

LONDON BOROUGH OF CAMDEN	WARDS: ALL
REPORT TITLE Review of Camden Medium Term Financial Strategy (CS/2016/05)	
REPORT OF Cabinet Member for Finance, Technology and Growth	
FOR SUBMISSION TO Children, Schools and Families Scrutiny Committee Culture and Environment Scrutiny Committee Resources and Corporate Performance Scrutiny Committee Cabinet	DATE 7 th December 2016 8 th December 2016 13 th December 2016 14 th December 2016
SUMMARY OF REPORT This report: <ul style="list-style-type: none"> • Provides an overview of the council's financial position and the deployment of its resources towards the achievement of the Camden Plan outcomes. • Sets out the outlook for council funding following the Autumn Statement and notes that the council expects to be able to set a balanced budget in 2017/18 and 2018/19 subject to the delivery of the current financial strategy, council tax decisions and any changes to the council's funding outlook. • Notes that the Cabinet intends to propose to raise council tax and Adult Social Care precept by combined 3.99% in the next two years in response to the challenging financial climate, including reductions to funding and wider cost pressures, including those in Adult Social Care. • Provides a progress report on the implementation of the 3 year, £78m financial strategy and proposes re-profiling elements of some budget reductions scheduled for 2017/18. • Notes that the council should prepare for the likelihood of further cuts after the delivery of the current strategy and introduces our approach to closing the expected funding gap. • Notes there are more imminent pressures in the Housing Revenue Account and in education funding. • Sets out various developments and pressures that will impact on the 2017/18 budget in preparation for setting a balanced budget in February 2017. • Asks the Cabinet to agree new fees and charges and to agree the fees and charges where the proposed increase is over 5%. • Sets out the primary financial risks the council faces over the medium-term, in particular regarding the capital programme. <p>Local Government Act 1972 – Access to Information No documents required to be listed were used in the writing of this report.</p> <p>Contact Officer Neil Simcock Head of Strategic Finance 5 Pancras Square</p> <p>Telephone 020 7974 6740 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 developments regarding the council's funding outlook as set out in paragraphs 4.1 – 4.12.
- (b) Note the progress towards implementing the financial strategy as set out in 4.13 – 4.23.
- (c) Agree the re-profiling of MTFs budget reductions as set out in paragraphs 4.16 - 4.17.
- (d) Note re-profiling of budget reductions in Adult Social Care as set out in the *Developing a Strategy for Older People and Disabled People* paper also on this Cabinet agenda and referred to in paragraph 4.19.
- (e) Note the projected medium-term deficit following the completion of the current financial strategy and the new framework to deliver the required budget reductions, as set out in paragraphs 4.24 – 4.26.
- (f) Agree in principle to the establishment of a shared service jointly with Kensington & Chelsea and Westminster Councils to supply building control services across all three Boroughs; and delegate authority to the Executive Director Supporting Communities, in consultation with the Cabinet Member for Community Safety and the Voluntary Sector, to decide whether to enter into shared service arrangements as described and thereafter if appropriate to take all necessary steps, including agreeing and entering into any necessary legal agreements, to put the decision into effect, as set out in paragraphs 4.28 – 4.30.
- (g) Note the current estimates of unavoidable pressures for 2017/18 as presented in 4.50.
- (h) In relation to fees and charges discussed in 4.53- 4.55:
 - a. Delegate authority to Executive Directors 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 subject to paragraph 4.55 of the report in respect of the fees introduced by the Housing and Planning Act 2016.
 - d. Agree increase in fees and charges where the proposed increase is over 5% as shown in Appendix F.
- (i) Note the outcomes of the review of earmarked reserves and the balances available for reallocation as set out in 4.56 – 4.57.
- (j) Note the forecast financial outturn position for 2016/17 discussed in section 4.58 – 4.59 (revenue) and 4.62 – 4.64 (capital).

Agreed by Mike O'Donnell, Executive Director of Corporate Services
Date: 5th December 2016

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 council's financial position and the decisions required to ensure the council makes the most of its investments.
- 1.2 This report provides information to the Cabinet on a number of financial developments, and:
- Updates Members on the **outlook for council funding** following the recent Autumn Statement, and states that the council expects to be able to set a balanced budget in 2017/18 and 2018/19 subject to the delivery of the current financial strategy, council tax decisions, changes in the funding outlook and the potential impact of a number of risks set out in section 5.
 - Notes that the Council is likely to face a **funding gap beyond 2018/19** and sets out our planned approach to closing this deficit.
 - Discusses more imminent budget pressures in the Housing Revenue Account and schools funding.
- 1.3 The council is preparing the budget for the next financial year – 2017/18. As part of this process, the report:
- Provides information on the main changes affecting the 2017/18 budget including pressures, budget reductions, funding changes, and proposed re-profiling of some elements of the financial strategy scheduled for delivery in 2017/18.
 - Notes the intention of the Cabinet to propose a 3.99% increase in council tax levels in the next two years; made up of 1.99% council tax increase to manage a range of funding and cost pressures (paragraph 4.6) and the Adult Social Care precept of 2% to help manage significant challenges in the service (paragraph 4.20). The Council will be asked to agree council tax levels in its February meeting.
 - Recommends re-allocating elements of the Council's **earmarked reserves** resulting from a review of all earmarked reserves.
 - Recommends the level of **fees and charges** for 2017/18 to allow the council to set a balanced budget for 2017/18, and presents new and updated fees and charges for approval.
 - Sets out an intended **council tax and adult social care precept strategy** to help enable the Council mitigate the impact of ongoing funding reductions and demographic pressures.

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

regularly apprised of the major financial issues facing the Council and are able to make effective financial decisions.

- 2.2 The council needs to set a balanced budget in February 2017 and this report takes some of the necessary preparatory actions and sets out the main risks to setting a balanced budget for 2017/18.

3.0 OPTIONS

- 3.1 The report notes the projected medium-term deficit expected beyond the delivery of the current financial strategy and sets out plans for a new financial strategy to be developed and delivered in conjunction with the development of the next organisational strategy. Cabinet could choose alternative strategies to deliver the budget reduction requirements expected over the medium-term.

- 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 2017/18.

4.0 WHAT ARE THE REASONS FOR THE RECOMMENDED DECISIONS?

Autumn Statement

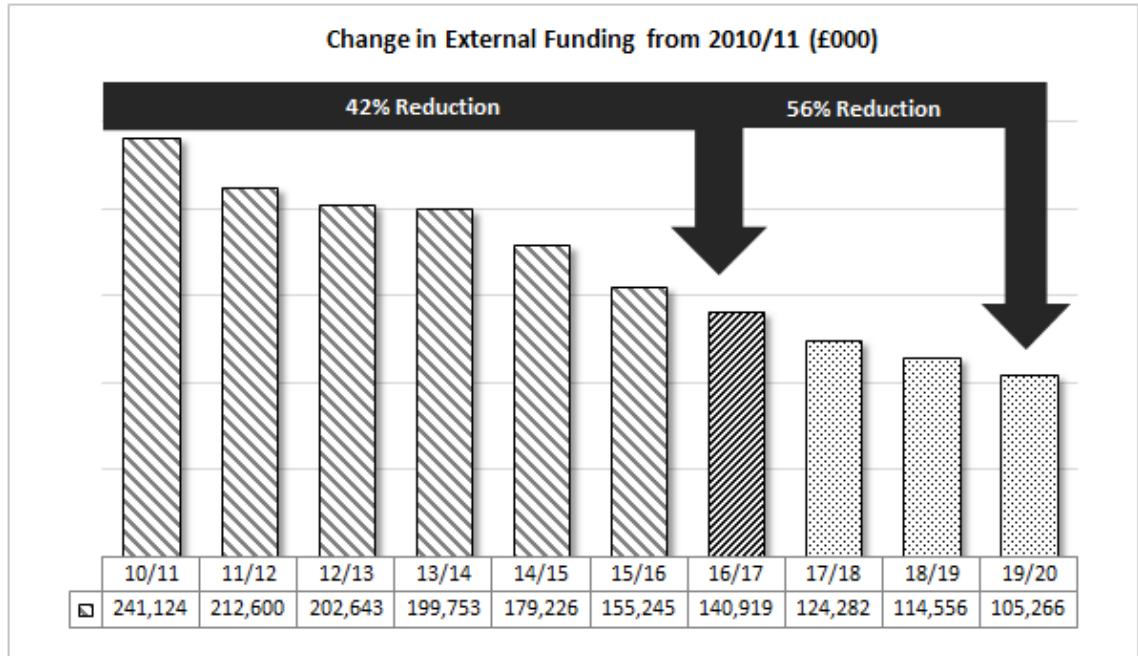
- 4.1 The outlook for the public finances has deteriorated since Budget 2016, with disappointing tax revenues over the first half of this year and a weaker economic outlook weighing on receipts from taxes. The GDP growth for next two years has been revised down, whilst unemployment rate and inflation forecasts have been revised up.
- 4.2 As announced previously, government is no longer seeking to deliver a budget surplus in 2019/20; this ambition has been pushed back and the government will now seek to get the budget in surplus in the next parliament. Projected public sector net debt is also higher than forecast at Budget 2016 in every year, and peaks at over 90% of GDP in 2017/18, the highest level for 50 years.
- 4.3 The Chancellor stated that the government remains committed to returning public finances to balance as soon as possible 'while leaving enough flexibility to support the economy in the near term'. Departmental spending limits are to remain at the levels announced in the Spending Review 2015. It is not expected there will be any direct funding implications for the council from the statement.

Medium-term Financial Outlook

- 4.4 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 2019/20, Camden's like-for-like government funding is expected to fall by 56%.

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.

- 4.5 Camden has already delivered a savings programme that reduced budgets by £93m between 2011/12 and 2014/15. In response to further cuts to the government funding, and various inflationary, demographic and other pressures on the council, Cabinet agreed a £78m budget reduction strategy to be delivered between 2015/16 and 2017/18.
- 4.6 The scale and aggregated impact of the cuts will make it increasingly difficult to continue to offer the quality and range of services residents' value and need. In 2017/18 alone the combined effect of rising costs and falling income is over £21m, with a further £17m to be found in 2018/19. For these reasons the Cabinet intends to propose to increase the council tax by 1.99% in each of the following two years. This will raise around £2m next year, rising to around £4m per annum from 2018/19, and will not be subject to subsequent government grant cuts.
- 4.7 Councils had a choice whether to accept the four year funding figures set out in the 2016/17 Local Government Finance Settlement, which covered the main elements of funding (Revenue Support Grant and the tariffs and top-ups associated with the current business rates retention model) from 2016/17 to 2019/20. The council chose to accept the four year funding offer in order to benefit from the medium-term funding certainty this provides by agreeing and submitting an Efficiency Plan.

- 4.8 However, significant elements of other grant funding were not included in the four year funding offer; principally Public Health grant and the Improved Care Fund. The final formula for the distribution of the Improved Better Care Fund to councils is yet to be determined. The Settlement set out an indicative figure for Camden's allocation of the grant, which rises from £0.8m next year to £9.4m by 2019/20. It is assumed that this will be accompanied by a transfer of new responsibilities to the council.
- 4.9 There remains a significant degree of uncertainty in accurately projecting the council's future funding, while we must continue to manage a growing range of significant risks, as set out in section 5. One of the main sources of uncertainty is the planned business rates funding reforms.

100% Business Rate Retention

- 4.10 The government has announced that it plans to allow local government to retain 100% of business rates by 2020. These proposals will mean that local authorities will collect an increasing proportion of their funding from local taxation. A system of redistribution of resources between councils will continue, meaning that Camden will not retain all the rates generated in the borough. Revenue Support Grant will be phased out, and in exchange for increased rates retention, local authorities will assume a number of new roles and responsibilities. It is very difficult to evaluate what the changes will mean for Camden, as the detail on how the system will work are yet to be determined.
- 4.11 Camden welcomes the principle of full retention of business rates by local government. The council has a long held belief that local government should have greater financial autonomy and that we need to move away from a local government finance system that is heavily centralised and controlled by Whitehall. However, it is important that the reformed retention system is set up correctly and resolves the issues in the current system, such as the lack of genuine incentives to invest in growth and the failure to recognise other types of growth than increases in floorspace. DCLG carried out a consultation on the principles of how the new business rate retention system should work over the summer. Camden responded to the consultation and argued for the following;
- Transfer of responsibilities - new responsibilities should enable local authorities to support economic growth, deliver cost efficiencies and/or improve outcomes at the local level, such as employment and skills.
 - Control over discounts, reliefs and multiplier - we would like a more ambitious approach and greater local control over the multiplier rate and in granting discounts and reliefs. These powers would allow the council to promote and shape economic growth, improve our offer to valued businesses as well as achieve social objectives in the borough.
 - Rewarding growth - the reform should establish a system that firstly is better able to deal with and account for appeals by businesses against their

valuation, and secondly recognises that different councils operate in different settings and rewards growth in rateable value from improvements in the physical environment as well as from increases in floorspace.

- Funding formula - as part of the move to the new system, the government is revisiting the 'relative need formula' which dictates the initial distribution of resources to each council through the Fair Funding Review. We argue that the revised funding formula should take into account the full range of pressures that have been ignored since they were frozen following the launch of the current system in 2013 and which affect cosmopolitan inner-London areas such as Camden. These include rapid population growth, large daytime population increases and housing pressures.

- Further fiscal devolution - the reform should be accompanied by further fiscal devolution of powers to councils, including the devolution of power over other revenue streams, such as council tax, fees, and the ability to charge a hotel levy.

4.12 We are working with partners in building a case for wider devolution to London government and to the boroughs so that we can deliver more effective public services to our local businesses, residents and communities. We contributed to the consultation returns from London Councils and Central London Forward, and we have also responded to the call for evidence by the reconvened London Finance Commission.

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

4.13 The Council agreed a £73m savings programme in 2014, which was increased to £78m in 2015. The decision to increase the programme last year has left the council in a strong position to present a balanced budget in February despite the need for some elements of project re-profiling and to address a range of pressures.

4.14 Since the financial strategy was agreed, the council has made a strong progress towards implementing the savings. We are now in the second year of our three year strategy. Actual savings achieved to date is £36.5m, 47% of the total savings target. This includes projects that have already achieved their total savings targets (52 projects have delivered their total savings target worth £23.5m) and those that have achieved part of their target.

4.15 Despite the good progress made thus far, there still remain significant challenges ahead. In 2016/17 there are 10 projects flagged as red (significant risk), with a total savings figure of £9m - 12% of the agreed total savings target. In addition, a total of £5.1m of savings across 6 projects are rated red for 2017/18.

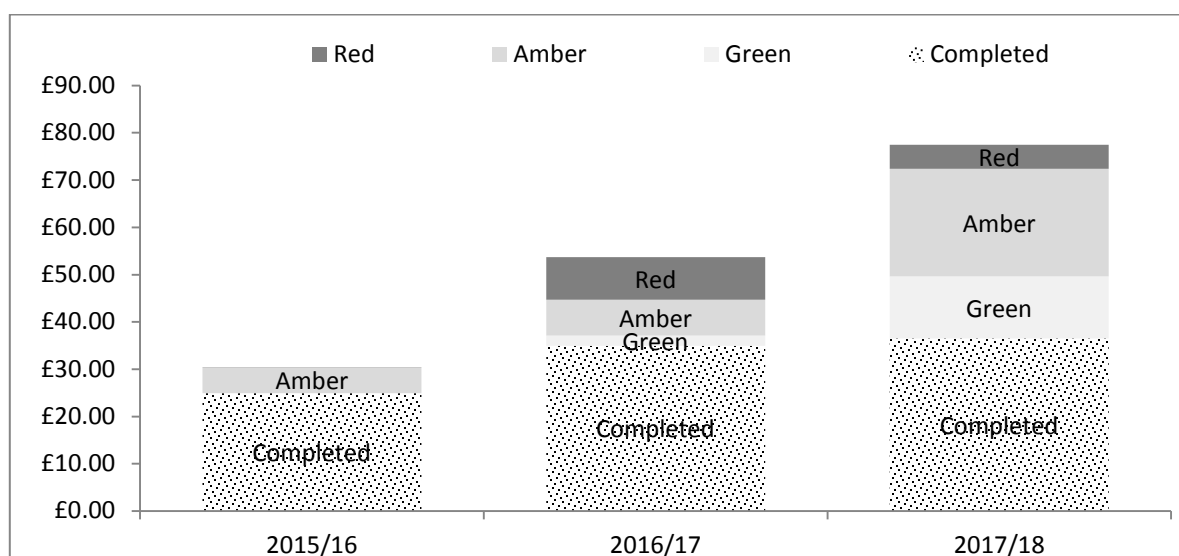
4.16 These include increasing income from advertising (project reference SAT3), which is due to deliver £2.5m budget reductions in 2017/18. It is proposed that £2m of these savings are deferred by one year to 2018/19 due to

procurement, planning and mobilisation lead in timelines. Delaying the income target will ensure that the long-term income for the council can be maximised.

4.17 It is also proposed that savings from implementing a new HR and Finance system (project reference TS6) are partially deferred to deliver £550k budget reductions in 2017/18 and the full agreed amount of savings of £1.1m in 2018/19. This will allow a phased implementation to integrating processes across services, improving collaboration and enhancing the self service offer while ensuring risks are managed and key financial processes are maintained.

4.18 Chart 2 shows forecast savings to be delivered in each year of the current MTFs and the level of risk associated with the savings. More detail can be found in a separate supplementary document *Financial Strategy Update: December 2016*.

Chart 2 – Forecast Savings per Year and RAG Rating (£m)



	2015/16 £m	2016/17 £m	2017/18 £m
Completed	24.93	34.95	36.47
Green	0.00	2.12	13.13
Amber	5.40	7.59	22.78
Red	0.04	9.01	5.06

4.19 A substantial number of the red rated project for 2017/18 are in adult social care services. These services have suffered from challenging demographic pressures which have increased demand and costs. These are set out in more detail in the Developing a Strategy for Older People and Disabled People paper also on the agenda, and are summarised in section 5.17. The paper proposes significant changes to the programme of savings in adult social care, including re-profiling and reducing some initiatives and including a number of new projects, which in total will move £2.6m of intended 2017/18 budget reductions to 2018/19. Delegations for implementation are

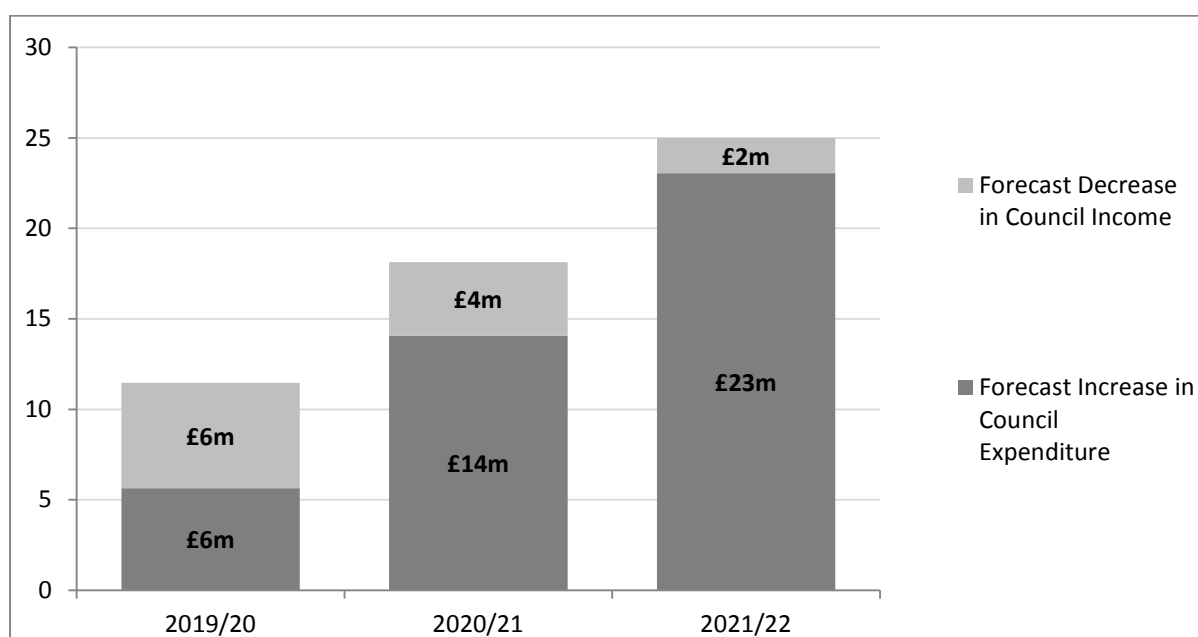
also included in the paper. It is expected that the Adult Social Care service will find further reductions of £2.39m for delivery in 2018/19. A programme to deliver these reductions will be developed during 2017/18 with a further report to Cabinet, detailing how these additional savings will be delivered.

- 4.20 In light of the huge challenges in social care, the Cabinet intends to propose to raise the ASC precept by 2% in 2017/18 and 2018/19. The 2017/18 precept will be proposed as part of the council tax setting report to council in February and will be allocated to social care services to help address the demographic and demand challenges the services face.
- 4.21 In addition to the projects formally agreed in 2014, the Council has continued to look for further sources of savings and efficiencies to help ensure we can maximise investment in our Camden Plan priorities. In April 2016, Cabinet agreed to establish a shared ICT and Digital service between Camden, Haringey and Islington. This will create an integrated service for all three organisations with the proposals designed to deliver revenue savings of £6m per annum across the three organisations once the service is fully operational.
- 4.22 In January 2016 the Cabinet agreed a new structure that saw the number of directorates decreased from 6 to 3 from April 2016. The new structure will enable savings of around £2m, predominantly from a reduction in senior management costs.
- 4.23 The large scale of change within the organisation, including the budget reduction programme, organisational transformation, public sector reform agenda and development and implementation of the HRA financial strategy, means that the council needs dedicated staff in Strategy and Change and ICT to support the change. Current estimate of the resource requirement is £2.7m. This amount would be allocated to the Cost of Change reserve, which is the main funding source used to facilitate the one off costs of delivering the necessary transformation. Any final proposals will be incorporated in the February budget setting report.

Development of the New Financial Strategy

- 4.24 Subject to the delivery of the current financial strategy, council tax decisions and the potential range of risks set out in section 5, the council expects to be able to set a balanced budget in 2017/18 and 2018/19. However, after this a new deficit is expected to open up as costs increase while government funding continues to fall. This pressure is currently forecast to reach £25m by 2021/22.

Chart 3: Projected budget deficit 2019/20 – 2021/22



- 4.25 We have therefore begun to develop a framework for how we can achieve the required budget reductions while continuing to deliver for the people of Camden. A separate paper on the agenda outlines our intention to launch a Camden Commission to engage experts, residents and members in the formulation of a new organisational strategy to build on the successes of the Camden Plan, and we intend to align the development of the organisational strategy with the development of the new financial strategy to ensure that our reducing resources are fully aligned to the activities that will achieve our organisational goals.
- 4.26 The current programme has delivered a range of innovative and transformational change, as set out in the supplementary document *Financial Strategy Update: December 2016*, and therefore we are retaining our outcomes based approach for new strategy. The new strategy will develop over the course of 2017 as the Camden Commission and complementary research provides the evidence required to present robust business cases on how and where we can reduce costs and increase income. As the Efficiency Plan noted, technology and digital innovation will be a central pillar in facilitating service transformation and efficiencies across the council. It is intended the council will look to identify £30m in budget reductions, allowing the council to create a £5m fund for reinvestment.

Table 1: Proposed Timeline for New Financial Strategy

Time	Action
January - May 2017	Camden Commission: Gathering of evidence to inform the strategy - internal and external research and benchmarking, consultation and engagement Evidence development – deeper interrogation and analysis of data and learning from elsewhere
June - July 2017	Camden Commission develops of final conclusions
August - October 2017	Development of Camden Plan and MTFS on basis of Commission conclusions Development of savings proposals and business cases
November 2017	Cabinet briefing on Camden Plan and MTFS
December 2017	Framework for savings and outline business cases alongside new organisational strategy presented to Cabinet
December 2017 - June 2018	Further development & finalisation of proposals
July 2018	Detailed projects agreed

- 4.27 In order to deliver the new organisational strategy over the next year, and help enable its implementation beyond, the council is looking to allocate £3m to the Camden Plan reserve. Final proposals will be incorporated in the February budget setting report.
- 4.28 We will continue to explore opportunities for increased efficiency which, in turn, will lead to savings and/or increased income. A number of local authorities in the UK have decided to share their building control service which, in a climate where the private sector provides tough competition for non-statutory work, has led to a sustained or increased market share over time. As such, Camden is exploring a potential shared building control service arrangement with Kensington & Chelsea and Westminster.
- 4.29 A shared building control service also creates the opportunity to maximise commercial partnerships and staff expertise and specialisms across the three teams. This would build a strong and credible local government presence and brand in the marketplace. Additionally, this shared service would be the first to come together in London and act as a proof of concept, providing opportunities to look at joining up with other London Boroughs, which would further contribute to savings and resilience.
- 4.30 The current proposal is for a single service for the three boroughs to come together under a joint head of service from April 2017, with periodic performance reviews built in thereafter for councillors from the three boroughs. Delegated authority is requested to the Executive Director Supporting Communities in consultation with the Cabinet Member for Community Safety and the Voluntary Sector to agree the proposal. Officers will also bring the proposal to Culture and Environment Scrutiny Committee in February.

HRA Financial Challenge

- 4.31 The Housing Revenue Account is facing more immediate challenges. The main revenue pressure is being driven by the government mandated 1%

reduction in rents for each year from 2016/17 to 2019/20 contained in the Welfare and Work Reform Act (2016). This pressure, combined with ongoing cost pressures such as inflation on salaries, supplies and services budgets and particularly on repair costs, resulted in an estimated budget deficit of £17.9m by 2019/20. Savings were identified for 2016/17 leaving further savings of £13.5million to be delivered by 2019/20 as part of a medium term finance strategy.

- 4.32 The projected budget gap is based on a number of assumptions about the impact of the Housing and Planning Act, the details of which are not yet fully known. As the details of the Act are published, officers will update the assumptions about the financial impact on the council which may in turn significantly alter the expected HRA budget gap.
- 4.33 Work is currently underway to develop a medium term financial strategy for the HRA in order to meet the estimated budget gap while still meeting the council's objectives as detailed in the Housing Strategy and Camden Plan. A report to the Housing Scrutiny Committee in October outlined the main themes that will be at the core of the financial strategy; these are summarised in Appendix A. After developing the individual workstreams further in consultation with District Management Committees in November/December, officers will present detailed savings proposals to Cabinet in January 2017 as part of the Housing Revenue Account budget setting report.
- 4.34 Last year the government announced plans to compel councils to charge additional rent to households with an income in excess of £40,000 per annum, with any additional income received from higher rents to be paid over to the government. The government has now reviewed this policy, known as 'pay to stay,' which Camden strongly opposed, and decided to abandon it.

Schools Budget 2017/18

- 4.35 Funding freeze - There are immediate pressures in schools funding resulting from on-going cash freezes across most of the dedicated schools grant. The government's funding cash freeze since 2011/12 means that Camden schools have already suffered a real terms' reduction in their spending power of around 13%. Last year the Institute for Fiscal Studies estimated that schools could see further real terms reductions of between 8% and 12% over the lifetime of the current parliament. Our modelling shows that Camden's reduction could be at the top end of this range, equating to an eventual £14m real terms' reduction in the schools block out of a total of £116m by the end of the decade.
- 4.36 National funding formula update – There are even greater risks in the medium term resulting from the move to the national 'fairer funding' formula. The change is expected to have a significant impact on funding across all three blocks of the Dedicated Schools Grant - schools, high needs and early years - as it is likely to lead to redistribution from areas like Camden that are better funded due to greater historic investment by the Council, to less well

funded areas. The government announced in the summer that the implementation of the schools and high needs reforms would be delayed by one year to 2018/19, while it would press ahead with early years changes next year.

- 4.37 Early Years – The proposal for a national funding formula for early years is likely to see a reduced rate for Camden children, and the requirement to pay all providers a standardised hourly rate may impact on the sustainability of the current service offer of 25 hours education for all 3 and 4 year olds in Camden’s schools and children’s centres. Also to be implemented in 2017 is an entitlement to an additional 15 hours funded early education for the children of working parents. The impact of these changes on all sectors of the childcare market is currently being explored and proposals for a revised offer will be brought to Cabinet early in the new year.
- 4.38 A more detailed update on schools funding changes was presented to the Schools Forum in September 2016 and can be accessed online¹.
- 4.39 The council’s ongoing commitment to education in the borough is evidenced by the large-scale capital investment that has taken place in schools through the CIP programme, which totalled over £95m by the end of 2015/16. Forthcoming projects in the current capital programme include substantial development at Parliament Hill, Edith Neville, and Kingsgate schools. Officers are currently considering with Members how the funding set aside in the current capital programme for schools maintenance should be allocated to specific projects over the coming period.
- 4.40 The council also continues to work with Camden schools through Camden Learning - a not for profit schools company which offers a collective means to raise standards in Camden’s schools through providing school improvement, professional learning and support services for all Camden maintained schools.

2017/18 Budget Update

Council Tax Update

- 4.41 Another report on the current agenda is proposing to increase the maximum Council Tax Reduction for working age claimants from the current 91.5% to 100% from 1st April 2017. Increasing the maximum award to 100% will reduce the financial burden on residents with no earned or very low income, helping us maintain Camden’s diverse community and contributing to meeting the Camden Plan’s goal to eliminate child poverty in the borough.
- 4.42 This option can be considered at this time as the fall in the number of Council Tax Reduction Scheme (CTRS) claimants combined with an

¹ More detailed schools funding update was presented to the Schools Forum in September and can be found online <http://democracy.camden.gov.uk/ieListDocuments.aspx?CId=175&MId=6041>

increasing Council Tax base have increased the funding available to the council. The change will also remove the administration costs related to recovering relatively small amounts and free resources to pursue larger debts.

- 4.43 The combination of the fall in the number of Council Tax Reduction Scheme (CTRS) claimants combined with higher than expected Council Tax base in 2015/16 meant that the council had an opening surplus on the Council Tax Collection Fund at the start of this financial year. This is partially offset by a projected small in year-deficit in 2016/17, resulting in a forecast surplus of £0.5m to be credited in the 2017/18 budget. The amount of the surplus will be confirmed in the February budget setting report.

Business Rates Update

- 4.44 **Retained business rates** – Appeals continue to have a large impact on the council's retained business rates. 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.
- 4.45 Despite the large number of developments in the borough, successful appeals mean that our rateable value hasn't increased since the system was implemented. Given a large level of uncertainty and volatility in the system, our modelling assumption is that we will see no growth in the retained business retained share in 2017/18.
- 4.46 **2017 Revaluation** - The next national revaluation is to be introduced in 2017/18. This will acknowledge the relative increases and decreases in rateable value across different areas of the country since the last revaluation while aiming to generate the same national yield. It is expected that while Camden will see a large rise in its total rateable value as market rents have risen significantly, other councils will see a fall. The equalisation of resources between councils will then be adjusted through updated tariff and top ups. We won't know until the Finance Settlement in December how Camden's budgeted income is affected by the revaluation.
- 4.47 The revaluation will increase rates payable in the borough not only for businesses, but also for the council. We expect revaluation will increase our business rate bill by £1.8m in 2017/18 – this is approximately a 23% increase compared to 2016/17. This is set to increase by around £1m in the following years after the transitional relief is removed over time.

Inflation Rates

- 4.48 The council continues to apply low inflation rates to expenditure budgets and higher inflation rates to income budgets in 2017/18. This aims to maximise

income and minimise cost increases where possible. Table 2 below reflects the standard inflation rates for 2017/18.

Table 2: 2017/18 Standard Inflation Rates

Type	Description	2017/18
Expenditure	Employees	1.0%
	Premises	1.0%
	Suppliers and Services	1.0%
	Transport	1.0%
	Contracts	1.0%
Income	Fees and Charges	1.5%
	Sales	3.0%
	Rents	2.0%

Unavoidable Pressures

- 4.49 Medium term modelling includes £5m each year to fund all unavoidable pressures. The key current estimates of requirements for this budget are identified in Table 3 below, with a more detailed explanatory note included in in Appendix B. Total current estimated pressures are higher than the £5m budget; any excess must be absorbed corporately by available resources in the 2017/18 budget.

Table 3: 2017/18 Key Unavoidable Pressures

Pressure	2017/18 (£000)
Business Rates Revaluation Scheme	1,800
CIP Revenue Costs	1,121
NLWA Levy	1,365
Pensions Backfunding	1,127
Apprenticeship Levy	725
CIP Disposals: Reduced Commercial Income	394
Small Staffing Pressures	210
Wireless Income Pressure	63
Total	6,805

- 4.50 It is possible that new pressures will emerge before the budget is finalised, especially when considering the risks outlined in section 5. A further update will therefore be provided within the budget setting Medium Term Financial Strategy report in February.

London Living Wage

- 4.51 The council is working to implement the London Living Wage (LLW) in all local contracts. 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, the council firmly believes that it is an investment that

will improve the quality of services and the daily lives of those who work for Camden. The current financial strategy included funding for anticipated LLW commitments up to 2017/18.

High Speed 2

- 4.52 The Council is considering making an allocation of £0.480m for the delivery of the HS2 programme in 2017/18 to allow for sufficient resourcing as HS2 moves into its construction phase and the Council needs to be prepared to respond on an operational basis. The next 12 months and beyond will be a critical time for us to ensure HS2 deliver on their assurances, meet the standards we expect through agreements and communicate clearly with our communities.

Fees and Charges 2017/18

- 4.53 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 the reasons for any discounts or concessions are made clear.
- 4.54 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 2017/18 threshold of 5%. These are detailed in full in Appendices E and F, with detail provided in appendix D. Cabinet is recommended to agree that decisions on increases up to 5% are delegated to Directors in consultation with the relevant portfolio holders.
- 4.55 Schedule 9 of the Housing and Planning Act 2016 includes provisions which enable Camden, as a local housing authority, to determine the amount of a financial penalty (which must not be more than £30,000) as an alternative to prosecution under the Housing Act 2004 in relation to certain offences relating to houses in multiple occupation. These provisions are not yet in force and may be subject to further regulations and/or Secretary of State guidance. Cabinet is therefore asked to agree in principle the amount of the financial penalty at the legal maximum of £30,000 and to agree to delegate to the Executive Director of Supporting People authority to take any further decision in respect of those provisions including in light of any further regulations and /or guidance released. Further detail is given in Appendix D.

Review of Earmarked Reserves

- 4.56 Earmarked reserves are one-off balances set aside for investment towards agreed priorities. Reserves are reviewed regularly to ensure that if they are no longer required, they can be reallocated towards strategic priorities.

- 4.57 A recent review of current balances has reduced reserves where outcomes have been delivered or other resources are available to deliver the outcomes. Table 4 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 currently identifies £2.567m that can be reallocated in accordance with council priorities, with final allocation proposals to be made in the February 2017 MTFS Report. £1.5m of the balance relates to the Insurance provision. The remainder of the balance originates from surplus homelessness and supporting people reserves.

Table 4: Analysis of Earmarked Reserves and Identified Amounts for Reallocation, by Type

Category of Reserve	2016/17 Opening Balance £000	Amount to be Reallocated £000
To support key revenue budget outcomes	32,065	1,043
To support the council's service remodelling programme	13,586	-
To support ongoing capital activity and asset management	28,528	24
To mitigate future corporate risk	21,891	1,500
Reserve to support the Mayor's charity	34	-
Total	96,104	2,567

Financial Revenue Outturn Forecast: Month 7

- 4.58 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 overspend of £0.391m, equivalent to 0.2% of budget. This is the result of overspends within the Supporting Communities and Supporting People directorates.
- 4.59 Finance will continue to regularly monitor the position throughout the year. It is expected that this position will change as forecasts are refined further and work is undertaken to address any overspend. Further details of the forecast can be seen in the online document [2016/17 Financial Outturn Forecast \(Month 7 – October\)](#).

Developments in the Capital Programme

- 4.60 Town Hall refurbishment – In September Cabinet agreed to invest £44.2m in the refurbishment and remodelling of Camden Town Hall. In addition to delivering enhanced civic spaces, this development will create space suitable for small and medium enterprises in the Knowledge Quarter, as well as two floors of office space for market letting. This project has now been added to the capital programme and can be seen in the online document: [Capital Projections 2016/17 – 2025/26 – December 2016](#). An update on the project is also on the current Cabinet agenda.

- 4.61 The income that will be generated is going to be initially required to fund project borrowing costs. We are exploring the possibility of allocating funding of approximately £2m to the project in order to reduce the borrowing costs. This amount will be reviewed in the later stages of 2017/18 budget setting.

Capital Monitoring – Expenditure and Receipts Month 7 (October)

- 4.62 The council's overall 10-year capital programme for 2016/17-2025/26 stands at £1,423.4m - of which £213.2m relates to the 2016/17 financial year. The current forecast is £(11.6)m under budget in 2016/17. The largest underspend relates to slippage in CIP and Major Projects.
- 4.63 To finance the agreed capital programme, the council has a substantial receipts target in 2016/17 and future years. Following the First Capital Review, the 2016/17 target stands at £(92.3)m and £(1,011.8)m across all future years. To date we the council has received £(51.5)m worth of capital receipts in 2016/17, and a further £(2.5)m cash relating to deposits on key CIP schemes. This is approximately 56% of the annual target at month 7.
- 4.64 Further details of the forecast can be seen in the online document [2016/17 Financial Outturn Forecast \(Month 7 – October\)](#).

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

Government Funding

- 5.1 The council continues to face a challenging financial outlook with significant uncertainty around the health of the UK's economy and the impact that this could have on the government's future plans for the public finances, including the funding of local public services.
- 5.2 It remains too early to say with any confidence how the result of the referendum on the European Union will impact on the council's funding in the longer-term. The Autumn Statement presented a picture of increasing national borrowing; however as noted the council has submitted an Efficiency Plan to secure the bulk of government grants set out in the 2016/17 Settlement up to 2019/20. The Chancellor also set out expectations of increasing inflation, which could increase council costs such as contracts beyond current expectations. However, there remains huge uncertainty regarding the reaction of the economy to the triggering of article 50 expected in early 2017 and following the eventual terms of any Brexit deal. Clearly, should there be a significant economic downturn, this will further impact on the public finances and the government may seek to revisit existing funding commitments.

Implementing Council's Medium Term Financial Strategy

- 5.3 The council continues the challenging process of reducing its budget while achieving transformational service change over the next 15 months. The

organisation will need to deliver further budget reductions of over £23m in the next two years, and while this Cabinet is asked to approve a delay of £2.6m in the ASC programme, as well as a delay in two other projects (TS6 and SAT3), a number transformative projects are yet to be delivered. If proposals need to be changed in a way that materially reduces the budget reductions derivable from them, there will be a need to make up for the shortfall from other additional reductions elsewhere.

Business Rates

- 5.4 The existing business rates retention scheme continues to be a large source of uncertainty for the council. This is largely due to the impact of appeals. The effect of appeals in Camden is that our rateable value (RV) is now slightly lower than it was when the system was implemented despite a high level of development in the borough. We have also had to tie up our resources in creating a large business rate safety net reserve (£63m at the end of 2014/15, reduced to £42m at the end of 2015/16, to be shared between the council, GLA and the government). Lastly, appeals meant that our medium term forecasting has proved difficult and volatile.
- 5.5 Looking ahead, in addition to appeals, there are two further sources of risk in the business rate system – revaluation in 2017 and the implementation of new business rate system with 100% retention of the rates by councils nationally.
- 5.6 The revaluation in 2017 is likely to result in another surge of appeals, especially if the starting position for Camden is overstated, as it was in the previous valuation round. Any new appeals would be additional to the backlog of historic appeals that are awaiting settlement by the Valuation Office (VOA). Camden, like other councils, has found it extremely difficult to forecast the number of appeals and their impact. This is due to a large volume of appeals (there are currently over 3,000 outstanding cases of Camden business appealing against their valuation) and the length of time it takes the VOA to process appeals.
- 5.7 Transition to 100% Business Rates Retention - The plans to implement 100% Business Rates Retention by 2020 will be accompanied by updating the relative needs formulae (determining how resources are initially distributed between councils), phasing out of the Revenue Support Grant, and a transfer of new responsibilities to local authorities. These changes will mean a major shift in funding and it is important the reform resolves the issues currently inherent in the system, such as the number and impact of appeals. It is very difficult to evaluate what the changes will mean for Camden, as the detail on how the system will work are yet to be determined.

Risks within the Capital Strategy

- 5.8 The council's current capital programme stands at £1.4bn. Only 2% of the expenditure is set to be funded from government grant, with the programme heavily reliant on the generation of future receipts. These factors mean there

are a number of significant and often interlinked risks in the capital programme that could impinge on the ability of the council to deliver its plans in full. The risks are particularly prevalent in the CIP programme, which aims to deliver an ambitious scale of social and intermediate housing and community assets, funded largely from the construction and sale of private units.

Construction Industry & Housing in London

- 5.9 The state of the London construction market is a function of a complex mix of factors. The outlook for the construction sector in the wake of Brexit continues to be uncertain, with reports offering an often ambiguous or contradictory mix of views. While some commentators suggest the weakened pound could see increased activity from foreign investors, it will similarly increase import costs with the possible effect of escalating contract prices.

Reliance on Receipts

- 5.10 The capital programme is increasingly funded from capital receipts as demonstrated by the table below. The council's ability to fund the capital programme will in turn become increasingly reliant on the timely delivery of receipts and house prices maintaining targeted levels.

	2015/16	2016/17	2017/18	2018/19
Percentage of capital expenditure funded from capital receipts	29.6%	49.5%	62.3%	68.4%

- 5.11 Where the viability of approved schemes is directly threatened by falling sales prices, mitigation options will be explored. This could include difficult decisions for the council, for example reviewing the tenure mix of developments or the level of community assets provided by a scheme.

Project Delays

- 5.12 The council is seeing lower resourcing of some schemes that are on site, and significant delays in some schemes. This is particularly true for schemes that were procured prior to the construction industry boom seen in recent years. Contractors face difficulty in retaining subcontractors at agreed prices that are relatively lower than prices subcontractors could get elsewhere on other contracts. Where appropriate the council will invoke financial penalties on the contractor for these delays (LADs).

Risk Mitigations

- 5.13 The Council has a number of mechanisms and processes to respond to this range of risks:
- Prudent receipts estimation: for all schemes delivering in the next two years, prudent assumptions have been made for sales receipt values.

- Un-contracted schemes / phases: only 32% of the CIP budgets in the capital programme for 2016/17 onwards are contractually committed. 48% is not contracted, whilst for 20% the Council is committed to proceeding with design and enabling works but could choose not to proceed with the substantive construction. This provides the opportunity to review the scope, contents and delivery profile of the bulk of programme to achieve appropriate levels of affordability and risk.
- Alternative Delivery Vehicles: as approved by Cabinet in April, the council is currently investigating whether there may be potential benefits to seeking a development partner to help achieve its ambitions while sharing risk.
- Gateway Review Panel: The council operates a robust project review process in which key officers review projects at critical decision points and provide a further level of scrutiny and challenge.

Impact of the 'Higher Value Voids' Levy

- 5.14 The Housing and Planning Act (2016) contained powers that will allow the government to charge a levy to Councils in order to fund the extension of right to buy to housing association tenants and replacement housing for those sold. The levy is expected to be calculated based on the value of the Council's higher value housing stock that is estimated to become void during each year. While the Council will have a degree of freedom about how it funds the levy payment, it is likely that the Council will be forced to sell a number of social housing units currently accounted for within the Housing Revenue Account. In addition to the loss of stock this will also result in a loss of rental income of between £1m and £2m per year. There remains a lack of information from the government regarding the scale and timing of the levy. However the government recently announced that a levy payment would not be required in 2017/18.

Emerging Schools Pressures

- 5.15 Apprenticeship levy - In addition to pressures set out in section 4.35-37, there is a risk that schools will have to pay apprenticeship levy. The levy is a new employer tax that will be introduced from April 2017. It will mean that employers with a pay bill that exceeds £3m will be charged 0.5% of their pay costs, but can claim back contributions for eligible apprenticeship training. If Camden is deemed by HMRC to be the employer of schools staff in community schools there is the risk that these schools would be subject to the levy rate and increase pressures on schools budgets. Clarification is being sought on the status of schools with London Councils taking this issue up with the DfE on behalf of all London schools.
- 5.16 Business Rate Revaluation – The immediate impact on schools devolved budgets from April 2017 will be an increase of £0.4m - 26% above 2016 bills. This is set to increase further in the following years by a £0.3m after transitional relief is removed over time, resulting in an overall increase of 47% compared to 2016 bills. These figures are of based on current data and will be subject to appeals and any further adjustments to transitional relief.

Adult Social Care

- 5.17 Although it's the council's intention to raise the social care precept in 2017/18 in response to a number of pressures set out in 4.19, there are other risks affecting the service. A report also on this agenda (Developing a Strategy for Older People and Disabled People) highlights a number of issues that have resulted in proposals to amend the ASC savings programme. There are also emergent risks arising from the closure of NHS establishments and a potential transfer of associated costs to the social care. The increasing financial pressures in the NHS, which are being addressed locally through the North Central London Sustainability and Transformation Plan (also on this Cabinet meeting agenda), has the potential to cause further pressure on community based ASC services. The service is also facing longer-term cost pressures from the increases in London Living Wage, which is to increase by 3.7% next year alone.

Impact of Welfare Changes

- 5.18 There is significant uncertainty over the timing and detail of the next tranche of welfare changes. When implemented, they have the potential to impact on temporary accommodation costs and demand, rent collection and residents' ability to pay other debts. This is evidenced through Universal Credit, where over 70% of the small number of tenants affected are already in rent arrears and there is an increasing demand for support. The council is assessing the possible impact of the changes and is providing support to residents affected by Universal Credit and the lowering of the Benefit Cap to mitigate risks.

Homelessness Reduction Bill

- 5.19 A Homeless Reduction Bill is currently passing through Parliament and is expected to become an Act sometime during 2017/18. If the Bill does become an act, it will place additional responsibilities on the council in relation to the volume and scope of work associated with homeless approaches and the need to provide emergency accommodation. While the government has suggested that additional funding will be available to meet the cost of any new responsibilities there is a risk that such support may be insufficient to cover the potential increased financial costs, initially estimated to be around £1m-£2m per year.

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 (Comments of the Borough Solicitor)

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

10.0 RESOURCE IMPLICATIONS (Finance Comments of the Executive Director Corporate Services)

10.1 The comments of the Executive Director of Corporate Services 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:

- [Capital Projections 2016/17 to 2024/25: December 2016](#)
- [Financial Strategy Update: December 2016](#)
- [2016/17 Financial Outturn Forecast \(Month 7 – October\)](#)
- [Business Rate Consultation – Camden Response](#)
- [Camden's Efficiency Plan](#)

11.2 The report on Housing Revenue Account (HRA) Medium Term Financial Strategy presented to the Housing Scrutiny Committee on 13th October referred to in section 4.33 can be found online <http://democracy.camden.gov.uk/ieListDocuments.aspx?CId=624&MIId=5894>

11.3 More detailed schools funding update was presented to the Schools Forum in September and can be found online <http://democracy.camden.gov.uk/ieListDocuments.aspx?CId=175&MIId=6041>

11.4 Further information is provided in the attached appendices.

Appendices:

- A Provisional HRA Financial Strategy
- B 2017/18 Unavoidable Budget Pressures
- C Review of Earmarked Reserves
- D Fees & Charges 2017/18 supporting information
- E New Fees & Charges for 2017/18

F Fees & Charges increasing over 5% in 2017/18

REPORT ENDS

APPENDIX A – Provisional HRA Financial Strategy

Project Name	Proposals	Potential savings 2017/18	Potential savings 2018/19	Potential savings 2019/20
		£000	£000	£000
Management of Property Portfolio	<p>A series of operational reviews:</p> <ul style="list-style-type: none"> · Utilisation of Better Homes framework and the Wates contract for major repairs · Improved programming of major repairs and replacement mechanical and electrical components · A portfolio approach to the repairs service: standardisation of product and procurement of materials; review of discretionary repairs, service standards such as end to end times; vehicle fleet and materials 	560	2,065	3,120
Increasing income from the commercial property portfolio to maximise commercial income in line with the current market. To identify underutilised assets that could be converted to a commercial use, e.g. unused undercroft areas.	<p>HRA Commercial property income is currently £7.6m, it is estimated that rent reviews could see a one off contribution from backdated rent of £0.2m by 2018/19. A review of the commercial portfolio currently being undertaken by external consultants. A review of garages, pram sheds and parking areas may identify development opportunities. The council could seek to maximise income from underground parking areas, either through commercial parking or for alternative use such as self-storage.</p> <p>By 2019/20, taking into account rent free periods, a target of £0.6m is potentially achievable if 3 to 4 locations are brought back into use.</p> <p>The council is securing income from the short-term leasing of the 'Belsize' blocks and has also secured some income from the use of property by Guardian companies. A prudent estimate of income has been forecast.</p> <p>Initial work to generate commercial income will concentrate: on rent reviews of existing commercial portfolio; utilising and marketing Underground parking areas; leasing or use of guardian scheme for long term void properties due to the council's CIP programme and the leasing of HRA assets such as telecom and digital connectivity sites.</p>	812	1,340	2,252

APPENDIX A

Project Name	Proposals	Potential savings 2017/18	Potential savings 2018/19	Potential savings 2019/20
		£000	£000	£000
<p>Void Performance Improvement</p> <ul style="list-style-type: none"> · To reduce void turnaround time by 8 days and to reduce void repairs costs by 20%. 	<p>By streamlining the voids process and reducing turnaround time by 8 days the council could save £100,000.</p> <p>By reviewing the voids standard and improving contractor performance, a further revenue saving of £1m could be achieved</p> <p>Benchmarking suggests that other boroughs are carrying out a lower degree of works and not routinely replacing kitchens and bathrooms. Some boroughs also apply a limit to the number of viewings that choice based lettings applicants can attend in a period of time.</p> <p>The aim is to manage the contractors to deliver the highest possible standard within the agreed cost envelope.</p>			
<p>Unpooling of service charges</p> <p>To offset the loss of rental income by raising additional income and to ensure that the council has sufficient resources to provide a good level of service for Door Entry Systems and communal decorations</p>	<p>The council levies a number of charges to tenants for services. An initial review has identified some services where no separate service charge is levied to tenants. In effect these services are funded from rent payments. The services identified are Door Entry Systems and Communal Decorations/repairs. Levying additional service charges for these services would be considered alongside the rent reduction and would require a Cabinet decision.</p>	900	1,500	1,500
<p>Developing a new Landlord service</p> <ul style="list-style-type: none"> · To deliver a more effective service to tenants and leaseholders · To maximise the overall capacity of the whole system to deliver the landlord function but also the appropriate support services required to enable residents to sustain tenancies and lead independent lives. - Delivering early help and prevention services 	<p>The mix of tenures within the HRA has been changing and is likely to continue to change due to government Right to Buy legislation and the introduction of the sale of 'Higher Value Voids' to fund a government levy. This means that the focus and volume of work for the Landlord service is likely to develop and will require a new approach and focus.</p> <p>The landlord service includes:</p> <ul style="list-style-type: none"> · The rents service · Housing Investigations Team · Court Team · Housing officer function 	200	200	500

APPENDIX A

Project Name	Proposals	Potential savings 2017/18	Potential savings 2018/19	Potential savings 2019/20
		£000	£000	£000
<p>Long term Property, Landlord and Asset Strategy Review</p> <ul style="list-style-type: none"> · A new integrated asset strategy for 2017 – 2020, to consider making best use of assets, identification of high cost assets and options, understanding of cost drivers and scope for funding solutions (e.g. Occupational Therapy OT adaptations) · A new divisional plan and consolidated structure for Property Management · cost effective landlord services across the council 	<ul style="list-style-type: none"> · Review opportunities provided by the council's new structure to provide more cost effective landlord services. · Minimise reactive repairs and increase flexibility in the programming and delivery of planned capital works. · Drive value for money through the council's contractual arrangements and repairs delivered through the in house team. · Make sure that revenue budget reductions do not impact on the council's ability to meet its landlord obligations, statutory requirements and provide an effective repairs service to residents, service users and stakeholders. 	-	1,500	6,500
	TOTAL	3,022	7,705	14,972

APPENDIX B - 2017/18 UNAVOIDABLE BUDGET PRESSURES

Pressure	2017/18 (£000)
Pensions Backfunding	1,127
NLWA Levy	1,365
CIP Revenue Costs	1,121
Business Rates Revaluation	1,800
Apprenticeship Levy	725
CIP Disposals: Reduced Commercial Income	394
Small Staffing Pressures	210
Wireless Income Pressure	63
Total	6,805

B1. Pensions Backfunding - £1.127m

An annual increase in funding agreed with the council's actuaries to address the projected shortfall on the Pensions Fund. The Pension Committee are to consider the council's 'contribution strategy' in December. Once there is clarity on this, the pressure currently included as an estimate for pension fund back-funding will be refined.

B2. North London Waste Authority - £1.365m

This is the latest projected increase in costs from the North London Waste Authority over and above the standard 1% the council allows for increases on all contracts and levies. In previous years the final levy, which will be received prior to the budget being agreed in February, has been lower than NLWA estimates.

B3. CIP Revenue Costs - £1.121m

There are ongoing revenue costs of £1.1m relating to the continuing development and operation of the CIP Programme that in recent years have been funded from sales fees generated from non-residential CIP disposals. This income is set to decline as the scale of major disposals decreases. The council is also increasingly focussing on retaining and enhancing assets as a mechanism to generate an ongoing income stream to help offset grant cuts, and this also means there will be less one-off sales fees to fund these posts. The expected sales receipts over the next few years will reduce the gross pressure of £1.4m by £0.3m per annum.

B4. Business Rates Revaluation - £1.800m

The 2017 business revaluation has significantly increased the rates payable on council buildings. The average increase next year is 23%, which will rise further in subsequent years as transitional relief tapers.

B5. Apprenticeship Levy - £0.725m

The government intends to introduce an apprenticeship levy in April 2017. The levy will be collected from larger employers (including the council) and set at a rate of 0.5% of an employer's paybill should the paybill exceed £3m. While it is theoretically possible to recoup the tax by training a large number of apprentices, the tax will be an additional cost to the council because currently nearly all apprentice training costs are covered by central government.

B6. CIP Disposals: Reduced Commercial Income - £0.394m

There is a reduction in income when the Council disposes of commercial properties to facilitate wider CIP objectives. Disposals expected in 2017/18 will lead to decreased income of £0.394m, and are mainly due to the disposal of St. Margaret's and the anticipated disposals of Drill Hall and Liddell Road.

B7. Minor Staffing Pressures - £0.210m

This includes a pressure arising from funding for a HR post in respect of procurement of agency workers, additional funding required for member support posts and HR post in respect of safer staffing.

B8. Wireless Income Pressure - £0.063m

The variable element of income stream expected from contract signed in 2013 to license use of Camden assets to host Wi-Fi in the borough has proved unachievable due to rising prevalence of other sources of free Wi-Fi and availability of 4G.

APPENDIX C - REVIEW OF EARMARKED RESERVES

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 the delivery of outcomes and eradicating 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.

Note: 2016/17 balances include the reserve adjustments that resulted from 2015/16 outturn surplus

Reserve	Purpose of Reserve	2016/17	Proposed	Outcomes	Reserve Lifespan	Outcomes Led/Risk Led
		Balance	reallocation			
		£000	£000			
Dedicated Schools Grant	Unspent Dedicated Schools Grant	9,780	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	434	-34	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	1,240	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.	12,864	-3	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

APPENDIX C

Reserve	Purpose of Reserve	2016/17 Balance £000	Proposed reallocation £000	Outcomes	Reserve Lifespan	Outcomes Led/Risk Led
People Specific Reserves	Hold various unspent grant monies that do not have conditions on use.	6,566	-1,006	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	11,199	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.	2,387	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.	20,602	0	These will depend on what capital schemes are funded from the reserve.	On-going	Outcome 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.	1,889	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	1,063	-24	Improved school buildings.	End of 2020/21	Outcome Led

APPENDIX C

Reserve	Purpose of Reserve	2016/17 Balance £000	Proposed reallocation £000	Outcomes	Reserve Lifespan	Outcomes Led/Risk Led
Schools PFI Equalisation Reserve	To provide funding to offset future contractor inflationary pressures	488	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.	3,710	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.	6,977	-1,500	Reserve designed to keep insurance costs to a minimum. An actuary reviews the insurance provision and reserves annually and the reserve is being reduced based on the recommended balance as at the last review.	Indefinite	Risk Led
Business Rates Safety Net	To provide funding to cover reduction in retained business rates.	1,512	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.	13,402	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.	34	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		96,104	-2,567			

D. Fees & Charges 2017/18 supporting information

D1. Registrars

Increases above 5%

Registrars are proposing to increase a number of fees in relation to nationality checking, settlement checking and ceremonies. Nationality and settlement checking fees are increasing in order to achieve cost recovery whilst ceremony fees have been increased to include the cost of room hire. All fee increases have been benchmarked against neighbouring boroughs. The service is currently operating with a budget pressure in relation to income targets and these increases should assist in reducing it.

D2. Sports

New fees and charges

St Pancras Community Association recently took over the management of Camden Town Sports Pitch from Greenwich Leisure Limited (GLL) as part of the Plender Street Community Investment Programme (CIP) scheme. They aim to maximise use by local residents, especially inactive people.

They propose to introduce a discounted charge for block bookings of 10 sessions for the use of the multi-purpose sports pitch as netball and tennis courts and to introduce concessionary charges at a 33% discount. The concessionary charge will be available to borough residents in receipt of benefits (in line with GLL-run centres), children under 16, and Camden voluntary and community groups.

In addition to the above GLL has refreshed their spa treatment products at Swiss Cottage Leisure Centre from Spa London to Spa Experience. This has resulted in treatment products being re-branded and packaged. In the appendix a comparison to 2016/17 equivalent charges has been provided in order to demonstrate that the rebranding does not represent increases over 5% in reality.

D3. Cemeteries

Increases above 5%

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 must 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. Arts & Tourism

New fees and charges

In order to increase income Arts and Tourism are proposing to introduce 3 levels of charging to companies for services provided in relation to the newly refreshed 'Love Camden' website. The charges have been set based on a comparison to those by other similar sites with a similar audience, reach and offer capabilities.

The service is also looking to introduce fees and charges for the hire of rooms on the civic floor and council chamber for corporate use in the town hall. Use of the civic floor has expanded and both local and national organisations have been booking civic floor rooms. Analysis of customers using the space has demonstrated that commercial payment is an option, and published rates are needed to ensure cost recovery for management of the rooms is in place. Fees are not charged for internal use by Members or historically by community groups and the proposed introduction of charges is aimed at commercial customers only. Charges have been benchmarked against existing fees and charges in the Camden venue portfolio for example Camden Centre which is in the same building and other rooms of similar sizes and also against current market rates for the King's Cross area.

Increases above 5%

In addition to the above new offers the service are also proposing to increase the cost of weekend room hire at Swiss Cottage Library to achieve cost recovery. As the library is no longer open at the weekend the cost of providing the service has increased and therefore the charges are being increased to cover the additional costs.

D5. Building Control

New fees and charges

Building Control is proposing to introduce two new sets of fees relating to party walls and EPC-SAP (energy performance certificate - standard assessment procedure). The reason for the introduction of the fees is mainly to provide additional services to customers and to maximise the income generating capacity of the Building Control service. The level of the charge recommended is based on a benchmarking exercise conducted against three other organisations.

D6. Environmental Services

New fees and charges

Environment Services are proposing to introduce two new fees. The first is for compostable bag purchases by commercial customers which are required where using bins for food waste and so compliments that service. The bag service is not currently offered by neighbouring boroughs and so it has not been possible to do a benchmarking exercise therefore the charge has been set on the basis of cost recovery.

The second fee relates to the charge for garden waste collection to commercial customers which is a new service to be offered as part of the new waste contract and has been calculated based on cost recovery.

In addition to the above new charges fixed penalty notices (FPNs) for fly tipping will be introduced under new powers granted to Local Authorities as part of regulation 33(za) the Unauthorised Deposit of Waste (Fixed Penalties) of the Environment Protection Act.

Camden removed over 7,000 small scale fly tips in 2015/16 and prosecuted offenders through the courts. As the current process is costly from both a financial and resource perspective FPNs are preferable as offer a faster more proportional approach to dealing with small scale fly tips. The service will continue to prosecute more prolific large scale fly tips through the current process.

The legislation sets the parameters for the FPN as not less than £150 and not more than £400 or £200 if no amount is specified by the authority. The legislation also allows for a lower charge if payment is made within 10 days following the date of the notice of £120.

The decision on the level the charge will be taken by the portfolio member for Sustainability and Environment as Cabinet member responsible for waste.

D7. Development Management

New fees and charges

Legal are proposing to introduce a deed of variation fee in relation to s106. This is an area of work where the strongly established convention across authorities is that the applicant would be charged so as to ensure the work carried out is being done on a basis that is cost neutral to the council. The proposed new charge has been set proportionately by reference to the other amounts charged for s106 drafting and has been benchmarked against other authorities and is comparable.

D8. Private Sector Housing

New fees and charges

The Housing and Planning Act 2016 introduces new penalties as alternatives to prosecution in relation to offences under the Housing Act 2004 including failure to comply with improvement notices, licensing for houses of multiple occupation (HMO), licensing of houses under Part 3 of the Act, failure to comply with overcrowding notices and management regulations in respect of HMOs.

These new penalties are important tools for the council to deploy to improve conditions in the private rented sector and to tackle rogue landlords. The use of fines as alternatives to prosecution is a welcome move and will enable faster action to take place and costs recovered.

These provisions are not yet in force and may be subject to further regulations and/or Secretary of State guidance. Cabinet are therefore asked to agree in principle the amount of the financial penalty at the legal maximum of £30,000 and to agree to delegate to the

Executive Director of Supporting People authority to take any further decision in respect of those provisions including in light of any further regulations and /or guidance released.

D9. Parking Operations

Increases above 5%

In order to address air quality issues in the borough, in December 2015 the Cabinet Member for Sustainability and Environment agreed the proposal to introduce a 21.5% surcharge on the permit fee for diesel vehicles. To manage the impact on market traders the proposal recommended phasing in the increase over two years with the charge for market traders in year one being 10.8% of the permit fee increasing to 21.5% in year two. This is year two of the proposal and as a result the year on year increase in the surcharge is 103% (charge is based on parking permits which are increasing by 2% in line with travelcard zone 1 & 2 increases).

E. New Fees & Charges for 2017/18

Directorate	Division	Service	Description of fee / charge	2017/18 fees / charges (inc VAT) £	Effective Date
Supporting Communities	Community Services	Sports	Camden Town Sports Pitches - Single Booking - whole facility - Concession	66.33	01/04/2017
Supporting Communities	Community Services	Sports	Camden Town Sports Pitches - Single Booking - Netball court - Concession	21.68	01/04/2017
Supporting Communities	Community Services	Sports	Camden Town Sports Pitches - Block Booking of 10 sessions - Netball court - concession	196.11	01/04/2017
Supporting Communities	Community Services	Sports	Camden Town Sports Pitches - Block Booking of 10 sessions- Netball court - Standard	292.70	01/04/2017
Supporting Communities	Community Services	Sports	Camden Town Sports Pitches - Block Booking of 10 sessions- Tennis court - Concession	90.40	01/04/2017
Supporting Communities	Community Services	Sports	Camden Town Sports Pitches - Block Booking of 10 sessions- Tennis court - Standard	135.60	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	Love Camden digital marketing fees /charges- Option 1 small business	200.00	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	Love Camden digital marketing fees /charges- Option 1 medium business	450.00	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	Love Camden digital marketing fees /charges- Option 1 large /Corporate business	800.00	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	Love Camden digital marketing fees /charges- Option 2 small business	250.00	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	Love Camden digital marketing fees /charges- Option 2 medium business	500.00	01/04/2017

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Directorate	Division	Service	Description of fee / charge	2017/18 fees / charges (inc VAT) £	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	Love Camden digital marketing fees /charges- Option 2 Large /Corporate business	1,000.00	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	Love Camden digital marketing fees /charges- Option 3 small business	500.00	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	Love Camden digital marketing fees /charges- Option 3 medium business	1,000.00	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	Love Camden digital marketing fees /charges- Option 3 large/corporate business	2,500.00	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	Love Camden digital marketing fees /charges- Option 3 add on production of digital content/ video	5,000.00	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	Civic Floor - Committee Rooms (per hour)	98.00	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	Civic Floor - Committee Rooms (small) (per hour)	45.00	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	Council Chambers (per hour)	150.00	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	Civic Floor - Committee Rooms (per hour)	98.00	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	Civic Floor - Committee Rooms (small) (per hour)	45.00	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	Council Chambers (per hour)	150.00	01/04/2017
Supporting Communities	Place management	Building Control	Party Wall - Serving of Notice for client	150.00	01/04/2017

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Directorate	Division	Service	Description of fee / charge	2017/18 fees / charges (inc VAT) £	Effective Date
Supporting Communities	Place management	Building Control	Party Wall - Serving of Notice for client - Condition Survey per hour	107.00	01/04/2017
Supporting Communities	Place management	Building Control	Party Wall - Serving of Notice for client's neighbour - per hour including condition survey	107.00	01/04/2017
Supporting Communities	Place management	Building Control	Party Wall - Acting as third party surveyor - Per hour	107.00	01/04/2017
Supporting Communities	Place management	Building Control	Expenses in relation to party wall service	50.00	01/04/2017
Supporting Communities	Place management	Building Control	EPC/SAP calculation - New build house up to 3 storey	150.00	01/04/2017
Supporting Communities	Place management	Building Control	EPC/SAP calculation - Conversion of a 3 storey building to single flats per floor /per flat	100.00	01/04/2017
Supporting Communities	Place management	Building Control	EPC/SAP calculation - All buildings over three storeys - Bespoke assessment per hour	107.00	01/04/2017
Supporting Communities	Place management	Environment Services	Per Compostable bag purchase - commercial customers	0.35	01/04/2017
Supporting Communities	Place Management	Environment Services	Garden waste collection service – commercial customers	75.00	01/04/2017
Supporting Communities	Regeneration & Planning	Development Management	S106 Legal Fees - deed of Variation	1,000.00	01/04/2017
Supporting People	Housing Support Services	Private Sector Housing	Financial penalty as alternative to prosecution under Housing Act 2004	30,000.00	01/04/2017

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GLL Spa treatment offer

Directorate	Division	Service	New fee proposed	2017/18 fees / charges (inc VAT)	16/17 equivalent charge	% increase	£ increase	Effective Date
Supporting Communities	Community Services	Sports	Swiss - Spa - massage - traditional 25mins	45.55	43.42	4.90%	2.13	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa - massage - traditional 50mins	83.52	79.61	4.91%	3.91	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Escape in the city salt scrub 25 mins	31.47	30.00	4.90%	1.47	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Total Spa Experience 50 mins	50.35	48.00	4.90%	2.35	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Elemis Freestyle Back Massage 30 mins	38.81	37.00	4.89%	1.81	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Elemis Freestyle Body Massage 60 mins	57.70	55.00	4.91%	2.70	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Deeper Than Deep Hot Stone Massage 75 mins	62.94	60.00	4.90%	2.94	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Traditional Hammam Experience 60 mins	44.06	42.00	4.90%	2.06	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Full Body Mineral Salt Scrub 15mins	15.74	15.00	4.93%	0.74	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Full Body Black Soap, Cleanse, Scrub and Wash 15mins	26.23	25.00	4.92%	1.23	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Shiodhara Massage 60 mins	73.43	70.00	4.90%	3.43	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Head in the Clouds 30 mins	31.47	30.00	4.90%	1.47	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Bamboo Massage 60 mins	73.43	70.00	4.90%	3.43	01/04/2017

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Directorate	Division	Service	New fee proposed	2017/18 fees / charges (inc VAT)	16/17 equivalent charge	% increase	£ increase	Effective Date
Supporting Communities	Community Services	Sports	Swiss - Spa -Slimming & Detox Green Tea Tingle	62.94	60.00	4.90%	2.94	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Sensitive Skin Soother 55 mins	68.19	65.00	4.91%	3.19	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Anti-Blemish Mattify & Calm 55 mins	68.19	65.00	4.91%	3.19	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Superfood Pro Radiance 55 mins	68.19	65.00	4.91%	3.19	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -White Brightening Pigment Perfector 55 mins	73.43	70.00	4.90%	3.43	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Pro- Definition Lift & Contour 55 mins	83.92	80.00	4.90%	3.92	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Dynamic Resurfacing Precision Peel 55 mins	73.43	70.00	4.90%	3.43	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Pro Collagen Age Defy 55 mins	83.92	80.00	4.90%	3.92	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Express Manicure/Pedicure 22mins	23.08	22.00	4.91%	1.08	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Restorative Pedicure 55 mins	36.72	35.00	4.91%	1.72	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Restorative Manicure 45 mins	33.57	32.00	4.91%	1.57	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Essie Gel Manicure 45mins	26.23	25.00	4.92%	1.23	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Essie Gel Soak Off 30mins	5.24	5.00	4.80%	0.24	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -High Leg Bikini 20 mins	22.03	21.00	4.90%	1.03	01/04/2017

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Directorate	Division	Service	New fee proposed	2017/18 fees / charges (inc VAT)	16/17 equivalent charge	% increase	£ increase	Effective Date
Supporting Communities	Community Services	Sports	Swiss - Spa -Arms 20mins	20.98	20.00	4.90%	0.98	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Eyebrows 10 mins	10.49	10.00	4.90%	0.49	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Lip/Chin 10mins	10.49	10.00	4.90%	0.49	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Full Face Threading 45 mins	29.37	28.00	4.89%	1.37	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Eyebrow Tint 10mins	12.59	12.00	4.92%	0.59	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Eyebrow Tint & Shape 25 mins	17.83	17.00	4.88%	0.83	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Fake Bake Spray Tan 30mins	20.98	20.00	4.90%	0.98	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Hopi Ear Candling 30 mins	20.98	20.00	4.90%	0.98	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -High Performance Skin Energiser 55 mins	68.19	65.00	4.91%	3.19	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -MOT for Him 95 mins	104.90	100.00	4.90%	4.90	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Arms/Half Leg	31.47	30.00	4.90%	1.47	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Underarm	12.59	12.00	4.92%	0.59	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -The De-Stress - Shoulder Massage & Power Cleanse 25 mins	20.98	20.00	4.90%	0.98	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Teen Manicure 25 mins	20.98	20.00	4.90%	0.98	01/04/2017

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Directorate	Division	Service	New fee proposed	2017/18 fees / charges (inc VAT)	16/17 equivalent charge	% increase	£ increase	Effective Date
Supporting Communities	Community Services	Sports	Swiss - Spa -Teen Pedicure 25 mins	20.98	20.00	4.90%	0.98	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Half Leg Wax 20 mins	10.49	10.00	4.90%	0.49	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Eyebrow Shape 10 mins	8.39	8.00	4.88%	0.39	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Teen Package 85 mins	62.94	60.00	4.90%	2.94	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Elemis Peaceful Pregnancy Massage 30 mins	31.47	30.00	4.90%	1.47	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Silk Protein Facial 50 mins	50.35	48.00	4.90%	2.35	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Sweetness in Bloom	68.19	65.00	4.91%	3.19	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Double Delight Package 75 mins	157.35	150.00	4.90%	7.35	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Couples Escape Package 120 mins	230.78	220.00	4.90%	10.78	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Mother & Daughter Pamper Package 100mins	115.39	110.00	4.90%	5.39	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Discovery Package 75 mins	94.41	90.00	4.90%	4.41	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Escape Package 135 mins	141.62	135.00	4.90%	6.62	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Ultimate Indulgence	152.11	145.00	4.90%	7.11	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Ladies Who Leisure 50 mins	73.43	70.00	4.90%	3.43	01/04/2017

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Directorate	Division	Service	New fee proposed	2017/18 fees / charges (inc VAT)	16/17 equivalent charge	% increase	£ increase	Effective Date
Supporting Communities	Community Services	Sports	Swiss - Spa - Eyebrow Shape 10mins	18.23	17.38	4.92%	0.85	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa - Eyelash Tint 20mins	24.30	23.16	4.91%	1.14	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa - Waxing - 1/2 leg	27.33	26.06	4.88%	1.27	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa - Waxing - full leg	45.55	43.42	4.90%	2.13	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa - Waxing - under arm	18.23	17.38	4.92%	0.85	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa - Waxing - bikini	22.77	21.71	4.88%	1.06	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa - Waxing - brazilian	37.97	36.19	4.91%	1.78	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa - Waxing - hollywood	60.74	57.90	4.90%	2.84	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa - Waxing - lip/ chin wax	18.23	17.38	4.92%	0.85	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa - massage - Back, Face & Scalp - 50mins	58.12	55.41	4.90%	2.71	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa - Body - Teen Slimline Gym and Tonic - 25mins	24.22	23.09	4.91%	1.13	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa -Elemis Body - Prenatal Pamper - 70mins	84.76	80.80	4.90%	3.96	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa - Waxing -back and shoulders	36.33	34.63	4.91%	1.70	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa - Waxing -chest & stomach	36.33	34.63	4.91%	1.70	01/04/2017

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Directorate	Division	Service	New fee proposed	2017/18 fees / charges (inc VAT)	16/17 equivalent charge	% increase	£ increase	Effective Date
Supporting Communities	Community Services	Sports	Swiss - Spa - Waxing - Teen - Half Leg	12.11	11.54	4.91%	0.57	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa - Teen - Eyebrow Shape	9.68	9.23	4.85%	0.45	01/04/2017
Supporting Communities	Community Services	Sports	Swiss - Spa - Spray Tan - 30mins	24.22	23.09	4.91%	1.13	01/04/2017

APPENDIX F

F. Fees & Charges increasing over 5% 2017/18

Directorate	Division	Service	Description of fee / charge	2017/18 fees / charges (inc VAT) £	% increase	£ increase	Effective Date
Corporate Services	Customer Services	Registrars	Nationality Checking Service (Single application): Monday to Friday	60.00	9.09%	5.00	01/04/2017
Corporate Services	Customer Services	Registrars	Nationality Checking Service (Single application Return Visit): Monday to Friday	40.00	14.29%	5.00	01/04/2017
Corporate Services	Customer Services	Registrars	Nationality Checking Service (Children application - Return Visit): Monday to Friday	25.00	25.00%	5.00	01/04/2017
Corporate Services	Customer Services	Registrars	Nationality Checking Service (Single application): After 5pm weekday or Saturday	75.00	7.14%	5.00	01/04/2017
Corporate Services	Customer Services	Registrars	Nationality Checking Service (Single application - Return Visit): After 5pm weekday or Saturday	45.00	12.50%	5.00	01/04/2017
Corporate Services	Customer Services	Registrars	Nationality Checking Service (Children application - Return Visit): After 5pm weekday or Saturday	30.00	20.00%	5.00	01/04/2017
Corporate Services	Customer Services	Registrars	Settlement Checking Service (dependents): Weekdays before 5pm	40.00	33.33%	10.00	01/04/2017
Corporate Services	Customer Services	Registrars	Settlement Checking Service (single adult appl'n - Return Visit): Weekdays before 5pm	60.00	20.00%	10.00	01/04/2017
Corporate Services	Customer Services	Registrars	Settlement Checking Service (dependents - Return Visit): Weekdays before 5pm	40.00	33.33%	10.00	01/04/2017
Corporate Services	Customer Services	Registrars	Settlement Checking Service (single adult appl'n - Return Visit): Weekends & from 5pm Weekdays	65.00	8.33%	5.00	01/04/2017
Corporate Services	Customer Services	Registrars	Ceremony Booking Deposit (Included in fee)	80.00	6.67%	5.00	01/04/2017
Corporate Services	Customer Services	Registrars	Rebooking Fee	35.00	16.67%	5.00	01/04/2017
Corporate Services	Customer Services	Registrars	Marriages - Christmas day, New years day and Good Friday - (9am -6pm)	950.00	5.56%	50.00	01/04/2017

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Directorate	Division	Service	Description of fee / charge	2017/18 fees / charges (inc VAT) £	% increase	£ increase	Effective Date
Supporting Communities	Community Services	Arts & Tourism	LIBRARIES SWISS COTTAGE Foyer room 1 & 2 Weekend day - sun (11am - 4pm)	100.00	100.00%	50.00	01/04/2017
Supporting Communities	Community Services	Arts & Tourism	LIBRARIES SWISS COTTAGE Foyer room 1 & 2 Weekend night - sat (5pm - 12am)	100.00	94.17%	48.50	01/04/2017
Corporate Services	Customer Services	Parking Services	Doctor Permit Diesel Surcharge (21.5% of permit charge 17/18 onwards)	55.91	102.93%	28.36	01/04/2017
Corporate Services	Customer Services	Parking Services	Market Traders Parking (12 months) - Chalton Street Diesel Surcharge (21.5% of permit charge 17/18 onwards)	11.16	102.95%	5.66	01/04/2017
Corporate Services	Customer Services	Parking Services	Market Traders Parking (12 months) - College Crescent Diesel Surcharge (21.5% of permit charge 17/18 onwards)	55.67	102.93%	28.24	01/04/2017
Corporate Services	Customer Services	Parking Services	Market Traders Parking (per annum) - Inverness Street Diesel Surcharge (21.5% of permit charge 17/18 onwards)	55.67	102.93%	28.24	01/04/2017
Corporate Services	Customer Services	Parking Services	Market Traders Parking (12 months) - Queens Crescent, 6 days per week Diesel Surcharge (21.5% of permit charge 17/18 onwards)	55.67	102.93%	28.24	01/04/2017
Corporate Services	Customer Services	Parking Services	Market Traders Parking (12 months) - Queens Crescent, 2 days per week Diesel Surcharge (21.5% of permit charge 17/18 onwards)	24.23	102.89%	12.29	01/04/2017
Corporate Services	Customer Services	Parking Services	Market Traders Parking (12 months) - Queens Crescent, 1 day per week Diesel Surcharge (21.5% of permit charge 17/18 onwards)	12.24	102.97%	6.21	01/04/2017
Corporate Services	Customer Services	Parking Services	Market Traders Parking (12 months) - Leather Lane - On Street Diesel Surcharge (21.5% of permit charge 17/18 onwards)	55.67	102.93%	28.24	01/04/2017

Cemeteries

Cemeteries	2017/18 Resident £	2017/18 Non Resident £	Resident % increase	Resident £ increase	Non- resident % increase	Non- resident £ increase	Effective Date
Burials							
<i>Private Grave</i>							
<i>Exclusive right of burial-purchase and licence fee</i>							
7'x3' Grave Space	2,095	3,515	5.01%	100	5.08%	170	01/01/2017
Front lawn areas - 7x3 Grave Space	3,645	6,520	5.04%	175	4.99%	310	01/01/2017
Front lawn areas - 9x4 Grave Space	5,635	10,170	5.03%	270	4.95%	480	01/01/2017
Trent Park- 8x5 Grave Space	1,435	2,205	5.13%	70	5.00%	105	01/01/2017
Purchase of Right of Burial in an Ash Plot	1,040	1,235	5.05%	50	5.11%	60	01/01/2017
<i>Interment fees</i>							
Individual 16 yrs and over- all cemeteries	1,125	2,000	5.14%	55	4.99%	95	01/01/2017
Front lawn areas - Adult	2,045	3,765	5.14%	100	5.02%	180	01/01/2017
Saturday Burial extra charge	700	700	7.69%	50	7.69%	50	01/01/2017
Sunday Burial extra charge	900	900	20.00%	150	20.00%	150	01/01/2017
<i>New Burial in Front Lawn Vaults</i>							
Purchase of Double front lawn vault inc 1st Interment & 60 yr. lease	9,145	13,970	8.10%	685	8.50%	1,095	01/01/2017
<i>Exhumation Fee</i>							
First coffin - admin fee	475	475	5.56%	25	5.56%	25	01/01/2017
<i>Remove & Replace Memorial</i>							
Memorial base	130	260	18.18%	20	18.18%	40	01/01/2017
Cremation							
<i>Cremation Services</i>							
Evenings and Saturday Cremation	760	760	16.92%	110	16.92%	110	01/01/2017

APPENDIX F

Cemeteries	2017/18 Resident £	2017/18 Non Resident £	Resident % increase	Resident £ increase	Non-resident % increase	Non-resident £ increase	Effective Date
Sunday Cremation	930	930	24.00%	180	24.00%	180	01/01/2017
Audio-Visual System							
1st CD Recording - audio	38	38	8.57%	3	8.57%	3	01/01/2017