operate in. Below is a comparison to 5 other boroughs for an adult resident disability membership. The table shows that Camden’s charge is currently much lower than the other boroughs.

BOROUGH	Current Price per month	Members
Camden	£9.95	1,292
Borough 1	£19.95	430
Borough 2	£19.95	550
Borough 3	£19.95	720
Borough 4	£19.95	383
Borough 5	£19.95	500

While it is acknowledged that this customer group may be more financially challenged than others the proposed increase is £1 per month or just over 25p per week. The equivalent non-disabled membership is £55 per month, a difference of just over £43 per month, a significant discount for our disabled customers.

There are also other cheaper options available to disabled residents. The adult resident pay and play annual concession membership is £5.40 per year and entitles up to 50% discount on individual activities. This is the most flexible and affordable option. i.e. the upfront financial commitment is only £5.40 and an annual one-off. There is also the pre-paid disability membership for off-peak times only. This cost is either £5 per month for direct debit or £6 per month for cash customers. Holders can use the leisure centre or centres in

Camden of their choice at no additional cost but at off-peak times only, i.e. during the day and weekends.

At the current membership volume, the price increases above will yield additional annual income of £20,000.

Active for All disability programme (AfA)

It is proposed to introduce charges for supervised activity sessions for this currently free and subsidised programme. These are £3 for concession members and £5 for non-members.

AfA is a varied programme of supervised activities for disabled people aged 14yrs and over. It takes place at Swiss Cottage Leisure Centres, Talacre Sports Centre and community venues. Partners include The Camden Society, WAC Arts, Elfrida Rathbone Camden, Central YMCA, West Euston Partnership and GLL.

Part-funded by Sport England until 2016, to sustain this popular and effectively targeted service going forward there is a need to introduce a charge to generate revenue.

To access the concession charge of £3, users (that aren't already members) would have to hold a concession membership. The cheapest option is £5.40 per year (proposed price for 16/17).

There may be a risk of drop off. This would be mitigated through a series of membership workshops where existing users can learn more about the new charges, the different membership options and the most affordable access to the programme going forward. This approach to price changes for disabled customers has worked effectively in the past and helped to minimise negative impact.

Given that existing customers have had free access for over 2 years if feedback from proposed engagement supports it, the introduction of the new prices could be phased over 2 years.

We estimate an additional £6,000 income in 16/17 assuming stable demand.

Adult Resident pay and play annual concession

It is proposed to increase the adult resident pay and play annual concession membership from £2.70 to £5.40 from 1st April 2016 which is a 100% increase. The package includes a range of activities discounted by up to 50% at all Camden leisure centres.

The proposed price increase is over double the existing but it is a one-off (annual) payment and equivalent to an increase of less than 25p per month. Members will also continue to be entitled to discounted rates for activities. For example the current cost of an adult swim is £2.15 compared with £5.30 for non-members.

GLL expects additional income in 2016/17 of £65,000. The financial and other benefits are the same as those described above.

An EIA has been conducted by the head of service.

D3. Cemeteries

ICCS (Islington and Camden Cemetery service) operates within an area of choice and therefore fees need to be set at a level which are affordable to residents and finance the costs of the service whilst retaining competitiveness.

The service has reviewed all prices and benchmarked them with other cemeteries in neighbouring areas. Our cemeteries are still the least expensive for both burial and cremation options and therefore are providing best value for our residents. Lower end options have been kept at an affordable price, with some items with no increases at all. A slightly higher increase has been applied to high end items taking into consideration other cemetery charges and historical demand for these products. Improvements and maintenance are being carried out in these areas which require additional funding in order to keep up the standards required. The fee increases will help to ensure that the cemeteries service can be sustained on a financially viable basis, whilst providing affordability to our residents.

D4. Allotments

In 2011 Cabinet took the decision to move to full cost recovery for all discretionary services. Since then the intention has been to move the allotments service to full cost recovery by 2016/17 and this will be the final increase to achieve this. The full cost of providing the service is £31k to cover expenditures relating to officer time, tree maintenance, service charges, infrastructure maintenance, water, and rubbish removal. The costs of providing the service are apportioned equally across all tenants. To date allotment income equals £24k so it is necessary to increase fee income by approximately £7k by April 2016/17 to reach full cost recovery.

To provide further context, in December 2014 Cabinet decided to devolve management of the allotments service to voluntary associations by April 2016. Officers are currently in discussion with each sites association in order to do so. Reaching full cost recovery for the service will assist in devolving management of the allotment service as by that stage allotments will be self-funding and therefore more sustainable for the community to take responsibility for.

Section 10 of the Allotments Act 1950 requires local authority rents for land used as an allotment to be such that a tenant might reasonably be expected to pay for the land if let for such use on the terms (other than terms as to rent) on which it is in fact let. When fixing allotment rents, case law states that a local authority should carry out some sort of valuation exercise, ideally by looking at the rents charged by other authorities which have also been fixed under the same statutory formula, or if that was of no assistance by considering agricultural rents. The question of what is a reasonable rent is for the authority to determine taking into account all relevant circumstances in a broad, common sense way, giving such weight as it thinks right to the various factors in the situation so that it reaches a conclusion that it thinks right and fair.

In order to test a reasonable rent increase for 2016/17, which is included in this MTFS report, officers have benchmarked Camden’s allotments service against the costs of allotment services provided by other London Boroughs, and against the costs of recreational services in Camden. These increases are designed to ensure that the fees achieve full cost recovery on a sustainable basis with an appropriate differential between concessionary and non-concessionary rates. Concessionary rates after these increases will still be 40% less than standard rates.

Comparison to other London Boroughs:

The table below shows how the proposed increases in rental charges for 2016/17 for an allotment plot in Camden compare to the cost of renting an allotment plot in other London Boroughs. From the table below Camden, Merton, Greenwich and Brent charge the highest amounts across London for allotment plots.

Borough	Year	Standard Full Plot Rent £	Standard Half Plot Rent £	Concession Full Plot Rent £	Concession Half Plot Rent £	Full Plot Non Resident £	Half Plot Non Resident £
Camden	2016/17	210	121	126	73	281	141
Merton	2016/17	204	102	146	73	0	0
Greenwich	2015/16	200	100	100	50	400	200
Brent	2015/16	167	84	N/A	42	187	94

The rental charges have been calculated at a standard and a concessionary rate for full and half plots. It should be noted that in each Borough there are differences in plot sizes which makes it difficult to offer a true comparison.

From the table above Camden’s move to full cost recovery will result in it setting fees that are higher than any other London Borough but only marginally more than Merton and Greenwich.

Even though Camden’s fees will be higher than other London Boroughs in April 2016 (should Greenwich and Brent not raise their 2015/16 fees) this is not to say that they will continue to remain so. Should we be successful in devolving management of the service to our voluntary allotments associations then they will have the opportunity to reduce costs if they are able to run the service at a lower cost than the Council.

Comparison to the cost of other recreational services:

Benchmarking the cost of the proposed rental charges against other recreational services in the Borough is shown in the table below.

Recreational Activity	Cost per annum	Cost per month	Cost per week	Cost per session
Resident concession full allotment plot in 2016/17	£126.00	£10.50	£2.42	-
Wellness card - Health & Fitness - per month - Pre Paid - Adult Concession – Resident 2016/17	-	£33.31	-	-
Active Health - Community exercise classes Residents / Non-Residents 2016/17	-	-	-	£3 resident £6 non-resident

From the table above, a resident concession full allotment plot in 2016/17 at £126 per annum costs the equivalent of £10.50 per month or £2.42 per week. When compared to an

adult resident concessionary health and fitness wellness card that will cost £33.31 per month in 2016/17, or the price of one session of the Council's community exercise programme at £3 for residents and £6 for non-residents, then the fee for an allotment is very good value compared to other recreational services offered by Camden's Culture and Environment department.

To conclude, officers consider that the proposed increases are reasonable and fair in light of the section 10 requirements. An Equality Impact Assessment has been undertaken to better understand the impact that increases to rental charges will have on our tenants. From the available equality data gathered so far, we have come to the conclusion that reasonable increases in allotment rents in 2016/17 will not directly or indirectly discriminate against those with protected characteristics for whom we hold such data (due to their gender, disability, or age for tenants 60+).

We currently though do not have equality data on gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sexual orientation; and the ages of all of our tenants. We do not have any evidence to suggest that these groups would be adversely affected or discriminated against through increasing allotments fees.

D5. Trees

Sustainability & Green Space are proposing to introduce two new fees in relation to trees.

One will be to cover the costs of requests to cut back private trees by external companies which will be charged at an hourly rate of £115. This would apply, for example, to hazardous private trees adjacent to the highway or private gardens.

The other fee is for the planting of commemorative trees in response to resident requests which will also be charged at an hourly rate of £115.

D6. Sustainability

The Council established the Camden Climate Change Alliance in November 2008 to support businesses and other institutions in the borough to reduce carbon emissions. This sector accounts for 65% of the borough's overall carbon emissions and is therefore a key part for our borough-wide carbon reduction strategy. We are aiming for the Alliance to become financially independent from the Council by 2017/18, in line with the savings target under the Reducing Carbon Outcome.

In order to do this, Sustainability is proposing to introduce a tiered Alliance membership fee based on company size (linked to number of employees). Whilst it will still be free for any organisation to join the Alliance, they will only have access to 1:1 Alliance support if they pay a fee according to their size. This fee structure has been designed following engagement with businesses in Camden and has been agreed by the Alliance's Advisory Board. In addition, Sustainability is introducing a further annual charge for access to online carbon reporting solutions. The new fees are set out below:

1. Alliance paid membership fee structure:

- companies sized 1 - 19 staff (£90 fee per annum)
- companies sized 20 - 99 staff (£300 fee per annum)
- companies sized 100 - 250 staff (£400 fee per annum)
- companies sized 251 - 999 staff (£600 fee per annum)
- companies sized 1000+ staff (£1,000 fee per annum)

2. Comprehensive carbon reporting online resource fee

The Alliance's online carbon reporting resource helps businesses to capture and monitor their gas, electricity, waste, water, transport, and travel usage. Members are offered the platform for free to measure their basic total consumption and carbon emissions from any 3 categories above.

If a member wishes to increase the number of categories that are measured, or wishes to introduce sub-meter tracking of any of the categories, or track categories in additional facilities, then the Alliance will charge the company £60 per year, per category or sub-meter over the initial 3 provided. If a large number of sub-meters are requested to be monitored, then the rate per meter/category can be discounted to £50 per year. The fees are shared between the online platform provider and the Alliance at a 60:40 split respectively.

These fees are in addition to our existing charges for bespoke consultancy which will remain at £530 per day, subject to inflation increases.

D7. Environmental Services

Commercial Waste is proposing to increase food disposal charges following a benchmarking exercise with Westminster Council. Fees will increase from £4.27 for 140L to £7.80 (83%) and £4.79 for 240L to £12.03 (151%). The service is currently operating with a budget deficit which they intend to mitigate through a number of proposals, one of which being price increases where commercially viable.

8. Regulatory Services

Trading Standards are proposing to introduce a Penalty Charge Notice (PCN) to letting agents in breach of the Consumer Rights Act 2015 Chapter 3, sections 83-88. The Act requires all letting agents to publish a full tariff of their fees - both on their websites and prominently in their offices. The charge proposed is the statutory maximum under the legislation of £5,000.

Consumer Rights Act 2015

In March 2015 the Consumer Rights Act 2015 received Royal Assent. Chapter 3 of that Act (sections 83 to 88) requires all letting agents to publish a full tariff of their fees - both on their websites and prominently in their offices. Anyone who does not comply with these new rules will face a fine which is via a Penalty Charge Notice (PCN). This legislation is solely enforced by Trading Standards, which forms part of Regulatory Services within Culture and

Environment, and came into law on 27 May 2015. The DCLG guidance (*Annex D - Consumer Rights Bill 2015: Duty of Letting Agents to Publicise Fees*) states 'the expectation is that a £5,000 fine should be considered the norm and that a lower fine should only be charged if the enforcement authority is satisfied that there are extenuating circumstances. It will be up to the enforcement authority to decide what such circumstances might be, taking into account any representations the lettings agent makes early during the 28 day period following the authority's notice of intention to issue a fine.'

In the early days of the requirement coming into force, lack of awareness could be considered; alternatively an authority could raise awareness of the requirement and include the advice that non-compliance will be dealt with by an immediate sanction. Another issue which could be considered is whether a £5,000 fine would be disproportionate to the turnover/scale of the business or would lead to an organisation going out of business.

Once a PCN fine is determined then the agent can either discharge it by paying it, appeal to the first tier tribunal within 28 days of issuing the notice or following 28 days of inaction then the council can consider recovering the debt.

Trading Standards is currently enforcing other legislation against letting agents in a project for HASC. The ability to impose PCNs up to a statutory maximum of £5,000 under this legislation where appropriate would enhance this project work as a number of non-complying agents have been identified. This ability would also be required after the project as the market is very fluid with the varying numbers of agents operating in the borough.

D9. Private Sector Housing

Smoke and Carbon Monoxide Alarm (England) Regulations

The Smoke and Carbon Monoxide Alarm (England) Regulations 2015 requires landlords of privately rented dwellings, on which a tenancy commences on or after 1st October 2015, to ensure there is a smoke alarm on each storey of a premises which comprises living accommodation. The landlord is also required to provide a carbon monoxide alarm where accommodation is equipped with a solid fuel burning appliance. The regulations place a duty on the Council to take enforcement action where landlords fail to comply and must serve a remedial notice upon the landlord. Failure to comply with the remedial notice requires the Council to undertake the remedial work in default of the landlord and may require the landlord to pay a penalty charge not exceeding £5,000.

It is proposed to set the maximum charge at the legal maximum of £5,000.

E. New Fees & Charges for 2016/17

Service	Division	Description of fee / charge	2016/17 fees / charges (including VAT) £	Effective Date
Sports	Culture & Customer	Swiss Cottage - Swim fun session with inflatables - junior non member	5.00	01/04/2016
Sports	Culture & Customer	Swiss Cottage - Swim fun session with inflatables - junior member	3.50	01/04/2016
Sports	Culture & Customer	Swiss Cottage - Swim fun session with inflatables - junior concession	2.50	01/04/2016
Sports	Culture & Customer	Wellness card - per year - Pay & Play - Child - concession	2.80	01/04/2016
Sports	Culture & Customer	Better Swim concessionary	26.40	01/04/2016
Sports	Culture & Customer	Better Gym concessionary	26.40	01/04/2016
Sports	Culture & Customer	Better Group Exercise concessionary	26.40	01/04/2016
Sports	Culture & Customer	Disability multi sports sessions (2 hours) - Junior non member	5.00	01/04/2016
Sports	Culture & Customer	Disability multi sports sessions (2 hours) - Junior concession member	3.00	01/04/2016
Sustainability & Green Space	Culture & Customer	Camden Climate Change Alliance annual membership fee - companies sized 1-19 staff	90.00	01/01/2016
Sustainability & Green Space	Culture & Customer	Camden Climate Change Alliance annual membership fee - companies sized 20-99 staff	300.00	01/01/2016
Sustainability & Green Space	Culture & Customer	Camden Climate Change Alliance annual membership fee - companies sized 100-250 staff	400.00	01/01/2016
Sustainability & Green Space	Culture & Customer	Camden Climate Change Alliance annual membership fee - companies sized 250-999 staff	600.00	01/01/2016
Sustainability & Green Space	Culture & Customer	Camden Climate Change Alliance annual membership fee - companies sized 1,000+ staff	1,000.00	01/01/2016
Sustainability & Green Space	Culture & Customer	Comprehensive carbon reporting online resource fee per meter (first 3 are free)	60.00	01/01/2016
Sustainability & Green Space	Culture & Customer	Fee for external tree works (per hour rate)	115.00	01/01/2016

APPENDIX E

Service	Division	Description of fee / charge	2016/17 fees / charges (including VAT) £	Effective Date
Sustainability & Green Space	Culture & Customer	Fee for commemorative tree planting (per hour rate)	115.00	01/01/2016
Regulatory Services	Communities	FPN/PCN Legislation - letting agents in breach of Consumer Rights Act 2015 requirement to publish a full tariff of their fees	5,000.00	01/01/2016
Private Sector Housing	Housing General Fund	FPN/PCN Legislation: Landlord failure to comply with 6(1) of the Smoke and Carbon Monoxide Alarm Regulations 2015	5,000.00	01/01/2016
Cemeteries	Culture & Customer	Burial private grave interment fees - Sunday Burial extra charge (Resident)	750.00	01/01/2016
Cemeteries	Culture & Customer	Burial private grave interment fees - Saturday burial of ashes extra charge (Resident)	130.00	01/01/2016
Cemeteries	Culture & Customer	Burial private grave interment fees - Sunday burial of ashes extra charge (Resident)	200.00	01/01/2016
Cemeteries	Culture & Customer	Burial private grave interment fees - Sunday Burial extra charge (Non Resident)	750.00	01/01/2016
Cemeteries	Culture & Customer	Burial private grave interment fees - Saturday burial of ashes extra charge (Non Resident)	130.00	01/01/2016
Cemeteries	Culture & Customer	Burial private grave interment fees - Sunday burial of ashes extra charge (Non Resident)	200.00	01/01/2016
Cemeteries	Culture & Customer	Admin fee for 2 interment in niche at columbarium (Resident)	25.00	01/01/2016
Cemeteries	Culture & Customer	Admin fee for 2 interment in niche at columbarium (Non Resident)	25.00	01/01/2016
Cemeteries	Culture & Customer	Sunday Cremation (Resident)	750.00	01/01/2016
Cemeteries	Culture & Customer	Sunday Cremation (Non Resident)	750.00	01/01/2016
Cemeteries	Culture & Customer	Per 40 photos/images (Resident)	55.00	01/01/2016
Cemeteries	Culture & Customer	Per 40 photos/images (Non Resident)	55.00	01/01/2016
Cemeteries	Culture & Customer	DVD of service containing tribute (Resident)	50.00	01/01/2016
Cemeteries	Culture & Customer	DVD of service containing tribute (Non Resident)	50.00	01/01/2016

F. Fees & Charges increasing over 5% in 2016/17

Service	Division	Description of fee / charge	2016/17 fees / charges (including VAT) £	% increase	£ increase	Effective Date
Registrars	Culture & Customer	Nationality Checking Service (Children application): Monday to Friday	40.00	14.29%	5.00	01/01/2016
Registrars	Culture & Customer	Nationality Checking Service (Single application Return Visit): Monday to Friday	35.00	16.67%	5.00	01/01/2016
Registrars	Culture & Customer	Nationality Checking Service (Single application): After 5pm weekday or Saturday	70.00	7.69%	5.00	01/01/2016
Registrars	Culture & Customer	Nationality Checking Service (Children application): After 5pm weekday or Saturday	45.00	50.00%	15.00	01/01/2016
Registrars	Culture & Customer	Nationality Checking Service (Single application - Return Visit): After 5pm weekday or Saturday	40.00	14.29%	5.00	01/01/2016
Registrars	Culture & Customer	Nationality Checking Service (Children application - Return Visit): After 5pm weekday or Saturday	25.00	25.00%	5.00	01/01/2016
Registrars	Culture & Customer	Settlement Checking Service (single adult appl'n): Weekdays before 5pm	105.00	8.25%	8.00	01/01/2016
Registrars	Culture & Customer	Settlement Checking Service (single adult appl'n): Weekends & from 5pm Weekdays	130.00	8.33%	10.00	01/01/2016
Registrars	Culture & Customer	Settlement Checking Service (dependents): Weekends & from 5pm Weekdays	45.00	12.50%	5.00	01/01/2016
Registrars	Culture & Customer	Settlement Checking Service - PEO Croydon (single adult appl'n): Weekdays before 5pm	80.00	6.67%	5.00	01/01/2016
Registrars	Culture & Customer	Settlement Checking Service - PEO Croydon (single adult appl'n): Weekends & from 5pm Weekdays	95.00	5.56%	5.00	01/01/2016
Registrars	Culture & Customer	Settlement Checking Service (single adult appl'n - Return Visit): Weekdays before 5pm	50.00	11.11%	5.00	01/04/2016
Registrars	Culture & Customer	Settlement Checking Service (dependents - Return Visit): Weekdays before 5pm	40.00	60.00%	15.00	01/04/2016
Registrars	Culture & Customer	Settlement Checking Service (dependents - Return Visit): Weekends & from 5pm Weekdays	40.00	100.00%	20.00	01/04/2016
Registrars	Culture & Customer	Civil Ceremonies - The Ceremony Suite - Thursday - Friday	162.00	10.21%	15.00	01/04/2016

APPENDIX F

Service	Division	Description of fee / charge	2016/17 fees / charges (including VAT) £	% increase	£ increase	Effective Date
Registrars	Culture & Customer	Civil Ceremonies - The Ceremony Suite - Saturday	242.00	5.22%	12.00	01/04/2016
Sports	Culture & Customer	Membership - Gym London	36.95	7.26%	2.50	01/04/2016
Sports	Culture & Customer	Membership - Swim London	36.95	7.26%	2.50	01/04/2016
Sports	Culture & Customer	Membership - Disabled Card PER MONTH - in borough.	10.95	10.05%	1.00	01/04/2016
Sports	Culture & Customer	All centres - Disabled membership - annual - Resident	109.50	10.05%	10.00	01/04/2016
Sports	Culture & Customer	Talacre - Soft play - Card holder - Child - Under 5	4.00	15.94%	0.55	01/04/2016
Sports	Culture & Customer	Talacre - Soft play - - Concession card holder - Child - Under 5	2.40	17.07%	0.35	01/04/2016
Sports	Culture & Customer	Talacre - Soft play - - Concession card holder - Child - 5 and over	3.00	17.65%	0.45	01/04/2016
Sports	Culture & Customer	Talacre - Soft play - - No card - Child - Under 5	5.85	18.18%	0.90	01/04/2016
Sports	Culture & Customer	Talacre - Soft play - - No card - Child - 5 and over	6.60	17.86%	1.00	01/04/2016
Sports	Culture & Customer	Talacre - Soft play Parties - Card holder -- Up to 25 - under 5s	81.00	31.45%	19.38	01/04/2016
Sports	Culture & Customer	Talacre - Soft play Parties - Card holder - Up to 25 - over 5s	90.00	13.44%	10.66	01/04/2016
Sports	Culture & Customer	Talacre - Soft play Parties- No card - Up to 25 - under 5s	120.00	10.43%	11.33	01/04/2016
Sports	Culture & Customer	Talacre - Soft play Parties - No card - Up to 15 - over 5s	90.00	10.22%	8.35	01/04/2016
Sports	Culture & Customer	Wellness card - per year - Pay & Play - Child - Resident	5.00	71.45%	2.08	01/04/2016

APPENDIX F

Service	Division	Description of fee / charge	2016/17 fees / charges (including VAT) £	% increase	£ increase	Effective Date
Sports	Culture & Customer	Wellness card - Health & Fitness - per year - Pay & Play - Concession - Adult Resident	5.40	88.81%	2.54	01/04/2016
Sustainability & Green Space	Culture & Customer	Resident - Allotments - Standard (full plot)	210.00	30.43%	49.00	01/04/2016
Sustainability & Green Space	Culture & Customer	Resident - Allotments - Standard (half plot)	121.00	30.11%	28.00	01/04/2016
Sustainability & Green Space	Culture & Customer	Resident - Allotments - Concession (full plot)	126.00	29.90%	29	01/04/2016
Sustainability & Green Space	Culture & Customer	Resident - Allotments - Concession (half plot)	73.00	30.36%	17	01/04/2016
Environment Service	Environment & Transport	Per collection and disposal of food recycling from Paladin/Chamberlain/Eurobin Trade Cont 140L	7.80	82.67%	3.53	01/04/2016
Environment Service	Environment & Transport	Per collection and disposal of food recycling from Paladin/Chamberlain/Eurobin Trade Cont 240L	12.03	151.15%	7.24	01/04/2016

Cemeteries

Cemeteries	2016/17 Resident £	2016/17 Non Resident £	% increase	£ increase	% increase	£ increase	Effective Date
Burials							
Private Grave							
Exclusive right of burial-purchase and licence fee							
9'X4' Grave Space	2,265.00	3,835.00	5.10%	110.00	5.07%	185.00	01/01/2016
Woodland Burial	2,050.00	3,430.00	5.13%	100.00	5.05%	165.00	01/01/2016
Front lawn areas - 7x3 Grave Space	3,470.00	6,210.00	4.99%	165.00	4.99%	295.00	01/01/2016
Front lawn areas - 9x4 Grave Space	5,365.00	9,690.00	4.99%	255.00	4.98%	460.00	01/01/2016
Trent Park- 8x5 Grave Space	1,365.00	2,100.00	5.00%	65.00	5.00%	100.00	01/01/2016
Grave Units							
New Burial in Double Unit							
Purchase of Double Unit with memorial option and 1st Interment	4,975.00	6,630.00	4.96%	235.00	4.99%	315.00	01/01/2016
Purchase of burial & memorial rights - 60 years	1,750.00	3,285.00	5.11%	85.00	4.95%	155.00	01/01/2016
New Burial in Front Lawn Vaults							
Purchase of Double Unit with memorial option and 1st Interment	5,200.00	7,075.00	5.05%	250.00	5.05%	340.00	01/01/2016
Purchase of burial & memorial rights - 60 years	3,260.00	5,800.00	4.99%	155.00	4.98%	275.00	01/01/2016
Cremation							
Wesley Music System							
1st CD Recording - audio	35.00	35.00	16.67%	5.00	16.67%	5.00	01/01/2016
Additional CD Recording - audio	20.00	20.00	33.33%	5.00	33.33%	5.00	01/01/2016
Additional DVD Recording of chapel service	20.00	20.00	33.33%	5.00	33.33%	5.00	01/01/2016
Webcast	45.00	45.00	12.50%	5.00	12.50%	5.00	01/01/2016
Visual Tribute							
Admin fee	15.00	15.00	25.00%	3.00	25.00%	3.00	01/01/2016
Per 10 photos/images	25.00	25.00	25.00%	5.00	25.00%	5.00	01/01/2016
Per 20 photos/images	35.00	35.00	16.67%	5.00	16.67%	5.00	01/01/2016
Per 30 photos/images	45.00	45.00	12.50%	5.00	12.50%	5.00	01/01/2016
Per minute of video	5.00	5.00	25.00%	1.00	25.00%	1.00	01/01/2016

APPENDIX G – FURTHER DETAIL ON THE CAPITAL PROGRAMME

G1. The table below shows the current departmental budgets for each year.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 onwards	Total
	£m	£m	£m	£m	£m	£m	£m
ICT	5.736	5.875	2.295	1.800	1.800	0	17.506
Property Services	14.085	20.467	21.360	15.065	12.850	7.450	91.276
Culture & Environment	23.208	27.188	19.820	17.533	8.505	0.528	96.782
Children, Schools & Families	29.855	67.121	45.653	10.673	6.800	0	160.102
Housing & Adult Social Care	136.716	177.994	157.552	145.882	150.908	437.737	1,206.789
Total Capital Expenditure	209.600	298.645	246.679	190.953	180.863	445.715	1,572.455

G2. The table below sets out the changes to the exp. and the associated funding.

Expenditure category	Total Exp. £m	Changes £m	Reasons
ICT	17.506	0.142	Business Intelligence cost increase
CIP – Netley, Camden/Plender St, Greenwood, Surma	55.864	3.800	Holmes Rd Depot cost increase
Kings Cross Accom. Strategy	9.114	0	
Other Property schemes	26.299	0.164	New Public Health funded schemes
Planned Highways Maintenance	36.633	0.577	Kingsway underground fire, additional carbon reduction lighting works
New Depot	9.308	0	
Euston Rd Combined Heating Power	3.101	0	
Other C&E schemes	47.740	2.018	Outdoor Gyms - public health funded, £(0.452)m; TfL funded projects, £0.826m; Parking schemes reduced RCCO, £(0.650)m; Sustainability block future allocation, £1.263m; S106 funded schemes, £1.101m
CIP – Schools schemes	131.286	14.831	Edith Neville, £15.594m; (£0.763)m offset against other CIP schemes
New Kings Cross Primary School	4.358	0	
Other CSF schemes	24.458	0.700	Kingsgate school - new classroom
CIP – Estate Regeneration	589.034	46.333	See table G3 below
Hostels	3.044	0.058	Holmes Rd Hostel cost increase
Better Homes	587.777	250.224	Decent Homes block budget, future MRR allocation
Homes for Older People	15.722	0	
Hsg. Renovation & Disabled facilities grants, Adult Social Care	11.212	0	
Total	1,572.455	318.847	

G3. The table below shows the changes within the Community Investment Programme (CIP) – Estate Regeneration programme.

CIP – Estate Regeneration	Changes £m	Reasons
Agar Grove	7.618	Increase in usable capital receipts
Gospel Oak	7.678	Increase in usable capital receipts
Abbey Road	13.027	Increase in usable capital receipts
Maiden Lane	0.217	Increase in usable capital receipts
Bacton Low Rise	8.184	Increase in usable capital receipts, some loss of grant, re-profiling of borrowing
Bourne Estate	0.089	Increase in usable capital receipts
Holly Lodge	0.987	Increase in usable capital receipts
HS2	8.533	Increase in usable capital receipts
Total	46.333	

APPENDIX H – FURTHER DETAIL ON CAPITAL RECEIPTS

Capital Receipts	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 onwards	TOTAL
	Actual £m	Target £m	Target £m	Target £m	Target £m	Target £m	Target £m	Target £m
General Fund								
GF Disposals Programme	35.917	0.083	7.829	15.360	17.200	0	0	76.389
Homes for Older People	4.525	17.590	3.060	0	0	0	0	25.175
Greenwood redevelopment	0	0	0	0	0	4.160	25.190	29.350
Netley redevelopment	46.300	0	0	0	0	0	0	46.300
Surma redevelopment	0	0	0	0	8.900	0	0	8.900
Edith Neville School/ Somers Town redevelopment	0	0	19.160	13.495	1.089	0	0	33.744
Kingsgate School expansion/ Liddell Road development	0	0	26.800	0	0	0	0	26.800
Parker House	0	24.000	0	0	0	0	0	24.000
Kings Cross Accommod. Strategy - disposals	96.847	0	25.990	10.000	-0.010	0	0	132.827
General Fund sub-total	183.589	41.673	82.839	38.855	27.179	4.160	25.190	403.485
Housing Revenue Account								
HRA Small Sites	11.769	0.545	5.015	0	0	0	0	17.329
Right to Buy (Camden's share)	4.990	1.902	1.922	1.922	1.922	1.922	11.532	26.112
Right to Buy (Retained receipts)	20.355	14.236	10.677	8.008	4.504	2.252	1.438	61.470
Estate Regen. - Holly Lodge	0.565	5.282	9.800	0	0	0	0	15.647
Estate Regen. - Chester/ Baltimore	13.026	0.360	0.680	0	0	0	0	14.066
Estate Regen. - Maiden Lane	0	0	75.140	13.260	0	0	0	88.400
Estate Regen. - Bacton Low Rise	0	0	5.000	6.000	11.438	35.515	55.213	113.166
Estate Regen. - Tybalds	0	0	0	16.838	0	13.005	0	29.843
Estate Regen. - Abbey	0	0	0	0	45.665	19.539	61.688	126.892
Estate Regen. - Bourne	0	0	0	3.000	32.600	0	0	35.600
Estate Regen. - Agar Grove	0	0	0	0	5.841	7.789	196.140	209.770
Estate Regen. - Gospel Oak Infill	0	0	0	8.000	12.000	16.000	17.081	53.081
HS2	0	2.000	0	45.055	7.155	3.988	0	58.198
Camden/Plender St. - GF/HRA	0	0	16.825	0	0	0	0	16.825
Wells Court	0	0	6.100	0	0	0	0	6.100
HRA sub-total	50.705	24.325	131.159	102.083	121.125	100.010	343.092	872.499
Total capital receipts to be generated in year	234.294	65.998	213.998	140.938	148.304	104.710	368.282	1,275.984

APPENDIX I – FURTHER DETAIL ON CAPITAL PROGRAMME FUNDING

Table 1 – Total Capital Funding

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 onwards	Total
	£m	£m	£m	£m	£m	£m	£m
Government grants	12.502	6.645	3.137	2.266	2.266	0	26.816
GLA/TfL grants	35.311	5.329	2.232	0.537	0	0	43.409
S106 contributions	14.446	9.098	11.135	6.000	0	0	40.679
Community Infrastructure Levy	1.000	3.000	7.555	6.000	6.000	0	23.555
General Fund revenue contribution	17.719	15.605	10.022	10.864	9.667	0.528	64.405
Housing Revenue Account contribution	50.160	45.061	48.173	45.510	41.990	190.000	420.894
Capital Receipts*	59.527	207.924	153.890	105.741	87.948	216.820	831.849
Prudential Borrowing – Housing Revenue Account	12.932	5.158	10.224	14.035	32.992	38.637	113.708
Prudential Borrowing – General Fund	2.851	0.317	0	0	0	0	3.168
Other	3.153	0.508	0.312	0	0	0	3.973
Total	209.600	298.645	246.680	190.953	180.863	445.715	1,572.455

*Capital Receipts figures shown are utilisation of resources, and don't necessarily reconcile to when receipts are generated.

Note: totals may not agree due to rounding.

Table 2 – Reasons for Funding Changes since Last Approved Budget

FUNDING	Total Funding £m	Changes £m	Reasons
Government grants	27.425	(0.288)	Public Health - Parks & Gym
GLA/TfL grants	43.409	(1.335)	New TfL grant; some affordable housing GLA grant loss
S106 contributions	40.679	(3.752)	New West End Lane; Gospel Oak reduction of overstated provision
Community Infrastructure Levy	23.555	1.555	
GF revenue contribution	64.705	1.300	Parking RCCO
HRA (MRR, RCCO, Leaseholders' capital)	420.894	250.224	Future years MRR allocation
Capital Receipts	831.849	71.156	Children, Schools & Families and Housing Revenue Account
Prudential Borrowing - HRA	113.708	0	
Prudential Borrowing - GF	3.168	0	
Other	3.314	0.289	Contributions from Westminster and William Ellis School
Total	1,572.755	319.149	