

# Branch Hill, Camden, NW3 7LS

## Planning Statement

**Branch Hill, Camden, NW3 7LS**  
Planning Statement  
December 2019

**WSP | Indigo**

In conjunction with

Stanhope Gate Architecture

Planit-IE

Stephen Levrant Heritage Architecture

Peter Stewart Consultancy

Museum of London Archaeology

Savills

Ridge

Envision

HyBrid Ecology

RPS

Waterman

GIA

Hepworth Acoustics

**wsp indigo.**

Aldermay House  
10-15 Queen Street  
London EC4N 1TX

**T** 020 3848 2500

**E** [info@indigoplanning.com](mailto:info@indigoplanning.com)

**W** [indigoplanning.com](http://indigoplanning.com)

---

# Branch Hill, Camden, NW3 7LS

## Planning Statement

Contents	Page
<b>1. Introduction</b>	<b>1</b>
<b>2. Application Site and Surroundings</b>	<b>3</b>
Site Context	3
Existing Building	5
Relevant Planning History	5
Pre-application Discussions and Public Consultation	6
<b>3. Proposed Development</b>	<b>8</b>
Introduction	8
Existing Branch Hill House	8
Replacement Building	9
Residential Accommodation	10
Landscape Strategy	11
<b>4. Planning Policy</b>	<b>13</b>
The National Planning Policy Framework (February 2019)	13
The Development Plan	14
Other Material Considerations	17
<b>5. Planning Assessment</b>	<b>19</b>
Principle of development	19
Principle of residential use	20
Heritage	25
Design	28
Townscape	31
Ecology	32
Trees	32
Landscaping	33
Energy and Sustainability	34
Flooding and Sustainable Urban Drainage	36
Noise	37
Air Quality	37
Daylight, Sunlight and Overshadowing	38
Access and Inclusivity	38
Transport	38
Health Impact	43
<b>6. Regeneration Statement</b>	<b>45</b>
Temporary Economic Benefits	45
Permanent Economic Benefits	45
Community Benefits	46
<b>7. Conclusion</b>	<b>47</b>
Summary of key benefits.	48

# **Branch Hill, Camden, NW3 7LS**

## **Planning Statement**

Appendices

### **Appendix 1**

Agenda Item 10 of the LB Camden Cabinet Report dated 19 February 2013

### **Appendix 2**

Printed Minutes of the LB Camden Cabinet Meeting dated 27 February 2013

### **Appendix 3**

Branch Hill Economic Statement, prepared by WSP | Indigo

---

# 1. Introduction

- 1.1. This Planning Statement has been prepared on behalf of Almax Group (“the Applicant”) to support a planning application for the sympathetic refurbishment of Branch Hill House, demolition of the modern extension and erection of a replacement building to deliver high-quality residential accommodation.
- 1.2. Planning permission is sought for:

*“Change of use of Branch Hill House from care home (Use Class C2) to residential (Use Class C3) and associated external alterations, demolition of the 1960s extension and erection of replacement building, including basement, comprising residential accommodation (Use Class C3), ancillary plant, access and servicing and car parking.”*
- 1.3. For the purpose of this statement, the original Edwardian building is referred to as ‘Branch Hill House’ and the 1960s extension as ‘the extension’. The site as a whole is referred to as ‘Branch Hill’.
- 1.4. This Planning Statement provides an assessment of the proposed development against the relevant national, regional and local planning policies and all other material planning considerations.
- 1.5. The proposed development follows an extensive pre-application process, which has included discussions with officers, a presentation to the Design Review Panel, a public exhibition and ongoing liaison with the local community and stakeholders. This engagement work has helped to inform the submitted development proposals.
- 1.6. This Statement comprises the following sections:
  - A description of the application site and surroundings and planning history is set out in Section 2;
  - A description of the development proposals is provided in Section 3;
  - An outline of relevant national, regional and local planning policy and other relevant documents is set out in Section 4;
  - The key planning considerations are set out in Section 5;
  - A Regeneration Statement is provided at Section 6; and
  - Our conclusions are set out in Section 7.
- 1.7. In addition to this Planning Statement (which includes the Regeneration Statement), and in accordance with the Council’s Planning Validation Checklist, the application is accompanied by the following:
  - Completed application form and appropriate Certificate;
  - Completed Community Infrastructure Levy (“CIL”) form;
  - Existing and proposed application drawings (plans and elevations), prepared by Stanhope Gate Architecture;

- Demolition drawings, prepared by Stanhope Gate Architecture;
- Design and Access Statement, prepared by Stanhope Gate Architecture;
- Landscape strategy, prepared by Planit-IE;
- Affordable Housing Statement, prepared by Savills;
- Viability Assessment, prepared by Savills;
- Health Impact Assessment, prepared by WSP | Indigo;
- Heritage Statement, prepared by Stephen Levrant Heritage Architecture;
- Archaeological Assessment, prepared by Museum of London Archaeology;
- Townscape and Visual Impact Assessment, prepared by Peter Stewart Consultancy;
- Basement Impact Assessment, prepared by Ridge;
- Flood Risk Assessment and Drainage Strategy, prepared by Ridge;
- Construction Management Plan, prepared by Ridge;
- Ecological Impact Assessment, prepared by Hybrid Ecology;
- Energy and Sustainability Statement, prepared by Envision;
- Noise Assessment, prepared by Hepworth Acoustics;
- Air Quality Assessment, prepared by Waterman;
- Internal Daylight, Sunlight and Overshadowing Report, prepared by GIA;
- External Daylight, Sunlight and Overshadowing Report, prepared by GIA;
- Transport Statement (including Delivery and Servicing Management Plan, and Travel Plan Statement), prepared by RPS;
- Operational Waste Management Plan, prepared by RPS;
- Arboricultural Impact Assessment, prepared by Sharon Hosegood Associates; and
- Statement of Community Involvement prepared by Kanda Consulting.

1.8. The requisite planning application fee of £15,708 has been sent to the Council under separate cover.

## 2. Application Site and Surroundings

### Site Context

- 2.1. The Branch Hill House site is located on the western side of Branch Hill and covers an area of approximately 0.63 hectares.

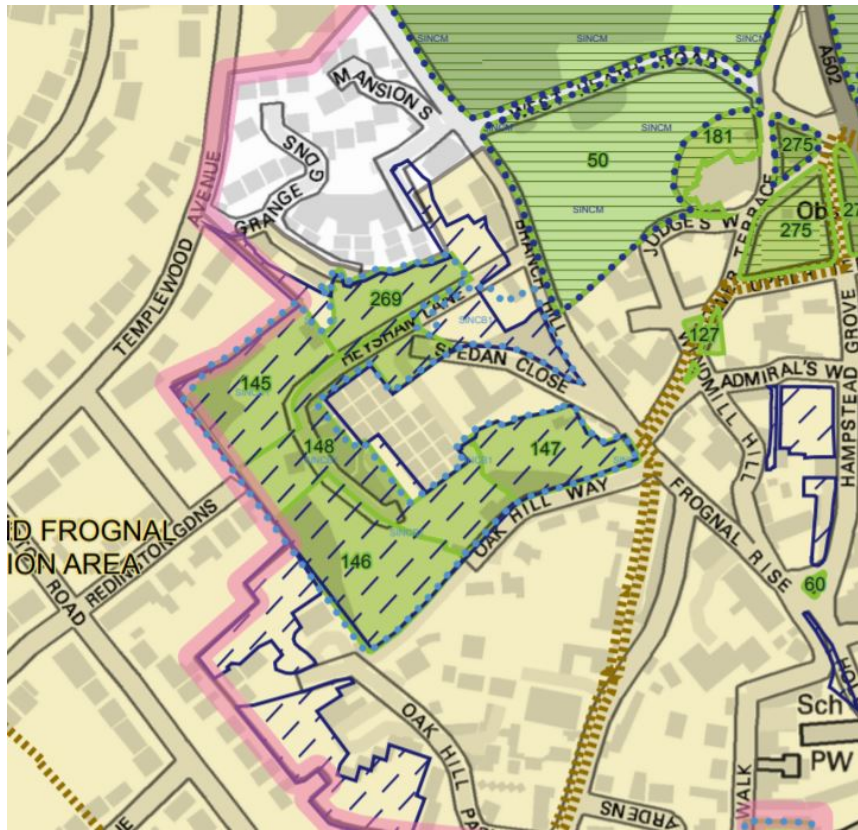
The site is bound to the north by Heysham Lane, to the east by Branch Hill, to the west by a residential estate and to the south by allotments. Surrounding land uses are predominantly residential properties. Hampstead town centre is located circa 500 metres to the southeast of the Site, with Hampstead Underground station and local bus services located within a 650-metre walk distance (8-minute walk) from the site.



*Aerial view*

- 2.2. The Site is accessed via Spedan Close, a private road forming priority junctions onto Branch Hill at the south-eastern corner of the site and Heysham Lane at the northern boundary. The main pedestrian / cycle and vehicular access is via Branch Hill, with secondary access possible via Heysham Lane. The surrounding roads are subject to controlled parking zones.
- 2.3. The site falls within the following designations as defined by the Council's Policies Map (March 2019):
- The Hampstead Conservation Area;
  - The Hampstead Archaeological Priority Area;
  - The triangular portion of land north of Spedan Close and much of the surrounding area including Branch Hill House Gardens, Branch Hill Wood and Branch Hill Allotments is identified as a Borough Grade 1 Site of Importance for Nature Conservation ("SINC"); and

- Much of the surrounding area including Branch Hill House Gardens, Branch Hill Wood and Branch Hill Allotments is designated as a Local Green Space (“LGS”).



*Inset from LB Camden Policies Map (March 2019)*

2.4. The site also falls within the following designations as defined by the Hampstead Neighbourhood Development Plan (October 2018):

- The triangular portion of land north of Spedan Close is designated as a Local Green Space (“LGS”);



*Local Green Space Detailed Map from Hampstead Neighbourhood Development Plan*



- Identified as falling within Character Area 4 'Outlying Areas'.
- 2.5. The main building (Branch Hill House) is recognised as making a positive contribution to the character of the Hampstead Conservation Area, whilst the modern 1960s extension is considered to detract from its character.
- 2.6. There are three listed buildings within 50m of the site, and these include:
- The Grade II listed lodge house, formerly part of the Branch Hill Lodge estate, immediately to the south-east (front) of the site;
  - The Grade II listed Spedan Close Estate (also known as the Branch Hill Estate) by Benson and Forsyth for the Camden Architects Department in 1978, which comprises 21 pairs of modernist two storey villas, is immediately to the south-west (rear) of the site; and
  - Number 1, Lower Terrace, a Grade II listed 18th Century semi-detached house 50m to the east of the site.
- 2.7. The site and its surroundings are identified by the Environment Agency as falling within Flood Zone 1, which means that there is less than a 1-in-1,000 annual probability of river or sea flooding. The site also benefits from a 'very low' risk of surface water flooding.
- 2.8. The site Public Transport Accessibility Level ("PTAL") rating of 1b, which denotes a 'poor' level of accessibility to public transport.

### Existing Building

- 2.9. Branch Hill House, also known as Bleak Hall and Branch Hill Lodge, is the remaining Edwardian extension of a house that was located on Branch Hill. The original house was designed by Henry Flitcroft in the 1740s, and re-modelled by Samuel Sanders Teulon in the 19<sup>th</sup> Century.
- 2.10. The extension (the subject building) was built by Ernest Flint in 1901 and sits towards the centre of the site and comprises a three-storey red brick mansion in an Edwardian Baroque style with an exposed lower ground floor to the rear. It has two projecting gables on the eastern elevation and a projecting canted bay to the western elevation, to the right of which is a projecting terrace at ground floor level on brick columns, with a columned portico (with a terrace above) against the main house.
- 2.11. In 1966 Branch Hill House was converted to a care home by LB Camden and the Flitcroft/Teulon building was demolished to facilitate a three-storey modernist block, typical of municipal buildings of the time and of no architectural merit.
- 2.12. Branch Hill House is unlisted, but is considered as making a positive contribution to the character and appearance of the Hampstead Conservation Area. Conversely, the modern 1966 extension is designated as a negative contributor which detracts from the character of the conservation area.

### Relevant Planning History

- 2.13. A thorough review of Camden's online planning history register has been undertaken. The following applications represent the modern evolution of the site and are considered relevant to this planning application:
- Planning permission was granted on 12 April 1967 (LPA ref. CTP/D6/11/A/3232) for the erection of a two-storey wing for use as an Old Peoples' Home.
  - Planning permission was granted on 22 January 1969 (LPA ref. D6/11/A/6322) for the demolition of part of the 4 chimney stacks.

- Planning permission was granted on 22 August 1972 (LPA ref. CTP/D6/11/A/13934) for the erection of a one-bedroom experimental house in the grounds of Branch Hill Lodge.
- Planning permission was granted on 22 October 1986 (LPA ref. 8500299) for the enclosure of a car parking area.
- Planning permission was granted on 8 December 1995 (LPA ref. 9500756) for the erection a two-storey glazed infill extension between the main house and the side wing.

2.14. This planning application will be the first significant development proposed at the site in 50 years and will realise its substantial development potential.

### **Pre-application Discussions and Public Consultation**

2.15. The proposed development has been the subject of significant pre-application discussions, consultations and assessment with various stakeholders.

#### **Pre-application Discussions**

2.16. Pre-application engagement has been ongoing since June 2018. Significant design development and refinement has been undertaken in response to pre-application advice received.

2.17. The issues arising from this engagement can be summarised as follows:

- The new building should complement and not detract from the Edwardian building and its contribution to the character and appearance of the Hampstead Conservation Area;
- The new building should have a clear identity;
- The new building should be read as a collection of buildings rather than as a single building;
- The proposals should celebrate the site's 'open and verdant' character;
- The new building should respect and enhance the character and appearance of the Hampstead Conservation Area; and
- The new building should retain the view of the existing house from the gate.

#### **Design Review Panel**

2.18. On 1 March 2019 an independent Design Review Panel ("DRP") was undertaken.

2.19. The response from the DRP noted that the work undertaken up until that point represented a *"promising approach to a very complicated site"* but considered that the height and bulk of the new building needed to be reduced by a storey, with further design development required to ensure that the proposals complement the sensitive conservation area setting.

2.20. The DRP also considered that the architecture of the extension required further refinement to ensure it has a stronger identity of its own, and a clearer relationship to that of the existing house.

2.21. The comments received from the DRP have been responded through design development and they have informed this submission.

## Public Consultation

- 2.22. Public consultation in relation to the proposals began in September 2018. The applicant has sought to engage with statutory and non-statutory consultees, including local stakeholders working and living in close proximity to the site.
- 2.23. As part of the brief for wide-ranging and open consultation and on behalf of the Applicant, Kanda Consulting distributed 665 letters to local residents and businesses introducing the Applicant and information on the proposed development. In addition, 922 flyers were sent to local residents and businesses inviting them to a public exhibition detailing the plans for the site.
- 2.24. A public exhibition was held in October 2018 and was attended by 58 members of the local community, 44 of which signed-in. Attendees were invited to fill out a Feedback Form provided by the project team, which could also be completed at a later date. 21 feedback forms have been completed to date.
- 2.25. The public consultation drop-in was attended by Cllr Andrew Parkinson, Member for Frognal and Fitzjohns Ward; and members of local community stakeholders including the Hampstead Neighbourhood Forum, The NW3 Community Land Trust, and the Branch Hill Estate Residents' Association.
- 2.26. From October 2018, a website was hosted by the Applicant and provided at: <https://www.branchhillhouse.co.uk/>. This provided information relevant to the scheme and will continue to be regularly updated as the application progresses.
- 2.27. Feedback on the Applicant's proposed redevelopment of the site suggest that local stakeholders support the proposed housing redevelopment of the site and retention of the Edwardian building, including enhanced landscaping, parking and access.
- 2.28. Amendments were made to the scheme as influenced by stakeholders, including the alteration of the site plan to remove any encroachment into SINC areas, landscape and ecological enhancements and architectural approach.
- 2.29. In November and December 2019, the Applicant updated residents and stakeholders of amendments to the scheme and provided the opportunity to leave feedback via freepost or email.
- 2.30. Feedback has been consistent with that received throughout the consultation process regarding the principles of development, access, heritage and affordable housing. Respondents re-iterated support for the proposed amendments to the SINC area and landscaping strategy.
- 2.31. The Applicant is committed to continuing its engagement with the community and other key stakeholders throughout the planning and construction process.
- 2.32. A full outline of the public consultation undertaken is provided within the Statement of Community Involvement prepared by Kanda Consulting, submitted as part of this application.

## 3. Proposed Development

### Introduction

3.1. Full planning permission is sought for:

*“Change of use of Branch Hill House from care home (Use Class C2) to residential (Use Class C3) and associated external alterations, demolition of the 1960s extension and erection of replacement building, including basement, comprising residential accommodation (Use Class C3), ancillary plant, access and servicing and car parking.”*

3.2. The proposed development comprises the sensitive and sympathetic restoration and conversion of Branch Hill House, the demolition of the poor-quality modern extension and the erection of a replacement building ranging in height from three to five storeys delivering 34 much-needed new homes.

3.3. The new building will be located to the south and south-west of the existing Branch Hill House with cycle storage, Blue Badge car parking, communal refuse stores and ancillary plant provided within a new basement level. The proposals also include comprehensive landscaping improvements that respect and enhance the Local Green Space and SINC land and the wider Hampstead Conservation Area.

3.4. The proposal seeks to respect and enhance the character and appearance of the Hampstead Conservation Area by replacing the c.1967 care home extension with a residential building in a contemporary interpretation of a traditional style.

3.5. The design, footprint, scale and aesthetics of the proposal represent an appropriate architectural form, responding to the topography and landscape, the Edwardian building and the characteristics of the Hampstead Conservation Area as a whole.

### Existing Branch Hill House

3.6. As set out in the accompanying Heritage Assessment, prepared by Stephen Levrant Heritage Architecture (SLHA) the existing Edwardian building presents significant opportunities for enhancements in terms of its contribution to its conservation area setting.

3.7. This includes works of conservation and repair of existing positive elements and the following alterations and enhancements are proposed to the existing Branch Hill House:

- Lower ground floor – lowering the external ground levels to expose the base of the building, currently visible within the light wells, including the formation of new external walls with openings.
- Modifications to fenestration of the front façade – whilst the building volume is symmetrically composed, the fenestration is not. The front windows of the Northern projecting wing are awkwardly placed and badly proportioned. This is due to internal functional requirements at the time of construction. It is proposed to alter the front windows to the Northern wing to create a more balanced and pleasing composition.
- Addition of colonnade at the eastern front façade – the purpose of the colonnade is to help tie the facade together and ground the building and will also soften the crude massing that results from the deep recess between the projecting wings. It will also help provide a degree of privacy for occupants on the lower floor of the building, as well as providing additional amenity space for those on the floor above. The colonnade will be

formed in stone and detail in a manner similar to the existing colonnades at the rear.

- Rear extension at lower ground floor – an extension is proposed at lower ground floor in line with the existing rear terrace. The existing external terrace is dilapidated and will be demolished. The extension will follow the same form and design, as a series of brick piers, with openings that will be glazed to provide internal floor space.
- Rear colonnade – It is proposed to construct a colonnade to the northern half of the rear (west) elevation to mirror that on the southern half. The colonnades will be separated by the existing central projecting bay window.
- Tower – It is proposed to reinstate the demolished tower. The new tower will serve to anchor the composition and tie the new volumes together. It will also serve to denote the primary point of entry. The tower will be detailed and executed to match the demolished tower, with minor alterations to the proportions, in response to the newly established exterior levels.
- Chimney stacks – The original chimney stacks were reduced in height at some point through demolition. It is proposed to reinstate the stacks as per the original design intent.
- General building conservation – all masonry will be cleaned, and where necessary, repaired. All blown render will be removed and replaced. All lead flashings and weatherings will be replaced. External joinery, including the dormer windows, will be overhauled and redecorated. Roof finishes are to be surveyed and where necessary, existing slates tiles will be replaced with new natural slate.

## Replacement Building

- 3.8. The proposals also comprise the replacement of the present poorly designed extension, which detracts from the setting of the Edwardian house and the character of the Hampstead Conservation Area.
- 3.9. The design approach seeks to create new architectural entity compatible to the remaining Edwardian building.
- 3.10. The proposals seek to emulate the typology of an English Country House set within generous grounds by laying emphasis on an accretional quality, read as a series of individual building volumes developed over time with complementary architectural styles, and ranging between three and five storeys.
- 3.11. The location of the proposed building is based on the topography and history of the site and follows the existing escarpment with views over the allotments to the south. This siting allows the new building to better respond to the landscape and the Edwardian building.
- 3.12. The new building will read as a series of buildings, ranging between three and five storeys, characterised by pitched roofs with gables, parapets, chimneystacks, towers, and facades of brick and stone with projecting bays and groupings of windows separated by stone mullions.
- 3.13. Consistent with the existing house, the south-west elevation, incorporates appended bays and decorative gables and parapets.
- 3.14. The south-east façade is similarly composed to create a symmetrical composition, with a slightly more formal character than that of the other new buildings to the east.
- 3.15. The building is characterised by its decorative brick and stone gables, parapets, and slate mansard roof.
- 3.16. The facades consistent of brick and stone with projecting bays. The windows are classically proportioned vertical openings containing timber casements with fanlights above.

## Residential Accommodation

- 3.17. The proposed development includes the provision of 34 self-contained homes (Use Class C3).
- 3.18. Subject to further engagement with Registered Providers seven affordable housing units are provided on site.
- 3.19. The proposed residential unit mix is set out in Table 3.1 below.

Table 3.1 – Proposed Residential Accommodation

Accommodation	Unit Mix	Tenure	Size (sqm) (GIA)
<b>Ground Floor</b>			
Flat 1	2-Bedroom (4)	Private	178
Flat 2	3-Bedroom (6)	Private	221
Flat 3	2-Bedroom (4)	Private	138
Flat 4	2-Bedroom (3)	Intermediate	90
Flat 5	3-Bedroom (6)	Private	180
Flat 8	3-Bedroom (6)	Private	219
Unit 6 (Triplex)	3-Bedroom (6)	Private	263
Gate House	3-Bedroom (5)	Private	167
<b>First Floor</b>			
Flat 7	3-Bedroom (6)	Private	249
Flat 9	2-Bedroom (3)	Private	74
Flat 10	1-Bedroom (2)	Private	54
Flat 11	1-Bedroom (2)	Intermediate	50
Flat 12	1-Bedroom (2)	Intermediate	53
Flat 14	3-Bedroom (6)	Private	153
Flat 15	3-Bedroom (6)	Private	169
<b>Second Floor</b>			
Flat 16	2-Bedroom (3)	Private	74
Flat 17	1-Bedroom (2)	Private	54
Flat 18	1-Bedroom (2)	Intermediate	52
Flat 19	1-Bedroom (2)	Intermediate	53

Flat 20	3-Bedroom (6)	Private	157
Flat 21	3-Bedroom (6)	Private	168
Flat 22	2-Bedroom (4)	Private	98
<b>Third Floor</b>			
Flat 23	3-Bedroom (6)	Private	268
Flat 25	2-Bedroom (4)	Private	115
Flat 26	1-Bedroom (2)	Intermediate	51
Flat 27	1-Bedroom (2)	Intermediate	53
Flat 28	2-Bedroom (4)	Private	128
Flat 29	3-Bedroom (6)	Private	151
Flat 30	2-Bedroom (4)	Private	92
<b>Fourth Floor</b>			
Flat 24	3-Bedroom (6)	Private	227
Flat 31	3-Bedroom (6)	Private	190
Flat 32	2-Bedroom (4)	Private	119
Flat 33	1-Bedroom (2)	Private	54
Flat 34	1-Bedroom (2)	Private	54

*Note: the tenure set out in Table 3.1 is provisional and subject to confirmation following the conclusion of ongoing discussions with Registered Providers.*

## **Landscape Strategy**

- 3.20. Proposals include a comprehensive and high-quality landscape strategy. A primary aim of the proposals is to enhance and showcase the natural assets that already exist on site. The site itself is relatively enclosed by tree planting apart from along the western boundary where the site overlooks the Spedan Estate.
- 3.21. There is a SINC to the northern corner of the site which will be protected, conserved and enhanced by management. Whilst only a proportion of the SINC will be accessible via footpath, the area as a whole will provide visual amenity for residents and visitors and enhance the site's biodiversity and ecological value.
- 3.22. Trees will be retained as far as possible within the woodland and a large number of new diverse trees will be planted across the site to provide an impression of a building sitting within a wooded environment.
- 3.23. Communal spaces including the play space, SINC access and the arrival gardens give opportunities for social interactions between residents. The development is community facing as the two roads on site provide access to the Spedan Estate. The proposals enhance this journey to the Estate and provide visual amenity in the planting and

engagement with the play areas and seating.

- 3.24. A detailed description of the landscape proposals can be found within the Landscape Design and Access Statement prepared by Planit-IE.



## 4. Planning Policy

- 4.1. Section 38(6) of the Planning and Compulsory Purchase Act 2004 requires planning applications to be determined in accordance with the Development Plan unless material considerations indicate otherwise.
- 4.2. In addition to the National Planning Policy Framework (“NPPF”) (February 2019), the statutory Development Plan for the site comprises:
- The London Plan (2016);
  - The Camden Local Plan (July 2017); and
  - The Hampstead Neighbourhood Development Plan (October 2018)
- 4.3. The Greater London Authority (“GLA”) is preparing a replacement London Plan, and has recently published a 'consolidated' version, which includes all of the Mayor’s suggested changes following the Examination in Public (“EiP”) of the draft Plan.
- 4.4. The draft London Plan therefore carries increasing weight in decision-making ahead of its anticipated full adoption in Spring 2020. It is therefore a material consideration in the determination of this planning application.

### **The National Planning Policy Framework (February 2019)**

- 4.5. The NPPF sets out planning policies for England and how these are expected to be applied.
- 4.6. The NPPF states that the purpose of the planning system is to contribute to the achievement of sustainable development, which has three dimensions; economic, social and environmental. Paragraph 11 states that “*plans and decisions should apply a presumption in favour of sustainable development*” and sets out that development proposals that accord with an up-to-date development plan should be approved without delay.
- 4.7. Chapter 5 refers to the objective of delivering a sufficient supply of homes, with paragraph 59 stressing the importance of a sufficient amount and variety of land coming forward where it is needed. Paragraph 63 indicates that to support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount.
- 4.8. Chapter 11 is concerned with making effective use of land in meeting the need for homes and other uses, whilst safeguarding and improving the environment and ensuring safe and healthy living conditions. Paragraph 118 at criterion (c) specifies that “substantial weight” will be given to the value of using suitable brownfield land within settlements for homes.
- 4.9. Chapter 12 addresses the aim of achieving well-designed places, with paragraph 127 setting out the core principles, which:
- *Function well and add to the overall quality of the area, not just for the short-term but over the lifetime of the development;*
  - *Are visually attractive as a result of good architecture, layout and appropriate and effective landscaping;*
  - *Are sympathetic to local character and history, including the surrounding built environment and landscape setting, while not preventing or discouraging appropriate*

*innovation or change (such as increased densities);*

- *Establish or maintain a strong sense of place, using the arrangement of streets, spaces, building types and materials to create attractive, welcoming and distinctive places to live, work and visit;*
- *Optimise the potential of the site to accommodate and sustain an appropriate mix of development (including green and other public space) and support local facilities and transport networks; and*
- *Create places that are safe, inclusive and accessible and which promote health and well-being, with a high standard of amenity for existing and future users, and where crime and disorder, and the fear of crime, do not undermine the quality of life or community cohesion and resilience.”*

- 4.10. Chapter 16 refers to conserving and enhancing the historic environment, with paragraph 197 confirming that a balanced judgment will be required when weighing applications that affect non-designated heritage assets, having regard to the scale of any harm and the significance of the heritage asset.

## **The Development Plan**

### **The London Plan (2016)**

- 4.11. The London Plan is the Mayor's planning strategy for Greater London as a whole. It sets borough level housing targets and identifies locations for future growth of London-wide importance.
- 4.12. The policies of the adopted London Plan which are relevant to this application include:
- Policy 3.3 - Increasing housing supply
  - Policy 3.4 - Optimising housing potential
  - Policy 3.5 - Quality and design of housing developments
  - Policy 3.6 - Children and young people's play and informal recreation facilities
  - Policy 3.7 - Large residential developments
  - Policy 3.8 - Housing choice
  - Policy 3.9 - Mixed and balanced communities
  - Policy 3.10 - Definition of affordable housing
  - Policy 3.11 - Affordable housing targets
  - Policy 3.13 - Affordable housing thresholds
  - Policy 5.1 - Climate change mitigation
  - Policy 5.2 - Minimising carbon dioxide emissions
  - Policy 5.3 - Sustainable design and construction
  - Policy 5.4 - Retrofitting
  - Policy 5.5 - Decentralised energy networks
  - Policy 5.6 - Decentralised energy in development proposals
  - Policy 5.7 - Renewable energy
  - Policy 5.8 - Innovative energy technologies
  - Policy 5.9 - Overheating and cooling
  - Policy 5.10 - Urban greening

- Policy 5.11 - Green roofs and development site environs
- Policy 5.13 - Sustainable drainage
- Policy 5.17 - Waste capacity
- Policy 6.9 - Cycling
- Policy 6.13 - Parking
- Policy 7.1 - Lifetime neighbourhoods
- Policy 7.2 - An inclusive environment
- Policy 7.3 - Designing out crime
- Policy 7.4 - Local character
- Policy 7.6 - Architecture
- Policy 7.8 - Heritage assets and archaeology
- Policy 7.14 - Improving air quality
- Policy 7.15 - Reducing and managing noise
- Policy 7.18 - Protecting open space
- Policy 7.19 - Biodiversity and access to nature
- Policy 7.21 - Trees and woodland

#### **The Draft London Plan (August 2019)**

4.13. The policies of the draft London Plan which are relevant to this application include:

- Policy GG1 - Building strong and inclusive communities
- Policy GG2 - Making the best use of land
- Policy GG3 - Creating a healthy city
- Policy GG4 - Delivering the homes Londoners need
- Policy GG6 - Increasing efficiency and resilience
- Policy D1 - London's form, character and capacity for growth
- Policy D1B - Optimising site capacity through the design-led approach
- Policy D2 - Delivering good design
- Policy D3 - Inclusive design
- Policy D4 - Housing quality and standards
- Policy D5 - Accessible housing
- Policy D9 - Basement development
- Policy D11 - Fire safety
- Policy D13 - Noise
- Policy H1 - Increasing housing supply
- Policy H5 - Delivering affordable housing
- Policy H7 - Affordable housing tenure
- Policy H12 - Housing size mix
- Policy S4 - Play and informal recreation
- Policy HC1 - Heritage conservation and growth
- Policy G4 - Open space

- Policy G5 - Urban greening
- Policy G6 - Biodiversity and access to nature
- Policy G7 - Trees and woodlands
- Policy SI1 - Improving air quality
- Policy SI2 - Minimising greenhouse gas emissions
- Policy SI3 - Energy infrastructure
- Policy SI4 - Managing heat risk
- Policy SI5 - Water infrastructure
- Policy SI7 - Reducing waste and supporting the circular economy
- Policy SI8 - Waste capacity and net waste self-sufficiency
- Policy SI13 - Sustainable drainage
- Policy T1 - Strategic approach to transport
- Policy T5 - Cycling
- Policy T6 - Car parking
- Policy T6.1 - Residential parking

#### **The Camden Local Plan (July 2017)**

- 4.14. The Camden Local Plan seeks to meet Camden's objectively assessed need to 2031 for 16,800 additional homes and forms the basis for planning decisions and future development in the borough.
- 4.15. The policies of the Local Plan which are relevant to this application include:
- Policy G1 - Delivery and location of growth
  - Policy H1 - Maximising housing supply
  - Policy H4 - Maximising the supply of affordable housing
  - Policy H6 - Housing choice and mix
  - Policy H7 - Large and small homes
  - Policy H8 - Housing for older people, homeless people and vulnerable people
  - Policy D1 - Design
  - Policy D2 - Heritage
  - Policy A1 - Managing the impact of development
  - Policy A2 - Open space
  - Policy A3 - Biodiversity
  - Policy A4 - Noise and vibration
  - Policy A5 - Basements
  - Policy T2 - Parking and car-free development
  - Policy CC1 - Climate change mitigation
  - Policy CC2 - Adapting to climate change
  - Policy CC3 - Water and flooding
  - Policy CC4 - Air quality
  - Policy CC5 - Waste

- Policy T1 - Prioritising walking, cycling and public transport
- Policy T2 - Parking and car-free development

#### **The Hampstead Neighbourhood Development Plan (October 2018)**

- 4.16. The Council formally adopted the Hampstead Neighbourhood Plan on 8 October 2018; the vision of which is to conserve and foster Hampstead's charm and liveability by protecting the distinctive character of buildings and open spaces, the Heath, healthy living, community spirit and the local economy.
- 4.17. The policies of the Neighbourhood Development Plan which are relevant to this application include:
- Policy DH1 - Design
  - Policy DH2 - Conservation areas and listed buildings
  - Policy NE1 - Local Green Spaces
  - Policy NE2 - Trees
  - Policy NE4 - Supporting biodiversity
  - Policy BA1 - Basement Impact Assessments
  - Policy BA2 - Basement Construction Plans
  - Policy BA3 - Construction Management Plans
  - Policy TT1 - Traffic volumes and vehicle size
  - Policy TT4 - Cycle and car ownership
  - Policy HC1 - Housing mix

#### **Other Material Considerations**

- 4.18. In addition to the Development Plan (identified above), the Council has adopted supplementary planning documents known as Camden Planning Guidance ("CPG"), which provide advice and information on how the Council will apply its planning policies.
- 4.19. The adopted CPG documents can be 'material considerations' in planning decisions, although they have less weight than the Local Plan or other development plan documents.

#### **Camden Planning Guidance ("CPG")**

- 4.20. Those relevant to this application include:
- Access for All CPG (March 2019)
  - Air Quality CPG (March 2019)
  - Amenity CPG (March 2018)
  - Basements CPG (March 2018)
  - Biodiversity CPG (March 2018)
  - Design CPG (March 2019)
  - Developer Contribution (March 2019)
  - Energy Efficiency and Adaptation (March 2019)
  - Interim Housing CPG – as amended (March 2019)
  - CPG2 Housing – as amended (March 2019)
  - Planning for Health and Wellbeing CPG (March 2018)

- Public Open Space CPG (March 2018)
- Transport CPG (March 2019)
- Trees CPG (March 2019)
- Water and Flooding CPG (March 2019)

#### **Hampstead Conservation Area Appraisal and Management Strategy (2002)**

4.21. The Hampstead Conservation Area was designated on 29 January 1968 and has been extended several times since, most recently in 2001. The Hampstead Conservation Area Statement was published in October 2002 and splits the conservation area into eight sub areas. The site is located in sub area 6: Branch Hill / Oak Hill.

4.22. The statement describes this sub-area as *“principally woodland on the western slopes of Hampstead in which buildings play a subordinate role”*, and notes that a number of the houses along Branch Hill were built in the later 19th Century. Of the site, it notes that:

*“Branch Hill Lodge and its attractive Gothic gatehouse (listed) was built by SS Teulon (architect of St Stephens, Rosslyn Hill) on the site of a much older house. The Lodge was largely rebuilt in 1901 and in 1965 converted into an old peoples home and extended by Camden Council. The old kitchen gardens of Branch Hill Lodge have been turned into allotments.”*

4.23. The statement goes on to note that the additions to Branch Hill House are identified as buildings which *“detract from the character of the area and would benefit from enhancement”*.

4.24. No important views are identified within this sub area.

4.25. Section 5 of this statement considers the proposed development in the context of the relevant national and local planning policies and any other material considerations.

## 5. Planning Assessment

- 5.1. This section identifies the key planning considerations relating to the scheme and assesses the proposed development in the context of relevant national, regional and local planning policy and other material considerations.
- 5.2. The key planning considerations that relate to the proposed development are:
- Principle of development
  - Residential considerations
  - Heritage
  - Design
  - Ecology and Trees
  - Landscaping
  - Energy and Sustainability
  - Waste Management
  - Noise
  - Air Quality
  - Access and Inclusivity
  - Transport

### Principle of development

- 5.3. Camden Local Plan Policy G1 (Delivery and location of growth) sets out the Council's ambition to create the conditions for growth required to deliver the homes to meet Camden's objectively assessed needs to 2031 for 16,800 additional homes. The Council will deliver growth by securing high quality development and promoting the most efficient use of land and buildings by supporting development that makes the best use of its site, taking into account quality of design, its surroundings, sustainability, amenity, heritage, transport accessibility and any other considerations relevant to the site.
- 5.4. The site is located within Flood Zone 1, which is defined as having a 'low' probability of tidal or fluvial flooding (less than a 1:1000-year occurrence) and is therefore suitable for all development classes.

### Loss of Existing Care Home

- 5.5. Until 2015 the site was operated by the LB Camden as a care home. Accordingly, the lawful use of this vacant site is as a Class C2 residential care home.
- 5.6. Local Plan Policy H8 seeks to protect such uses unless the loss can be justified, having regard to the following criteria within the policy:
- (f). the existing housing is shown to be surplus to needs within the borough; or
  - (g). it can be demonstrated that the existing homes are incapable of meeting contemporary standards for the support and/ or care of the intended occupiers; or
  - (h). adequate replacement accommodation will be provided that satisfies criteria (a) to (e); or

(i). the loss of floorspace is necessary to enable the development of housing for the same intended occupiers that satisfies criteria (a) to (e) and is better able to foster independent living and meet any changes in their support and care needs; or

(j). the development will otherwise enable the provision of an alternative form of housing or support that better meets the objectives of the policy and the Local Plan.

- 5.7. In 2013 LB Camden resolved to dispose of Branch Hill House. As set out in the Cabinet Report dated 19 February 2013, it was intended that the proceeds of the sale would be invested into the Council's capital programme to fund new facilities. LB Camden undertook an extensive consultation on a Homes for Older People Disposals Strategy ("HOPS"), and it was concluded that new, modern fit-for-purpose homes would be built with an emphasis on extra care sheltered apartments. HOPS was part-funded by the disposal of three Council-owned care homes that were deemed surplus to requirements, including Branch Hill House.
- 5.8. As a result of this strategy, Branch Hill House was decommissioned and the residents were transferred to a new development at 1 Wellesley Road, Gospel Oak in June 2015. This new facility provides 60 bed spaces together with an enhanced level of care and services. The loss of the existing C2 use at Branch Hill House is therefore considered acceptable in principle.
- 5.9. In its pre-application response dated 27 July 2018 the Council requested evidence that the criteria under Policy H8 have been satisfied. Details of the Local Authority's decision to dispose of the site and re-locate its residents to the new facility at Wellesley Road in 2015 are set out at Agenda Item 10 of the LB Camden Cabinet Report dated 19 February 2013. This is enclosed with this Statement at **Appendix 1**.
- 5.10. Paragraph 12.14 of the Cabinet Report confirms that the LB Camden Executive agreed the strategy for the HOPS programme to construct two new care homes at Maitland Park and Wellesley Road in 2007. The strategy was agreed after a major residents' consultation exercise and equality impact assessments to consider how to provide modern fit for purpose accommodation for elderly residential care in accordance with Policy H8(h) and (i). The agreed solution was to fund the construction of the new homes by a combination of prudential borrowing and the disposal of the three "surplus" care homes at Ingestre Road (Kentish Town), St Margaret's (Barnet) and Branch Hill, thereby satisfying Policy H8(g).
- 5.11. Paragraph 12.15 of the Cabinet Report confirms that the disposal of Branch Hill would follow once the new Wellesley Road care home was completed and residents moved in accordance with Policy H8(i), with the report anticipating completion of the disposals during 2015/16.
- 5.12. Cabinet duly resolved to agree under Item 10(xvii) that authority be delegated to the Head of Property Services and the Borough Solicitor to dispose of Ingestre Road, St Margaret's and Branch Hill as detailed in the Homes for Older People Disposals Strategy set out at paragraphs 12.14 to 12.19 of the Cabinet Report. The printed minutes of the Cabinet meeting are enclosed at **Appendix 2** of this Statement.

### **Principle of residential use**

- 5.13. At a national level, paragraph 59 of the NPPF (2019) states that to support the Government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed.
- 5.14. Paragraph 117 of the NPPF states that planning policies and decisions should promote an effective use of land in meeting the need for homes and other uses, while safeguarding and improving the environment and ensuring safe and healthy living conditions. Strategic policies should set out a clear strategy for accommodating objectively assessed needs, in a way that makes as much use as possible of previously-developed or 'brownfield' land.



- 5.15. At a regional level, housing provision is a key priority of the London Plan, and Policy 3.3 sets an annual housing target for the city of 42,000 net additional homes. Table 3.1 of the London Plan subsequently sets out housing targets for each borough for the period 2015-2025. The annual average housing supply monitoring target for Camden is 889 units. Part E of Policy 3.3 outlines that this development capacity should be realised through *inter alia* the intensification of brownfield land.
- 5.16. Draft New London Plan Policy H1 seeks to increase housing supply across London and sets out ten-year targets for net housing completion that each local planning authority should plan for. Part B 2) of this emerging policy outlines that boroughs should optimise the potential for housing delivery on all suitable and available brownfield sites.
- 5.17. The provision of 34 high quality new homes through redevelopment of a vacant brownfield site will contribute to the Council's rolling five-year housing land supply and Local Plan strategic target of 16,800 additional homes from 2016/17 - 2030/31. The proposals are, therefore, in accordance with Local Plan Policy H1, which seeks to secure a sufficient supply of new homes and maximise the supply of housing.

### **Affordable Housing**

- 5.18. Local Plan Policy H4 (Maximising the supply of affordable homes) seeks to secure the maximum reasonable level of affordable housing on development of 10 units or more.
- 5.19. Local Plan Policy H4 includes a 'sliding scale' for affordable housing contributions and requires 2% of floorspace to be affordable where 1 additional unit (100 sqm GIA) is proposed up to 50% where 25 additional units (2,500 sqm GIA) is provided. Applying Local Plan Policy H4 the target level of affordable housing is 1,700 sqm (GIA).
- 5.20. Local Plan Policy H4 recognises that this target level of affordable housing is subject to individual site circumstances and the maximum reasonable level of affordable housing should be secured having regard to the following criteria:
- j. the character of the development, the site and the area;*
  - k. site size and any constraints on developing the site for a mix of housing including market and affordable housing, and the particular types of affordable provision sought;*
  - l. access to public transport, workplaces, shops, services and community facilities;*
  - m. the impact on the creation of mixed, inclusive and sustainable communities;*
  - n. the impact of the mix of housing types sought on the efficiency and overall quantum of development;*
  - o. the economics and financial viability of the development including any particular costs associated with it, having regard to any distinctive viability characteristics of particular sectors; and*
  - p. whether an alternative approach could better meet the objectives of this policy and the Local Plan.*
- 5.21. Savills have appraised the proposed scheme against the Site Value Benchmark to fully understand the economics of the development, and to establish the maximum reasonable level of affordable housing that the scheme can reasonably support.
- 5.22. Full details are set out within the enclosed Viability Assessment Report. Given that the Residual Land Value generates a deficit against the Site Value Benchmark, the scheme is not considered commercially viable.

- 5.23. Notwithstanding this, the Applicant is prepared to offer up to seven affordable housing units on-site. Whilst there are challenges to affordable housing being provided on site at all, Savills consider that the most feasible tenure appears to be Intermediate housing. Savills have commenced discussions with Registered Providers and no party has expressed an interest to date.
- 5.24. In parallel, Savills' service charges team have undertaken an analysis of comparable service charges and conclude that the level of charge required is likely to be prohibitive for prospective Registered Providers.
- 5.25. Given the challenges identified, the Applicant also wishes to commence discussions with the Council in relation to potential alternative arrangements, should it not be possible to bring forward homes on-site.
- 5.26. Full details with respect to affordable housing are set out in the Affordable Housing Statement, prepared by Savills which is submitted in support of this planning application.

### Housing Mix

- 5.27. At a national level, NPPF paragraph 61 notes that the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, and people with disabilities).
- 5.28. At a regional level, the objective of London Plan Policy 3.8 seeks to ensure that development delivers an appropriate mix of house sizes and tenures to meet identified needs within London.
- 5.29. Local Plan Policy H7 (Large and small homes) states that the Council will aim to secure a range of homes of different sizes that will contribute to creation of mixed, inclusive and sustainable communities and reduce mismatches between housing needs and existing supply.
- 5.30. Accordingly, the Council will ensure that all housing developments contribute to meeting the priorities set out in the Dwelling Sizes Priorities Table and include a mix of large and small homes.
- 5.31. In accordance with Local Plan Policy H7, the Council will take a flexible approach to assessing the mix of dwelling sizes proposed in each development but notes a high demand for 2-bedroom and 3-bedroom market housing, and a high demand for 1-bedroom intermediate affordable units.
- 5.32. The proposed housing mix is as follows:

Table 5.1 – Proposed Housing Mix (LB Camden Dwelling Size Priorities denoted in Green)

	Market	Intermediate
1-Bedroom	4	6
2-Bedroom	9	1
3-Bedroom	14	0
4-Bedroom	0	0

- 5.33. The proposed unit mix therefore fully accords with the Council's dwelling size priorities as set

out in Local Plan Policy H7.

### **Housing Quality**

- 5.34. The proposed layout of the dwellings has been carefully designed by Stanhope Gate Architects to ensure that the properties are suitable for future occupiers, and accord with the relevant design standards.

#### Unit Size

- 5.35. The proposed development comprises high-quality residential accommodation, which has been designed and configured to accord with the Technical Housing Standards – Nationally Described Space Standard (March 2015); and emerging Policy D4 of the Draft New London Plan.
- 5.36. The proposed configuration of residential accommodation is set out at Table 3.1, in Section 3 of this statement, which clearly demonstrates that the minimum space standards specified in London Plan Policy 3.5, the Mayor’s Housing SPG and Camden’s Housing CPG are comfortably met.

#### Amenity Space

- 5.37. The Mayor’s Housing SPG (March 2016) and draft London Plan Policy D4 require a minimum of 5 sqm of private outdoor amenity space to be provided for each 1-2 person dwellings, and an extra 1 sqm for each additional occupant. Local Plan Policy A2 states that new residential developments should meet the open space standard of 9 sqm per resident.
- 5.38. The proposed residential accommodation includes policy compliant private outdoor amenity space for 95% of dwellings. Paragraph 2.3.32 of the Mayor’s Housing SPG notes that in exceptional circumstances, where site constraints make it impossible to provide private open space for all dwellings, a proportion of dwellings may instead be provided with additional internal living space equivalent to the area of open space requirement.
- 5.39. We note that all dwellings exceed the minimum internal space standards and benefit from generous communal gardens, landscaped grounds and the proposed SINC woodland, which allow the proposed development to comfortably exceed the open space standard set down by Policy A2.

#### Children’s Playspace

- 5.40. One of the primary uses within the proposals is for residential play opportunities that inspires exploration and triggers imagination. The requirements of play space, in relation to the proposed occupancy of the development accord with the Mayor of London’s Shaping Neighbourhoods: Play and Informal Recreation Supplementary Planning Guidance (2012) (referred to as best practice). The play offer can be split into two typologies; natural (non-prescriptive) and formal (prescriptive) play space, creating places that make it easier to take part in physical activity.
- 5.41. Areas of verdant and pioneering plant species enclose a glade for non-prescriptive play and will consist of a minimal collection of natural and informal play pieces to encourage children of varying ages. Timber from trees removed on site can be used to create play pieces and habitats for wildlife for children and adults to observe.
- 5.42. Formal play is located within the arrival gardens with soft play surfacing and passive surveillance from flats. Play equipment in this area will cater for doorstep play.
- 5.43. By the nature of the site and its existing topography, not all play space will be accessible. Accessible play within the site caters for children under the age of 5, and play space for children from 5-17 is provided in the SINC and by play spaces within walking distance from

the site.

- 5.44. The site benefits from its close proximity to external play spaces that are located within the maximum walking distances from Under 5 to 12 years+ in line with the Accessibility to Play Spaces SPG (2012) from the London Plan. Spedan Close Park and West Heath, Hampstead Heath are both located within 150m walk away.
- 5.45. In addition, existing surrounding green space in local proximity to the site provides further play space for children; and the site is located in close proximity to Golders Hill Park and Spedan Close Children's Play Area, as well as West Heath and Hampstead Heath.

#### Daylight, Sunlight and Overshadowing

- 5.46. Local Plan Policy A1 seeks to manage the impact of development on occupiers and neighbours by only permitting development that does not cause harm to amenity. The factors which determine this include visual privacy, overlooking, outlook, sunlight/ daylight and noise.
- 5.47. An Internal Daylight, Sunlight and Overshadowing Assessment has been prepared by GIA. All proposed habitable rooms have been assessed for Average Daylight Factor ("ADF"), No-Sky Line ("NSL") and Room Depth Criterion ("RDC"). Overall, 125 (87%) out of all 143 proposed habitable rooms meet or exceed the BRE recommendation for daylight quantum (ADF) and 140 (98%) achieve the recommended level for sky visibility (NSL). All rooms have been designed in accordance with BRE's RDC, where applicable. It is worth noting that many rooms far exceed BRE's minimum recommendations, providing excellent daylight spaces.
- 5.48. Only two combined Living/Kitchen/Dining spaces fall short of recommendation. One of these achieves the recommended 1.5% ADF for living rooms, whilst the other is very generously sized. In both cases, future occupants will be able to enjoy good daylight amenity in the front portions of these rooms. Owing to the design objective of prioritising daylight in living areas, a number of secondary rooms see daylight levels below recommendation. These are two TV rooms, four bedrooms, and ten kitchens. GIA conclude that the proposed development will offer its occupants very good levels of daylight overall.
- 5.49. In order to ascertain the levels of sunlight within the proposed residential accommodation, all the living spaces with a main window facing within 90 degrees of due south have been assessed for Annual Probable Sunlight Hours ("APSH"). The results show that 27 (96%) out of all 28 rooms suitable for testing see excellent levels of sunlight throughout the year as well as during the winter months.
- 5.50. The only room seeing lower sunlight levels is located behind a large balcony. Whilst providing a valuable form of amenity, the balcony also intercepts sun rays, acting as shading device, thereby reducing sunlight ingress. Future occupants, however, will be able to enjoy sunlight amenity whilst using the balcony. The scheme will therefore provide future occupants with excellent levels of sunlight amenity.
- 5.51. With respect to overshadowing, As suggested by BRE, the proposed communal open space has been assessed for Sun Hours on Ground ("SHOG"). The results presented on page 24 of the enclosed report demonstrate that 37.2% and 27.8% of the two proposed communal areas will see more than two hours of direct sunlight on 21 March. Whilst not technically meeting the 50% recommendation by BRE, this is achieved only a few days later on 25th March and 30th March respectively.
- 5.52. In addition to the BRE test, sun exposure diagrams presented on page 25, illustrating the number of sunlight hours available in these areas throughout the summer months, from March to September. These diagrams demonstrate that most of the communal spaces will receive excellent sunlight exposure from April to August, when they are most likely to be in use. As such, despite the areas not technically meeting the recommendation for sunlight by

BRE, future occupants will be able to enjoy good sunlight amenity in the proposed communal open spaces.

#### Separation Distances and Overlooking

- 5.53. Local Plan Policy A1 also aims to ensure that the potential impact of development on the privacy and outlook of neighbouring properties and their occupiers is fully considered. The Council will therefore expect development to be designed to protect the privacy of the occupants of both new and existing dwellings to a reasonable degree.
- 5.54. Camden's Planning Guidance entitled 'Amenity' (March 2018) specifies that to ensure privacy establishes a minimum guidance distance of 18m between the windows of habitable rooms in existing properties directly facing the proposed.
- 5.55. There will be no significant harm in terms of overlooking from the windows of the western (rear) elevation of the proposed development to the rear windows of properties at the Spedan Estate. This is because the minimum distance between the new building and these properties is approximately 16.3m at its closest point – which is measured from the western most bay window of the affordable block to the first floor of the Spedan Estate buildings. This is the same minimum separation distance as the existing situation at site.
- 5.56. The western boundary of the site will also be well-screened with tree coverage, which will further reduce the potential for overlooking.

#### **Heritage**

- 5.57. Section 66 of the 1990 Planning Act (Listed Buildings and Conservation Areas), states that decision makers are required to give considerable importance and weight to the desirability of preserving listed buildings, conservation areas and their settings.
- 5.58. Section 72 of the Planning (Listed Building and Conservation Areas) Act 1990 also provides that, in respect of development affecting conservation areas, special attention shall be paid to the desirability of preserving or enhancing the character or appearance of that area.
- 5.59. Local Plan Policy D2 states that the Council will preserve and, where appropriate, enhance Camden's rich and diverse heritage assets and their settings, including conservation areas and listed buildings. In order to maintain the character of Camden's conservation areas the council will require that development within conservation areas preserves or, where possible, enhances the character or appearance of the area.
- 5.60. In addition, Policy D2 states that the effect of a proposal on the significance of a non-designated heritage asset will be weighed against the public benefits of the proposal, balancing the scale of any harm and the significance of the heritage asset.
- 5.61. Stephen Levrant Heritage Architecture ("SLHA") has prepared a comprehensive assessment of the significance and special architectural and historic interest of the Edwardian building and its contribution to the character and appearance of the conservation area. A Heritage Statement is enclosed with this submission and provides an assessment of the current proposed development by SGA from the standpoint of heritage considerations, having regard to the site's significance.

#### **Hampstead Conservation Area**

- 5.62. The site is located within Character Area 6 of the Hampstead Conservation Area, which comprises Branch Hill and Oak Hill. The area is principally woodland on the western slopes of Hampstead in which buildings play a subordinate role. The Branch Hill Woodland within which the house stands is locally listed by LB Camden for its historic and townscape significance. Whilst the area has an overall verdant character, the open spaces are within private individual plot boundaries with little or no public access. An exception to this are the

community allotments to the south of the subject site, which were formerly the kitchen gardens of the original Branch Hill House.

- 5.63. The layout of the conservation area and its overall streetscape follow the contoured topography of the landscape, which is reflected by the winding streets and paths that connect to individual houses. However, a characteristic feature of the streetscape in the Branch Hill and Oak Hill sub area is an almost complete absence of interface between buildings and streets. Most detached houses are situated within high walled compounds with large gardens, and consequently offer limited views from the street.
- 5.64. The predominant architectural typology in the sub area is detached houses. Some such as the subject site are larger mansions dating from the 18<sup>th</sup> Century or earlier, whilst others are smaller cottages in the landscape. A few examples of modernist housing are seen in the area such as two clusters along Oak Hill Park and the celebrated Grade II listed Spedan Close Estate to the rear of the subject site.
- 5.65. SLHA consider that the site currently makes a limited contribution to the character and appearance of the Hampstead Conservation Area as a whole as it is not characteristic of other properties within the Branch Hill sub area.

### **Existing Building**

- 5.66. The present building, comprising the 1901 Edwardian house and the c.1967 modernist extension have little architectural character. The two buildings are mutually contrasting in form, design, materials and details.
- 5.67. The modern extension is poorly designed and detracts from the setting of the Edwardian house. Its overall plan-form does not relate to the earlier building and it is unremarkable in its use of materials, details and finishes. This is reflected by its designation as a negative contributor which detracts from the character of the Hampstead Conservation Area within the Conservation Area Statement (2002).
- 5.68. The Edwardian building is not considered to be a good example of the style or period with it having lost much of its original relevance and now comprising only the surviving extension to the former historic house demolished in c.1967. As a testimony to its townscape value, rather than its architectural merit, the c.1901 Edwardian portion is considered as a positive contributor to the Hampstead Conservation Area.
- 5.69. The existing building, however, derives from the building's most recent use as a care home since c.1967 and does not reflect its historic position as a stately mansion in grounds in the outskirts of London. SLHA therefore consider the historic interest of the existing building to be negligible. Furthermore, the Edwardian building comprises a bulky and poorly articulated building which when designed did not relate to the original 18<sup>th</sup>-19<sup>th</sup> Century buildings, and one that has suffered from erosion through subsequent additions and alterations. SLHA therefore consider the architectural interest of the Edwardian building to be low.
- 5.70. The special interest of the site also includes its setting, associated landscapes, outbuildings and other features. These have been significantly altered since the 18<sup>th</sup> Century when the site comprised a country house surrounded by parkland. The following subsequent phases of development have seen this former landscape subdivided and its original features and details lost:
1. Construction of the Edwardian building in c.1901
  2. Demolition of the historic 18<sup>th</sup> Century house and construction of the modern extension
  3. Construction of the Spedan Close Estate in c.1973, which completely transformed the setting of the subject site.

- 5.71. The layout of the path and carriageway leading to the house has likewise been altered as the site has evolved with changes of ownership to reflect individual tastes. During the alterations of c.1967-70, when the house was converted into a care home, a number of significant changes were undertaken to the landscape. Consequently, any previous historical associations with the landscape have been lost. SLHA therefore consider the historic interest in the building's setting to be negligible.
- 5.72. Similarly, the architectural interest in the setting has been eroded by these subsequent alterations and at present the setting of the Edwardian building (positive contributor) does not contribute to its architectural interest.

### Listed Buildings

- 5.73. There are three listed buildings within 50m of the site, and these comprise:
- the Grade II listed lodge house, formerly part of the Branch Hill Lodge estate, immediately to the south-east of the site;
  - the Branch Hill Estates (aka. the Spedan Estate), a Grade II listed 1960's council housing block immediately to the south-west of the site; and
  - Number 1, Lower Terrace, a Grade II listed late-18th Century semi-detached house, 50m to the east of the site.
- 5.74. The only listed building within whose setting the subject site falls is the Grade II listed Spedan Estate. This is situated within the former grounds of the house and is therefore visually linked with it. However, the subject building appears as a backdrop to the housing estate but does not relate to it in terms of age, style, materials or design.
- 5.75. The celebrated buildings comprising the Spedan Estate are designed on the contoured landscape facing west (away from the subject building) in what was the extensive former pleasure grounds of the original mansion on the site.
- 5.76. When seen from the lowest level (on the western side), the Edwardian building and the modernist extension are seen as tucked away within the contoured topography. The proposed development will respond better to the design, architectural character and special interest of the Edwardian building, thereby enhancing views from the west. This will in-turn be an improvement over the existing setting of the Grade II listed Spedan Estate. Further details on the impact of the setting of the Spedan Estate are found in the Townscape and Visual Impact Assessment by Peter Stewart Consultancy (December 2019).
- 5.77. SLHA therefore consider that the proposed development will enhance the setting of the Spedan Estate through the demolition of the negative contributor and its replacement with an architecturally and contextually appropriate building.
- 5.78. The house (known formerly as Branch Hill Lodge) otherwise formed the focus of the c.1870s listed gatehouse. However, SLHA consider that the relationship between the gatehouse and the Lodge was severed in the mid-20<sup>th</sup> Century when the gatehouse was converted into an independent dwelling.

### Archaeology

- 5.79. Local Plan Policy D2 specifies that the Council will protect remains of archaeological importance by ensuring acceptable measures are taken proportionate to the significance of the heritage asset to preserve them and their setting, including physical preservation, where appropriate.
- 5.80. The site is within the Hampstead Archaeology Priority Area as defined by LB Camden, which is designated as such because it is thought to represent the core of the historic settlement of

Hampstead.

- 5.81. A Historic Environment Assessment has been undertaken by Museum of London Archaeology ("MOLA"). The enclosed desk-based study assesses the impact of the scheme on archaeological remains. For the purposes of the assessment, documentary and cartographic sources including results from any archaeological investigations in the site and the area around it were examined in order to determine the likely nature, extent, preservation and significance of any buried heritage assets that may be present within the site or its immediate vicinity. This information has been used to determine the potential for previously unrecorded heritage assets of any specific chronological period to be present within the site. The assessment included a site visit carried out on 17 July 2018 to determine the topography of the site and the nature of the existing buildings on the site, and to provide further information on areas of possible past ground disturbance and general historic environment potential. Observations made on the site visit have been incorporated into the enclosed report.
- 5.82. MOLA consider that there is no evidence of sustained settlement within the vicinity of the site until the post-medieval period when the area began to be developed. MOLA note that the site is located some distance from the historic centre of Hampstead. The main potential in terms of buried heritage assets is therefore for post-medieval remains associated with the 17th and 18th Century estate buildings e.g. garden features, pits, ditches, and the footings of earlier buildings. MOLA consider the potential for other periods to be 'low'.
- 5.83. MOLA conclude that there is a high potential that post-medieval building foundations and associated features may be affected by the proposals, but these are anticipated to be of 'low' significance.
- 5.84. Given the site's low potential for significant archaeological remains, MOLA recommend that an appropriate mitigation strategy would be an archaeological watching brief during preliminary ground preparation and subsequent basement construction to ensure that any previously unrecorded archaeological assets are not removed without record.

## Design

- 5.85. Local Plan Policy D1 (Design) states that development in the borough should respect local context and character, and preserve heritage assets in accordance with Policy D2 (Heritage).
- 5.86. It also notes that the development must preserve strategic and local views and integrate well with the streets and spaces in the surrounding area, as well as featuring details and materials that are of high quality and complementary to the local character.
- 5.87. The Council has also published a CPG on Design (March 2019) which establishes design principles to be used in the assessment of development proposals. The document reinforces or where necessary amplifies existing guidance and defines the Council's expectations for new buildings, as positive and enduring additions to this unique urban landscape. The key considerations include:
- i. The context of a development and its surrounding area;
  - ii. The design of the building itself;
  - iii. The use and function of the building;
  - iv. Using good quality sustainable materials;
  - v. Creating well-connected public spaces;
  - vi. Opportunities for promoting health and wellbeing; and



- vii. Opportunities for improving the character and quality of an area.

### **Architectural Response**

- 5.88. A detailed Design and Access Statement ("DAS") prepared by Stanhope Gate Architecture accompanies this planning application. The DAS sets out in detail the key design matters which have been considered as part of the proposals. The design of the proposals has been carefully considered throughout the pre-application stage and is the result of an iterative process with input from LB Camden design officers and the Design Review Panel.
- 5.89. The proposed development has been informed by an in-depth understanding of the character and appearance of the Hampstead Conservation Area, especially the Branch Hill sub-area. The character of this part of the conservation area is defined by buildings which respect the character and topography of the area by playing a more subordinate role in the landscape.
- 5.90. The architectural approach seeks to emulate the typology of an English country house set within generous grounds. This is achieved by replacing the existing modern extension, which detracts from the setting of the Edwardian building as well as the character and appearance of the conservation area, with a new building that represents a contemporary interpretation of a traditional style that is compatible with the Edwardian building. This approach has been assessed by the design team as comprising the most appropriate response to this particular site context.
- 5.91. The form of the new building comprises an accretion of buildings that have evolved over time with complementary architectural styles. This will recreate the residential scale and ethos of the site and re-establish the building's relationship with the existing house and surrounding landscape, which is currently severed by the incongruous modern extension.
- 5.92. The location of the proposed new building is based on the topography and history of the site, with its placement strongly reminiscent of the siting of the original house. The new building does not follow the present modernist extension, which has little relationship to its context, but instead follows the existing escarpment with views over the allotments to the south, allowing the new building to play a more subordinate role in the landscape in accordance with the distinct character of the Hampstead Conservation Area.
- 5.93. Re-orientating the new block also allows the same ethos as the original design intent and opens up a generous setting for the front elevation and the existing Edwardian building. This gives a sense of openness, which is characteristic of many properties within the Hampstead Conservation Area that are deliberately sited and oriented to limit views from the dense urban form. As demonstrated by the enclosed Townscape and Visual Impact Assessment the development will predominantly be hidden from public views, and where visible, will be seen as a visually subservient extension to the existing Edwardian building.
- 5.94. The proposed landscape strategy preserves existing trees of significance and incorporates new landscaping which is in keeping with the identity of the house as a mansion set within its grounds.
- 5.95. As part of the proposed works, a number of design issues in the elevation of the Edwardian building will be resolved, thereby enhancing the positive contributor's special interest.
- 5.96. The design, footprint, scale and aesthetics of the proposal will provide the site with an appropriate architectural form, responding to the topography and landscape, the Edwardian building and the characteristics of the Hampstead Conservation Area.

### **Massing / Height**

- 5.97. The proposed new building partially occupies the footprint and orientation of the existing c.1967 extension (which it replaces) with extensions further to the east.

- 5.98. In terms of the overall height, the proposed building ridge and parapet is slightly lower than the Edwardian building. The tower element, which seeks to unify and link the Edwardian building with the proposed building, has been designed as the tallest element in the roofline to signify its pivotal role. This directly reflects the tower utilised by Teulon and Flint to punctuate the facades and form an easily identified entrance.
- 5.99. As per the discussion at the penultimate pre-application meeting with officers (5 August 2019) the gable to the main 5-storey central section has been removed. Other gables have been reduced in size and height and dormers added in lieu. The ridge height of the central section has been lowered in relation to the existing house.
- 5.100. In addition, the upper two storeys of main volume have been stepped back together with the roof profile and gable to demonstrate stepping up to the Edwardian house, which reduces the bulk of the central section.
- 5.101. Overall, the proposed building's identity is conceived as an accretion of buildings that have evolved over time, recreating the residential scale and ethos of the site whilst re-establishing a relationship with the Edwardian building. The proposed building's massing and composition does not attempt to copy that of the Edwardian building, but rather follows and improves upon its taxis, scale and composition. The roof profiles of the new building and the articulation of the built form are intended to provide an appropriate scale overall, allowing the development to play more of a subordinate role within the landscape.

#### **Details and Materials**

- 5.102. The proposed building has been designed taking into account characteristic materials and details of the Hampstead Conservation Area. The use of good quality and sustainable materials accords with the Design CPG and will ensure that the new building represents a positive and enduring addition to the landscape.
- 5.103. The buildings are of brick, with projecting bays and architectural mouldings and dressings in stone. The ground storey of the proposed building will be in a darker shade of red brick, providing the required repose for the upper floors.
- 5.104. The roof is proposed to be tiled in slate with brick chimney stacks forming the skyline feature. The reinstated tower in brick with stone dressings and details provides an additional element in the skyline, echoing the original Flitcroft/ Teulon tower in this location.
- 5.105. The proposed development also involves minimal works to the fabric of the unlisted Edwardian building, which will resolve a number of architectural anomalies in its elevations thereby enhancing the special interest and significance of the positive contributor.

#### **Design Summary**

- 5.106. The site will continue to be prominent in the landscape and the proposed alterations to the Edwardian building will resolve architectural issues in its elevations, thereby enhancing its special architectural and aesthetic interest.
- 5.107. The proposed development will have a minor to moderate impact on the special architectural and historic interest of the positive contributor and no impact on its townscape significance and it will have a neutral impact on the setting of the positive contributor. The proposed development will be an enhancement to the setting of the Grade II listed Spedan Estate.
- 5.108. The proposed buildings are only fleetingly seen from Branch Hill and from Heysham Lane. As demonstrated within the enclosed Townscape and Visual Impact Assessment prepared by Peter Stewart Consultancy, when seen from Branch Hill the proposed building will only be partially seen and will appear as a gatehouse to the Edwardian building. The proposed development will therefore preserve the character and appearance of the Hampstead Conservation Area as a whole.

- 5.109. Historic England's 'Conservation Principles' and the NPPF define conservation as "managing change". The site has been subject to a number of poorly informed changes in the past which have eroded its special interest and significance.
- 5.110. This proposal has been driven by the need to ensure a sustainable solution for the site. The applicant has recognised the importance of the extent of investigations and analysis necessary to be undertaken in order to assess the effects of the proposed works on assets of special interest. This approach has been both beneficial with regard to the consideration of alternatives and important with regard to the best practice guidance outlined in the NPPF.

## **Townscape**

- 5.111. A Townscape and Visual Impact Assessment has been prepared by Peter Stewart Consultancy and is enclosed with this planning application.
- 5.112. The effect of the proposed development on the views assessed can be summarised as follows:
- View 1: Spedan Close, north-west of the site – the traditional architectural elements of the Proposed Development will complement the design of Branch Hill House.
  - View 2: Spedan Close, south – the highly articulated form and intricate silhouette of the new building reflect the traditional architecture of Branch Hill House.
  - View 3: Frogna Rise – the new building is largely screened from view by mature trees and would appear as a complementary addition when seen.
  - View 4: Spedan Close, east of Branch Hill House – the height, massing, design and materials of the new building are complementary to the existing Branch Hill House.
  - View 5: Heysham Lane / Spedan Close – the proposed development is largely screened from view, and it is unlikely that it would be seen at all during the summer months.
  - View 6: Footpath north of Oak Tree House – the proposed development is largely screened from view, and it is unlikely that it would be seen at all during the summer months.
  - View 7: Heysham Lane south – the new building would appear as a complementary addition on site, clearly distinct from the post-war listed buildings in the foreground.
  - View 8: Frogna Rise / Frogna – the new building would be largely screened by trees. If seen, the traditional approach to its architectural design would appear complementary to the character of the site's surroundings.
- 5.113. Peter Stewart Consultancy consider that the proposed development will be "little seen" from the surrounding area. In most cases it will only be glimpsed through the many surrounding tree canopies (as illustrated in views 3, 5, 6 and 8). The traditional architectural approach and its highly articulated roof form will ensure that the new building will appear complementary to the existing Branch Hill House and the other buildings in the wider area.
- 5.114. When seen in views close to or within the site, the proposed development will appear highly articulated, with an intricate silhouette and a traditional appearance which is sympathetic to Branch Hill House (as illustrated in views 1, 2, 4 and 7). When viewed in conjunction with the Grade II listed Branch Hill Estate, it will appear as an element in the background, mirroring the traditional architecture of Branch Hill House, and clearly distinct from the post-war estate buildings.
- 5.115. Peter Stewart Consultancy conclude that the proposed development represents a

complementary and well thought through addition. It will replace a post-war building of no architectural merit which has a poor relationship with the surviving remnant of Branch Hill House, with a building that deploys a traditional architectural approach and has clear regard to the site, its surroundings and its history. The new building is judged as sitting comfortably alongside the surviving remnant, which will remain prominent.

## Ecology

- 5.116. Local Plan Policy A3 (Biodiversity) seeks to protect and enhance sites of nature conservation and biodiversity. The triangular portion of land north of Spedan Close and much of the surrounding area is identified as a SINC. Policy G6 in the emerging London Plan, whilst also seeking to protect and enhance sites of nature conservation, notes the potential opportunities for new development to contribute to enhancing the nature conservation value of an adjacent SINC or green corridor by, for example, sympathetic landscaping.
- 5.117. Hybrid Ecology completed initial surveys in May 2018, followed by 3 No. bat surveys in Summer 2018 and 2 No. hibernation visits in December 2018 and January 2019. Results have concluded that the site is not used as a bat roost, and that there are no ecological constraints preventing the proposed development. This approach has been agreed with LB Camden Biodiversity Officer, Caroline Birchall. Full details are set out within the Ecological Impact Assessment prepared by Hybrid Ecology.
- 5.118. The proposed development presents an opportunity to implement woodland management. The woodland directly to the north of the site, which forms part of the designated Local Green Space, is in declining condition with the dominance of cherry laurel and other undesirable species including rhododendron. A management plan informed by ecological and arboricultural information will be prepared to secure the long-term viability of the woodland as a biodiversity feature and community asset. It is also proposed to introduce woodland trail and informal play area which will allow residents to connect to nature.
- 5.119. Further ecological and biodiversity enhancement measures will include the installation of crevice bat boxes on the retained lime trees, hibernation bat boxes on the retained sycamore tree, a house sparrow box at 3 metres or above on an external wall, and an insect hotel to serve as a community initiative within the re-purposed woodland.

## Trees

- 5.120. Local Plan Policy A3 (Biodiversity) states that the Council will protect and seek to secure additional trees and vegetation.
- 5.121. The proposed layout follows a pre-design meeting with the consultant team to ensure that there is minimal impact on trees, and two site meetings with the LB Camden Arboricultural Officer. All boundary trees will be retained, and the woodland SINC will be managed to enhance its ecological and landscape value through the removal of low-quality laurel and rhododendron and planting of native trees and shrubs.
- 5.122. To the immediate south of the site are a line of mature limes, horse chestnut and sycamore trees which are important to the landscape setting. The enclosed Arboricultural Impact Assessment Report prepared by Sharon Hosegood Associates includes an Arboricultural Method Statement outlining the protective measures to be incorporated during demolition and construction, particularly relating to piling. In addition, the incursion of the development close to the lime trees has been deemed acceptable during pre-application discussions owing to the resilience of this species and the presence of the adjacent allotment offering possible root expansion.
- 5.123. A group of overcrowded holly trees classified as 'low value' under the British Standard (BS 5837: 2012 '*Trees in relation to design, demolition and construction*') will be removed. Sustainable use of felled trees is a key part of the management of the landscape and will be

incorporated in the final landscape design for the woodland.

- 5.124. A small area of excavation is required along Spedan Close near three trees. The impact has been evaluated by Tree Radar investigation as detailed within the enclosed Arboricultural Impact Assessment Report, and a draft method statement to minimise impact is also included.
- 5.125. The site will be supervised at key stages by the appointed Arboriculturalist and updates provided to LB Camden. The proposed development will result in a net gain in tree numbers and species, and the positive management of the SINC woodland which would otherwise decline due to the prevalence of invasive species. The proposed development has been assessed by Sharon Hosegood Associates as resulting in a positive arboricultural impact, and therefore accords with Local Plan Policy A3.

## Landscaping

- 5.126. Camden Local Plan Policy A2 (Open Space) seeks to protect and enhance access to open space and green infrastructure within the borough. Policy A2 (m) states that new development proposals within the London Borough of Camden will be required to apply a standard of 9 sqm per occupant for residential schemes. Local Plan Policy A2 (n) states that priority will be given to securing new public open space on-site, with provision off-site near to the development only considered acceptable where provision on-site is not achievable.

## Soft Landscape

- 5.127. The proposals retain much of the existing open space and where possible enhance it. The proposed design aims to replace non-native and invasive species with native species already found on site in the local area and encourage an understorey to develop within the woodland.
- 5.128. Ornamental planting is located along Spedan Close and within the arrival gardens for residents to walk past before entering the development. The plants are likely to be a mix of native and non-native species that will help to improve biodiversity and tie in to the Gertrude Jekyll planting concept. Feature topiary rings and balls will strengthen the concept further.
- 5.129. A Holly (*Ilex aquifolium*) hedge is proposed along the Southern Access Road to defend the Southern Terraces and replaces a line of poor-quality holly trees currently in the same location.
- 5.130. The proposals aim to ensure that all landscape elements can establish and mature successfully in order that the long-term design intent can be realised. They aim to establish a landscape appropriate to the site, its context and materiality of the wider site, its environs and in keeping with the objectives of the initial Landscape Masterplan for the development. Where possible, existing trees and vegetation will be retained and maintained.

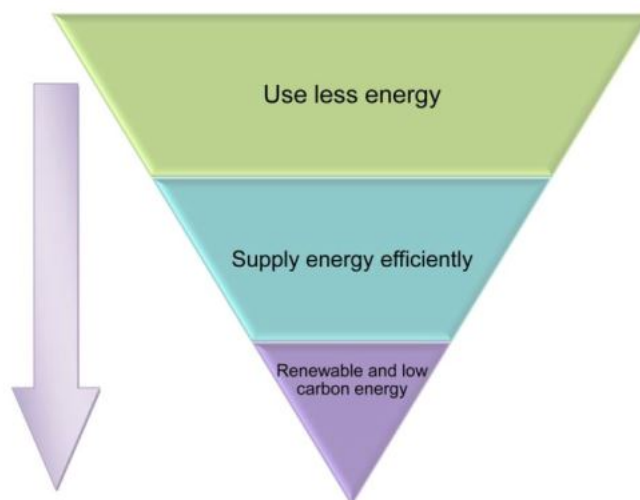
## Hard Landscape

- 5.131. The proposals use materials that brighten and/or soften the hardscape and compliment the built form. The proposals retain the balanced street approach to Spedan Close and the Southern Access Road. Resin bound gravel is proposed for the road surfaces to brighten and soften the lane appearance of the approach and tie in with the stonework on the proposals. The same surface is used in the arrival gardens to reflect Gertrude Jekyll gardens.
- 5.132. Clay paving denotes key building entrances for Branch Hill House and the proposed development, giving clear direction to residents and visitors.
- 5.133. Hard spaces for the private gardens and southern terraces use composite decking to create a soft and durable quality which brightens up the spaces.

- 5.134. The play area within the Arrival gardens has a rubber chip mulch safety surface with timber play equipment to reflect the nature of the surrounding woodland. The woodland path and play equipment within the SINC will be made from trees felled on site. Pieces include woodchipped paths, timber log seats, balance beams and wildlife habitat hotels.

## Energy and Sustainability

- 5.135. Local Plan Policy CC1 (Climate Change Mitigation) refers to the requirements of the current London Plan 2016 and in particular Policy 5.2, which has a requirement that all new buildings should make the fullest contribution to minimising carbon dioxide (CO<sub>2</sub>) emissions in accordance with the following energy hierarchy:
- Step 1 – Reducing Energy Requirements;
  - Step 2 – Supplying the energy that is required more efficiently
  - Step 3 – Meeting remaining energy requirements through renewable and low carbon energy



*Figure 5.1 – Energy Hierarchy*

- 5.136. Draft London Plan Policy SI2 requires a minimum on-site reduction of at least 35% beyond Building Regulations for major development. Residential development should achieve 10% through energy efficiency measures.
- 5.137. In addition, Policy CC1 specifies that all developments involving five or more dwellings will be required to submit an energy statement demonstrating how the energy hierarchy has been applied to make the fullest contribution to CO<sub>2</sub> reduction. All new residential development will also be required to demonstrate a 19% CO<sub>2</sub> reduction below Part L 2013 Building Regulations (in addition to any requirements for renewable energy).
- 5.138. Camden CPG 'Energy efficiency and adaptation' (March 2019) specifies that all developments are to target at least a 20% reduction in carbon dioxide emissions through the installation of on-site renewable energy technologies.
- 5.139. An Energy Assessment has been prepared by Envision and is included within the enclosed Sustainability Energy Statement. The new-build portion of the development will reduce CO<sub>2</sub> emissions by 25.39 tonnes per year, equal to a **57.62%** saving beyond the Part L 2013 baseline (using SAP 10 emission factors), thereby complying with adopted and emerging London Plan, and Local Plan energy policies relating to minimum CO<sub>2</sub> emission reductions for major residential developments.

- 5.140. In order to bring the residential carbon savings up to 100%, the remaining residential carbon emissions (18.67 tonnes) are to be offset through a carbon offset payment. This is priced at £60 per tonne of CO<sub>2</sub> per year (over 30 years) and is to be paid to LB Camden via a Section 106 legal agreement. The calculated carbon offset payment is £33,606.69.
- 5.141. The refurbished portion of the development will reduce CO<sub>2</sub> emissions by 37.54 tonnes of CO<sub>2</sub> per year, equal to an **82.08%** saving beyond the existing building baseline (using SAP 10 emission factors) and is therefore deemed to have 'maximised CO<sub>2</sub> reductions' as required by Local Plan Policy CC1.
- 5.142. The proposed development will deliver a series of sustainability measures which are compatible with the London Plan and LB Camden's requirements for sustainable design and construction:
- The scheme will incorporate a range of Sustainable Urban Drainage measures including permeable paving and attenuation tanks;
  - An ecologically beneficial landscaping scheme, to deliver a net gain in biodiversity over the existing site including a soft landscaping scheme that will comprise of at least 60% native species along with bat and bird boxes;
  - Sustainable material selections with timber to be procured with Forest Stewardship Council accreditation;
  - Incorporation of climate adaptation measures, including permeable paving, landscaping and passive building design including Mechanical Ventilation Heat Recovery;
  - Water conservation measures within the units to comply with 110 litres / bed space per day and the provision of communal external rainwater harvesting tank for irrigation purposes;
  - New play space and public realm.
- 5.143. To minimise energy consumption by the proposed development, and to ensure compliance with the relevant energy policies, the following design measures have been recommended for incorporation into the detailed design:
- High-efficiency ground-source heat pumps providing efficient space and water heating to each dwelling on site;
  - Heating, ventilation and air conditioning system controls to ensure that the installed equipment will be operating efficiently and to include automatic monitoring and targeting with alarms for out of range values;
  - High efficiency LED lighting utilising low-energy control systems such as daylight dimming and occupancy sensing;
  - Mechanical Ventilation Heat Recovery ensuring space heating loads are kept to a minimum; and
  - Reduction in solar gain through the use of lower g-values.
- 5.144. Subject to according with the proposed energy and sustainability strategy, the proposals will fully accord with London Plan Policy 5.2, Draft New London Plan SI2 and Local Plan Policy CC1.

## Flooding and Sustainable Urban Drainage

- 5.145. London Plan Policy 5.13 refers to sustainable drainage and specifies that developments should utilise Sustainable Urban Drainage Systems (“SuDS”) unless there are practical reasons for not doing so. Furthermore, developments should aim to achieve greenfield run-off rates and ensure that surface water run-off is managed as close to its source as possible in line with the 'drainage hierarchy'.
- 5.146. Camden Local Plan Policy CC2 (Adapting to climate change) advises that all development should adopt appropriate climate change adaption measures, including not increasing, and wherever possible reducing, surface water runoff through increasing permeable surfaces and use of SuDS.
- 5.147. Camden Local Plan Policy CC3 (Water and flooding) seeks to ensure that development does not increase flood risk and reduces the risk of flooding where possible. To achieve this Camden will require development to:
- a) incorporate water efficiency measures; and
  - e) utilise SuDS in line with the drainage hierarchy to achieve a greenfield run-off rate where feasible.
- 5.148. The site has been assessed by Ridge and is considered to have a low probability of flooding. The Flood Risk Assessment prepared by Ridge is enclosed with this application and concludes that the site is appropriate for the intended use from a flood risk perspective. To mitigate the risk of surface water flooding as much as reasonably practicable, the proposed discharge from the site will be less than that of the existing and a 50% betterment of surface water will be achieved, thereby reducing the discharge into the existing combined sewer network.
- 5.149. A separate Surface and Foul Water Drainage Strategy has been prepared by Ridge and is enclosed with this planning application.
- 5.150. In accordance with the discharge hierarchy, surface water generated by the proposed development should be discharged to ground via infiltration, where practicable to do so. Due to the low infiltration rate recorded by the Ground Investigation report and the recommendations contained within the report, it is not proposed to infiltrate to ground as the main means of disposing of surface water. Furthermore, there are no appropriate surface water bodies within the immediate vicinity of the site into which surface water should be discharged. Subsequently it is proposed that the site will dispose of surface water to the public combined sewer via new appropriately designed connections, subject to seeking appropriate permissions from the sewerage undertaker.
- 5.151. The discharge from the site post-development will be limited to a maximum rate of 2 l/s during all events up to and including the 1:100 Annual Exceedance Probability event, including a 40% allowance for climate change. This will introduce a significant betterment to the existing site condition without introducing an additional source of flood risk. In order to achieve the above parameters, 191 m<sup>3</sup> of below ground attenuation will be provided as part of the proposed development.
- 5.152. The development proposals will contribute to a reduction in flood risk associated with the exceedance of the public surface water sewer network in the vicinity of the site by providing a significant reduction in peak runoff rates and by avoiding an increase in the total runoff volume. The proposed drainage strategy has been prepared to be robust and demonstrate that it is possible to drain the site in a sustainable manner in keeping with local policy requirements, without increasing flood risk to or from the proposed development.



## Noise

- 5.153. Local Plan Policy A4 (Noise) specifies that the Council will seek to ensure that noise and vibration is controlled and managed. The dominant noise source is road traffic on the local highway network. There is no outdoor mechanical plant proposed for the development.
- 5.154. A Noise Assessment has been prepared by Hepworth Acoustics and is enclosed with this application. The assessment has been informed by a background noise survey undertaken at the site which demonstrates that the site is exposed to 'low' levels of noise.
- 5.155. Adequate control of road traffic noise in accordance with BS 8233: 2014 (*guidance on sound insulation and noise reduction for buildings*) and WHO guidelines for internal noise will be achieved using standard thermal double glazing with standard non-acoustic trickle ventilators. The  $L_{Aeq,T}$  internal noise level targets will still be achieved with windows partially open. No further acoustic mitigation is considered necessary.
- 5.156. The proposed outdoor amenity areas for use by residents are also predicted to be exposed to daytime noise levels below the recommended limit of 50 dB  $L_{Aeq}$ . No specific noise mitigation measures are therefore required for these areas.
- 5.157. The appropriate acoustic design criteria has informed the design development to protect the amenity of future residential occupiers in accordance with Policy A4.

## Air Quality

- 5.158. Local Plan Policy CC4 (Air Quality) states that the Council will ensure that the impact of development on air quality is mitigated and that exposure to poor air quality is reduced in the borough.
- 5.159. LB Camden has designated a borough-wide Air Quality Management Area (AQMA) for exceedances of the annual mean nitrogen dioxide (NO<sub>2</sub>) objective and the 24-hour mean objective for particulate matter with a diameter of less than 10 micrometres (µm) (PM<sub>10</sub>).
- 5.160. In accordance with LB Camden guidance a Basic Screening Air Quality Assessment has been undertaken by Waterman to consider the air quality conditions for future users of the proposed development. This approach was agreed with LB Camden and the Council's Sustainability Officer, Katherine Frost.
- 5.161. Given that the site is not located on a major road, Waterman consider the Frogna Way diffusion tube (which is 600m south of the site) to be representative of NO<sub>2</sub> concentrations at the site. Based on these results and considering the PM<sub>10</sub> and PM<sub>2.5</sub> concentrations obtained from the Bloomsbury automatic monitor, DEFRA and LAEI, it is considered that the AQS objectives are likely to be met for future residential users of the site. The site is therefore suitable for residential use.
- 5.162. The proposed development does not include any car parking other than 4 Blue Badge spaces and will therefore not significantly alter road traffic. In addition, the proposed energy strategy includes the use of Ground Source Heat Pumps located on the roof. As such, the proposed development will not include any emissions to air during its operation. Waterman therefore consider the effect of the operational development as "not significant".
- 5.163. The most significant pollutant during demolition and construction relates to the creation of nuisance dust and emissions from construction vehicles and construction plant. A range of environmental management controls have been developed with reference to the Mayor of London's Sustainable Design and Construction SPG (2014) for a 'medium' risk site and are set out within the enclosed Construction Management Plan ("CMP") prepared by Ridge.
- 5.164. The CMP also includes measures for construction traffic vehicle management such as vehicle routing, permitted hours of operation, and loading and unloading procedures.

Considering the existing background concentrations in the local area, the implementation of a CMP; and the temporary nature of the demolition and construction phases, the overall effect from demolition and construction has been assessed by Waterman as "not significant".

## Daylight, Sunlight and Overshadowing

- 5.165. Camden Local Plan Policy A1 seeks to protect daylight/sunlight values within existing and proposed development. The text at supporting paragraph 6.5 states that in assessing daylight/sunlight values Camden will take into account the most recent guidance published by the Building Research Establishment (currently the Building Research Establishment's Site Layout Planning for Daylight and Sunlight – A Guide to Good Practice 2011).
- 5.166. GIA have undertaken a detailed daylight and sunlight technical assessment of the proposed development to understand the potential effect that the development may have on the neighbouring properties' levels of daylight and sunlight.
- 5.167. GIA have analysed the neighbouring properties to understand the potential alteration in daylight and sunlight between the existing condition and the proposed daylight levels.
- 5.168. Against the proposed scheme, 17 of the 20 properties assessed will remain compliant to BRE guidelines for both daylight methodologies (VSC and NSL) and the sunlight methodology (APSH).
- 5.169. The three properties in breach of the BRE guidelines are 2 Spedan Close, 4 Spedan Close and 7 Spedan Close, one room in each property (a bedroom and two kitchens) experience BRE transgressions. A bedroom in 4 Spedan close is marginally in breach of the BRE guideline, while the other two rooms experience larger changes in NSL. All living rooms will be unaffected as they do not face the site. The 2011 BRE Guidelines note that kitchens and bedrooms are "*less important, although care should be taken not to block too much sun*".
- 5.170. On the basis of the above, it is GIA's considered view that whilst there are BRE transgressions, with a 94.2% compliance rate across the site, GIA believe that this impact is within the intention of the LB Camden Amenity CPG.

## Access and Inclusivity

- 5.171. The residential accommodation has been developed to ensure that accessibility for all is at the forefront of the design proposals. The accessibility opportunities of the proposed development are set out at Section 4.10 of the accompanying Design and Access Statement, and Section 6.1 of the Landscape Design and Access Statement.
- 5.172. The residential accommodation incorporates 10% of units as wheelchair accessible (M4(3)), and 90% as accessible and adaptable (M4(2)) in accordance with Local Plan Policy H6 (Housing choice and mix) and Policy D5 of the emerging London Plan.
- 5.173. The units at the upper floors are served by two fully accessible lifts in accordance with the Housing SPG (2016) Standards 15 and 16 and the ISO standard. Dedicated Blue Badge car parking is located nearby within the basement, which is itself served by a dedicated vehicle lift.

## Transport

### Car Parking

- 5.174. The proposed development will be car-free, with the exception of Blue Badge car parking, in accordance with Policy T2 of the Camden Local Plan (2017). The development proposals are also permit-free meaning that future residents will not be eligible for on-street residential parking permits.

- 5.175. Four disabled car parking spaces will be provided in the basement in accordance with Policy T6.1 of the Draft New London Plan (July 2019). Policy T6.1 requires a minimum of 3% of the total units to be provided with a disabled car parking space, with capacity to accommodate a further 7% provision in future.
- 5.176. The disabled parking bays will be 2.4 metres wide by 4.8 metres long with a 1.2-metre-wide zone provided between designated spaces and at the rear, to enable a disabled driver or passenger to get in or out of a vehicle and access the boot safely.
- 5.177. There are currently seven car parking spaces on-site including a designated Blue Badge parking space for a disabled user. Additionally, there is an ambulance parking space adjacent to Branch Hill House. Despite the allocation of parking spaces, it is noted that informal parking currently takes place on-site. The proposals therefore represent a significant improvement relative to the existing situation.
- 5.178. There are also a number of car clubs located in the vicinity of the site, with the nearest on Lower Terrace circa 40m east of the site.

### **Electric Vehicle Charging**

- 5.179. Camden CPG 'Transport' (March 2019) notes that where onsite car parking is provided, applicants will be expected to provide infrastructure to support electric charging points ("EVCs") as per the London Plan. At least 20% of car parking spaces (1 space) should have active charging facilities with passive provision for all remaining spaces welcomed.
- 5.180. As such, one disabled parking bay will be provided with active charging facilities, with the remaining three bays provided with passive provision in accordance with Policy T6.1 of the Draft New London Plan.

### **Cycle Parking**

- 5.181. Cycle parking has been provided in line with emerging London Plan standards (1 space per studio, 1.5 spaces per 1-bed unit, 2 spaces for all other dwellings and 1 space per 40 units for visitors), whilst having regard to Camden CPG 'Transport' (March 2019) seeking an additional 20% of spaces over and above the London Plan standard to support the expected future growth of cycling.
- 5.182. Accordingly, 70 long-stay cycle spaces are provided, with details of storage to be secured by condition. Furthermore, two short-stay cycle parking spaces for visitors will be provided close to the front entrance of the development. The proposals therefore fully accord with Draft New London Plan Policy T5 (Cycling).
- 5.183. On-site cycle movements will be accommodated on the carriageway of Spedan Close. Access to the on-site cycle parking will be via the shared surface routing along the southern boundary of the site, with access to the basement level cycle parking spaces via the proposed car / cycle lift towards the southern corner of the site.

### **Vehicular Access**

- 5.184. It is proposed that the site will be served by the existing vehicular access arrangements. The main access to the site is via Spedan Close from Branch Hill.
- 5.185. Access to the basement car parking spaces will be taken via the existing shared surface route along the southern boundary of the site. Improvements to the route are proposed, incorporating widening to enable two cars to pass safely if required, and a new surface finish.
- 5.186. A passing place is proposed close to the entrance to the basement car park to enabling vehicles to wait should the lift be in operation and thus enabling two cars to safely pass if

required.

- 5.187. As detailed, the route will connect to a car lift at the southern corner of the site, providing access to the basement car parking spaces via a turntable. The swept path analysis included in Appendix 7 demonstrates that a large car is able to access all parking spaces and navigate the basement vehicular route.
- 5.188. It is noted that vehicular movements and speeds on-site will be very low, minimising any potential conflicts with cyclists and pedestrians, with the route being improved from the current shared surface arrangement, providing more space for all movements to occur.

### **Pedestrian Access**

- 5.189. Pedestrian and cycle access to the site will be via Spedan Close, in accordance with existing arrangements.
- 5.190. Pedestrian circulation space will be provided at the frontages of all ground floor properties.
- 5.191. Pedestrians wishing to route along the southern boundary of the site to connect to the Heysham Estate located to the west of the Site, will continue to do so via an improved shared surface. The improvements will open this route up, making it less intimidating and feel safer, with an improved surface finish making it more usable.
- 5.192. In terms of access, the proposals incorporate the provision of a shared surface along the southern boundary of the site to provide access to the basement level disabled car parking spaces. Pedestrians currently using this route will continue to be able to do so.
- 5.193. The proposed shared surface is of a sufficient width to allow two cars to pass, should the occasion arise that two are moving simultaneously, and hence there will be sufficient spaces for a car and pedestrians to pass safely. This is clearly identified on the landscaping plan, by way of coloured paving.
- 5.194. Due to the very low number of disabled car parking spaces proposed, the frequency of vehicle movements will be very low and therefore the likelihood of two cars moving simultaneously will also be very low. Furthermore, vehicle speeds along the shared surface will also be very low and therefore car drivers will easily be able to see pedestrians and vice versa, ensuring the continued safe movement of pedestrians along this route.

### **Servicing and Delivery Access**

- 5.195. Servicing, delivery and emergency vehicles will access the site via Spedan Close, in accordance with the existing access arrangements.
- 5.196. The swept path analysis included in Appendix 7 of the enclosed Transport Statement demonstrates that the LB Camden refuse vehicle can enter Spedan Close from Branch Hill, turn on-site using the shared surface at the front of the proposed building and exit the site onto Branch Hill in forward gear. The swept path analysis also demonstrates that a 7.5 tonne box van and emergency vehicle is able to access/egress the site in the same manner.

### **Waste and Refuse**

- 5.197. London Plan Policy 5.17 (Waste Capacity) states that suitable waste and recycling storage facilities are required in all new developments, whilst Policy D4 of the Draft New London Plan (Housing Quality and Standards) and Local Plan Policy CC5 (Waste) specify that housing should be designed with adequate and easily accessible storage space that supports the separate collection of dry recyclables, food waste and residual waste.
- 5.198. Two bin storage rooms are provided at basement level and are adjacent to the lift and stairwell cores ensuring that residents do not need to travel more than 30m (horizontal travel

distance) to access this communal provision in accordance with LB Camden's technical guidance and Part H6 of Building Regulations. The size of each of the communal bin stores and their capacity has been calculated based on the number and the size of the residential units served by the respective lift/ stair cores.

- 5.199. The proposed development will give rise to approximately 9,622 litres of residential waste per week. Table 2 within the enclosed Operational Waste Management Plan sets out the capacity and bin specifications per the east and west core communal bin stores. The proposed development's waste storage allows for a weekly storage capacity for recyclable material, food and residual (i.e. non-recyclable) waste. A 7.5 sqm bulky waste areas will also be provided for the storage of bulky waste items in accordance with LB Camden Technical Guidance, which will be managed by the internal management team.
- 5.200. Each residential unit will be fitted with a three-compartment waste bin, with each compartment corresponding to the relevant waste stream to be collected by LB Camden. This will maximise the potential for residents to correctly sort waste at source within their home.
- 5.201. In accordance with LB Camden's Technical Guidance, each kitchen will feature:
- two compartments for mixed recycling and general waste of equal volume, each of which must be at least 60L;
  - at least 7L for food waste; and
  - a total minimum capacity of 127L
- 5.202. Residential units will also have space to allow for additional future waste streams, such as segregation of dry recyclables including glass and plastic recycling, should these be collected separately by LB Camden in the future.
- 5.203. Residents will be expected to take their sorted waste arisings to the communal bin stores at the basement. Two communal bin stores are provided, one adjacent to each lift/ stair core.
- 5.204. On waste collection days the on-site management team will transfer the full Eurobins from the individual waste stores to the refuse collection point, immediately adjacent to Spedan Close. One bin per waste stream will remain in each store on waste collection days to ensure that residents are still able to dispose of their waste in the basement.
- 5.205. Electric tugs will be used to transfer the waste from the basement to the refuse collection point, via use of the basement car lift. Bins will be specified with a towing kit to facilitate this. The refuse collection point is located within 10m of the refuse vehicle stopping point and will comprise an uncovered, clearly-marked bay. The collection area is large enough to accommodate the maximum number of bins that will be collected on any single day, noting that it is assumed that recyclables, residual waste and food waste will all be collected on separate days of the week as per the existing arrangements.
- 5.206. LB Camden's waste collection team will be able to access the proposed development in a forward gear via the public highway, off Branch Hill. Following collection of the waste, the vehicles will utilise the turning circle at the front of the property enabling vehicles to depart in forward gear as well.
- 5.207. Once LB Camden's refuse collection teams have emptied the bins, the internal management team will return the empty bins to the communal bin stores. Full details of the proposed waste strategy are set out within the enclosed Operational Waste Management Plan, prepared by RPS.
- 5.208. All waste infrastructure serving the proposed development will therefore fully comply with Building Regulations Part H6, and the development will operate in accordance with London

Plan Policy 5.17, Draft New London Plan Policy D4 and Local Plan Policy CC5.

### **Trip Generation**

- 5.209. The proposed development is expected to generate, in a worst case, 18 two-way car trips per day, attributed to the four disabled parking bays. Of these trips, two will occur during the morning peak hour and two will occur during the evening peak hour. It should be noted that the existing care home would have potentially generated approximately 101 vehicular trips per day when fully operational. The proposed development will therefore result in a substantial net reduction in vehicular trips.
- 5.210. RPS consider that the impact of the multi-modal trip generation as a result of the residential development will be negligible during the morning and evening peak hours and will be minimal over the course of the day, with the majority of additional trips undertaken by sustainable modes, particularly via Hampstead Underground Station.
- 5.211. From this it is clear that the development will not result in a severe impact on the local transport and highway networks in accordance with the requirements of the NPPF. Furthermore, the development will provide a safe means of access to the site.

### **Travel Plan Statement**

- 5.212. A Travel Plan Statement is included at Section 7 of the enclosed Transport Statement, prepared by RPS. The objective of the Travel Plan Statement is to facilitate the sustainable movement of residents, visitors and goods to and from the proposed development, with particular regard to active travel modes.

### **Basement Development**

- 5.213. Local Plan Policy A5 (Basements) states that the Council will only permit basement development where it is demonstrated to its satisfaction that the proposal would not cause harm to:
- a. neighbouring properties
  - b. the structural, ground, or water conditions of the area;
  - c. the character and amenity of the area;
  - d. the architectural character of the building; and
  - e. the significance of heritage assets.
- 5.214. Camden Planning Guidance 'Basements' (March 2018) provides detailed guidance with respect to new basement development, specifically their siting, location, scale and design.
- 5.215. The CPG advises that the Council strongly encourages applicants to use the Council's Basement Impact Assessment ("BIA") proforma to ensure that all aspects of potential impact are addressed, a BIA of which is included as part of this application.
- 5.216. A Basement Impact Assessment ('BIA'), prepared by Ridge, has been prepared in support of this application and gives an overview of the substructure and the basement considerations in the context of the proposed development.
- 5.217. The BIA briefly assesses the impact of the proposed basement works and outlines the works required in order to secure the necessary third-party approvals prior to commencing works on site.

## Health Impact

- 5.218. Local Plan Policy C1 (Health and Wellbeing) indicates that the Council will promote and improve healthy communities and identifies measures to reduce health inequalities. The Local Plan takes an integrated approach to planning and health, recognising that all aspects of development can shape the borough's health and wellbeing. LB Camden also adopted its Planning for Health and Wellbeing CPG in March 2018.
- 5.219. WSP | Indigo has undertaken a comprehensive Health Impact Assessment ("HIA") of the proposed development with regard to the following considerations:
- Healthy housing;
  - Active travel;
  - Healthy environment; and
  - Vibrant neighbourhoods.
- 5.220. The HIA identifies over 25 potential health impacts arising from the proposed development, and these are summarised within Table 5.1 below:

Table 5.2 – Summary of Health Impacts

Health impact	Positive	Negative	Neutral	Uncertain	Significance
<b>Healthy housing</b>					
Healthy design	✓				Moderate beneficial Long-term Permanent
Accessible housing	✓				Moderate beneficial Long-term Permanent
Healthy living	✓				Moderate beneficial Long-term Permanent
Housing mix and affordability	✓				Minor beneficial Long-term Permanent
<b>Active travel</b>					
Promoting walking and cycling	✓				Major beneficial Long-term Permanent
Safety	✓				Minor beneficial Long-term Permanent
Connectivity	✓				Major beneficial Long-term Permanent
Minimising car use	✓				Major beneficial Long-term Permanent
<b>Healthy environment</b>					
Construction impacts		✓			Minor adverse Short-term Temporary
Air quality	✓				Minor beneficial Long-term Permanent
Noise			✓		Neutral

Open space	✓				Major beneficial Long-term Permanent
Play space	✓				Moderate beneficial Long-term Permanent
Biodiversity	✓				Major beneficial Long-term Permanent
Local food growing			✓		Neutral
Flood risk				✓	Uncertain
Overheating	✓				Moderate beneficial Long-term Permanent
<b>Vibrant neighbourhoods</b>					
Health services			✓		Neutral
Education			✓		Neutral
Access to social infrastructure			✓		Neutral
Local employment and healthy workplaces	✓				Minor beneficial Short-term Temporary
Access to local food shops				✓	Uncertain
Public realm	✓				Major beneficial Long-term Permanent

*Table 8.1 within the enclosed Health Impact Assessment*

- 5.221. Once construction is complete the development will have generally positive impacts on health. The design principles informing the residential units has focused upon healthy housing, meeting the target floorspace standards, incorporating good levels of daylight and outlook and fully utilising the generous provision of open space.
- 5.222. The proposed development also seeks to minimise car usage, with no car parking available for the majority of residents, and instead encourages sustainable modes of travel.



## 6. Regeneration Statement

- 6.1. This Regeneration Statement sets out the regeneration benefits arising from the proposed development, including details of any new jobs that might be created or supported, and any community benefits.

### Temporary Economic Benefits

- 6.2. The proposed development will include a construction phase which will generate turnover and temporary employment for construction firms and related trades.
- 6.3. WSP | Indigo has formed an assumption of the likely construction cost of the scheme, based on our experience of assessing similar sized schemes in London, supplemented by desktop research into the typical build costs per sqm of residential units in London. Specifically, research by the architects Architecture for London, estimate that for new residential units in London, a minimum of £2,000 per sqm is a realistic construction cost estimate.
- 6.4. With a total floorspace area of 4,443.3 sqm, this equates to an estimated construction build cost of £8.9 million. This calculation assumes that assorted construction costs (materials, labour etc.) are somewhat consistent with that across London as a whole. This is considered to be a realistic estimate of construction costs of the scheme.
- 6.5. Using the build cost estimate of £8.9 million and the average turnover per full time equivalent construction job in 2017 of £170,913, WSP | Indigo estimates the proposed development will generate 52 person years of temporary construction employment. This is equivalent to 52 construction workers being employed on a full-time basis for 12 months.
- 6.6. The standard convention in economic impact assessment is that ten person-years of construction employment equates to one full-time equivalent permanent job in the construction sector. The construction of the proposed development will therefore support the equivalent of around 5 FTE construction jobs.
- 6.7. With the average number of people employed in the construction sector in 2017 at 1.5 million, this suggests that the Gross Value Added (“GVA”) per full time equivalent construction job in 2017 was £62,476. WSP | Indigo estimates that the 52 person years of temporary construction employment generated by the development will create GVA added to the local economy of approximately £3.2 million. This would be for the entire construction programme.

### Permanent Economic Benefits

- 6.8. The proposed development will generate the following permanent economic benefits, all of which will be enjoyed in perpetuity:
- The **provision of 34 residential units**, equating to 3.8% of LBC’s annual housing target in the London Plan, and 3.1% of the annual target in the Draft London Plan;
  - The new residential population would result in an additional **£566,574 in household spending** in the local area annually; and
  - The 34 additional homes will generate Council Tax receipts for LBC to the value of **£48,433 per annum**.
- 6.9. Full details are set out at within an Economic Statement prepared by WSP | Indigo, which is included at **Appendix 1**.

## Community Benefits

- 6.10. As the primary use within the proposals is for residential use, there are great opportunities for play set within the landscape that inspires exploration and triggers inspiration. The requirements of play space, in relation to the proposed occupancy of the development have been in line with the Mayor of London's Shaping Neighbourhoods: Play and Informal Recreation SPG (2012) (referred to as best practice). The play can be split into two typologies; natural (non-prescriptive) and formal (prescriptive) play space.
- 6.11. Areas of verdant and pioneering plant species enclose a glade for non-prescriptive play and will consist of a minimal collection of natural and informal play pieces to encourage children of varying ages. Timber from trees removed on site can be used to create play pieces and habitats for wildlife for children and adults to observe.
- 6.12. Formal play is located within the arrival gardens with soft play surfacing and passive surveillance from flats. Play equipment in this area will cater for doorstep play.
- 6.13. The site benefits from its close proximity to external play spaces that are located within the maximum walking distances from Under 5 to 12+ years in line with the Accessibility to Play Spaces SPG (2012) from the London Plan. Spedan Close Park and West Heath, Hampstead Heath are both located within 100m walk away.
- 6.14. In addition, existing surrounding green space in local proximity to the site provides further play space for children. In addition, the site is located in close proximity to several green spaces that currently offer play facilities.
- 6.15. The site itself is relatively enclosed by tree planting apart from along the western boundary where the site overlooks the Branch Hill Estate. The SINC provides visual amenity for neighbouring communities and the proposed access and glade into it provides engagement with the SINC.
- 6.16. Communal spaces including the play space, SINC access and the Arrival Gardens give opportunities for social interactions between residents and are inclusive of visitors. The development is community facing as the two roads on site provide access to Branch Hill Estate. The proposals enhance this journey to the Estate and provide visual amenity in the planting and engagement with the play areas and seating.
- 6.17. The proposed development therefore has a potential to integrate with the wider neighbourhood context. Further details are set out within the enclosed Health Impact Assessment prepared by WSP | Indigo, and the Landscape Design and Access Statement prepared by Planit-IE.

## 7. Conclusion

- 7.1. This Planning Statement has been prepared in support of a full planning application for the sensitive and sympathetic restoration and conversion of Branch Hill House, the demolition of the poor-quality modern extension and the erection of a replacement building ranging in height from three to five storeys delivering 34 much-needed new homes.
- 7.2. The new building will be located to the south and south-west of the existing Branch Hill House with cycle storage, Blue Badge car parking, communal refuse stores and ancillary plant provided within a new basement level. The proposals also include comprehensive landscaping improvements that respect and enhance the Local Green Space and SINC land.
- 7.3. The site is also within the Hampstead Conservation Area with the character of the Branch Hill sub area defined by buildings which respect the verdant character and sloping topography of the area by playing a more subordinate role in the landscape. The Edwardian building is identified as making a positive contribution to the character and appearance of the conservation area, whereas the c.1967 extension is designated as a negative contributor. There are also a number of listed buildings nearby, notably the Grade II Spedan Estate to the rear of the site and the Grade II Gate House at the front.
- 7.4. This planning application provides a detailed analysis of the design of the proposed development in the context of its impact on the surrounding environment, including on townscape and heritage assets.
- 7.5. The architectural approach seeks to emulate the typology of an English country house set within generous grounds. The scheme incorporates a high-quality architectural design response that will significantly enhance the appearance of the vacant Edwardian building, remove the unsympathetic negative contributor, and replace it with a new building that recreates the residential scale and ethos of the site and re-establishes the building's relationship with the existing house and surrounding landscape.
- 7.6. Townscape impacts have been independently assessed, with the assessment concluding that the proposed development will be "little seen" from the surrounding area. In most cases it will only be glimpsed through the many surrounding tree canopies in accordance with Hampstead Conservation Area characteristics.
- 7.7. In heritage terms the proposed development will have a minor to moderate impact on the special architectural and historic interest of the positive contributor and no impact on its townscape significance; a neutral impact on the setting of the Edwardian building; an enhancement to the setting of the Grade II listed Spedan Estate; and will preserve the character and appearance of the Hampstead Conservation Area as a whole.
- 7.8. The transport implications of the proposed development have been fully addressed to accord with relevant national and local planning policies. The proposal includes a significant reduction in car parking, and a policy compliant provision of cycle parking to encourage sustainable modes of travel.
- 7.9. The proposed development has also been designed to contribute to both mitigating and adapting to climate change, and to meeting targets to reduce carbon dioxide emissions. The refurbishment of the existing building will achieve an 82.08% reduction in carbon emissions through improving the building fabric and use of energy efficient building services. The new-building will result in a reduction of the baseline emissions of 57.62%.
- 7.10. This planning application identifies the significant public benefits of the proposed development.

## Summary of key benefits.

- 7.11. The proposed development includes significant public benefits, and these include:
- Capital receipt from public sector land disposal to fund LB Camden council service provision
  - Revitalising a site that has remained vacant since June 2015 having been deemed surplus to requirements
  - The delivery of 34 high quality homes to address local housing need and strategic and local housing targets
  - The delivery of affordable housing
  - Demolition of the unsympathetic c.1967 extension, and its replacement with a building that enhances the setting of the Grade II listed Spedan Estate, whilst preserving the character and appearance of the Hampstead Conservation Area
  - The sympathetic renovation of the positive contributor, thereby enhancing its special interest
  - Significant landscape and ecological improvements, particularly relating to the SINC, thereby maximising opportunities for health and wellbeing whilst enhancing the character and quality of the site
  - The creation of 52 person years of temporary construction employment and GVA added to the local economy of approximately £3.2 million.
  - The new residential population will result in an additional £566,574 in household spending in the local area annually, and Council Tax receipts for LB Camden to the value of £48,433 per annum
- 7.12. Section 38(6) of the Planning and Compulsory Purchase Act 2004 states that planning decisions must be made in accordance with the Development Plan unless material considerations indicate otherwise. Overall, this Planning Statement and all the supporting documentation demonstrates that this scheme is compliant with national, regional and local planning policies and guidance. It should, therefore, be approved without delay in accordance with the NPPF.

# Appendix 1

# Agenda Item 10

<b>LONDON BOROUGH OF CAMDEN</b>		<b>WARD: ALL</b>
<b>REPORT TITLE: 2013/14 Revenue Estimates and Council Tax (FIN/2013/05)</b>		
<b>REPORT OF: DIRECTOR OF FINANCE</b>		
<b>FOR SUBMISSION TO:</b>		<b>DATE:</b>
Children, Schools and Families Scrutiny Committee		19 February 2013
Resources & Corporate Performance Scrutiny		19 February 2013
Culture & Environment Scrutiny Committee		26 February 2013
Cabinet		27 February 2013
Council		4 March 2013
<b>SUMMARY OF REPORT:</b>		
<p>This report sets out final proposals to set a balanced budget for 2013/14, and asks the Cabinet to make recommendations to the Council to agree the council tax for 2013/14. The report asks the Council to agree the respective directorate and departmental cash limits for 2013/14. The report recommends setting a Council Tax requirement of £83.905m for the year 2013/14 and a freeze on the basic amount of council tax. This means that the Camden element of Band D council tax will be £1,021.48 (for residents not in Garden Squares).</p> <p>The report updates the Cabinet on the impact of the Local Government Finance Settlement on the financial outlook for the years 2014/15 and beyond and on the financial risks that the Council will need to manage.</p> <p>The report provides further information on the Council's overall financial position. It updates on the latest version of the Capital Programme and the progress on delivering receipt targets to support planned capital expenditure. The report also updates the Cabinet on the progress being made to deliver the Savings Programme and the current financial forecast for the current year 2012/13. The report includes the Director of Finance's assessment on the adequacy of the levels of Reserves and Balances and makes recommendations on the appropriate level of general balances.</p>		
<b>Local Government Act 1972 – Access to Information –</b>		
List of documents used in the preparation of this report:		
Letters from Precepting and Levying Bodies		
Final 2013/14 Local Government Finance Settlement – Communities & Local Government (DCLG)		
<b>Contact Officer:</b>	Andrew Pattison Head of the Strategic Finance Unit Finance Department Town Hall Extension	
<b>Telephone :</b>	020 7974 5795	

## **RECOMMENDATIONS:**

**THE SCRUTINY COMMITTEES** are recommended to consider the report and refer any comments they wish to the Cabinet.

**THE CABINET** is recommended to:

1. Exempt the decisions made pursuant to the recommendations in this report from call in (subject to the agreement of the Chair of the Resources and Corporate Performance Scrutiny Committee), on the ground of urgency, and for the reasons set out in **paragraphs 1.6** and **1.7** of the report.
2. Note the update on the Savings Programme outlined in **Section 5**.
3. Agree and recommend to full Council for approval the Fees and Charges set out in **paragraph 5.28** and **Appendix D1** and listed in **Appendix D2**.
4. Approve the reinstatement of a festival grants budget at a cost of £60,000 for 2013/14 as outlined in **paragraph 5.13**.
5. Approve the permanent removal of fees and charges to small and medium community events (up to 10,000 people) and only apply statutory charges to all community events attracting over 10,000 people as set out in **Appendix D1**.
6. Agree an adjustment to the fees and charges policy agreed in the December 2011 Cabinet report, as set out in **Appendix D1**, to delegate the in-year adjustment of fees and charges in Traded Services to Chief Officers in conjunction with the Director of Finance.
7. Give due consideration and note the feedback following the consultation with Non-Domestic Ratepayers as set out in **paragraph 8.5**.
8. Agree and recommend to full Council for approval:
  - (a) The budget summaries set out in **Appendices G1 to G8**.
  - (b) The Council Tax requirement for the year 2013/14 of £83.905m.
  - (c) The calculations for the year 2013/14 in accordance with the Local Government Act 1992 as set out in **Appendix L**.
  - (d) Note that the Greater London Authority (GLA) precept set out in this report is £303 for Band D and as shown for all bands in **Appendix L** and is subject to GLA approval of the budget.
  - (e) That the Council sets the amount of Council tax for 2013/14 as detailed in Section (9) of **Appendix L** and notes that this will mean a Camden element of Council Tax of £1,021.48 for Band D residents not in Garden Squares.
  - (f) That the Council hereby determines that its relevant basic amount of

Council Tax for the financial year 2013/14 is not excessive as outlined in **paragraph 8.4**.

9. Give due consideration and note the outcome of the budget consultation with schools and allocation of Dedicated Schools Grant (DSG) as set out in **Section 7**
10. Note the update on the 2012/13 budget in **Section 10**.
11. Delegate authority to the Director of Culture and Environment in consultation with the Cabinet Member for Adult Social Care and the Cabinet Member for Communities and Culture to sign-off an annual grant award up to a maximum of £200k under the Camden Plan: Investing in Sustainable Neighbourhoods where this meets the start-up and sustainability plans of the successful proposal as set out in **paragraphs 5.15-5.16**.
12. Agree to provide £0.1m to Funding Circle to invest in businesses on behalf of the Council, as discussed in **Section 5.34** and delegate the detailed arrangements to the Director of Culture and Environment in consultation with the Director of Finance.
13. Agree the proposals in **Section 11** and set out in **Appendix M** to allow for the use of general balances and earmarked reserves.
14. Note the update on the Capital Strategy outlined in **Section 12**.
15. Agree to the changes to the Housing Capital Investment Strategy outlined in **paragraphs 12.8 and 12.9**.
16. Agree to the funding of bulge classes as outlined in **paragraph 12.12**.
17. Agree to delegate to the Head of Property Services and the Borough Solicitor the authority to dispose of Ingestre Road, Branch Hill, and St. Margarets as detailed in the Homes for Older People Disposals Strategy set out in **paragraphs 12.14 to 12.19**.
18. Agree and recommend to full Council for approval, the Minimum Revenue Provision for 2013/14, as set out in **paragraph 12.20** and in **Appendix Q**.
19. Agree the revisions to the Scheme of Delegation as set out in **Table 17** and **paragraph 13.2**.

**COUNCIL** is recommended to :

20. Note the information set out in this report.
21. Agree the Fees and Charges reserved for Council approval discussed in **paragraph 5.28** and **Appendix D1** and listed in **Appendix D2**.
22. Agree the proposals in **section 11** and set out in **Appendix M** to allow for the use of general balances and earmarked reserves.



23. Agree the Minimum Revenue Provision for 2013/14 as set out in **paragraph 12.20** and in **Appendix Q**.

24. Agree:

(a) The budget summaries set out in **Appendices G1 to G8**.

(b) The Council Tax requirement for the year 2013/14 of £83.905m.

(c) The calculations for the year 2013/14 in accordance with the Local Government Act 1992 as amended after 1992 as set out in **Appendix L**.

(d) Note that the Greater London Authority (GLA) precept set out in this report is £303 for Band D and as shown for all bands in **Appendix L** and is subject to GLA approval of the budget.

(e) That the Council sets the amount of Council tax for 2013/14 as detailed in Section (9) of **Appendix L** and notes that this will mean a Camden element of Council Tax of £1,021.48 for Band D residents not in Garden Squares

(f) That the Council hereby determines that its relevant basic amount of Council Tax for the financial year 2013/14 is not excessive as outlined in **paragraph 8.4**.

**Signed by**  
**Mike O'Donnell**  
**Director of Finance**

**Date: 11<sup>th</sup> February 2013**

## SECTIONS OF THE REPORT

- Executive Summary
- 1 Introduction
- 2 Prioritising Resources to Deliver the Camden Plan
- 3 Wider Economic Backdrop
- 4 Local Government Finance Settlement
- 5 2013/14 Budget Update
- 6 Medium Term Outlook 2014/15 to 2016/17
- 7 The Schools Budget
- 8 Council Tax 2013/14
- 9 Collection Fund
- 10 2012/13 Financial Position
- 11 Reserves and Balances
- 12 Capital Strategy and Capital Programme 2012 to 2018
- 13 Scheme of Delegation
- 14 Conclusion
- 15 Comments of the Director of Finance
- 16 Comments of the Borough Solicitor

## LIST OF APPENDICES

A	The Legal Framework Governing Budget Decisions
B	Government funding for Camden 2010/11 to 2014/15
C	The Local Government Finance Settlement 2013/14 and 2014/15
D1	Fees and Charges Update
D2	List of Fees and Charges
E	2012/13 Major Outturn Variances Analysis
F	Levies Background
G1	Culture and Environment Estimates
G2	Children Schools and families Estimates
G3	Housing and Adult Social Care Estimates
G4	Legal Services Estimates
G5	Strategy and Organisation Development Estimates
G6	Finance Estimates
G7	Non Departmental Estimates
G8	Housing Revenue Account Estimates
H	Medium-Term Pressures 2014/15-2018/19
I	Demand Led Modelling & Demographics
J	The Council Tax System
K	Relevant Basic Amount of Council Tax
L	Statutory Determination of Council Tax 2013/14
M	Reserves and Balances
N	Capital Programme
O	Capital Receipts Targets
P	Capital Programme 2012/13 Monitoring
Q	Minimum Revenue Provision
R	Savings Programme Analysis
S	Glossary of Terms
T	Council Tax Freeze Grant Eligibility Criteria

## **EXECUTIVE SUMMARY OF THE FINANCIAL STRATEGY UPDATE**

### **Camden financial strategy update summary – 4 March Council**

This report sets out recommendations to freeze the basic level of Council Tax for 2013/14 for another year and ensure that the Council will set a balanced budget in 2013/14. It provides an overview of the financial situation and warns of the challenging times ahead.

#### **Context**

The decision on this and council expenditure for 2013/14 has been made in the context of the Local Government Finance Settlement which confirmed the third and fourth years of central government funding reductions to local authorities. The Chancellor's Autumn Statement also warned that the Comprehensive Spending Review to be announced in early 2013 will continue "on the same trajectory" – meaning further funding cuts in future years. These factors will create significant pressure in balancing our budget in the medium term.

#### **Local Government Financial Settlement**

2013/14 will see major changes in how central government provides support to local authorities regarding business rates and council tax benefit, as well as the transfer of functions to us such as Public Health.

The new system contains three main elements of funding. The first is our Retained Business Rate income (£82.6 million in 2013/14). This is directly dependent on the amount of Business Rates collected and so is inherently hard to forecast and risky. The second is a new Revenue Support Grant (RSG - £120.1 million in 2013/14). This is still a significant element of funding and future reductions are in the hands of Government to determine. The third is Specific Grants (£45.8 million in 2013/14) of which the largest amount is £25.6 million for Public Health. Again, future allocations will also be determined by central government.

#### **Prioritising resources to deliver the Camden Plan**

The Council has made significant reductions in spending since 2010 through its £83 million savings programme. However the Council still retains budgets of £908 million. The 2013/14 budget has focused on the key investments that will progress the Camden Plan, particularly around tackling inequality and harnessing the benefits of economic growth for the people of Camden. Detail is given in Section 2 of the report but some examples follow.

- Creating conditions for and harnessing the benefits of economic growth

The Council has a significant role to play in achieving sustainable economic growth in Camden that our residents can benefit from. A range of services, from the Camden Apprenticeship programme to 25 hours nursery provision for three year olds in Camden schools and nurseries, promoting the London Living Wage and supporting small businesses to access finance, will also create more favourable conditions for employment for local businesses and residents.

- Developing new solutions with partners to reduce inequality

We have set up an Equality Taskforce to explore the reasons for inequality locally and nationally with a focus on educational attainment, employment and housing. The taskforce's recommendations will be presented in a report in Spring 2013 with an anticipated request for further funding. Currently we are doing as much as we can to support residents affected by the Government's welfare reforms including allocating an extra £2.5million to reduce the financial impacts on vulnerable residents.

- Investing in our communities to ensure sustainable neighbourhoods

The Community Investment Programme (CIP) is critical in meeting our aims. The Chester Balmore estate regeneration programme will be completed in 2013/14 at the cost of £11 million while £30 million will be invested to improve the suitability, condition and sustainability of 10 primary and two secondary schools, and improvements to the Camden Centre for Learning.

- Delivering value for money services by 'getting it right first time'

A savings programme remains in place to provide efficient, value for money, customer-focussed services. An early pilot of Right First Time in the housing repair service has reduced the average time taken to complete repairs from 29 days to 15 days. We are investing in a digital approach to customer services while making sure that no resident is left behind.

- Providing democratic and strategic leadership fit for changing times.

We are investing in more focussed partnership working with residents, businesses and partners such as the police and public health for the benefit of Camden. We have begun a cross-party review of local democracy and are examining low voter turnout and how it can be improved to include all residents in the democratic process.

### **2013/14 Budget update**

Government funding reductions for 2013/14 and 2014/15 made in the December finance settlement are broadly consistent with assumptions made in the medium term except for the announcement of a further 2% cut in Department of Communities and Local Government (DCLG) limits from 2014/15. The result is a more positive 2013/14 position than anticipated and a deficit for 2014/15 which must be addressed over the coming year.

### **Medium term financial outlook 2014/15 and 2016/17**

A combination of indicated future funding cuts, rising costs and demographic changes, will lead to an annual pressure of between £40-50 million somewhere between 2017/18 and 2020/21.

The next round of savings will align with the aspirations of the Camden Plan and in the overall context of pressures, resources and needs of different services.

The December Cabinet report outlined six areas of work for substantial future savings which are at different stages of development and updates will be presented at the July 2013 Cabinet.

### **Savings programme update**

We have delivered £56.7 million of the £83.3 million savings programme agreed in 2010/11 and are on course to deliver all apart from £0.7 million of the overall target in the coming years. The programme has meant the loss of staff, with the reduction of over 900 posts to since April 2010.

### **Schools Funding**

From September 2013, local authorities will be required to fund special educational needs for the 16 to 24 age group and to provide free nursery for disadvantaged two year olds. For 16 to 24 special education needs there is an estimated £2 million funding gap in a full year and further discussions are being held with the Education Funding Agency with the objective of securing additional funding.

At individual school level there will be a significant redistribution of funding in 2013/14 due to changes by the government in the local funding formula and changes in pupil numbers. Eighty per cent of Camden schools are expected to benefit from an overall cash increase, but they will have to fund the cost of inflation and other pressures. After taking into account these additional commitments, the majority of schools will suffer a real terms reduction in funding.

### **Capital Strategy**

Camden has considerable fixed assets worth £2.8 billion mainly consisting of council housing and schools. To develop and maintain these assets the Council has a large capital programme with planned expenditure of over £1 billion running through to 2017/18. The programme consists of a number of major estate regeneration schemes and other initiatives to enhance or replace assets alongside large programmes to deal with backlog maintenance. The funding for the programme comes from a variety of sources but remains heavily dependent on the Council generating capital receipts which means that the Council holds a risk if property prices fall.

### **Conclusion**

The report makes recommendations that will allow the Council to set a balanced budget in 2013/14. However, it notes that further action will be required to enable us to set balanced budgets from 2014/15, with a growing deficit in future years.

## INTRODUCTION

- 1.1 This report represents the final stages of the Revenue Budget Setting for 2013/14. The report covers the major implications of the Local Government Finance Settlement, the impact on Camden's financial position and the action the Council proposes to take. The settlement is significant for two main reasons. Firstly it confirms the new system of Local Government Finance widely known as Business Rate Retention and allows the Council to begin to model how the new system will affect the Council's medium term position. The Council now has a fourth main stream of funding in Retained Business Rates (aside from Central Government grants, Council Tax and Income from Fees and Charges). This source of funding presents its own challenges and risks in considering the Council's Medium Term Financial Strategy.
- 1.2 Secondly the settlement confirmed the third and fourth years of cash reductions in the main sources of central Government funding in line with the Government's strategy for balancing the national budget. As Camden is particularly dependent on central Government funding these reductions are significant in cash terms and put greater pressure on the Council to balance budgets in the medium term. Taken together with the Chancellor's Autumn Statement and his warning that the Comprehensive Spending Review to be announced in early 2013 would continue "on the same trajectory" this remains the most challenging financial outlook Camden has ever faced. The Council will continue to have to manage absolute cash reductions for the majority of the remainder of the decade.
- 1.3 The report sets out cash limits for directorate and departmental budgets for 2013/14. Section 2 outlines how the 2013/14 budget engenders the key principles and strategic objectives of the Camden Plan by prioritising resources and budget allocations in order to reduce inequalities and help create an economic environment that assuages the worst effects of the stagnant economy and welfare cuts and allows residents to thrive.
- 1.4 This report sets out recommendations to set the level of Council Tax for 2013/14. For the 5<sup>th</sup> year in a row there is no proposed increase to the Camden element of Council Tax. The Mayor has proposed a small reduction in the GLA precept so overall bills for Camden residents will be reduced. Aside from the decisions around Council Tax, the report also considers a number of other financial developments. It provides an update on the Capital Strategy in light of recent Cabinet decisions, an update to the Fees and Charges policy and provides a new forecast of the Council's position on Reserves and Balances.

### Legal Framework

- 1.5 The decisions within this report are among the most important that local authorities are called upon to make during the course of the year. The decisions affect every householder and service user, and the manner in which they must be made is closely prescribed by law. In order to approve a budget and council tax, the Council will need to pass a resolution on the statutory determination of tax in the form specified in legislation. The statutory determination is attached to this report as **appendix L**. Members are required to give careful consideration to the

information and advice set out in this report. By law, the Council is required to set the council tax before the 11 March for the following financial year.

- 1.6 The Cabinet is further asked to agree that this report is urgent and therefore exempt from the call in procedure. A decision is urgent if any delay, likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests. In order to set the council tax by the 11 March, which is a legal requirement, the recommendations of this report must be considered by the Council at its meeting on the 4<sup>th</sup> March 2013. If the Cabinet's decision were to be called in it is unlikely that the correct constitutional procedures could be followed in time to allow for this matter to be dealt with at the Council meeting on 4<sup>th</sup> March. Failure to comply with the legal requirement to set the council tax before the 11th March would seriously prejudice the Council's interests.
- 1.7 Given that the final decision on the budget and the council tax rests with full Council and all Members will have an opportunity both to speak and vote on the matter at full Council the rationale for the call-in procedure will effectively be met. The consent of the Chair of the Resources and Corporate Scrutiny Committee needs to be sought if the Cabinet decides that this decision is urgent.
- 1.8 **Appendix A** of this report sets out the relevant legal considerations which affect the budget process. Before considering the details of the budget, Members need to have a clear understanding of the legal duties placed upon them as individuals, upon the Council as a public body, and upon the Director of Finance (the Council's Chief Financial Officer), which are relevant to the budget making process and the decisions on the Council tax.

## **2. PRIORITISING RESOURCES TO DELIVER THE CAMDEN PLAN**

- 2.1 The 2013/14 budget setting process has focused on prioritising resources in a very difficult funding environment to enable the Council to deliver the commitments set out in the Camden Plan, the Council's vision for the borough. The Council retains total administrative and resource budgets of just over £900m and is focused on using this to deliver services for residents who are facing a challenging economic climate.
- 2.2 The Council is committed to moving towards greater resource prioritisation linked to a modern pay and performance culture. As part of this work outcomes for the Camden Plan are due to be published later in the year which will provide a clear framework within which the Medium Term Financial Strategy will be shaped in the future. To start this new process the 2013/14 budget has focused on the key investments that will progress the commitments of the Camden Plan, particularly around tackling inequality and harnessing the benefits of economic growth for the people of Camden.
- 2.3 The Council has been able to create the capacity to invest in its priorities by focusing on value for money and delivering over £43m of efficiency savings since 2010. The Council has made significant reductions in expenditure since 2010 on account of the reduction in government funding over the first three years of the administration. As a result of this work to balance the budget the Council is able

to invest additional money on a one-off basis to deliver the outcomes of the Camden Plan.

- 2.4 Set out below is a summary of the Council's overall investment focus in delivering the commitments of the Camden Plan. The Council allocated an initial £2m to the Camden Plan in February 2012 for the delivery of specific outcomes. A top-up to this allocation of £3.5m has been made to make £5.5m for investment in Camden Plan priorities.

### **Creating conditions for and harnessing the benefits of economic growth**

- 2.5 The Council has a significant role to play in achieving sustainable economic growth in Camden that our residents can benefit from. We want to see our young people equipped with the right skills for employment and we want to maximise the numbers of people accessing employment opportunities. Having demonstrated our support for London Living Wage (LLW) by adopting it where possible within our procurement processes for major contractors and sub-contractors we hope to make a difference by enabling people to stay in employment because of a fair wage.
- 2.6 To achieve these goals the Council does need to invest £3m in the delivery of a whole range of services. Investment will continue to be targeted at supporting businesses in Camden to be successful, enabling them to access council services more efficiently and to develop positive relationships that will see them embracing their corporate social responsibility and helping to secure employment opportunities for our residents, both apprenticeships and entry level jobs.
- 2.7 We will work with partners to lever investment into Camden that leads to this growth, building on the public and private investment already planned across the borough over the next few years. The exact detail of much of this investment will be set out in the coming weeks and months. The Council will encourage further investment and ensure new developments support enterprise, key growth sectors, create new jobs that can be accessed by residents and deliver an infrastructure that will benefit existing businesses. The Council is committed to investing £0.1m in small and medium enterprises in Camden through Funding Circle. This will deal with the problem small businesses in Camden have of accessing finance and will reduce unemployment and involve more Camden residents in businesses.
- 2.8 In terms of helping people to access and retain work we will be investing in a range of initiatives that we believe will make a positive difference. This year we will offer 25 hours nursery provision for three-year olds in Camden schools and children centres to help support working families to assuage the effects of government benefit cuts. Free nursery provision will also be extended from September 2013 to two-year olds from low income households.
- 2.9 In supporting our children and young people to have the best chance of starting successful careers we are targeting resources to boost the education attainment of groups who are not achieving the necessary results. This included providing £0.3m to the newly established Camden Partnership for Educational Excellence to invest in new and innovative projects involving schools, businesses and other



partners to raise educational outcomes in Camden. We will also be investing £0.25m in the ICT skills of our children to boost the employability of our young people and also to make Camden a more attractive place for businesses to invest.

- 2.10 The Council has prioritised funding to help young people who are not in education, employment or training. Last year we successfully supported over 200 young people in apprenticeships and in 2013/14 we are investing £0.38m in the Camden Apprenticeships programme to continue this work.
- 2.11 Our targeted assistance to residents facing significant barriers to work has seen us invest in the new Skills and Recruitment Centre (SRC), designed to ensure adults can attain the requisite skills for the labour market.
- 2.12 The Council has been investing in a series of projects to test new solutions to current employment issues through the creation of a Demonstration Fund back in 2011/12. Funding will continue into 2013/14 with a core budget of £0.33m to help initiatives such as the 'Into Enterprise' service launched last year as a new pathway to entrepreneurship for young people.
- 2.13 In terms of public realm this will see a £2m allocation for infrastructure developments around Tottenham Court Road and additional funding towards the regeneration of Camden Town. These investments will see economic benefits for local businesses and increased job opportunities for residents. Additionally, we will be spending £30m on schools, £45m on Better Homes and £36m on Estate Regeneration.

#### **Developing new solutions with partners to reduce inequality**

- 2.14 Tackling inequality sits at the heart of the Camden Plan and our vision for the borough. Recognising the challenge of tackling long standing issues of inequality in society alongside the significant impact of the government's welfare changes on our local communities we know we need to do things differently if we are to make a positive difference to people's lives.
- 2.15 Therefore the Council has invested in setting up an Equality Taskforce so that we can explore and understand the reasons for all types of inequality, what influences inequality locally and the impact of regional and national factors in our community. It is focusing on education attainment, employment and housing. The Taskforce will report recommendations to the Council later in Spring 2013 and it is anticipated that the recommendations will require future funding and investment decisions for the years ahead.
- 2.16 The welfare changes central government is implementing over the next 4 years will have a significant effect on the Council and Camden's local communities, challenging our vision for Camden to retain its social mix. The Council's response to the welfare changes is set out in a separate report to Cabinet and includes the Council's work to date to address these impacts and its intentions in terms of its response going forward. The Council is already doing as much as it can to support residents through the changes but in recognition of the significant amount of change due to take place in 2013 the Council is also proposing to invest an

additional £2.5m on an on-going basis to support the most vulnerable households in the borough.

- 2.17 In order to assuage the impact of the welfare changes on residents the Council will invest substantially in 2013/14. £0.4m will be invested to reduce the effects of government Council Tax Benefit reductions on the most vulnerable, and the new Social Fund will spend around £1m on assistance for residents on low incomes.
- 2.18 From April 2013 Camden will assume responsibility for promoting Public Health in the borough and will be investing £25.6m in a new shared service with Islington which will develop a joint approach to reducing health inequalities.
- 2.19 The Council remains committed to supporting the most vulnerable in our community. In 2013/14 the Council will be investing £102m in Adult Social Care services and £1.8m in supporting and looking after children in need. In terms of housing provision the Council's programme for Better Homes remains a priority and will see £217m of investment over the next 5 years to deliver substantial improvements to the borough's stock.
- 2.20 Camden's Voluntary and Community Sector plays an important part in providing services within the community and as such the Council will invest £6m in supporting the sector in 2013/14, one of the largest amounts in London. This will reap the rewards of innovative projects relating to services such as fostering.
- 2.21 In exploring new solutions to tackle inequality we will be investing in a new service model for over 50s in the borough by commissioning a service that promotes positive ageing and explicitly taps into people's interests and assets. A 3 year investment of up to £300k will enable the service to then be self-funding for the future. The intention is to move to service accessible to all over 50's providing something new that will help the Council respond to the increasing financial challenges posed by the projected increase of 33% in the over 50s population by 2030.
- 2.22 Another area identified by the Council as needing a radical review to improve the way we provide support is our services to families with multiple and complex needs who are currently dependent on many public services. The Council is working closely with partners to develop a more integrated and targeted service based on the whole family's needs and helping them to become more resilient. The aim is to ensure we reduce the number of families in the future who need such wide ranging and on-going interventions.
- 2.23 The Council will increase the supply of affordable housing through its Community Investment Programme (CIP), which will create 1,100 new Council or shared ownership homes and improve the standard of existing council homes. We will take a strategic approach to developing the private rented sector in Camden to best meet the needs of residents and increase access, and review the Council's allocations scheme to target the limited supply of homes to those most in need.

## **Investing in our communities to ensure sustainable neighbourhoods**

- 2.24 The Camden Plan sets out the Council's commitment to investing in our communities, with an emphasis on improving both the physical and social infrastructure so that facilities meet people's needs and bring the community together. The Council's Community Investment Programme (CIP) is therefore critical. 2013/14 will see further roll-out of the scheme, with the completion of the Chester Balmore estate regeneration programme, benefiting from investment of £11m, and investment of £30m to improve the suitability, condition and sustainability of 10 primary and 2 secondary schools, and improvements to the Camden Centre for Learning.
- 2.25 Investment is also being made in the social infrastructure of the borough. The Council aims to ensure that all residents are able to get involved in their communities and help to create solutions to local issues - local evidence shows that white and/or middle class people are more likely to volunteer or otherwise get involved locally. The Council is developing a Volunteering Strategy and its Innovation and Development Fund will invest £0.50m to build the capacity of the voluntary sector to develop innovative and sustainable outcomes to some of the biggest challenges in Camden. The safety of local neighbourhoods is also paramount and £27m has been allocated to core services including enhancements to the public realm, making our neighbourhoods safe places to live and promoting a strong sense of community cohesion and resilience.
- 2.26 Our local Community Centres are an important part of local neighbourhoods and £1.2m has been allocated over 2013/14 for 17 centres in Camden. Local events which bring people together are also key to thriving communities; we will invest in initiatives such as the Council's fees waiver for community and neighbourhood events licenses which proved so successful in bringing communities together in 2012 enabling organisers to deliver events free of charge.
- 2.27 We are continuing to work towards a personalised approach to social care support, investing £3m in preventative services that enable older people to remain in their own homes, helping to keep communities together. The Council has also secured NHS and Government funding totalling £0.6m to help reduce fuel poverty, by helping residents improve energy efficiency, thereby also contributing to our ambition to reduce carbon emissions by 27%.
- 2.28 Additionally, the Council will be investing to alleviate fuel poverty and support carbon emission reduction in the private sector, including £0.1m to carry out around 600 home energy visits, which will include the provision of energy efficiency improvements, to private sector residents. Further measures include £13m investment through the Capital Programme to fund energy saving and carbon reduction works in schools and in the corporate estate. A Green Deal pilot in the Dartmouth Park area with £0.12m funding from DECC's Green Deal Pioneer Places Fund will provide low conservation area impact retrofits for up to eight homes in the area, around 40 subsidised Green Deal assessments and a series of physical and virtual tours for the public.

- 2.29 From April, the Council will take over new responsibilities for public health and will receive a grant of £25.6m from the Department for Health in 2013/14 and £26.4m in 2014/15 to help improve health outcomes across the borough

**Delivering value for money services by ‘getting it right first time’**

- 2.30 The Council is committed to ensuring that it does provide value for money to Camden residents and to providing services that are efficient and customer-focussed. A savings programme is still in place to reduce the cost of services.
- 2.31 The Council will invest in changing its approach to Customer Services, driving digital change while ensuring no citizen is left behind. The Council will invest in improvements to the web and on line accessibility for all residents. It will also invest in partnership working with post offices across the Borough. This will provide on-going savings in future years and further modernise the way the Council interacts with residents. We will invest in increased use of Digital technology by designing services from our customers’ perspective and implementing borough-wide Wifi.
- 2.32 Our investment in delivering a programme of Right First Time reviews will see us making services more efficient and focused on the needs of the customer. An early pilot of Right First Time has delivered savings in the Council’s Housing Repairs service. The programme is now focusing on services to help achieve further savings in future years. The right first time pilot in housing repairs is improving the service received by tenants. Recent data shows that more than 4 out of 5 repairs (81%) were analysed and completed in a single visit compared to 54% under the old system. The average end to end time for repairs is 14.9 days, under the old system, the average was 29 days.

**Providing democratic and strategic leadership fit for changing times**

- 2.33 The Council is committed to providing strong and effective strategic leadership that enables public services, businesses and the community to work together for the benefit of Camden. We will invest in more focused partnership working to achieve this, working with the police and our new health partners such as GP led clinical commissioning group, to tackle some of our big challenges around inequality and growth.
- 2.34 The Council has initiated a cross-party review of democracy which will inaugurate democratic renewal and will deliver an enhanced role for Members. The review will ultimately make recommendations on how structures and processes within the Council can be changed to empower local residents and councillors; the financial implications of these will be considered as recommendations are developed.
- 2.35 The Council’s commitment to democratic leadership has led us to pursue funding from central Government to assist in the proposed changes to voter registration. Individual electoral registration is the biggest change in electoral Registration for a century and there will be financial implications that the Council will need to factor in to future budgets once the changes are better understood. This is an important issue for Camden because local evidence shows that areas of the

borough with high levels of transience and/or deprivation have lower voter turnout and are less likely to feel they can influence decisions in their local area. Camden will invest resource to ensure that no citizen is excluded or faces new barriers to vote because of these changes.

- 2.36 Building on work already underway to review resident involvement in Camden, and to involve local residents more in decision making, we will take this a step further by bringing in local residents to allow them to have more influence over the allocation of resources. Through these initiatives we want to explore the scope and appetite of local residents to get more involved in council business.

### **Next Steps**

- 2.37 The budget setting process conducted across all Council departments has sought to codify the principles of the Camden Plan. A particular emphasis has been placed on assuaging the negative impacts of government welfare changes and prioritising economic growth so that the borough continues to be an excellent place to do business and that residents are able to benefit from increased employment opportunities. An outcomes framework for the Camden Plan is due to be published later in the year. This will include performance indicators and measures for key outcomes in the Plan. It is intended that the July update report will explore the framework indicators further.

## **3. WIDER ECONOMIC BACKDROP**

### **Economic Outlook**

- 3.1 The local government finance settlement is part of the government's plan to reduce the structural deficit within the UK economy. Consequently the impacts of changes in the national economy continue to drive the medium term expectations for public finances and for local government funding.
- 3.2 The Chancellor's autumn statement on 5 December 2012 included two announcements that will have a direct impact on local government. Firstly, there will be a further cut of 2% in local government funding in 2014/15 on top of the cut already announced in the Spending Review 2010. Secondly, there will be a Spending Review in the first half of 2013 and spending in 2015/16 and 2016/17 will continue to fall at the same rate as under the current Spending Review. Health, schools and overseas development will again be protected from cuts with the result that local government will again see above average cuts.
- 3.3 The latest growth figures published on 25 January 2013 showed that the UK's economy contracted by 0.3% in the last three months of 2012 compared to growth of 0.9% in the previous quarter. Overall for 2012 GDP was flat.
- 3.4 The Office for Budget Responsibility has forecast that the economy will grow by 1.2% in 2013 and by 2.0% in 2014. These figures are significantly lower than previous growth forecasts and have had an effect on the Government's Deficit Reduction Strategy. Net debt is forecast to reach a peak of 79.9% of Gross Domestic Product in 2015/16 and to start falling in 2016/17 one year later than previously planned.

### **Update on Inflation/Interest Forecasts**

- 3.5 The annual rate of Consumer Prices (CPI) in December 2012 was 2.7% unchanged from the previous month. The annual rate of Retail Prices (RPI) rose from 3% to 3.1% over the same period. The Bank of England in its November 2012 Quarterly Inflation report predicted that CPI inflation would not fall to the 2% target until mid-2013.
- 3.6 The Bank of England's Monetary Policy Committee (MPC) on 10 January 2013 voted to hold the Bank Rate at 0.5%. Most economic forecasters expect no change in the base rate in 2013.

### **Impact on Camden's Position**

- 3.7 The total budgeted general fund expenditure in 2013/14 is £908.130m, of this approximately 34% is for pay and 23% for contract based expenditure. The forecast of interest to be earned by the Council in 2013/14 is £1.541m and to be payable by the Council is £3.095m.

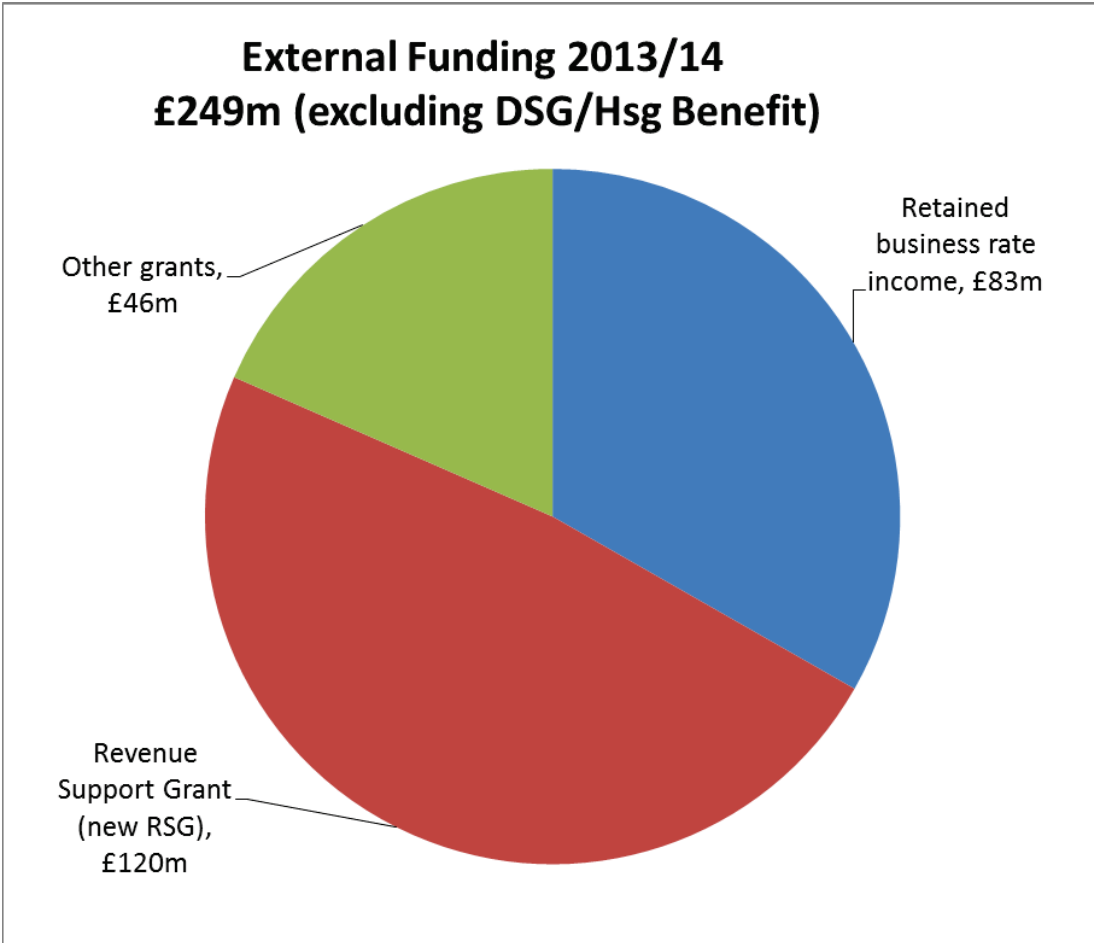
### **Pay Inflation**

- 3.8 The Chancellor's recent Autumn statement doesn't suggest any change to the previous statement which indicated public sector pay awards would be restricted to an average of 1% in 2013/14 and 2014/15 as opposed to an expectation of a further freeze. Negotiations in relation to the pay settlement for 2013/14 are ongoing and it is unclear at this stage whether there will be a settlement. For budgeting purposes a 1% pay award has been assumed.

## **4. LOCAL GOVERNMENT FINANCE SETTLEMENT**

- 4.1 The provisional Local Government Finance Settlement for 2013/14 and 2014/15 was published on 19 December 2012. It provided information on the level of Government funding for local authorities for the next two years. Next year there are big changes in the way central government provides support to local authorities concerning business rates and council tax benefit and local authorities also have to take on functions previously provided by central Government such as Public Health.
- 4.2 The new system contains three main elements of funding. The first is our Retained Business Rate income (£82.6m in 2013/14). This is directly dependent on the amount of Business Rates collected and so is inherently hard to forecast and risky. The second is a new Revenue Support Grant (RSG - £120.1m in 2013/14). This is still a significant element of funding and future reductions are in the hands of Government to determine. The third is Specific Grants (£45.8m in 2013/14) of which the largest amount is £25.6m for Public Health. Future allocations are also determined by central Government. Including DSG and Benefits Camden expects to receive £547m of Government funding in 2013/14.

**Chart 1: 2013/14 External Funding (excluding Schools Funding and Housing Benefit)**



- 4.3 The Final settlement was announced on 4 February 2013. The Government made no major changes compared to the provisional settlement although they did provide an extra £8.5m in grant for sparsely populated rural areas. The Government has also announced provisional figures for 2014/15. On a national level they have applied an 8.5% reduction to Council’s Start Up Funding (the total of Retained Business Rate Income and Revenue Support Grant). This translates into a much larger percentage reduction for Revenue Support Grant. For Camden this is a 19% reduction in Revenue Support Grant reducing it to £97.5m. This means that although the position for 2013/14 is slightly better than forecast the position for 2014/15 is worse in part due to the extra cut of 2% imposed on local government by the Chancellor in the Autumn Statement on 5 December 2012.
- 4.4 Due to changes in the system the total level of external funding rises next year by £45.985m. This is mainly due to the transfer of Public Health from central government (£25.6m), the Private Finance Initiative (PFI) grant to fund the unitary charges for the new UCL Academy and Swiss Cottage Schools (£6.5m) and the new method of funding council tax benefit. Table 1 shows an analysis of

the change in funding. On a like for like comparison the level of Government funding for Camden is being cut by 4.1% in 2013/14 and by a further 10.3% in 2014/15. **Appendix B** shows the composition of external funding and the reduction in external funding going back to 2010.

**Table 1: Analysis of Change in External Funding**

	2012/13 £000	2013/14 £000	2014/15 £000
<b>Total External Funding</b>	202,641	248,626	228,674
Total Change from Previous year		45,985	(19,952)
New Council Tax Reduction scheme support		(18,103)	
New functions (Public Health etc.) grants		(33,428)	
Business rates growth – Camden’s share after levy		(2,735)	(112)
<b>Change in “like for like” funding (reduction)</b>		<b>(8,281)</b>	<b>(20,064)</b>
<b>Change in “like for like” funding (reduction) (%)</b>		<b>(4.1%)</b>	<b>(10.3%)</b>

- 4.5 In addition to the levels of funding above there are two one-off grants for next year. A one-off payment of £834,000 will be received from DCLG in respect of the council’s commitment to maintaining weekly refuse collection, and will be used for the purchase of bins, and £494,000 will be received as one-off transitional support for the Council Tax Reduction Scheme. In addition should the Council freeze the basic amount of the council tax (excluding the GLA precept) for 2013/14 then grant of £1m will be received in 2013/14 and the same sum in 2014/15 but not in later years.
- 4.6 The Business Rates collected by Camden will now be an important element in the overall funding available to Camden. Out of every additional £1 collected, over and above inflation, 63p will go to the Government (50p share plus 13p levy), 20p to the Greater London Authority and 17p will be retained by Camden. In the first year of the new system our projected business rates are in excess of the Government estimate (the ‘proportionate share’ of 2.18% of the national total) and we will be in a levy paying position. If business rates fall then Camden will bear 30% of the loss subject to a cap on the loss equivalent to 7.5% of the ‘Spending baseline’ of £79.921m. This is £5.99m. Further details about the settlement and the new system of Business Rates Retention and Council Tax Reduction are given in **appendix C**.
- 4.7 The Finance Settlement has reduced the incentive for Authorities to raise Council Tax by offering the freeze grant based on the current tax base model, as opposed to the new tax base, which will be reduced by deductions for localised Council Tax Benefit. The effect of this is that a 2% Council Tax rise is worth a lot less than double the value of the 1% freeze grant.
- 4.8 In addition to the above grants the Government has made available £4.6m of funding to be transferred from the NHS Commissioning Board to Adult Social Care under a s256 agreement. The broad condition attached to this funding stream is that it be used to support existing programmes or transformation programmes which will make a positive difference to health and social care outcomes for service users. This is the third year of a significant transfer of



resource from the NHS to local authorities but the one off nature of such transfers and the associated uncertainty around potential continuation/cessation of such funding allocations makes effective planning very challenging. It is anticipated that this will include services that support discharge from hospital and enable service users to remain in the community such as adaptation and equipment services, telecare and telehealth, specialist rehabilitation beds, reablement services. The funding will also be used to support transformation of existing supported living pathways, accommodation based services and day opportunity redesign.

## **5. 2013/14 BUDGET UPDATE**

### **Introduction**

- 5.1 This section discusses the final amendments to the 2013/14 budget allocations and indicative 2014/15 position. It presents an update on progress against the 3 year MTFs Savings Programme and notes the significant steps and allocations taken to balance the 2013/14 budget following developments since the December 2012 Cabinet report, including the Chancellor's Autumn Statement, the 2013/14 Finance Settlement, and an update on pressure allocations.
- 5.2 The Council is to set a zero increase in Council Tax for 2013/14 and for 2014/15. The Finance Settlement confirmed that the calculation of the freeze grant offer, which will provide grant the equivalent of a 1% rise in 2013/14 and 2014/15, will be based on the current tax base calculation model, thus greatly reducing the incentive to raise tax to the referendum threshold level of 2%. This means that the 1% freeze grant is worth more than half the value of a 2% rise in Council Tax. Therefore the effective loss for 2013/14 is only around £0.7m. Of course, by not raising tax the future income accumulated from a raised tax base will not be accrued. The Council continues to model an officer assumption of a 2% rise from 2015/16.
- 5.3 Considered together, the government funding reductions for 2013/14 and 2014/15 made in the December Finance settlement are broadly consistent with the assumptions made in medium-term modelling, except for the announcement of a further cut of 2% in DCLG departmental limits from 2014/15. What has changed is that the government has significantly weighted reductions towards 2014/15, resulting in a position for 2013/14 that is more positive than anticipated, and a deficit for 2014/15 that must be addressed over the coming year. The Council has made notable progress in reducing permanent pressure allocations, and is now able to contain these allocations comfortably within the £4m budgeted for this purpose.

### **Savings Programme Update**

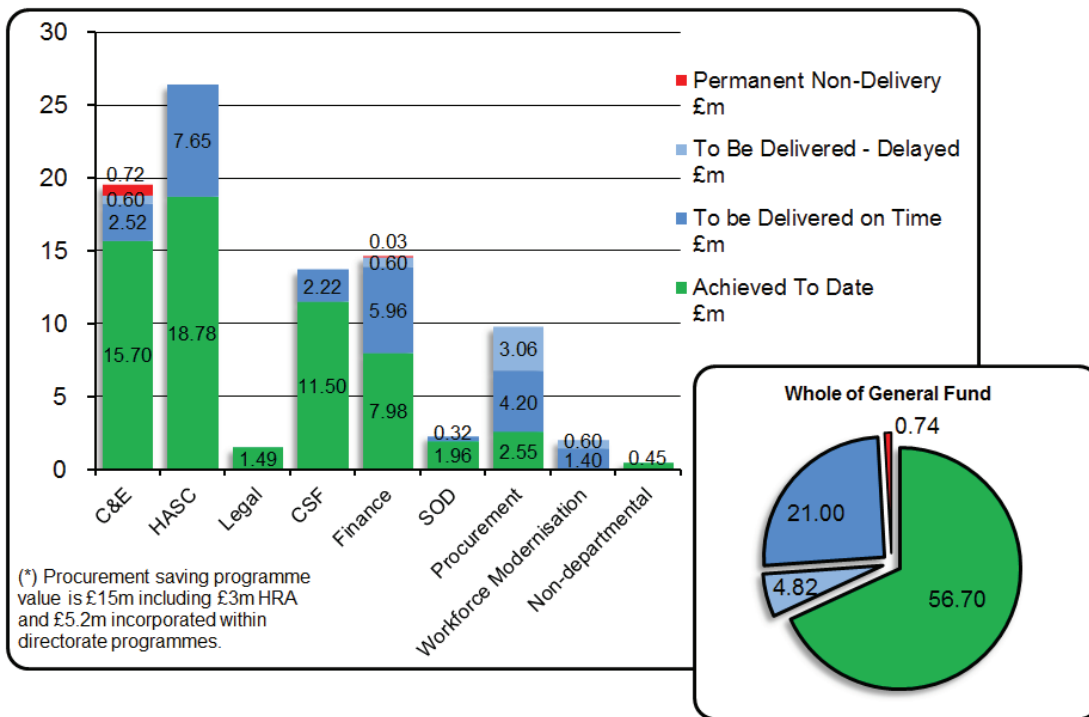
- 5.4 In response to the challenging financial outlook, the Council undertook a detailed and comprehensive review of all its services in 2010/11 and developed a 3 year savings programme to deliver the £83m of revenue savings necessary to present balanced budgets over the medium term. The savings programme features over 70 individual strands, each designed to deliver efficiencies while focusing on the

Council's key priorities. Progress is reviewed on a monthly basis with reporting on both a directorate and corporate level to ensure risks are effectively managed.

5.5 The Council has delivered £56.7m of the £83.3m agreed General Fund savings - 68% of the overall value of the Savings Programme. For more information on the progress of the individual strands within the savings programme, see **Appendix R**. Within the Savings Programme £26.6m of savings remain to be delivered. The majority of these are incorporated in low-risk programmes, which are progressing as planned and expect to be achieved in full and on time. The December Cabinet report advised of changes to the profile of savings with some elements not being delivered until future years, with the majority of delayed savings to occur in 2014/15. There has only been one change to that profiling since December with one historic element savings target within Strategy and Organisation Development (SOD) not now being delivered until 2014/15. This changes the profile of delivery by £0.160m in 2013/14 and 2014/15.

5.6 Of the remaining £26.6m of savings to be delivered, £21.1m are forecast to be delivered on time, with only £4.8m delayed and £0.7m of permanent non-delivery.

**Chart 2: Progress on the Delivery of the General Fund Savings Programme by Directorate**

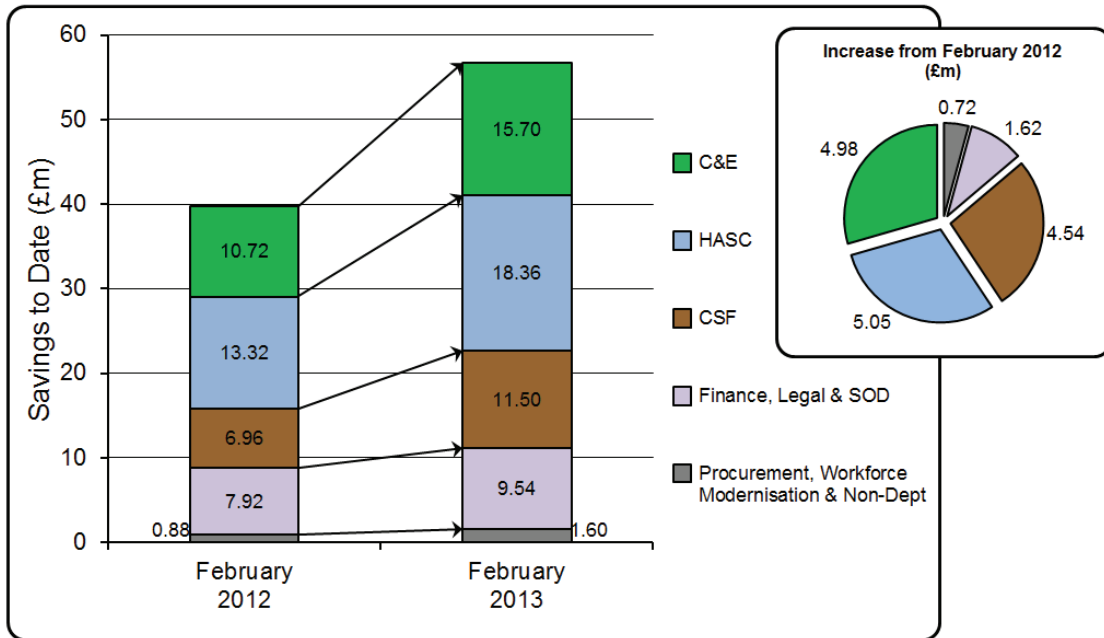


5.7 Of the £4.8m delayed savings, the vast majority (91%) of them are forecast to be achieved within 2013/14, with only £0.3m being delayed until the following year, and the remaining £0.1m being delivered a year later. The largest delayed programme is of £3.06m in procurement this is expected to be delivered in 2013/14. The other significant delayed deliveries to be achieved in 2013/14 include the reorganisation of Revenue Services, in implementing a new approach

to income generation and efficiencies in Commercial waste, and workforce modernisation.

- 5.8 The savings programme has progressed well over the last 12 months, with increases in all areas. Since the February 2012 report, savings achieved have increased by £17m, from under £40m to almost £57m. This figure is expected to increase significantly by the 1<sup>st</sup> April.

**Chart 3: Savings achieved to date 12 month progress by directorate**



- 5.9 The biggest increases in savings achieved over the past 12 months have been in HASC, which has fairly evenly spread savings targets throughout the three years, and C&E, which has savings targets more heavily weighted to 2012/13. Finance has a far larger 2013/14 target, with over £7m due to be delivered.

- 5.10 The realisation of the Savings Programme means that the Council loses valuable and experienced staff who have worked hard over the years to build up highly respected public services. It was anticipated that the savings programme would involve the reduction of 970 posts. Since April 2010 there have been 543 redundancies, 66 redeployments that that would otherwise have led to redundancy and the deletion of 367 vacant posts – a total post reduction of 976. Since the previous report, the Council has met its target to reduce Senior Management costs by 20%.

- 5.11 Wherever possible redundancies have been minimised through the use of a variety of measures including holding vacancies, not replacing some roles, covering other roles with temporary workers, the use of voluntary redundancy where appropriate and redeployment where possible. Of the redundancies made, 326 were voluntary and 217 were compulsory. In the situations where redundancies have occurred, support and training has been offered to staff

through counselling, career planning and advice services as well as skills based workshops designed to support their search for alternative employment.

- 5.12 The delivery of the Savings Programme continues to have a major impact on the organisation. 102 organisational changes have been completed, 17 are underway and 30 are in the planning stage.

### **Festivals and Events Grants**

- 5.13 2012/13 was the last year of the separate festivals and events grants. Camden's approach to the provision of grant funding has been reviewed in recognition of an exceptional year with the London 2012 Olympics and Paralympics and festivals ability to pull people together, increase social cohesion and also generate external funding on the back of Camden's often modest grant. Following this it is recommended that Cabinet:

- Reinstatement a grants budget to allow festival organisers to bid for funding to enable festivals to continue. This will provide up to £35,000 funding to organisations in the 2013/14 financial year and with administration costs totals £60,000. This would also involve exploring a transition of the funding administration from Camden to Voluntary Action Camden (VAC). This funding will be managed within C&E directorate cash limits and does not affect the delivery of the Arts and Tourism savings programme.

- 5.14 Cabinet should also note that a Camden Peoples Fund allocation has been utilised by officers to consult with festival organisers to secure external funding opportunities. Wonderbird agency has been appointed and officers are to progress a significant funding bid for the 2013/14 financial year with the aim of reducing Camden's commitment to fund festivals, should this be successful.

### **Investing in the future of 50+ residents in Camden**

- 5.15 As discussed in section 2.21, as part of the wider Camden Plan ambition "Investing in our communities to ensure sustainable neighbourhoods", the Culture and environment and Housing & Adult Social Care directorates have developed a joint proposal to invest in the creation of a well-being network for Camden to connect residents aged 50+. The key aims of the architecture will be to get people doing things they enjoy (theatre trips, meals out etc.) and to provide practical help (help around the house, shopping trips, gardening etc.) as needed by the members.

- 5.16 It is recommended that Cabinet delegate authority to the Director of Culture and environment to sign-off an annual grant award in excess of £100,000 where this meets the start-up and sustainability plans of the successful proposal. This is discussed further in paragraph 5.34 below.

### **Allocations for Unavoidable Pressures**

- 5.17 In its medium-term modelling Camden has allowed for an additional £4m for unavoidable pressures per year from 2013/14 to 2016/17. Containing pressures within this ceiling represents a challenge at a time where the Council faces an

unprecedented combination of budget cuts, inflationary cost rises, and increases in service demand from demographic changes and a stagnant economy.

- 5.18 In December Cabinet were advised of provisional permanent allocations for pressures of £4.9m. Work has been on-going to analyse and where possible produce mitigations to reduce these costs, with the result that permanent pressure allocations for 2013/14 are only £3.5m – well within the £4m set aside for this purpose.

**Table 2: Updates to Pressures Allocations from December MTFS**

Category	2013/14		2014/15		2 Year Effect	
	December	Now	December	Now	December	Now
1) Homelessness	2,000	1125	0	375	2,000	1500
2) Reinstating Nursery Education for 3 Year-olds	800	400	300	150	1,100	550
3) Healthwatch and ICAS	162	0	0	0	162	0
<i>Other Permanent Pressures</i>	1,935	1,935	5,469	5,469	7,404	7,404
<b>Total Pressures:</b>	<b>4,897</b>	<b>3,460</b>	<b>5,769</b>	<b>5,994</b>	<b>10,666</b>	<b>9,454</b>

- 5.19 Further work will continue during the year to reduce cumulative pressures for 2014/15 to within the £8m allowed for in medium-term modelling.

Homelessness: *December Cabinet Allocation: £2m; Final Allocation £1.1m*

- 5.20 The total benefit cap will affect a number of residents in temporary accommodation, producing a net cost to the Council. Meanwhile, other welfare changes such as those to Disability Living Allowance have the potential to make rents with TA accommodation unaffordable to some current recipients.

- 5.21 Work is underway to mitigate this pressure. A thorough analysis of the households affected has been conducted by the Temporary Accommodation Group, and they are working with those households to seek alternative arrangements. A report to Cabinet in February 2013 will, if approved, enable the Council to meet its statutory duty in respect of homelessness, assist families to seek suitable and affordable accommodation whilst minimising the financial impact on the Council. Although difficult to accurately model, it is estimated that the effect of these actions will reduce the estimated full year pressure by £0.5m to £1.5m.

- 5.22 The Government has announced that the implementation of the total Benefit Cap will be phased over start dates in London from 2013/14. It is not clear what the implementation date for Camden will be, but it is known that it will not be April. It has therefore been possible to reduce the full-year cost estimate of £1.5m to £1.1m for 2013/14 by assuming a July implementation date.

Reinstating Nursery Education for 3 Year-olds: *December Cabinet Allocation £0.8 in 2013/14 and £1.1m from 2014/15; Final Allocation £0.4m in 2013/14 and £0.55m in 2014/15*

- 5.23 In response to likely political priorities, money was set aside to reverse the DSG (Dedicated Schools Grant) savings programme and reinstate full-time nursery provision for 3 year olds in Camden Schools and Children’s Centres (a 15 hours per week increase including lunch).
- 5.24 Due to a range of other pressures simultaneously faced by the DSG and the priority placed by the council on this service, this funding was allocated from the General Fund. However, on 11th December 2012 Schools Forum agreed to fund half the cost of this pressure. The residual pressure will be funded from the General Fund.

Healthwatch and Independent Complaints Advisory Service: December Cabinet Allocation £0.2m, Final Allocation – £0.

- 5.25 £0.16m was allocated in December for new duties arising from the creation of Healthwatch and the Independent Complaints Advisory Service. However, the settlement confirmed that this funding will be provided within a new specific grant, Local Reform and Community Voices.

### New Grants

- 5.26 The December Settlement included notification of a number of new grants, and in January the Department of Health confirmed the two year funding allocations for Public Health.

**Table 3: New 2013/14 and 2014/15 Grants Allocations**

Grant Name	2013/14 £m	2014/15 £m	Description
Public Health	25.649	26.368	This is confirmation of the two year allocation to fund the Council's new Public Health responsibilities. The grant is ring-fenced for this purpose.
Social Fund	1.037	1.022	This is a new service transferred in from Job Centre Plus, and responsibility for delivery will be in Revenues Service.
DCLG Bins Fund	0.834	0.01	The Council was successful in its grant claim and will thus be able to allocate this funding to Capital to purchase the required new bins.
Local Reform and Community Voices DH	0.225	0.232	£162k of this grant is earmarked for Healthwatch and the Independent Complaints Advisory Service, which had already been funded as a pressure from 2013/14 in from December MTFs report. Therefore the receipt of this grant removes this pressure.
Community Right to Challenge / Community Right to Bid	0.017	0.017	Product of Localism Act 2011. Right to Challenge enables communities to challenge for the right to take over Council services; Right to Bid Enables community organisations to bid for a local asset identified as of community value should it be proposed to be sold. Allocated to Strategy & Organisation Development to cover anticipated costs of delivery.
<b>Total</b>	<b>27.762</b>	<b>27.649</b>	

- 5.27 Notable in the above allocations is the Council’s success in securing the Capital funding necessary to replace bins in the borough, and the confirmation of a broadly positive initial funding allocation for the transferring Public Health service. Baseline figures for 2012/13 published in February 2012 had quoted a shadow Public Health budget of £23.8m, but there had been fears that the interim recommendations of the Advisory Council of Resource Allocation, appointed by

the Secretary of State to advise on final funding allocations, would be adopted since this signified a £9.7m drop from the 2012/13 baseline. The grant allocation of £25.6m represents an increase of 8% on the shadow allocation. Although it should be noted that this includes funding for additional responsibilities such as the prevention of infectious diseases, the settlement nevertheless represents a positive outcome for the Council and should enable the new service to contain the spending implied by the transferring commitments within its grant funding.

### Fees and Charges

- 5.28 The Cabinet approved the fees and charges to apply in 2013/14 in December 2012. Since then there has been requests for new fees from Sustainability and Development Management in C&E. There is also a request to amend the fees and charges policy to allow for traded services to react more quickly to changing market conditions, and to remove fees for small and medium community events. It is also necessary for the Council to approve all Licensing fees in full. Further details are provided in **appendix D1** and the associated fees are listed in **appendix D2**.

### Levies

- 5.29 The Council pays levies to a number of organisations, which it must meet within its total budget requirement. Further information on each of these levies is detailed in **Appendix F**. The table below summarises the total levy payable to each organisation and compares it to the amount for the previous year:

**Table 4 - Levies**

Organisation	2012/13	2013/14	Change
Levies met from within departmental cash limits	£000	£000	%
North London Waste Authority	5,043	4,977	(1.3%)
London Councils Grant Scheme	346	241	(30.3%)
Traffic Signals	353	357	1.1%
Concessionary Fares	12,292	12,249	(0.3%)
<b>Sub-total</b>	<b>18,034</b>	<b>17,892</b>	<b>(0.8%)</b>

Organisation	2012/13	2013/14	Change
Other Levies	£000	£000	%
London Pensions Fund Authority	1,407	1,407*	Nil
Lee Valley Regional Park Authority	279	274*	(1.8%)
Environment Agency	190	193	1.6%
Garden Squares Committees	23	24	0.5%
<b>Sub-total</b>	<b>1,899</b>	<b>1,898</b>	<b>(0.1%)</b>

(\*) Provisional Levies.

- 5.30 The Council is also required to provide for levies issued by Garden Squares Committees i.e. Fitzroy Square, Gordon Square and Mecklenburgh Square. The Council is empowered to set a differential Council Tax on residential properties in these squares in recognition of these levies.

5.31 The levy requirements received for each Garden Square Committee for 2013/14 are shown in Table below:

**Table 5 - Garden Squares Levies**

Garden Square	Levy Request 2012/13 (£)	Requirement 2013/14 (£)	CTRS Adjustment (£)	Collected through Council Tax 2013/14 (Levy) (£)	Percentage Increase (%)
Fitzroy Square	9,006.00	9,006.00	0.00	9,006.00	Nil
Gordon Square	3,423.00	3,510.00	0.00	3,510.00	2.5%
Mecklenburgh Square	11,000.00	12,000.00	(960.57)	11,039.43	0.4%
<b>TOTAL</b>	<b>23,429.00</b>	<b>24,516.00</b>	<b>(960.57)</b>	<b>23,555.43</b>	<b>0.5%</b>

### Local Government Funding Risk Reserve

5.32 The Council pay a contribution towards levy requirement in any square which has Council Tax Benefit recipients since the Government cover 90% of the cost of Council Tax Benefit, which is received as grant to General Fund.

5.33 The Finance Settlement provided further exemplification of the risks that the Council is holding in regard to the transition and operation of the Business Rates Retention Scheme. In particular the Council is exposed to loss of income from appeals that are subject to the process from the Valuation Office and outside of Council control. It is considered prudent to set aside an amount equal to the maximum reduction in revenues from Business Rates the Council could suffer in a year before the operation of the Safety Net. The Government provides a Safety Net for losses of more than 7.5% of the Council's Funding Baseline, which for Camden is £5.99m. A reserve will therefore be established for this amount to protect the Council from fluctuations in Business Rate take affecting the financial year position.

### Allocations to Reserves

5.34 Section 2 sets out how the total budget supports the Council's priorities through the Camden Plan. To support delivery in key areas of the Plan the following allocations have been made in the budget:

(i) Camden Plan (£3.5m)

The Council allocated an initial £2m to Camden Plan in February 2012 for delivery of specific outcomes. A top up to the allocation already made of £3.5m to make £5.5m available for investment within the Camden Plan.

This investment will be focussed on assuaging the negative impacts of government welfare policies and prioritising economic growth so that the borough continues to be an excellent place to do business and that residents are able to benefit from increased employment opportunities.



More work will be needed to develop complete proposals as Camden Plan workstreams are progressed (e.g. as a result of the Equalities Taskforce work, or the private sector rented strategy, new Right First Time proposals). However the proposal is to allocate some initial amounts to projects that will act as early exemplars of the delivery of the Camden Plan.

- **Supporting Economic Growth.** As set out in Section 2.9 the Council will be investing £0.25m in the ICT skills of our children to boost the employability of our young people and also to make Camden a more attractive place for businesses to invest.
- **Investing in our communities to ensure sustainable neighbourhoods.** As set out in 2.28 the Council will be investing £0.1m to support alleviating fuel poverty and reducing carbon emissions in the private sector.
- **Investing in our communities to ensure sustainable neighbourhoods.** As set out in 2.21 the Council is investing £0.3m in the creation of a well-being network for Camden to connect residents aged 50+. The key aims of the architecture will be to get people doing things they enjoy and to provide practical help for members of the scheme. £0.15m of this money will come from Camden Plan money above.
- **Supporting Economic Growth.** As set out in paragraph 2.4 an initial investment of £0.100m through Funding Circle to support small and medium enterprises within Camden.

(ii) Future Redundancies and Internal Cost of Change (£5.8m)

The Council will incur significant severance and redundancy costs on the next Savings Programme and will need to invest in capacity to deliver major change (£5.8m)

5.35 The Cabinet agreed an Invest to Save reserve at the meeting in December. Another paper on this agenda on Customer Services proposes proposals that will generate revenue savings in future years. This will allocate £4.6m to deliver revenue savings that will reach a total of £3.34m in 2017/18 (£2.1m General Fund). The allocation includes the HRA portion of initial costs, which be repaid by the HRA as savings are achieved in future years.

**Table 6: Allocations from Invest to Save Fund**

Proposed Allocations - Invest To Save Reserve	£m	Comment
<i>Net Available One-Off Resource</i>	<i>-6.000</i>	<i>£6m allocated in December 2012 MTFS</i>
Transforming Customer Services	4.600	Projected costs of delivering programme.
Future Invest to Save Schemes	1.400	Schemes yet to be determined and agreed
<b>Remaining Resources</b>	<b>0.000</b>	

**Directorate and Departmental Budgets**

5.36 The proactive medium-term plan adopted by the Council in 2010 to address its projected deficit, and its robust approach to ensuring savings delivery, has meant that the Council is able to present a balanced budget in 2013/14. **Appendices G1 to G6** set out the directorate and departmental budgets and further information is

provided in the Council's Budget Book and Code Book which are on the Council's website. Table 7 outlines the opening Directorate and Departmental budgets. Non-departmental budgets are shown in **appendix G7** and the Housing Revenue Account budget is shown at **appendix G8**.

**Table 7: Directorate and Departmental Budgets**

Directorate	2013/14 Gross Budget £000	2013/14 Income Budget £000	2013/14 Final Budget £000
Culture and Environment	114,993	(79,010)	35,983
Children Schools and Families	285,433	(203,278)	82,156
Housing and Adult Social Care	156,997	(43,903)	113,094
Legal	5,684	(737)	4,946
Finance	255,409	(209,060)	46,348
Strategy & Organisational Development	11,289	(1,940)	9,349
Public Health	25,649	0	25,649
Non Department Costs	52,678	(82,686)	(30,008)
<b>Total</b>	<b>908,131</b>	<b>(620,614)</b>	<b>287,517</b>

5.37 Public Health is a new service transferring from the NHS. The purpose of a Public Health function is to protect and improve the health and wellbeing of the local communities, through education and promotion of healthy lifestyles. The focus of public health intervention is to improve quality of life, prevent health problems before they occur and to overcome health inequalities. Camden will operate a shared service with the London Borough of Islington.

### Conclusions

5.38 The Council is able to present a balanced budget for 2013/14. It is the view of the Director of Finance that the Council's budget estimates are sufficiently robust to deal with the current risks and uncertainties facing the authority.

5.39 The Council is facing a deficit position for 2014/15 that must be addressed over the coming months. This situation has been caused by a final settlement which, although broadly in-line with projections as a whole, is more favourable in 2013/14 and worse in 2014/15. This is partly a reflection of the announcement made in the Chancellor's Autumn Statement that DCLG departmental spending will reduce by a further 2% from 2014/15. This should only be the first part of a further Savings Programme that will be needed to handle further reductions in 2015/16 through to 2017/18. This challenge will present an opportunity for the Council to drive forward and deliver against the efficiency programmes already in motion to address the known medium-term deficit position.

## 6. MEDIUM TERM FINANCIAL OUTLOOK 2014/15 TO 2017/18

### Introduction

6.1 Cabinet has been advised in recent MTFs updates that modelling indicates that the combination of indicative future funding cuts, combined with rising costs and

demographic changes, will lead to an annual pressure of between £40-50m at some point between 2017/18 and 2020/21. The indications received to date suggest that there is no need to amend this projection at the present. This is exemplified by the announcement in the Chancellor's Autumn Statement that the Communities and Local Government department will face an additional cut of 2% from 2014/15, and by the further advice that total spending will fall in 2015/16 and 2016/17 at the same rate as the decline seen since the 2010 Spending Review. Exactly what this means in practice should become clear during the next Comprehensive Spending Review, which is expected in the next six months. At this point a thorough re-examination of the medium-term deficit will be conducted and presented.

### **Medium-term Risks and Pressures**

- 6.2 In addition to current 2014/15 pressures analysed in December and referenced in section 5, the Council is projecting a significant number of risks that must be managed in the medium-term, in addition to the overall Council picture of declining resources. These risks are discussed and where possible estimated in **appendix H**.

### **Medium-term Demand-led Forecasting**

- 6.3 Officers have been developing a new visual approach to analysing and explain key risks. The approach allows a focus on the cost drivers which are causing pressures, and the mitigations being sought out and developed by the service to reduce the impact. The approach will aid financial planning and resource maximisation as Council has a holistic overview of the main service areas in which overspends are expected in future years, as well as supporting the accumulation of central business intelligence and understanding across the organisation.
- 6.4 An abridged summary of the first risks to be modelled under the approach are presented in **appendix I**. It is intended that these will be complemented with additional key risks, notably in the high-value, high-risk areas of Older People, Temporary Accommodation and Learning Disabilities in the July MTFS update, and that by the end of the year the analysis will extend to include key Schools and HRA risks and pressures.
- 6.5 The driver behind a number of the risks and pressures is the on-going demographic changes within the borough, with projected rises in the population generally, and children and older people disproportionately, set to create greater demand on services. **Appendix I** also considers the key demographic projections for the borough over the coming years.

### **Responding to the Medium-Term Challenge**

- 6.6 The Council must again act strategically and proactively to ensure that it is best placed to respond to the challenge while able to prioritise resources to deliver the priorities embodied within the Camden Plan.

- 6.7 The December Cabinet Report outlined the following six areas of work under development for substantial future financial savings. The outcome of the settlement means that work on developing these needs to move faster during 2013 to put proposals in front of Cabinet to balance the 2014/15 budget in 2013.
- (i) Customer Services Strategy
  - (ii) Procurement
  - (iii) Right First Time Reviews
  - (iv) People (Workforce Management Savings)
  - (v) Future Efficiencies
  - (vi) Income & Traded Services
- 6.8 The six areas are at different stages of maturity. The Customer Services Strategy is due to come to Cabinet in February 2013 and has a savings figure associated with it. The Procurement and Workforce Management programmes have previously agreed savings targets associated with them in the 2014/15 budget already, and further work will determine any additional savings that may be derived from these areas. Future Efficiencies concern savings from other approaches and includes further work on Shared Services and reducing support service costs.
- 6.9 The next round of savings will be approached in line with the aspirations of the Camden Plan and the associated internal transformation programme designed to ensure the organisation is placed to deliver the plan. This means understanding the Council's overall resource context and the pressures for different services, and working across the organisation to make processes more efficient and release money without the need for top down targets.
- 6.10 Details regarding how the above programme strands will contribute to the next financial challenge from 2014/15 will be presented in the July Cabinet update.

## **7. THE SCHOOLS' BUDGET**

- 7.1 The provisional dedicated schools grant (DSG) for 2013/14 was announced by the government in December 2012 and is in line with funding levels included in previous MTFs reports to Cabinet. This is the first year of the new funding arrangements with the former DSG now split into three separate blocks. While funding levels from the government have been amended to take into account changes in the number of pupils, the amount provided per pupil has again been frozen for the fourth consecutive year. In addition, changes to the pupil count has reduced Camden's share of DSG by £1.7m.
- 7.2 From September 2013, local authorities will be required to fund special educational needs for the 16 to 24 age group and to provide free nursery for disadvantaged two year olds. The DSG has been increased to take account of both these new duties although the funding provided is less than the expected levels of spending. For 16 to 24 special education needs there is an estimated £2m funding gap in a full year and further discussions are being held with the Education Funding Agency with the objective of securing additional funding. Based on discussions to date it is unlikely that additional funding will be provided for 2013/14. Plans are in place through the complex needs strategy to achieve

savings by retaining pupils in borough and avoiding expensive out of borough placements. However, this may not be sufficient to close the gap which will put significant pressure on already tight budgets for pupils with complex needs. Any remaining budget shortfall for the 16 to 24 new duty will have to be funded from the DSG reserve in the short term. This in turn will reduce the amount of funding available for 2014/15 transition funding to assist schools in the move to the new distribution formula and would result in further reductions in funding for all schools.

- 7.3 In the case of the two year old nursery provision, the funding provided by the government will be a fixed grant for at least the first two years. As take-up is initially expected to be below 100%, the funding provided should be sufficient to cover costs for 2013/14 and 2014/15. Take up would need to be below 80% to avoid a funding gap. In the following year 2015/16, there is a likely £1.8m gap as demand is expected to grow and government funding is aligned with actual take-up of the scheme, Overall funding levels compared to the current year are as follows.

**Table 8 – Dedicated Schools Grant 2012/13 and 2013/14**

Elements of Dedicated Schools Grant	2012/13 £m	2013/14 £m
Dedicated schools grant - previous system	155.8	-
- early years block	-	18.1
- high needs block	-	31.5
- schools block	-	110.2
<b>Total DSG</b>	<b>155.8</b>	<b>159.8</b>
Pupil premium increase £600 to £900	6.1	9.1
6 <sup>th</sup> form funding	14.3	13.3
<b>Total funding</b>	<b>176.2</b>	<b>182.2</b>
Increase £m	N/A	6
%	N/A	3.4%

**Table 9 – Analysis of Increase in Dedicated Schools Grant 2013/14 compared to 2012/13**

Changes in Dedicated Schools Grant	£m
- New duties - nursery disadvantaged 2 year olds	3.2
- special education needs 16-25	0.1
- Pupil premium increase to £900	3.0
- Removal of 3 year old protection less transition	(1.2)
- Pupil number growth	0.6
- High needs – technical adjustment matched by liability	1.5
- 6 <sup>th</sup> form – new national formula. Assumed reduction	(1.0)
<b>Total</b>	<b>6.0</b>

7.4 At individual school level there will be a significant redistribution of funding as a result of changes required by the government in the local funding formula and changes in pupil numbers. All schools will however benefit from the £300 increase to £900 in the pupil premium provided for those pupils that qualify for free school meals. While this funding is not ring fenced, schools must demonstrate how it is being used to reduce the attainment gap and to support those pupils with high needs. As such schools cannot simply use the pupil premium to replace any reduction in mainstream funding. A further increase to £1,200 in 2014/15 remains part of the government's spending plans. The revised formula for the distribution of funding to Camden schools and academy (funded direct by the government) was set out in the December MTFs report (appendix H).

7.5 The range of movement in total funding compared to 2012/13 at individual school level is as follows:

- Primary one form entry: minus 1.3% (£17,000) to plus 11.8% £134,000
- Primary two form entry: minus 2.1% (£62,000) to plus 8.7% £240,000
- Secondary: minus 7.5% (£452,000) to plus 3.2% £301,000

While 80% of Camden schools are expected to benefit from an overall cash increase, they will have to fund the cost of inflation, return to full time nursery and additional support for pupils covered by the pupil premium. After taking into account these additional commitments, the majority of schools will suffer a real terms reduction in funding.

## 8. COUNCIL TAX 2013/14

8.1 The Council agreed the 2013/14 council tax base at its meeting on 21<sup>st</sup> January 2013. The Council Tax is set by reference to the number of band D equivalents in its tax base, and for Camden as a whole the tax base contains 82,117.08 band D equivalents. **Appendix L** explains the Council Tax system in further detail.

8.2 The 2013/14 tax base for the three Garden Squares, in terms of band D equivalents, is as follows:

Gordon Square	26.84
Fitzroy Square	49.91
Mecklenburgh Square	87.20

### Constraints on Council Tax Increases

8.3 The Coalition Government announced that they would abolish council tax capping and replace it with a system which made planned increases in council tax above a certain threshold subject to a local referendum. Local electors would be able to veto an excessive increase if they wished to. This has been given a statutory basis in the Localism Act.

8.4 The Secretary of State for Communities and Local Government has announced that an authority will be considered to have set an excessive increase in council

tax in 2013/14 if the increase in the 'relevant basic amount of council tax' over 2012/13 is greater than 2%. The relevant basic amount excludes levies. The proposed freezing of the Council tax does not give rise to an increase in excess of 2% in the relevant basic amount of council tax and is, therefore, in terms of the legislation, deemed as not being excessive. The Council, however, should formally declare this at the time of making the decision and there is a recommendation to this effect. **Appendix K** provides detail on the calculation of the relevant basic amount.

### Consultation with Business Rate Payers

- 8.5 The Council consulted the business community during the decision making process that culminated with the proposed budget. Contact was made with representatives of Camden Business Networks, and the consultation was widened to invite responses from business rate payers by noting the consultation on the Business Portal and the Council's website. No response has been received to date. If there are any further issues arising following the publication of this report, the Cabinet will receive a verbal update.

### Council Tax Requirement

- 8.6 The setting of the council tax requirement is a decision reserved to the full Council. It is the role of the Cabinet to recommend a Council Tax to the Council after giving careful consideration to the information and advice in this report.
- 8.7 The proposals in this report would result in a council tax requirement of £83.905m, £0.024m of which will be needed to meet the Garden Square levies. The calculation of the Council Tax at Band D for the Council based on a council tax requirement at the level indicated is shown in the table below:

**Table 10 - Council Tax Requirement**

Council Tax at Band D	Current Draft Budget 2013/14 £
Expenditure charged to revenue account	908,129,530
Income credited to revenue account	(620,614,000)
<b>Sub Total</b>	<b>287,515,530</b>
Retained Business Rates	(82,657,000)
Revenue Support Grant	(120,134,000)
One Off C/Tax Reduction Scheme Grant	(494,000)
<b>Sub Total</b>	<b>84,230,530</b>
	<b>84,230,530</b>
Collection Fund Surplus	<b>(326,000)</b>
Council Tax Requirement (incl Gdn Squares)	<b>83,904,530</b>
Band D Basic Amount of Council Tax	<b>1,021.77</b>
<b>Percentage change over 2012/13</b>	<b>0%</b>

- 8.8 In order to raise £83.905m, £0.024m will be received from Garden Square council tax payers, leaving £83.881m to be raised from a Council Tax base of 82,117.08. This means that it is necessary to set the Council Tax, before the GLA precept, at the Band D level at £1,021.48. This represents a small reduction of 5 pence compared to 2012/13. This requirement is a result of the freeze grant eligibility criteria which require that the basic amount of council tax (this includes the Garden Squares effect on the basic amount) is frozen not just the Camden element. In 2013/14 the council tax base has been reduced due to the introduction of the council tax reduction scheme and this has meant that the amount raised from Garden Squares levies has risen as a proportion of the Camden council tax base. Details are shown in **appendix T**.
- 8.9 As the Council is being recommended not to increase the basic amount of council tax in 2013/14 it will be eligible for an unringfenced grant equivalent to a 1% increase. This equates to a grant of £1m in 2013/14 and the same sum in 2014/15 but not in later years and has been included in the calculation of the Council Tax requirement.
- 8.10 In order to set the Council Tax, the Council must pass a resolution on the statutory determination of tax in the form provided by legislation. A statutory determination reflecting the council tax requirement and Council Tax details set out above is attached as **appendix L**.

#### **Greater London Authority Precept**

- 8.11 The Greater London Authority (GLA) issues an overall precept that includes core GLA services, the Metropolitan Police Authority, the London Fire and Emergency Planning Authority, Transport for London and the London Development Agency.
- 8.12 The timeline for the GLA budget setting process was as follows:
- The Mayor's Consultation Budget was released on 8<sup>th</sup> December 2012;
  - The budget consultation period ended on 23<sup>rd</sup> January 2013;
  - The first Assembly budget meeting was on 30<sup>th</sup> January 2013;
  - The second Assembly budget meeting was on 13<sup>th</sup> February 2013.
- 8.13 The Mayor has proposed a 1.2% cut in the GLA precept for 2013/14. If any changes occur following the GLA budget meeting on the 13<sup>th</sup> February 2013, the amendments will be tabled at Cabinet on 27<sup>th</sup> February.

#### **Total Council Tax for 2013/14 including GLA Precept (Proposed)**

- 8.14 The table below shows how the level of Council Tax at Band D recommended for 2013/14 compares with the amount set in 2012/13. This does not apply to residents living within Garden Squares.



**Table 11 - Total Level of Council Tax for Residents not in Garden Squares**

Total Council Tax at Band D	2012/13	2013/14	Increase / (Decrease)	Change
	£	£	£	%
Camden element	1,021.53	1,021.48	0.05	0.00
GLA Precept (Proposed)	306.72	303.00	(3.72)	(1.20)
<b>Total</b>	<b>1,328.25</b>	<b>1,324.48</b>	<b>(3.77)</b>	<b>(0.30)</b>

8.15 The full levels of Council Tax for all Camden residents are set out in the Statutory Determination at **appendix L**.

## 9. COLLECTION FUND

9.1 The Collection Fund is forecast to record a surplus of £0.425m in 2012/13, of which Camden's share is £0.326m.

9.2 Residents have been able to budget with more certainty due to the levels of Council Tax remaining constant, which has resulted in slightly improved rates of collection. However from 2013/14, the Council anticipates a fall in the collection rate from 97.75% to 96.8% as a result of introduction of the Council Tax Reduction Scheme, which replaces Council Tax Benefit. 3,700 residents will have more to pay and a further 13,100 residents will be asked to pay for the first time. There will be additional pressures on collection arising from the changes to discounts and exemptions where owners of unoccupied property are being asked pay more. This will inevitably result in some initial resistance to payment.

## 10. 2012/13 FINANCIAL POSITION

10.1 The following table represents variances of full year forecasts from budget at the directorate level as reported for month 9.

**Table 12: 2012/13 Directorate Budgets and Variances**

General Fund Month 9	Gross Full Year Budget	Full Year Budget	Budget Holder Forecast	Variance Forecast
	£m	£m	£m	£m
Law & Governance	9.489	2.434	2.397	(0.037)
Strategy & Organisation Development	15.613	2.931	3.171	0.240
Finance	294.066	4.896	4.966	0.070
Culture & Environment	142.203	57.972	58.597	0.625
Children, Schools & Families	301.076	90.602	90.602	-
HASC	169.701	127.265	126.969	(0.296)
Non-Departmental Costs	64.216	(16.084)	(15.559)	0.525
<b>Sub Total</b>	<b>996.364</b>	<b>270.015</b>	<b>271.143</b>	<b>1.128</b>
Contingency	2.512	2.512	-	(2.512)
Allocated to reserves	-	-	-	2.512
<b>Grand Total</b>	<b>998.876</b>	<b>272.527</b>	<b>271.143</b>	<b>1.128</b>

Non-General Fund Month 9	Full Year Budget	Budget Holder Forecast	Variance Forecast
	£m	£m	£m
Housing Revenue Account	177.700	176.088	(1.612)
Dedicated School Grant	176.500	176.816	0.316

- 10.2 The overall forecast variance as at month 9 is an overspend of £1.128m. This projected variance includes the agreed allocations of £8.512m made in December. These allocations were of £6.000m for invest to save projects (£4.5m of which it is proposed to allocate to Customer Services, as discussed in section 5.35), and the creation of a Contingency reserve with the unallocated Contingency budget of £2.512m, thus leading to on-going savings of this amount from next year.
- 10.3 Excluding the £6.000m invest to save allocation, the overall general fund position would be an underspend of £(4.872)m. The largest variance would be non-departmental underspend of £(5.475)m. This underspend relates to a number of one off factors. Central government have stated they will fund the costs of the inquest into the death of Alexander Litvinenko, and it is therefore expected that the provision made by the Council to fund these costs will not be called on. Secondly, following discussions on the National Pay Award, the Council will not require the £1.700m built into the 2012/13 budget for this purpose. Thirdly, the Council has carried higher balances than forecast and so the interest earned on the Council's investments is higher than anticipated
- 10.4 The main directorate contributor to the overspend in the General Fund is Culture and Environment, which has an overspend of £0.625m. This is mainly due to a reduction in the forecasted income for Parking of £0.457m; however a number of mitigations are being developed and implemented to reduce this under achievement of income by the year-end with the intention of achieving an outturn close to budget.
- 10.5 The Dedicated School Grant variance of £0.316m includes an agreed contribution of £1.6m towards a capital scheme to increase number of places at special school. The resulting balance at the year-end will require a draw-down on the Dedicated Schools Grant reserve.
- 10.6 Details of material departmental variances are presented in **Appendix E**.

## 11. RESERVES AND BALANCES

- 11.1 The Council had earmarked reserves of £102.669m on 31<sup>st</sup> March 2012. **Appendix M** details the expected use of these reserves during 2012/13 and over the medium term.
- 11.2 There are currently 21 separate earmarked reserves containing a total of £102.669m of which £39.731m is within reserves to support key revenue budget outcomes , £10.320m is earmarked for support involving the councils' service remodelling programme, £40.140m set aside to support on-going capital activity

and £12.209m allocated to mitigate future corporate risk (£12.187m) and the Mayors Charity Reserve (£0.022m).

- 11.3 It is anticipated that Earmarked Reserves will increase to £108.127m by 31<sup>st</sup> March 2013, a net increase of £5.548m. The net increase is analysed in the table below and is the result of £22.389m being transferred out of earmarked reserves and £27.847m being transferred into earmarked reserves (£18.164 of which relates to capital schemes). These take account of the changes in section 5.

**Table 13 - 2012/13 Summary Movement of Earmarked reserves**

<b>Earmarked Reserves</b>	<b>Actual Reserves 31/03/2012 £000</b>	<b>Out of Reserve £000</b>	<b>Into Reserves £000</b>	<b>Forecast Reserves 31/03/2013 £000</b>	<b>Movement £000</b>
To Support Key Revenue Outcomes	39,731	(11,597)	1,704	29,838	(9,893)
To Support Council's Remodelling Programmes	10,320	(3,365)	4,865	11,820	1,500
On-going Capital Activity and asset Management	40,140	(7,427)	18,778	51,761	11,351
Mitigation of Future Corporate Risk	12,187	0	2,500	14,687	2,500
Charitable Activity	22	0	0	22	0
<b>Total Earmarked reserves</b>	<b>102,669</b>	<b>(22,389)</b>	<b>27,847</b>	<b>108,127</b>	<b>5,458</b>

- 11.4 The Multi Year Budget Reserve (located within reserves to support on-going activity) continues to support the Council's financial strategy of setting revenue budgets for more than one year at a time. This is for specific amounts that are set aside from revenue allocations in one year that are required in future years.
- 11.5 In reviewing the level of general balances consideration has been given to the Council's policy on reserves and balances, which states that: the level of general balances shall be not less than 3% of, and the total of general balances shall be not more than 10% of, total budgeted net expenditure and Dedicated Schools Grant. The Council continues to take future funding reductions into account when considering General Balances. The Council will set General Balances at £13.624m which is 3% of the anticipated expenditure financed by Retained Business Rates, the Revenue Support Grant, Council Tax, and the Dedicated School Grant. This is in line with the Director's policy of keeping General Balances at the low end of Council policy. The Director of Finance states that the level of reserves is adequate for an organisation of the Council's size and carrying the risks around further funding reduction. The Director further states that no major allocations of General Balances should be considered at this stage.

## 12. CAPITAL STRATEGY AND CAPITAL PROGRAMME 2012 TO 2018

### Introduction

- 12.1 Camden has considerable fixed assets worth £2.8bn mainly consisting of council housing and schools. To develop and maintain these assets the Council has a large capital programme with planned expenditure of over £1bn running through to 2017/18. The programme consists of a number of major estate regeneration schemes and other initiatives to enhance or replace assets alongside large programmes to deal with backlog maintenance. The funding for the programme comes from a variety of sources but remains heavily dependent on capital receipts (54%), contributions from the Housing Revenue Account (18%) and borrowing (12%). Central government grants provide only 4% of total funding and grants from the Greater London Authority 4%. This section contains an update on issues that have arisen since the Cabinet in December 2012.

### Capital Position – 2013/14 to 2017/18

- 12.2 The future Capital Programme is predicated on the generation of large amounts of Capital Receipts. As the Council is developing a number of schemes itself this means the Council holds the risk of incurring expenditure before receipts are generated. A number of Community Investment Programme schemes such as Greenwood, Netley and Estate Regeneration schemes such as Holly Lodge and Chester/Baltimore are broadly capital cost neutral to the Council but involve the generation of receipts to cover the expenditure incurred in building new facilities.
- 12.3 **Appendix N** shows a breakdown of the Capital Programme and how it is funded. Expenditure is set to rise from £169m this year to £266m next year primarily due to the Kings Cross Accommodation strategy (the B3 building), the CIP schools programme and estate regeneration. This in turn causes a rise in the amount of capital receipts required to fund capital expenditure from £54m this year to £110m next year. **Appendix O** shows a profile of capital receipts – when they are expected to be generated and when they are expected to be used (to fund capital expenditure and to repay debt).

### Capital Position – 2012/13

- 12.4 The position of the Capital Programme is that that £103.718m of the £169.071m budget has been spent in the first 9 months of the year and that the projected outturn for the year is £163.123m which is £5.948m (-3.5%) below budget. Capital expenditure on schools is progressing well. In 2012/13 (the second year of Schools CIP expenditure), 17 primary schools and a children's centre are benefitting from improvements to building condition and sustainability, totalling around £10m within the overall CSF capital programme of £25.7m. Good progress is being made on other major capital projects for example at Regent High (under Building Schools for the Future), and the new Emmanuel primary school building has opened. Planning and design work for 2013/14 CIP projects improving suitability, condition and sustainability at 10 primaries, 2 secondary schools (Acland Burghley and La Sainte Union) and the Camden Centre for Learning has begun during the autumn, totalling £30m.

- 12.5 A number of estate regeneration schemes within the Housing and Adult Social Care capital programme are projecting lower than expected expenditure in 2012/13 compared to the original budget estimates, and expenditure will now be incurred in 2013/14. At the same time projects in Decent Homes and M&E Partnering Schemes are progressing better than profile. **Appendix P** shows the detailed projections for the year to date.
- 12.6 The table below shows that £20.964m of capital receipts had been generated in the first 10 months of the year and that the projected outturn is £24.068m compared to the target of £39.509m (-39%).

**Table 14– Capital Receipts compared to Target 2012/13**

Target Category	Target for 2012/13 £000	Generated at month 9 £000	Projected Outturn for Year £000	Variance %
GF Disposals programme	14,685	9,945	10,845	(26%)
Kings Cross Accommodation Strategy disposals	6,300	0	0	(100%)
HRA small sites	13,924	9,052	10,228	(27%)
Right to Buy (Camden's share)	1,400	1,595	1,795	14%
Holly Lodge estate regeneration	3,200	372	1,200	(62%)
<b>Total Capital Receipts</b>	<b>39,509</b>	<b>20,964</b>	<b>24,068</b>	<b>(39%)</b>

- 12.7 There are three main reasons for the variance. Firstly, the sale of redundant offices at 79 Camden Road and 100 St. Pancras Way has slipped to 2013/14 due to a second round of bidding being required. Secondly, there has also been slippage on the HRA small sites programme as it did not prove possible for all the sites to carry out the necessary consultation and pre-sale work in time for a 2012/13 disposal. Thirdly, there has been delay in the marketing of the new Holly Lodge flats and a longer than anticipated length of time taken in obtaining offers which has pushed completions into 2013/14. It is anticipated that this slippage will be recovered entirely in subsequent years.

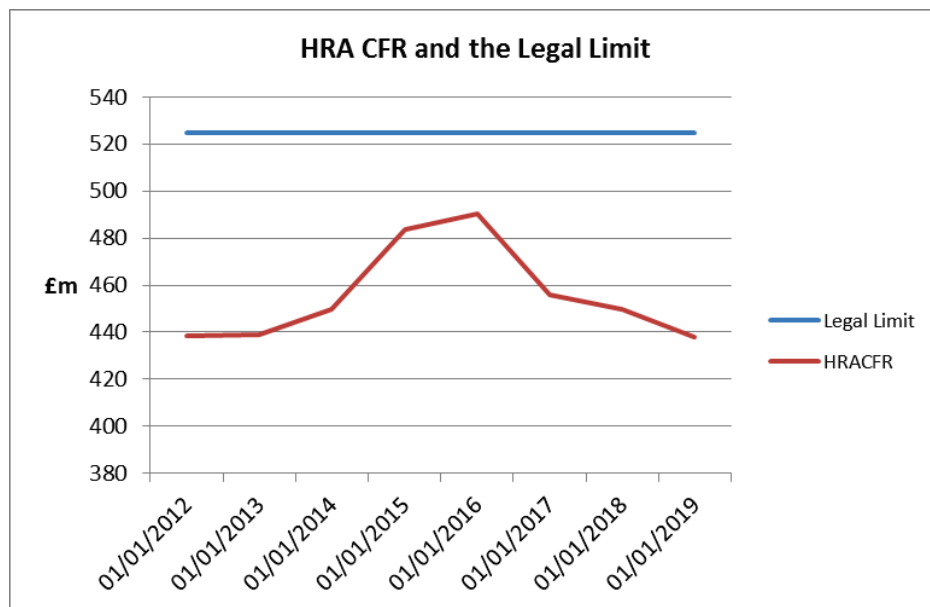
### **Housing Capital Investment Strategy**

- 12.8 The Executive on 12 December 2007 approved the Housing Stock Options Appraisal to be submitted to the then Government. This included an analysis of the expenditure needed to reach the Decent Homes standard and the funding strategy to achieve it. The strategy included an objective of generating funds from estate regeneration. Since that time 8 individual estate regeneration projects have been approved by Cabinet, Decent Homes grant has been received, a new stock condition survey has been undertaken and the Government has implemented a self-financing regime for council housing. It is considered appropriate, therefore, to update the funding strategy by replacing the remaining estate regeneration block provision with the specific contributions from

approved estate regeneration projects and by adding additional contributions from the HRA.

12.9 On 1 April 2012 the Government set a legal limit on the level of HRA indebtedness for each housing authority (also known as the Debt Cap). Camden's limit is £524.975m. At that date the HRA Capital Financing Requirement was £438.297m (borrowing undertaken in previous years to build and renovate Camden's council housing stock). At the start of the new system therefore there was £86m of borrowing capacity. Since that date approval has been given to a number of estate regeneration projects which have entailed undertaking short term borrowing to fund capital expenditure before the capital receipts are generated from sales. The chart below shows that the Council remains within the limit and on present projections will reach 93.4% of the limit by 1 April 2016 before it declines in future years as the temporary borrowing is repaid.

**Chart 4 – HRA CFR and the Legal Limit**



12.10 The HRA Debt Cap is a constraint that the authority will have to work within when formulating plans to deliver future estate regeneration projects and to fund the investment need identified by the stock condition survey. For estate regeneration there will be a need to incur expenditure on construction before sales take place and this net cashflow would temporarily increase the capital financing requirement. There have been calls notably including from the Chair of the Local Government Association for the Government to relax the debt caps to allow local authorities to build new housing but so far to no avail.

12.11 The Cabinet at its meeting on 24 October 2012 considered a report on the Better Homes Strategy and the results of the recently completed stock condition survey. Expenditure for backlog maintenance and other high priority works in the next 5 years was estimated at £401m. Approximately £6m of this need will be eliminated by demolitions under the estate regeneration programme and budget

provision of £213m is available in the capital programme. This leaves an investment gap of £182m before any contributions from estate regeneration projects are allocated. The Cabinet at its last meeting agreed a rent increase and considered the HRA Business Plan which described options to raise the required resources. The rent increase will provide an extra £2.3m p.a. which can now be added to the Better Homes capital programme and over the next 6 years could reduce the investment gap by a total of £13.8m. Alternatively this resource could be used to fund the debt charges on additional prudential borrowing of some £30m to provide a significant contribution to closing the investment gap. Utilising the available capacity in the debt cap for this purpose would mean, however, that it would not be available to finance the cashflow on future estate regeneration projects. This would, therefore, put further emphasis on the timing of the delivery of capital receipts from existing and future schemes to ensure that resources are available to fund investment in new starts. There will be a further report to Cabinet in July 2013 on the revised Housing Investment Programme, options for future funding and the proposed timing of any additional borrowing.

### Primary School – Bulge Classes

12.12 There is a need to make provision for ‘bulge classes’ to take extra pupils at primary schools in the years between now and 2016 when the new places at Liddell Road are expected to be open. The sites where we can easily accommodate extra places have been used for current bulge classes. The table below shows the schools capable of accommodating further bulge classes and the costs.

**Table 15 – Primary School Bulge Classes 2013 and 2014**

School project	Bulge class cost £000	Funding available £000	New funding £000
Kingsgate (2 classes, 2012 and 2013)	1,150	750	400
Hampstead Parochial (2014)	800	0	800
Other possible schools in northwest of borough (2014 or 2015) – subject to agreement	1,000	0	1,000
<b>Total</b>	<b>2,950</b>	<b>750</b>	<b>2,200</b>

12.13 There are projects underway now to start to carry out the more complex and costly alterations for bulge classes for 2013 and 2014, and to identify further sites. Existing funding can pay for the first £0.75m. However total costs for these years are significantly more. The new funding of £2.2m is proposed to come from the £1.4m Academy top-slice refund from the Government and £0.8m from the General Fund capital programme earmarked reserve.

**Update on Homes for Elderly People Strategy (HOPS) - Disposal of surplus care homes:**

12.14 The Executive in 2007 agreed the strategy for the HOPS programme to construct two new care homes at Maitland Park and Wellesley Road NW5. In June 2010 the Cabinet agreed an update to the strategy including the anticipated costs. The current estimated development costs of the two new homes is forecast as £25.5m (including fees) and disposal receipts at £19.9m. The strategy was agreed after a major residents consultation exercise and equality impact assessments to consider how to provide modern fit for purpose accommodation for elderly residential care. The agreed solution was to fund the construction of the new homes by a combination of prudential borrowing and the disposal of the three surplus care homes at Ingestre Rd NW5 (Kentish Town ward), Branch Hill NW3 (Frognal and Fitzjohns ward), St Margarets, West Heath Road NW3 (Barnet), with the capital receipts ring fenced to the HOPS programme. Anticipated disposal dates and receipts are:

**Table 16 – HOPS Disposals**

	Original estimate £000	Current estimate 2014/15 £000	Current estimate 2015/16 £000
Ingestre Rd.	1,750	2,950	
Branch Hill	6,000		6,750
St. Margarets	7,200		10,210

12.15 Completion of the first new care home at Maitland Park is anticipated in June 2013 when residents will start to be moved to the new home from Ingestre Road and the existing Wellesley Road care homes. Disposal of Ingestre Road will commence once the property is vacant in 2013 and the disposals of Branch Hill and St Margaret’s will follow once the new Wellesley Road care home is completed and residents moved, with completion of disposals anticipated in 2015/16. It is anticipated that the highest sale values will be obtained from disposal on the open market for residential development.

12.16 Ingestre Road NW5 care home is a two/ three storey 1970s built 48 bed care home located in Ingestre Road housing estate, on a site of approximately 0.57 acre. A feasibility study and informal planning advice has established the site could have potential for a 5 storey residential redevelopment comprising 32 units. The Councils planning policy targets would seek 32% of the scheme or circa 10 units to be affordable housing.

12.17 Branch Hill NW3 comprises an Edwardian detached building with a more recent 1960s annexe with 62 beds and ancillary accommodation. Informal planning advice is that the Edwardian building should be retained but there is potential for redevelopment on the existing footprint of the 1960s annexe. The site is circa 1.57 acres, the property is in a conservation area and the wooded landscaped grounds are protected by a number of planning policies that mean that no



development would be permitted. The road within Branch Hill House has become established as a right of way and provides, along with Heysham Lane access into the Council's Branch Hill housing estate. The sale will include covenants to ensure LBC receives a share of any enhancement in value should the open space be developed in the future. This is an unusual property and there will be a wide range of potential bidders and proposed schemes, the property could sell for a single dwelling, a combination of say 10 flats plus single dwellings on the annexe site or for redevelopment of approximately 18 large flats. If the scheme is 18 flats there would be a planning target of 2 affordable units.

12.18 St Margarets, West Heath Road NW3 (Barnet) is a large period building comprising 40 beds plus ancillary accommodation on a 1 acre site in prime NW3. It has potential for circa 10 flats or alternatively a single dwelling. Barnet planning policies would not require any affordable housing for a scheme of this size.

12.19 Cabinet approval is now sought for the Head of Property Services and Borough Solicitor to implement the disposals of Ingestre Road, Branch Hill and St Margaret's Care homes on the open market at market value.

#### **Minimum Revenue Provision**

12.20 Capital accounting regulations govern the way in which local authorities make provision for the repayment of the principal sum of loans they have entered into to support General Fund capital spending - the Minimum Revenue Provision (MRP). The regulations require Councils to prepare their MRP policy having regard to guidance issued by the Department for Communities and Local Government. The policy that is being recommended to Council is set out in **appendix Q**.

#### **Capital Programme – Future Risks**

12.21 The two biggest risks to the future Capital Programme concern capital receipts and the level of HRA indebtedness. The higher the target figure for capital receipts generation the bigger the shortfall that could arise should property prices fall. The higher the percentage of the capital programme being funded from capital receipts the greater the need for other forms of funding should there be a shortfall in capital receipts generation. To mitigate this risk there is regular monitoring of capital receipts and the level of committed capital expenditure which will allow the Council, if necessary, to bring expenditure into line with resources. The CIP report elsewhere on the agenda sets out proposals which will mitigate some of this risk.

12.22 If capital expenditure exceeds budgeted resources in any year then alternative sources of funding need to be identified. In respect of HRA capital expenditure this would have to be either HRA borrowing or direct revenue financing from the HRA as the ring-fence means that General Fund revenue funds may not be used. If the level of HRA indebtedness is already at the maximum legal limit then the only course of action open to the authority would be direct revenue financing. If there are sufficient HRA balances then this could be accommodated without having to reduce HRA revenue expenditure or increase HRA income.

### 13. SCHEME OF DELEGATION

- 13.1 The financial scheme of delegation was reported to Council on 27 February 2012. The categorisation for officers in the financial scheme of delegation is over six levels (A to F) dependent on grade. As the categorisation of officers in the scheme of delegation is dependent on the grade of the relevant post it is necessary to update the categorisation in line with the new pay and grade structure that will come into effect from April 2013 as part of the Council's new Pay, Performance and Development policy.

#### The Updated Scheme

- 13.2 The updated scheme of delegation will not result in officers having significantly different levels of delegated authority. The changes to the scheme bring the six levels of delegated authority in line with the new pay grades. The change from the current pay and grade structure to the new pay and grade structure is shown in the table below

**Table 17 – Scheme of Delegation for New Grades**

Grade in Old Structure	Scheme of Delegation Category in Old Structure	Equivalent Grade in New Structure	Scheme of Delegation in new Structure
Directors	A	Level 7 – Chief Officer	A
Assistant Directors, Deputy Director of Finance, Head of Property Services, designated PCT Directors	B	Level 7 – Chief Officers	B
SM3	C	Level 6 - Zone 2	C
SM2	C	Level 6 - Zone 1	C
SM1	C	Level 5 - Zone 2	C
PO7/PO6	D	Level 5 - Zone 1	D
PO5	D	Level 4 – Zone 2	D
PO4/PO3	E	Level 4 – Zone 1	E
PO2/PO1	E	Level 3 – Zone 2	E
SO2/SO1	F	Level 3 – Zone 1	F
Scale 6	F	Level 2 – Zone 2	F
Scale 5	F	Level 2 – Zone 1	F
Scale 4/ Scale 3	F	Level 1 – Zone 3	F
Scale 2	F	Level 1 – Zone 2	F
Scale 1	F	Level 1 - Zone 1	F

## **14. CONCLUSION**

- 14.1 This report contains recommendations that will ensure that the Council will set a balanced budget in 2013/14. It provides an overview of the financial situation and warns of the challenging times ahead. Members should be reassured that despite challenging financial times the Council is able to make recommendations that will enable a balanced budget. However, further action will need to take action to ensure that the Council is still able to set balanced budgets over the next few years.
- 14.2 The July update to the Cabinet will include a thorough refresh of the Council's medium-term outlook. This will include an assessment of what the Council will need to do to balance the budget for 2014/15 and over the medium-term to 2017/18. There will be little in the way of good news in this period, with further reductions in government funding meaning that further savings will be required.

## **15. COMMENTS OF THE DIRECTOR OF FINANCE**

- 15.1 The comments of the Director of Finance are contained within this report.

## **16. COMMENTS OF THE BOROUGH SOLICITOR**

- 16.1 **Appendix A** sets out in detail the comments of the Borough Solicitor.

## **THE LEGAL FRAMEWORK FOR SETTING THE COUNCIL TAX**

### **Setting the Council Tax**

1. Section 1 of the Local Government Finance Act 1992 establishes the basic duty of a billing authority to levy and collect the council tax in respect of dwellings within its area.
2. It requires every “billing authority” (local authority) to set a Council Tax for each financial year.
3. The process of setting the Council Tax and the setting of a balanced budget are closely linked as the Council Tax is a major source of income and will be set at a level to enable the Council to meet its financial obligations for the following year or in other words for it to be able to balance its books. The Council is then under a legal obligation to publish details of the amount set.
4. The amount of council tax set by the billing authority must be set before March 11 in the preceding financial year, but may not be set before the earlier of March 1 or the date of issue to the billing authority of the precept from the major precepting authority.
5. A failure to set the Tax by the 11<sup>th</sup> March does not mean that if set later that the tax would become invalid but would result in the Council having acted and while it had not set the Tax continuing to act unlawfully. This could expose the Council to the risk of a court challenge and on order from the court to set a Tax.
6. This decision to set the Council Tax is reserved to the authority and cannot be taken by the Cabinet or delegated to officers (Regulation 4 of the Local Authority (Functions and Responsibilities) (England) Regulations 2000/2853). However, the Cabinet has responsibility for preparing, revising and submitting estimates and other amounts to the authority for consideration by the authority when reaching its decision on the council tax. The “estimates” relate to the budget proposals, which, having taken account of income and grant, lead to the Council Tax “calculation”. The “calculation” relates to the amount of Council Tax that the Council itself formally “calculates” before the decision to set the level of Council Tax is made.

### **Balancing the Budget**

7. Before setting the level of the tax, the Council must have agreed a balanced budget, differentiated by services, which is sufficient to meet estimated revenue expenditure, levies, contingencies, any deficit estimated to be brought forward from previous years, and any amounts required to be transferred between funds. As part of that achieving of a balanced budget the Council must ensure that its income is sufficient to achieve and maintain sufficient reserves. The level of the budget requirement itself must not be unreasonable having regard to the Councils fiduciary duty to its tax payers.

8. Setting a budget which does not balance could be subject to a declaration by the Courts of the accounts being illegal and anything done as a direct result of that would also be vulnerable to being overturned (*R v Liverpool CC Exp. Ferguson* [1985]).
9. Members will be aware of the provisions of the Localism Act with regard to Council Tax. Previously, central government had the power to 'cap' council tax rises. If Ministers thought that local authorities were increasing taxes excessively they could stop them doing so by way of a cap. Under these new provisions the Secretary of State will determine a limit for council tax increases which has to be approved by the House of Commons. If an authority proposes to raise taxes above this limit they will have to hold a referendum to get approval for this from local voters who will be asked to approve or to veto the rise. The authority is, therefore, under a legal obligation, in order to avoid the need for a referendum, taking into account guidance from the Secretary of State, to decide whether its relevant basic amount is excessive. In setting a nil increase the Council is entitled to conclude that the relevant basic amount of council tax is not excessive.
10. The legislation lays down in detail the matters which an authority must take into account both in general terms with regard to income and expenditure and by taking one away from the other this results in the "Council Tax requirement" for the year. Previously the calculation resulted in its budget requirement. The Council is then under a legal obligation should it have a requirement to calculate the tax by dividing the council tax requirement by its Council Tax base - which was agreed by full Council on the 23rd January 2012.
11. The role of the Director of Finance as the Council statutory finance officer (s151 Local Government Act 1972) is pivotal. Members are under a duty (and may expose themselves to liability if they do not) to take his advice unless they have good and rational reason to not do so pursuant to the Code of Conduct.
12. Under Section 25 of the Local Government Act 2003, the Council's Chief Financial Officer is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Council is under a duty to have regard to the report when making decisions about the calculations in connection with which it is made.
13. Another consideration which members must take into account in reaching their decisions is the views of business ratepayers (Section 65 of the Local Government Finance Act 1992).
14. Failure to set a balanced budget or set a council tax would also have practical implications as the council could be faced with acute cash flow and potential collection difficulties.

## **Member Voting**

15. Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any member with arrears of council tax which have been outstanding for two months or more to attend any meeting at which a decision affecting the budget is to be made, unless the member concerned declares at the outset of the meeting that he or she is in arrears and will not be voting on the decision for that reason. The member concerned must not vote but may speak. If a Cabinet member has arrears outstanding for two months or more, they are prevented from taking any part in such a decision. The application of Section 106 of the 1992 Act is very wide and members should be aware that the responsibility for ensuring that they act within the law at all times rests solely with the individual Member concerned.

## **Common law duties**

16. In making decisions in relation to the revenue budget and the Council Tax the Council (and its Members), as well as having a duty to ensure that the Council acts in accordance with its statutory duties, must act reasonably and must not act in breach of its fiduciary duty to its ratepayers and Council Tax payers.

17. In reaching decisions on these matters, Members are bound by the general principles of administrative law. Local authority decisions need to be rational, prudent and made in accordance with recognized procedures. A local authority's discretion must not be abused or fettered and all relevant considerations must be taken into account. No irrelevant considerations may be taken into account, and any decision made must be one which only a reasonable authority, properly directing itself, could have reached. The resources available to the Council must be deployed to their best advantage.

18. There is an overriding legal duty on Members to act prudently, responsibly, in a businesslike manner and in the best interests of the general body of local taxpayers. In deciding upon expenditure, the Council must fairly hold a balance between recipients of the benefits of services provided by the Council and its local taxpayers. Members should note that their fiduciary duty includes consideration of future local taxpayers as well as present local taxpayers. Fiduciary duty is also likely to include acting in good faith with a view to complying with statutory duties and financial prudence in the short and long term.

## External Funding for Camden 2010/11 to 2014/15 (excl. Dedicated Schools Grant and Housing Benefit)

	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Business rates	425,215	465,843	466,000	491,402	506,635
Payment to National Pool	-425,215	-465,843	-466,000		
Government share @ 50%				-245,701	-253,318
GLA share @ 20%				-98,280	-101,327
Tariff payable to Government				-62,624	-64,544
Levy payable to Gov.@ 43.9% (see note 1)				-2,140	-2,228
<b>Retained business rate income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>82,656</b>	<b>85,219</b>
Formula grant	167,300	186,730	173,098		
Specific Grants (existing):	73,800	25,300	29,543	8,685	8,782
Revenue Support Grant (new RSG)				120,133	97,496
LACSEG				3,103	3,038
PFI grant for new UCL Academy/Swiss Cottage School				6,500	6,500
Public Health grant				25,649	26,368
Other new grants for new functions				1,279	1,271
Section 31 (NHB rebate, etc)				621	
<b>Government Grants</b>	<b>241,100</b>	<b>212,030</b>	<b>202,641</b>	<b>165,970</b>	<b>143,455</b>
<b>External Funding (excl. DSG/Hsg.Benefit)</b>	<b>241,100</b>	<b>212,030</b>	<b>202,641</b>	<b>248,626</b>	<b>228,674</b>
<b>Change from previous year</b>		<b>(29,070)</b>	<b>(9,389)</b>	<b>45,985</b>	<b>(19,952)</b>
<b>External Funding ("like for like" basis)</b>	<b>241,100</b>	<b>212,030</b>	<b>202,641</b>	<b>194,360</b>	<b>174,296</b>
<b>% Change from previous year</b>		<b>(12.1%)</b>	<b>(4.4%)</b>	<b>(4.1%)</b>	<b>(10.3%)</b>
<b>Cumulative % Change from 2010/11</b>					<b>(27.7%)</b>

Analysis of change in funding in 2013/14:		£000	£000
<b>Total Change from Previous Year</b>		<b>45,985</b>	<b>(19,952)</b>
- new council tax reduction support		(18,103)	
- business rate growth (net of levy)		(2,735)	(112)
- new grants for new function		(33,428)	
<b>Change in "like for like" funding</b>		<b>(8,281)</b>	<b>(20,064)</b>

Note 1 The levy is applied to excess of 4,876 of business rates (net of Gov./GLA/Tariff) of 84,797 (491,402-245,701-98,280-62,624) above 'spending baseline' of 79,921

## LOCAL GOVERNMENT FINANCE SETTLEMENT 2013/14 AND 2014/15

### Business Rates Retention

The settlement marked a big change in local government funding as the old system whereby local authorities collected business rates and passed them over to the Government who then allocated Formula Grant to the authorities has ended. In 2013/14 whilst individual businesses will see no change as they will still pay rates set by the Government based on rateable values local authorities will only pass over to the Government 50% of the rates collected. In London, boroughs will also pass over 20% to the Greater London Authority. The amount that boroughs are left with (retained business rates) is then compared with their 'spending baseline' (a measure of need) and if their need is higher than their retained business rates they receive a Top-Up grant from the Government. Conversely if their need is lower than their retained business rates then they pay the difference as a 'tariff' to the Government. In future years these spending baselines, top-up grants and tariffs will be index linked to the RPI. If authorities can increase the business rates they collect (i.e. by new commercial development) then they will be able to retain their share of this growth (after they have paid the Government and the preceptors their shares) subject to some authorities paying the Government a 'Levy' in order, in the Government's words, that they do not receive disproportionate benefit.

### Council Tax Reduction Scheme

The current system whereby local authorities are reimbursed by the Government for the cost of council tax benefit paid to benefit recipients and the low paid is ending. From 2013/14 the Government will pay a fixed grant to each authority equivalent to 90% of the current grant. Authorities are being given some discretion as to the level of the council tax benefits they give. These benefits will be treated as council tax discounts which has the effect of removing them from an authority's gross expenditure. As the grant still forms part of the authority's income the result is a drop in net expenditure. Treating the benefits as discounts (similar to the 25% single persons discount) has the effect of reducing the council tax base so that a smaller amount is raised from each council tax Band.

### Detail from the Settlement – 2013/14 Position

Start Up Funding allocation £200m comprising RSG of £120.1m and baseline funding (retained business rates) of £79.9m

Our proportionate share of the national total of business rates in 13/14 is 2.18% which is £475m of which Camden's 30% share is £142.5m.

Our tariff payment is £62.6m and our levy rate is 43.9%

### Detail from the Settlement – 2014/15 Position

There is a large reduction in the RSG of £22.7m (18.9%) compared to 2013/14.



## **FEES AND CHARGES UPDATE**

The Cabinet in December 2012 approved the fees and charges to apply in 2013/14. Since then, the Development Management service has proposed new fees to reflect the systems thinking review the service has undertaken (discussed below) and Sustainability wish to introduce a new cost recovery 'Carbon Consultancy' charge for undertaking carbon and environmental assessments for businesses. This replaces and existing 2012/13 fee called 'charge for undertaking carbon and environmental assessments of businesses'.

It also is necessary for the Council to approve fees and charges relating to licensing in full. Although Cabinet is the body authorised to approve most fees & charges as per Camden's Constitution, it is not authorised to approve any licencing fees or charges. Full Council is the legal entity authorised by law to approve all fees & charges in this area, regardless of any change to the amount charged. These are the charges listed in the February report. Although most licensing fees & charges are increased in line with inflation, this is not possible where the fee or charge is set by statute or where there is a legal maximum we can charge. This legal maximum is where by law we can only charge the cost of providing that service, taking one year with another. Camden is currently charging at the legal maximum on a number of our fees & charges and therefore we cannot increase them further.

Overall in 2013/14 the Council budgeted for a 3% increase in Fees and Charges income (excluding statutory parking charges). In the December report we reported that this had been achieved and an additional £0.2m of income has been generated. Obviously within the broad target there has been higher increases in some areas and lower rises where an assessment of the market indicated a higher charge was not practicable, where there was limitation through law, or where increases have conflicted with other policies.

A list of the proposed new Planning fees is presented alongside a full list of licence fees requiring Council approval in can be found in **appendix D2**.

### **Pre-Application Advice Planning Charging**

As part of the systems thinking review of Planning, it was identified that the current fee structure for pre-application advice is confusing for customers. A new structure has been designed and care has been taken to align the projected income as far as possible with the level of service in the calendar year 2012. The new fee structure takes into account the increased fee charges agreed with Cabinet in December 2012 for 2013/14. There are currently 15 categories of pre-application advice. The proposed changes will reduce this to 11. One category is removed completely and 6 are merged into 3. It is proposed that the new fee charges will go live from 01 April 2013. The changes will not materially affect the overall income we project to receive.

### **Community Events Charging**

Last year saw a significant increase in the number of events and festivals organised by community groups, resident associations and friends. Camden Council

responded to the many requests for support by agreeing to a temporary fees and charges waiver. This helped residents celebrate the London 2012 Olympics and Paralympics Games and the Diamond Jubilee. The summer was a huge success with over 80,000 people taking part in a local event or community festival. Camden's approach to charging fees to event organisers has been reviewed in recognition of an exceptional year and in their ability to pull people together and increase social cohesion.

Following a review of last summer it's clear that there remains considerable support in finding a sustainable way forward, so that we can build on the success of 2012/13. This report therefore recommends the following:

*Remove permanently the Camden fees and charges to small and medium community events (up to 10,000 people) and apply only statutory charges, at a lost opportunity income of £184,000. Large community events, over 10,000 people will be charged at cost recovery.*

It should be noted that this opportunity income is a potential revenue that could be generated by the full application of cost recovery fees for small and medium festivals rather than the loss of expected receipts, as the service has historically operated with a full subsidy. Small events have been defined as having less than 200 people attending, and are organised by local people primarily for residents. Medium events have 200 to 10,000 people and are organised by local people for local people.. They include annual events such as the Jester Festival, Queens Crescent Festival, Kilburn Festival, and Somerstown (START) with a mix of community/charity and commercial stalls. Large events include some that run over more than 1 day, and those with over 10,000 attendees. Examples are Camden Crawl and the Bloomsbury Festival.

Charging for large events will continue to aim to recover the Council's costs for the necessary work in regard to park hire fees, officer time managing the impacts of the event, road closures and traffic management, parking suspensions, waste or rubbish collection and trading licenses for the occasional stalls and commercial caterers, and will be through a combination of existing fees (that were not implemented during the waiver period) previously approved by Cabinet.

### **Amendments to Fees and Charges Policy**

The fees & charges policy approved by Cabinet in December 2011 was established to ensure services achieve cost recovery and income maximisation when setting their discretionary fees & charges. This document sets out the main guiding principles and governance arrangements around setting or changing a fee or charge.

The introduction of this policy was both necessary and relevant to all services across the authority. Since its introduction, however, there has been a need identified to adjust the policy to allow commercially traded services, e.g. Commercial Waste, to adjust, more quickly, in year their fee or charge in response to market conditions. Therefore paragraph 5.3 in the policy is to be adjusted with the following:

*'All fees and charges can be varied by Chief Officers (in consultation with the Director of Finance and relevant Cabinet Member) during the course of the*

*year if there has been a material change in circumstances or required by legislation; An exception is given to commercially traded services, such as commercial waste, where fees and charges can be varied in year by Chief Officers in consultation with the Director of Finance only. Any such change should still meet guidelines on achieving full cost recovery.'*

Description of Fee / Charge	Vatable?	2012/13 Proposed Charge including VAT	2013/14 Proposed Charge including VAT	Increase (£)	Increase (%)	Start Date
<b>Fees and Charges Requiring Cabinet Approval - New Fees</b>						
<b>Culture and Environment - Regeneration &amp; Planning</b>						
Post Development Plan	No	N/A	Min £5000	N/A	N/A	01/04/2013
Pre-application planning advice - Householder	No	N/A	£150.00	N/A	N/A	01/04/2013
Pre-application planning advice - Listed Building Consent	No	N/A	£200.00	N/A	N/A	01/04/2013
Pre-application planning advice - Minor Development	No	N/A	£380.00	N/A	N/A	01/04/2013
Pre-application planning advice - Medium Development	No	N/A	£1,400.00	N/A	N/A	01/04/2013
Pre-application planning advice - Major Development	No	N/A	£3,000.00	N/A	N/A	01/04/2013
Pre-application planning advice - Large Major Development	No	N/A	£3,800.00	N/A	N/A	01/04/2013
<b>Culture and Environment - Environment &amp; Transport</b>						
Carbon Consultancy Fee - Daily Rate	No	N/A	£500.00	N/A	N/A	01/04/2013
<b>Fees and Charges Requiring Council Approval - Existing Fees</b>						
<b>Culture and Environment - Environment &amp; Transport</b>						
Street Trading - Casual Licence Ticket Book - 5 Days Trading	No	165.00	£170.00	5.00	3%	01/04/2013
Street Trading - Casual Licence Ticket Book - Sunday 5 Days Trading	No	200.00	£205.00	5.00	3%	01/04/2013
Street Trading - Casual Licence Ticket Book - Discount 5 Days Trading	No	85.00	£87.50	2.50	3%	01/04/2013
Street Trading - Casual Licence Ticket Book - Neighbour Pitch 5 Days Trading	No	65.00	£67.00	2.00	3%	01/04/2013
Street Trading Casual - Forecourt Licence Fee - Annual	No	1,200.00	£1,240.00	40.00	3%	01/04/2013
Street Trading Casual - Forecourt Licence Fee - Monthly	No	100.00	£103.00	3.00	3%	01/04/2013
Street Trading Casual - Forecourt Temporary Licence Fee - Annual	No	1,200.00	£1,240.00	40.00	3%	01/04/2013
Street Trading Casual - Forecourt Temporary Licence Fee - Half Yearly	No	600.00	£620.00	20.00	3%	01/04/2013
Street Trading Casual - Forecourt Temporary Licence Fee - Monthly	No	100.00	£103.00	3.00	3%	01/04/2013
Market Licence Fees - Birchington Road - Annual	No	3,909.12	£4,025.00	115.88	3%	01/04/2013
Market Licence Fees - Birchington Road - Monthly	No	325.76	£335.42	9.66	3%	01/04/2013
Market Licence Fee - Chalton St (Fri) - Annual	No	1,147.70	£1,182.00	34.30	3%	01/04/2013
Market Licence Fee - Chalton St (Fri) - Monthly	No	95.64	£98.50	2.86	3%	01/04/2013
Market Licence Fee - Chalton St (Fri) - Food - Annual	No	1,738.51	£1,790.00	51.49	3%	01/04/2013
Market Licence Fee - Chalton St (Fri) - Food - Monthly	No	144.58	£149.17	4.59	3%	01/04/2013
Market Licence Fee - Earham St - Food - Annual	No	4,480.60	£4,610.00	129.40	3%	01/04/2013
Market Licence Fee - Earham St - Food - Monthly	No	373.38	£384.17	10.79	3%	01/04/2013
Market Licence Fee - Earham St - Annual	No	3,909.12	£4,025.00	115.88	3%	01/04/2013
Market Licence Fee - Earham St - Monthly	No	325.76	£335.42	9.66	3%	01/04/2013
Market Licence Fee - Goodge Pl - Annual	No	4,480.60	£4,615.00	134.40	3%	01/04/2013
Market Licence Fee - Goodge Pl - Monthly	No	373.38	£384.58	11.20	3%	01/04/2013
Market Licence Fee - Inverness St - Food - Annual	No	4,480.60	£4,615.00	134.40	3%	01/04/2013
Market Licence Fee - Inverness St - Food - Monthly	No	373.38	£384.58	11.20	3%	01/04/2013
Market Licence Fee - Inverness St - Other - Annual	No	3,909.12	£4,025.00	115.88	3%	01/04/2013
Market Licence Fee - Inverness St - Other - Monthly	No	325.76	£335.42	9.66	3%	01/04/2013
Market Licence Fee - Inverness St - Sunday - Annual	No	1,818.80	£1,875.00	56.20	3%	01/04/2013
Market Licence Fee - Inverness St - Sunday - Monthly	No	151.57	£156.25	4.68	3%	01/04/2013
Market Licence Fee - Inverness St - Sunday - Food - Annual	No	2,563.64	£2,640.00	76.36	3%	01/04/2013
Market Licence Fee - Inverness St - Sunday - Food - Monthly	No	213.64	£220.00	6.36	3%	01/04/2013
Market Licence Fee - Leather Lane - Food - Annual	No	4,480.60	£4,615.00	134.40	3%	01/04/2013
Market Licence Fee - Leather Lane - Food - Monthly	No	373.38	£384.58	11.20	3%	01/04/2013
Market Licence Fee - Leather Lane - Annual	No	3,909.12	£4,025.00	115.88	3%	01/04/2013
Market Licence Fee - Leather Lane - Monthly	No	325.76	£335.42	9.66	3%	01/04/2013
Market Licence Fee - Plender Street - Annual	No	3,909.12	£4,025.00	115.88	3%	01/04/2013
Market Licence Fee - Plender Street - Monthly	No	325.76	£335.42	9.66	3%	01/04/2013
Market Licence Fee - Queens Cres (2 DAYS) - Annual	No	1,743.74	£1,795.00	51.26	3%	01/04/2013
Market Licence Fee - Queens Cres (2 DAYS) - Monthly	No	145.31	£149.58	4.27	3%	01/04/2013
Market Licence Fee - Queens Cres (1 DAY) - Annual	No	871.87	£900.00	28.13	3%	01/04/2013
Market Licence Fee - Queens Cres (1 DAY) - Monthly	No	72.66	£75.00	2.34	3%	01/04/2013
Market Licence Fee - Queens Cres - Annual	No	2,485.70	£2,560.00	74.30	3%	01/04/2013
Market Licence Fee - Queens Cres - Monthly	No	207.14	£213.33	6.19	3%	01/04/2013
Miscellaneous Pitch Licence Fee - News Vendor - Annual	No	3,841.68	£3,960.00	118.32	3%	01/04/2013
Miscellaneous Pitch Licence Fee - News Vendor - Monthly	No	320.14	£330.00	9.86	3%	01/04/2013
Miscellaneous Pitch Licence Fee - Annual	No	6,102.96	£6,290.00	187.04	3%	01/04/2013
Miscellaneous Pitch Licence Fee - Monthly	No	508.58	£524.17	15.59	3%	01/04/2013
Miscellaneous Pitch Licence Fee - Tottenham Crt Rd - Dominion - Annual	No	10,222.12	£10,530.00	307.88	3%	01/04/2013
Miscellaneous Pitch Licence Fee - Tottenham Crt Rd - Dominion - Monthly	No	851.84	£877.50	25.66	3%	01/04/2013
Street Trading - Miscellaneous Sites - Casual Licence Registration Fee	No	57.75	£59.50	1.75	3%	01/04/2013
Street Trading - Miscellaneous Sites - Licence changes Fee (Commodity pitch)	No	57.75	£59.50	1.75	3%	01/04/2013
Street Trading - Miscellaneous Sites - Late Payment Fee	No	29.40	£30.30	0.90	3%	01/04/2013
Street Trading - Miscellaneous Sites - Licence Panel Fee	No	57.75	£59.50	1.75	3%	01/04/2013
Street Trading - Miscellaneous Sites - Replacement Licence ID Fee	No	29.40	£30.30	0.90	3%	01/04/2013
Street Trading - Miscellaneous Sites - Replacement Licence	No	16.80	£17.30	0.50	3%	01/04/2013
Return of Seized goods and or Receipt £250	No	250.00	£250.00	-	0%	01/04/2013
<b>Culture and Environment - Regeneration &amp; Planning</b>						
Food Safety Licensing - Food Export Certificates	No	61.50	61.50	-	0%	01/04/2013
Food Safety Licensing - Food Premises Register - Full	No	717.50	717.50	-	0%	01/04/2013

Description of Fee / Charge	Vatable?	2012/13 Proposed Charge including VAT	2013/14 Proposed Charge including VAT	Increase (£)	Increase (%)	Start Date
Food Safety Licensing - Food Premises Register - Category	No	17.43	17.43	-	0%	01/04/2013
Food Safety Licensing - Food Premises Register - Individual	No	8.71	8.71	-	0%	01/04/2013
Food Safety Licensing - Body Export Certificates - Free of Infection	No	25.63	25.63	-	0%	01/04/2013
Food Safety Licensing - Body Export Certificates - Witness Sealing of Coffin Plus Certification	No	35.88	35.88	-	0%	01/04/2013
Licence to Store Explosives - New - 1 Year Duration	No	178.00	178.00	-	0%	01/04/2013
Licence to Store Explosives - New - 2 Year Duration	No	234.00	234.00	-	0%	01/04/2013
Licence to Store Explosives - New - 3 Year Duration	No	292.00	292.00	-	0%	01/04/2013
Licence to Store Explosives - Renewal - 1 Year Duration	No	83.00	83.00	-	0%	01/04/2013
Licence to Store Explosives - Renewal - 2 Year Duration	No	141.00	141.00	-	0%	01/04/2013
Licence to Store Explosives - Renewal - 3 Year Duration	No	198.00	198.00	-	0%	01/04/2013
Registration in Relation to the Storage of Explosives - New - 1 Year Duration	No	105.00	105.00	-	0%	01/04/2013
Registration in Relation to the Storage of Explosives - New - 2 Year Duration	No	136.00	136.00	-	0%	01/04/2013
Registration in Relation to the Storage of Explosives - New - 3 Year Duration	No	166.00	166.00	-	0%	01/04/2013
Registration in Relation to the Storage of Explosives - Renewal - 1 Year Duration	No	52.00	52.00	-	0%	01/04/2013
Registration in Relation to the Storage of Explosives - Renewal - 2 Year Duration	No	83.00	83.00	-	0%	01/04/2013
Registration in Relation to the Storage of Explosives - Renewal - 3 Year Duration	No	115.00	115.00	-	0%	01/04/2013
Varying a Explosives Licence - Varying Name of Licensee of Address of Site	No	35.00	35.00	-	0%	01/04/2013
Transfer of Explosives Licence or registration	No	35.00	35.00	-	0%	01/04/2013
Replacement of Explosives Licence or registration	No	35.00	35.00	-	0%	01/04/2013
Automatic or totalising weighing machines (per Hr)	No	83.90	83.90	-	0%	01/04/2013
Equipment designed to weigh loads in motion (per Hr)	No	83.90	83.90	-	0%	01/04/2013
Weighing/measuring equip, tested by means of statistical sampling (per Hr)	No	83.90	83.90	-	0%	01/04/2013
Testing or other services in pursuance of community obligation other than EC initial or partial verification (per Hr)	No	83.90	83.90	-	0%	01/04/2013
Accuracy testing or weighing measuring of goods upon request (\$74 WMA '85) (per Hr)	No	83.90	83.90	-	0%	01/04/2013
Not exceeding 10kg	No	25.23	25.23	-	0%	01/04/2013
Exceeding 10kg but not exceeding 100kg	No	45.43	45.43	-	0%	01/04/2013
Exceeding 100kg but not exceeding 250kg	No	53.44	53.44	-	0%	01/04/2013
Exceeding 250kg but not exceeding 1 tonne	No	89.92	89.92	-	0%	01/04/2013
Exceeding 1 tonne but not exceeding 10 tonnes	No	150.16	150.16	-	0%	01/04/2013
Exceeding 10 tonnes but not exceeding 30 tonnes	No	333.93	333.93	-	0%	01/04/2013
Exceeding 30 tonnes but not exceeding 60 tonnes	No	469.02	469.02	-	0%	01/04/2013
Additional costs involved in testing instruments calibrated to weigh both metric & imperial (per Hr)	No	83.80	83.80	-	0%	01/04/2013
Individual Weights (30% reduction for 50 or More weights submitted at 1 time)	No	9.05	9.05	-	0%	01/04/2013
Container type (unsubdivided)	No	78.82	78.82	-	0%	01/04/2013
Multigrade (with price computing device) - Single outlets - Solely price adjustment	No	109.34	109.34	-	0%	01/04/2013
Multigrade (with price computing device) - Single outlets - All others	No	173.93	173.93	-	0%	01/04/2013
Other types - Single outlets - Solely price adjustment	No	86.15	86.15	-	0%	01/04/2013
Other types - Single outlets - All others	No	109.34	109.34	-	0%	01/04/2013
Other types - Multi outlets - 2 meters tested	No	209.00	209.00	-	0%	01/04/2013
Other types - Multi outlets - 3 meters tested	No	277.51	277.51	-	0%	01/04/2013
Other types - Multi outlets - 4 meters tested	No	319.54	319.54	-	0%	01/04/2013
Other types - Multi outlets - 5 meters tested	No	403.60	403.60	-	0%	01/04/2013
Other types - Multi outlets - 6 meters tested	No	457.66	457.66	-	0%	01/04/2013
Other types - Multi outlets - 7 meters tested	No	541.72	541.72	-	0%	01/04/2013
Other types - Multi outlets - 8 meters tested	No	611.34	611.34	-	0%	01/04/2013
Additional costs involved in testing ancillary equipment which requires additional testing on site (per Hr)	No	83.80	83.80	-	0%	01/04/2013
Other weighing or measuring equipment (not listed) (per Hr)	No	83.80	83.80	-	0%	01/04/2013
Competitive Bidding (Lifetime licence)	No	384.38	384.38	-	0%	01/04/2013
Poisons: Entry on list: To sell poison	No	61.50	61.50	-	0%	01/04/2013
Poisons: Entry on list: Retention on list	No	49.91	49.91	-	0%	01/04/2013
Poisons: Entry on list: Change of detail	No	17.43	17.43	-	0%	01/04/2013
Fireworks Annual Licence Fee	No	500.00	500.00	-	0%	01/04/2013
Register of Motor Salvage Fees	No	75.00	75.00	-	0%	01/04/2013
Competitive Bidding (Lifetime licence)	No	384.38	384.38	-	0%	01/04/2013
Poisons: Entry on list: To sell poison	No	61.50	61.50	-	0%	01/04/2013
Poisons: Entry on list: Retention on list	No	49.91	49.91	-	0%	01/04/2013
Poisons: Entry on list: Change of detail	No	17.43	17.43	-	0%	01/04/2013
Fireworks Annual Licence Fee	No	500.00	500.00	-	0%	01/04/2013
Register of Motor Salvage Fees	No	75.00	75.00	-	0%	01/04/2013
HMO Mandatory Licensing - Basic premises Licence- New Licenses	No	678.00	678.00	-	0%	01/04/2013
HMO Mandatory Licensing - Additional Fee, per unit, in premises- New Licenses	No	30.00	30.00	-	0%	01/04/2013
HMO Additional Licensing - Basic premises Licence	No	500.00	500.00	-	0%	01/04/2013
HMO Additional Licensing - Additional Fee, per unit, in premises	No	30.00	30.00	-	0%	01/04/2013
HMO Mandatory Licensing - Additional Fee, per unit, in premises-Renewals	No	30.00	30.00	-	0%	01/04/2013
HMO Mandatory Licensing - Basic premises Licence- Renewals	No	500.00	500.00	-	0%	01/04/2013
Licence to Store Explosives - New - 4 Year Duration	No	360.00	360.00	-	0%	01/04/2013
Licence to Store Explosives - New - 5 Year Duration	No	407.00	407.00	-	0%	01/04/2013
Licence to Store Explosives - Renewal - 4 Year Duration	No	256.00	256.00	-	0%	01/04/2013
Licence to Store Explosives - Renewal - 5 Year Duration	No	313.00	313.00	-	0%	01/04/2013
Registration in Relation to the Storage of Explosives - New - 4 Year Duration	No	198.00	198.00	-	0%	01/04/2013
Registration in Relation to the Storage of Explosives - New - 5 Year Duration	No	229.00	229.00	-	0%	01/04/2013
Registration in Relation to the Storage of Explosives - Renewal - 4 Year Duration	No	146.00	146.00	-	0%	01/04/2013
Registration in Relation to the Storage of Explosives - Renewal - 5 Year Duration	No	178.00	178.00	-	0%	01/04/2013

Description of Fee / Charge	Vatable?	2012/13 Proposed Charge including VAT	2013/14 Proposed Charge including VAT	Increase (£)	Increase (%)	Start Date
Health & Safety - Dangerous Wild Animals - Premises - Annual licences	No	397.00	397.00	-	0%	01/04/2013
Health & Safety - Dangerous Wild Animals - On Location - Annual licences	No	146.00	146.00	-	0%	01/04/2013
Health & Safety - Dog Breeding Establishments - Annual licences	No	266.00	266.00	-	0%	01/04/2013
Health & Safety - Annual Animal Boarding Establishments licences	Yes	289.00	289.00	-	0%	01/04/2013
Health & Safety - Annual Farm licences	Yes	151.00	151.00	-	0%	01/04/2013
Health & Safety - Annual Pet Shop Licence	Yes	320.00	320.00	-	0%	01/04/2013
Health & Safety - Annual Riding Establishment Licences	Yes	655.00	655.00	-	0%	01/04/2013
Personal Licence Fee - new grant or renewal	No	37.00	37.00	-	0%	01/04/2013
Annual Charge - Premises licences and Club Premises Certificates - Band A (0-4,300) Non Domestic Rateable Value	No	70.00	70.00	-	0%	01/04/2013
Annual Charge - Premises licences and Club Premises Certificates - Band B (4,301-33,000) Non Domestic Rateable Value	No	180.00	180.00	-	0%	01/04/2013
Annual Charge - Premises licences and Club Premises Certificates - Band C (33,001-87,000) Non Domestic Rateable Value	No	295.00	295.00	-	0%	01/04/2013
Annual Charge - Premises licences and Club Premises Certificates - Band D (87,001-125,000) Non Domestic Rateable Value	No	320.00	320.00	-	0%	01/04/2013
Annual Charge - Premises licences and Club Premises Certificates - Band E (125,001 and over) Non Domestic Rateable Value	No	350.00	350.00	-	0%	01/04/2013
Annual Charge - Premises licences and Club Premises Certificates - Band D (87,001 - 125,000) Non Domestic Rateable Value (Alcohol as primary activity)	No	640.00	640.00	-	0%	01/04/2013
Annual Charge - Premises licences and Club Premises Certificates - Band E (125,001 and over) Non Domestic Rateable Value (Alcohol as primary activity)	No	1,050.00	1,050.00	-	0%	01/04/2013
New grant or variation - premises licences and club premises certificates - Band A (0 -4,300) Non Domestic Rateable Value	No	100.00	100.00	-	0%	01/04/2013
New grant or variation - Premises licences and Club Premises Certificates - Band B (4301 - 33,000) Non Domestic Rateable Value	No	190.00	190.00	-	0%	01/04/2013
New grant or variation - Premises licences and Club Premises Certificates - Band C (33,001 - 87,000) Non Domestic Rateable Value	No	315.00	315.00	-	0%	01/04/2013
New grant or variation - Premises licences and Club Premises Certificates - Band D (87,001 - 125,000) Non Domestic Rateable Value	No	450.00	450.00	-	0%	01/04/2013
New grant or variation - Premises licences and Club Premises Certificates - Band E (125,001 and over) Non Domestic Rateable Value	No	635.00	635.00	-	0%	01/04/2013
New grant or variation - Premises licences and Club Premises Certificates - Band D (87,001 - 125,000) Non Domestic Rateable Value	No	900.00	900.00	-	0%	01/04/2013
Annual Charge - Premises licences and Club Premises Certificates - Band E (125,001 and over) Non Domestic Rateable Value (Alcohol as primary activity)	No	1,905.00	1,905.00	-	0%	01/04/2013
Supply of copies of information contained in register	No	5.00	5.00	-	0%	01/04/2013
Supply of copies of information contained in register - per page	No	0.20	0.20	-	0%	01/04/2013
Application for copy of licence or summary on theft, loss etc of premises license or summary	No	10.50	10.50	-	0%	01/04/2013
Notification of change of name or address (holder of premises licence)	No	10.50	10.50	-	0%	01/04/2013
Application to vary specified individual as premises supervisor	No	23.00	23.00	-	0%	01/04/2013
Application to transfer premises licence	No	23.00	23.00	-	0%	01/04/2013
Interim authority notice	No	23.00	23.00	-	0%	01/04/2013
Application for making of a provisional statement	No	315.00	315.00	-	0%	01/04/2013
Application for copy of certificate or summary on theft, loss etc of certificate or summary	No	10.50	10.50	-	0%	01/04/2013
Notification of change of name or alteration of club rules	No	10.50	10.50	-	0%	01/04/2013
Change of relevant registered address of club	No	10.50	10.50	-	0%	01/04/2013
Temporary Event Notices	No	21.00	21.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 5,000 to 9,999 people Additional Fee	No	1,000.00	1,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 10,000 to 14,999 people Additional Fee	No	2,000.00	2,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 15,000 to 19,999 people Additional Fee	No	4,000.00	4,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 20,000 to 29,999 people Additional Fee	No	8,000.00	8,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 30,000 to 39,999 people Additional Fee	No	16,000.00	16,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 40,000 to 49,999 people Additional Fee	No	24,000.00	24,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 50,000 to 59,999 people Additional Fee	No	32,000.00	32,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 60,000 to 69,999 people Additional Fee	No	40,000.00	40,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 70,000 to 79,999 people Additional Fee	No	48,000.00	48,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 80,000 to 89,999 people Additional Fee	No	56,000.00	56,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 90,000 and over people Additional Fee	No	64,000.00	64,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 5,000 to 9,999 people Additional Annual Fee	No	500.00	500.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 10,000 to 14,999 people Additional Annual Fee	No	1,000.00	1,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 15,000 to 19,999 people Additional Annual Fee	No	2,000.00	2,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 20,000 to 29,999 people Additional Annual Fee	No	4,000.00	4,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 30,000 to 39,999 people Additional Annual Fee	No	8,000.00	8,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 40,000 to 49,999 people Additional Annual Fee	No	12,000.00	12,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 50,000 to 59,999 people Additional Annual Fee	No	16,000.00	16,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 60,000 to 69,999 people Additional Annual Fee	No	20,000.00	20,000.00	-	0%	01/04/2013

Description of Fee / Charge	Vatable?	2012/13 Proposed Charge including VAT	2013/14 Proposed Charge including VAT	Increase (£)	Increase (%)	Start Date
Large Scale Events or Premises which will cater for 70,000 to 79,999 people Additional Annual Fee	No	24,000.00	24,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 80,000 to 89,999 people Additional Annual Fee	No	28,000.00	28,000.00	-	0%	01/04/2013
Large Scale Events or Premises which will cater for 90,000 and over people Additional Annual Fee	No	32,000.00	32,000.00	-	0%	01/04/2013
Application for copy of notice on theft, loss etc of temporary event notice	No	10.50	10.50	-	0%	01/04/2013
Application for copy of licence on theft, loss etc of personal licence	No	10.50	10.50	-	0%	01/04/2013
Notification of change of name or address (personal licence)	No	10.50	10.50	-	0%	01/04/2013
Notice of interest in any premises	No	21.00	21.00	-	0%	01/04/2013
Minor Variation Fee	No	89.00	89.00	-	0%	01/04/2013
Application to vary a licence to include alternative conditions (disapply DPS for community premises)	No	23.00	23.00	-	0%	01/04/2013
Supply of conditions	No	15.00	15.00	-	0%	01/04/2013
Competitive Bidding (Lifetime licence)	No	403.00	403.00	-	0%	01/04/2013
Pools Promoter: Initial Registration	No	464.00	464.00	-	0%	01/04/2013
Pools Promoter: Renewal	No	464.00	464.00	-	0%	01/04/2013
Gaming Machine Notification	No	50.00	50.00	-	0%	01/04/2013
Licensed Premises Gaming Machine Permit (LPGMP)	No	150.00	150.00	-	0%	01/04/2013
Annual Fee for LPGMP	No	50.00	50.00	-	0%	01/04/2013
Variation of LPGMP	No	100.00	100.00	-	0%	01/04/2013
Transfer of LPGMP	No	25.00	25.00	-	0%	01/04/2013
Betting Shops - New Application (Premises Licence)	No	940.00	940.00	-	0%	01/04/2013
Betting Shops - Variation of application	No	730.00	730.00	-	0%	01/04/2013
Betting Shops - Annual Fee	No	600.00	600.00	-	0%	01/04/2013
Betting Shops - Provisional Statement	No	530.00	530.00	-	0%	01/04/2013
Betting Shops - New Application (Premises Licence) with a provisional statement	No	310.00	310.00	-	0%	01/04/2013
Betting Shops - Transfer of licence	No	180.00	180.00	-	0%	01/04/2013
Betting Shops - Reinstatement of licence	No	110.00	110.00	-	0%	01/04/2013
Betting Shops - 1st Annual fee for licence with seasonal condition	No	370.00	370.00	-	0%	01/04/2013
Betting Shops - Seasonal condition Annual Fee	No	460.00	460.00	-	0%	01/04/2013
Betting Shops - Copy of Licence	No	25.00	25.00	-	0%	01/04/2013
Betting Shops - Change of circumstance	No	40.00	40.00	-	0%	01/04/2013
Converted Casino - Variation of application	No	860.00	860.00	-	0%	01/04/2013
Converted Casino - Annual Fee	No	660.00	660.00	-	0%	01/04/2013
Converted Casino - Transfer of licence	No	180.00	180.00	-	0%	01/04/2013
Converted Casino - Reinstatement of licence	No	120.00	120.00	-	0%	01/04/2013
Converted Casino - 1st Annual fee for licence with seasonal condition	No	400.00	400.00	-	0%	01/04/2013
Converted Casino - Seasonal condition Annual Fee	No	500.00	500.00	-	0%	01/04/2013
Converted Casino - Copy of Licence	No	25.00	25.00	-	0%	01/04/2013
Converted Casino - Change of circumstance	No	40.00	40.00	-	0%	01/04/2013
Adult Gaming Centre - New Application (Premises Licence)	No	520.00	520.00	-	0%	01/04/2013
Adult Gaming Centre - Variation of application	No	430.00	430.00	-	0%	01/04/2013
Adult Gaming Centre - Annual Fee	No	570.00	570.00	-	0%	01/04/2013
Adult Gaming Centre - Provisional Statement	No	520.00	520.00	-	0%	01/04/2013
Adult Gaming Centre - New Application (Premises Licence) with a provisional statement	No	310.00	310.00	-	0%	01/04/2013
Adult Gaming Centre - Transfer of licence	No	180.00	180.00	-	0%	01/04/2013
Adult Gaming Centre - Reinstatement of licence	No	110.00	110.00	-	0%	01/04/2013
Adult Gaming Centre - 1st Annual fee for licence with seasonal condition	No	340.00	340.00	-	0%	01/04/2013
Adult Gaming Centre - Seasonal condition Annual Fee	No	430.00	430.00	-	0%	01/04/2013
Adult Gaming Centre - Copy of Licence	No	25.00	25.00	-	0%	01/04/2013
Adult Gaming Centre - Change of circumstance	No	50.00	50.00	-	0%	01/04/2013
Family Entertainment Centre - New Application (Premises Licence)	No	520.00	520.00	-	0%	01/04/2013
Family Entertainment Centre - Variation of application	No	440.00	440.00	-	0%	01/04/2013
Family Entertainment Centre - Annual Fee	No	600.00	600.00	-	0%	01/04/2013
Family Entertainment Centre - Provisional Statement	No	520.00	520.00	-	0%	01/04/2013
Family Entertainment Centre - New Application (Premises Licence) with a provisional statement	No	310.00	310.00	-	0%	01/04/2013
Family Entertainment Centre - Transfer of licence	No	180.00	180.00	-	0%	01/04/2013
Family Entertainment Centre - Reinstatement of licence	No	110.00	110.00	-	0%	01/04/2013
Family Entertainment Centre - 1st Annual fee for licence with seasonal condition	No	360.00	360.00	-	0%	01/04/2013
Family Entertainment Centre - Seasonal condition Annual Fee	No	450.00	450.00	-	0%	01/04/2013
Family Entertainment Centre - Copy of Licence	No	25.00	25.00	-	0%	01/04/2013
Family Entertainment Centre - Change of circumstance	No	40.00	40.00	-	0%	01/04/2013
Bingo Hall - New Application (Premises Licence)	No	810.00	810.00	-	0%	01/04/2013
Bingo Hall - Variation of application	No	660.00	660.00	-	0%	01/04/2013
Bingo Hall - Annual Fee	No	620.00	620.00	-	0%	01/04/2013
Bingo Hall - Provisional Statement	No	550.00	550.00	-	0%	01/04/2013
Bingo Hall - New Application (Premises Licence) with a provisional statement	No	320.00	320.00	-	0%	01/04/2013
Bingo Hall - Transfer of licence	No	180.00	180.00	-	0%	01/04/2013
Bingo Hall - Reinstatement of licence	No	110.00	110.00	-	0%	01/04/2013
Bingo Hall - 1st Annual fee for licence with seasonal condition	No	390.00	390.00	-	0%	01/04/2013
Bingo Hall - Seasonal condition Annual Fee	No	490.00	490.00	-	0%	01/04/2013
Bingo Hall - Copy of Licence	No	25.00	25.00	-	0%	01/04/2013
Bingo Hall - Change of circumstance	No	40.00	40.00	-	0%	01/04/2013
Lotteries: Registration - New	No	40.00	40.00	-	0%	01/04/2013
Lotteries: Registration - Renewal	No	20.00	20.00	-	0%	01/04/2013

Description of Fee / Charge	Vatable?	2012/13 Proposed Charge including VAT	2013/14 Proposed Charge including VAT	Increase (£)	Increase (%)	Start Date
MST: Cat A - New (Massage and Special Treatments)	No	2,108.00	2,108.00	-	0%	01/04/2013
MST: Cat A Renewal (Massage and Special Treatments)	No	2,080.00	2,080.00	-	0%	01/04/2013
MST: Cat B - New (Hairdressers, nailbars, tattoo,etc)	No	548.00	548.00	-	0%	01/04/2013
MST: Cat B - Renewal (hairdressers, nailbars, tattoo,etc)	No	498.00	498.00	-	0%	01/04/2013
Special Treatment Establishment licence: Ancillary Business: Transfer	No	46.00	46.00	-	0%	01/04/2013
Transmission of licence (in the event of the death of the licensee) for remainder of year	No	46.00	46.00	-	0%	01/04/2013
Change of name or address of licence holder	No	46.00	46.00	-	0%	01/04/2013
Variation to licence (New treatment similar to existing)	No	46.00	46.00	-	0%	01/04/2013
Variation to licence (New category of treatment)	No	140.00	140.00	-	0%	01/04/2013
Variation to licence (Hours)	No	46.00	46.00	-	0%	01/04/2013
Sex Shops and Sex Cinemas: Annual Supplementary Fee: New Applications	No	3,500.00	3,500.00	-	0%	01/04/2013
Sex Shops and Sex Cinemas: Annual Supplementary Fee: Standard Variation	No	1,500.00	1,500.00	-	0%	01/04/2013
Sex Shops and Sex Cinemas: Annual Supplementary Fee: Standard Transfer	No	1,500.00	1,500.00	-	0%	01/04/2013
Sex Shops and Sex Cinemas: New	No	10,945.00	10,945.00	-	0%	01/04/2013
Sex Shops and Sex Cinemas: Renewals	No	10,935.00	10,935.00	-	0%	01/04/2013
Sex Entertainment Venues: Replacement License	No	20.00	20.00	-	0%	01/04/2013
Sex Entertainment Venues: Change of Details	No	40.00	40.00	-	0%	01/04/2013
Sex Entertainment Venues: New and Renewal with Variation - fee if License refused	No	7,330.00	7,330.00	-	0%	01/04/2013
Sex Entertainment Venues: Standard Renewal - fee if License refused	No	4,290.00	4,290.00	-	0%	01/04/2013
Sex Entertainment Venues: Standard Variation	No	5,190.00	5,190.00	-	0%	01/04/2013
Sex Entertainment Venues: Transfer	No	230.00	230.00	-	0%	01/04/2013
Sex Entertainment Venues: New and Renewal with Variation	No	10,000.00	10,000.00	-	0%	01/04/2013
Sex Entertainment Venues: Standard Renewal	No	6,960.00	6,960.00	-	0%	01/04/2013

### Fees and Charges Requiring Council Approval - New Fees

Culture & Environment - Environment & Transport						
Market Licence Fees - Birchington Road - 10 Monthly Payments	No	N/A	402.50	N/A	N/A	01/04/2013
Market Licence Fee - Chalton St (Fri) - 10 Monthly Payments	No	N/A	118.20	N/A	N/A	01/04/2013
Market Licence Fee - Chalton St (Fri) - Food - 10 Monthly Payments	No	N/A	179.00	N/A	N/A	01/04/2013
Market Licence Fee - Earlham St - Food -10 Monthly Payments	No	N/A	461.00	N/A	N/A	01/04/2013
Market Licence Fee - Earlham St - 10 Monthly Payments	No	N/A	402.50	N/A	N/A	01/04/2013
Market Licence Fee -Gooedge Pl - 10 Monthly Payments	No	N/A	461.50	N/A	N/A	01/04/2013
Market Licence Fee -Inverness St - Food -10 Monthly Payments	No	N/A	461.50	N/A	N/A	01/04/2013
Market Licence Fee -Inverness St - Other -10 Monthly Payments	No	N/A	402.50	N/A	N/A	01/04/2013
Market Licence Fee -Inverness St - Sunday - 10 Monthly Payments	No	N/A	187.50	N/A	N/A	01/04/2013
Market Licence Fee -Inverness St - Sunday - Food - 10 Monthly Payments	No	N/A	264.00	N/A	N/A	01/04/2013
Market Licence Fee -Leather Lane - Food - 10 Monthly Payments	No	N/A	461.50	N/A	N/A	01/04/2013
Market Licence Fee -Leather Lane -10 Monthly Payments	No	N/A	402.50	N/A	N/A	01/04/2013
Market Licence Fee -Plender Street - 10 Monthly Payments	No	N/A	402.50	N/A	N/A	01/04/2013
Market Licence Fee - Queens Ces (2 DAYS) - 10 Monthly Payments	No	N/A	179.50	N/A	N/A	01/04/2013
Market Licence Fee - Queens Ces (1 DAY) - 10 Monthly Payments	No	N/A	90.00	N/A	N/A	01/04/2013
Market Licence Fee - Queens Cres - 10 Monthly Payments	No	N/A	256.00	N/A	N/A	01/04/2013
Miscellaneous Pitch Licence Fee -News Vendor - 10 Monthly Payments	No	N/A	396.00	N/A	N/A	01/04/2013
Miscellaneous Pitch Licence Fee -10 Monthly Payments	No	N/A	629.00	N/A	N/A	01/04/2013
Miscellaneous Pitch Licence Fee -Tottenham Crt Rd - Dominion - 10 Monthly Payments	No	N/A	1,053.00	N/A	N/A	01/04/2013
Street Trading - Temporary Licence -1day (1-4 stalls)	No	N/A	200.00	N/A	N/A	01/04/2013
Street Trading - Temporary Licence -1day (additional stall over 4)	No	N/A	45.00	N/A	N/A	01/04/2013
Business Promotion (gain and reward) - per day	No	N/A	200.00	N/A	N/A	01/04/2013



APPENDIX E

Major Projected Variances from Revenue Budgets - Month 9 2012/13

The following table represents major variances of full year forecasts from the budget as reported for month 9. It lists all services with variances above 0.400m and provides reason for the variances as well as action that is to be taken in response.

Directorate	Service	Issue	Variance £m	Current Budget £m	Cause	Interval	Action	2011/12 Outturn Variance £m
CSF (DSG)	Complex Needs	Agreed contribution towards capital scheme to increase number of places at special school. Additional health contribution as part of joint partnership investment	1.600	0.000	Increase in local capacity for school places	One-off	This is linked to savings programme which will create long-term savings. Most will contained within annual DSG with additional draw-down on DSG reserve.	0.000
HASC - HRA	Repairs Management	Costs incurred on staff due to RFT pilot, and redundancy costs, phase 1.	0.787	11.331	RFT pilot predominantly but also some redundancy costs. Costs in staffing are being offset by underspends in other areas of Repairs.	One off	Pilot ends March 2013, when restructure goes live. Redundancies are a one off item	1.252
Non Departmental	Procurement savings	Element of MTFS savings will not be achieved this year.	0.601	0.601	Procurement savings will not be achieved in 2012/13	On-going	Ongoing. This element of programme will be achieved in 2013/14.	1.500
HASC (ASC)	Mental Health Services	Overspends are forecast in a variety of MH areas.	0.480	11.326	A large overspend of £0.756m is forecast for under 65 years partly offset by an underspend on over 65 years of £0.163m. Key pressures are against MTFS Accommodation move on savings (£0.313) and Community Base Care (£0.380m).	On-going	CIFT have produced a recovery plan to reduce the overspends that are occurring in a variety of areas.	(0.010)
C&E	Parking Management	Reduced income forecast for Bloomsbury car park and PCNs	0.457	(22.751)	Bloomsbury Car Park low user levels driving income pressures, PCNs continuing long term trend of reduced volumes.	On-going	Bloomsbury car park will be sub leased to ensure regular income payments rather than losses for the council. PCNs are regulated by London councils and any actions are controlled by legislation. These issues are already being assuaged by underspends and efficiencies elsewhere in Parking Services and the service is taking further steps to further reduce the impacts of declining income.	(1.226)

APPENDIX E

Directorate	Service	Issue	Variance £m	Current Budget £m	Cause	Interval	Action	2011/12 Outturn Variance £m
CSF (GF)	Family Service & Social Work	Underspend in Children in Need	(0.417)	9.703	£(0.166)m relates to Social Workers and Family Support Worker vacancies. £(0.231)m relates to underspends in subsistence, interpreting, care and child minder payments.	One-off	The service is due to deliver a £0.300M saving for the 2013/14 financial year	(0.084)
HASC	Homelessness	Underspend for annex accommodation due to the decant of hostels	(0.426)	7.760	Reduction in the number of tenant decants due to harassments and the delay closure of Ivy House Hostels	One off	Rebased 2013/14 budgets to address service pressures	(1.524)
HASC (ASC)	Adult Assess and Business Man	Savings that have been achieved are reflected.	(0.437)	10.589	Business Management review has achieved a saving of £(0.347)m as part of early MTFS savings target for 2013/14. Additional underspend due to staff vacancies in assessment and care management.	On-going	Re-occurring savings into 2013/14, so MTFS savings target is achieved	0.598
HASC (ASC)	Adult External Care Purchasing	Underspend reflects policy savings being achieved and exceeded	(0.465)	23.028	under 65 underspend of £(0.356)m, over 65 underspend of £(0.121)m in excess of budget	On-going	FST to rebase these budgets in 2013/14 budget setting based on FWKi data.	(0.720)
CSF (DSG)	Special Education Needs and Psychology	Underspend in Service	(0.637)	6.933	This is largely due to underspend in independent schools and prudent provision offset by overspend in 'Schools - Above Delegation'.	One-off	This is made up of numerous one off balances which will not be replicated due to changes in schools funding from 2013/14.	(0.851)
Non Departmental	Treasury	Interest payable lower than expected	(0.666)	3.095		One-off	Interest budgets revised for 2013/14.	2.429
Non Departmental	Minimum revenue Provision	Underspend due to capital expenditure funded from receipts in 2011/12	(0.704)	4.955	The MRP underspend was caused by less capital expenditure funded by receipts in 2011/12 than anticipated, with revenue funding accounting for the difference.	One-off	MRP expenditure will rise as capital receipts are spent.	(2.120)
CSF (GF)	Achievement	Underspend in the Integrated Early Years' Service	(0.333)	8.570	Relates mainly to £(0.200)m estimated reduction in funding to the PVI sector due to a lower number of children in PVI nursery provision and £(0.114)m savings on children's centres' salaries due to staff vacancies.	One-off	This is a result of delays in recruiting to the vacant posts, underspends will not recur once these posts are filled.	(1.697)
CSF (DSG)	Achievement	Underspend in the Integrated Early Years' Service	(0.463)	13.236	Relates mainly to £(0.303)m reduction in funding to this sector due to a lower number of children in PVI nursery provision. This underspend has been offset by other overspends in the service	One-off	This is offset by a reduced DSG grant in the Schools budget	

APPENDIX E

Directorate	Service	Issue	Variance £m	Current Budget £m	Cause	Interval	Action	2011/12 Outturn Variance £m
Non Departmental	Provisions	Provisions for costs of inquest into death of Alexander Litvinenko no longer required	(1.061)	0.000	Government has agreed to fund costs of inquest	One-off	No action required.	N/A
HASC - HRA	Subsidy / Government Grant	Windfall of subsidy income	(1.490)	(6.824)	Final settlement related to end of subsidy for HRA. Budget is for PFI Chalcocks payments	One off	None - the income relates to this financial year.	(0.701)
Non Departmental	Pay Inflation	Budget Holder 1% pay inflation was built into budget for 12/13	(1.700)	1.700	Due to Local Gov having had two years pay freeze it was expected that pressure might be put on local gov to increase pay in 12/13	One-off	Will be used in 2013/14 budget setting allocations	N/A
HASC - HRA	Charges for services	Revision of forecasts following invoicing of leaseholders.	(1.847)	(32.757)	Budget historically exceeded. Forecast now included following billing for 2012/13	One-Off	Policy saving of £1.25m is required in this area, this represents an early delivery of the saving.	(3.697)
Non Departmental	Treasury	Interest receivable higher than expected	(1.857)	(0.374)	Receivable sums higher than anticipated in budget setting.	One-off	Comprehensive review of interest forecasts taking place as part of 2013/14 budget setting	(2.648)
Non Departmental	Contingency	Contingency not expected to e used this year	(2.512)	2.512	There are no current plans to spend the contingency budget. Any increased costs associated with the Olympics should largely have been predicted and be managed from the reserve established for this purpose.	One-off	Contingency reserve will be created from this year's balance.	(2.512)
HASC - HRA	Contingency	Reduction in planned allocation of contingency	(4.562)	4.812	The Utilisation of HRA contingency has been revised to reflect risks.	One off	The monitoring of risks will continue, with the forecast for contingency usage updated as appropriate.	(0.604)

## **LEVIES - BACKGROUND**

The background to the levies payable by the Council is as follows:

### **North London Waste Authority**

The North London Waste Authority (NLWA) is made up of seven north London boroughs (Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest). It is responsible for the disposal of almost one million tonnes of waste every year. The levy is apportioned between boroughs using three bases- waste tonnage, Council Tax Base and the costs of household waste recycling centres situated within the relevant borough.

The NLWA Revenue Budget and Levy 2013/14 report will be published on 12 February 2013. It will give details of the NLWA levy for 2013/14. The proposed levy will comprise two elements: a base levy element and the Household Waste Recycling Centre (HWRC) element. The HWRC element of the levy will be based on the current cost of operating the Regis Road HWRC facility.

The base element of the levy will be apportioned using a combination of tonnages and council tax base. Additionally, the HWRC element of the levy will be apportioned in such a way that Camden will only incur costs associated with the running of the HWRC that resides within its boundary. Pressures relating to the NLWA levy are discussed in **Appendix H**.

### **London Pensions Fund Authority**

The London Pensions Fund Authority (LPFA) raises a levy each year to meet pension costs and other employer liabilities for which LPFA is now responsible but cannot charge to the pension fund. These payments relate to former employees of the Greater London Council (GLC), the Inner London Education Authority and the London Residuary Body (LRB). The Greater London levy is payable by all the boroughs, the Inner London levy only in Inner London boroughs (including the City of London). The levy is calculated by reference to the Council Tax Base.

### **Lee Valley Regional Park Authority**

The Lee Valley Regional Park Authority is a statutory body responsible for managing and developing the 26 mile long, 10,000 acre linear Lee Valley Regional Park (Regional Park) - the only regional park serving London, Hertfordshire and Essex. The park is partly funded by a levy set by reference to the Council Tax Base. The Authority has a duty to develop and preserve leisure, recreation, sport and nature throughout the Regional Park. It is also responsible for regenerating derelict and neglected land into high quality public open spaces and wildlife habitats of ecological importance, as well as preserving the region's historical value.

### **Garden Squares**

Garden Squares consist of private residents committees that run a restricted access communal garden for their residents. The Council pays a lump sum to the garden committee for the maintenance and management of the garden, which is then collected as part of council tax due from the residents whose properties benefit from the use of the

garden squares. Camden has three garden squares – **Mecklenburgh Square, Fitzroy Square**, and **Gordon Square**. The Council's primary responsibility is to raise the money levied annually by the garden committee for the maintenance of the garden square. The money is raised by means of a garden charge on the Council Tax of those people whose properties surround the square. The Council does not, therefore, have any responsibility or, indeed, jurisdiction in relation to the management of the garden.

### **Environment Agency**

The Environment Agency has powers in respect of flood defence for 5,200 kilometres of main river and along tidal and sea defences, in the area of the Thames Regional Flood Defence Committee. Flood defence money is spent on the construction of new flood defence schemes, the maintenance of the river system and existing flood defences together with the operation of a flood warning system. The majority of funding for flood defence comes directly from the Department for the Environment, Food and Rural Affairs (Defra). However, where there are schemes which do not attract central funding the Agency may seek funding from County and metropolitan Councils, Unitary Authorities and London Boroughs in the form of a Local Levy calculated by reference to the Council Tax Base.

### **London Councils' Grant Scheme**

The London Boroughs' Grant Scheme is run by the London Councils' Grants Committee, which funds London-wide voluntary organisations and those that operate in more than one borough. The Council contributes to the funding pot on a 'per head' of population basis and the Grants Committee distributes the funds across the voluntary and community sector in London.

### **Concessionary Fares (Freedom Pass)**

The Freedom Pass is provided by London Boroughs and the City of London to give older and disabled Londoners free travel on almost all public transport in London. The cost of the scheme is largely apportioned between boroughs according to usage data.

### **Traffic Signals**

London Boroughs are required to pay an annual sum to Transport for London for the operation of traffic signals.

## Culture and Environment Revenue Budget

## Appendix G1

Directorate	Budget 2012/13 £000	FINAL BUDGET 2013/14 £000
Communities	12,885	13,048
Culture and Customers	10,319	9,363
Environment and Transport	7,759	7,839
Regeneration & Planning	3,021	2,514
Strategy & Directorate Support	3,294	3,219
<b>Culture &amp; Environment</b>	<b>37,278</b>	<b>35,983</b>

## Culture and Environment Revenue Budget by Expenditure/Income type

Directorate	Budget 2012/13 £000	FINAL BUDGET 2013/14 £000
<b>NET EXPENDITURE</b>	<b>37,279</b>	<b>35,983</b>
<b>Expenditure</b>	<b>116,592</b>	<b>114,993</b>
Employees	43,239	42,492
Premises	3,657	3,201
Transport Related Expenditure	3,693	3,853
Supplies And Services	16,208	16,332
Third Party Payments	44,261	43,406
Transfer Payments	50	50
Support Services	-45	129
Capital Financing Costs	5,531	5,531
<b>Income</b>	<b>-79,313</b>	<b>-79,010</b>
Government Grants	-770	-521
Reimbursements & Contributions	-2,236	-2,041
Customer & Client Receipts	-59,637	-59,176
Sales	-407	-405
Rents	-62	-65
Support Services	-2,203	-2,315
Recharges To Other Services	-13,998	-14,487
Miscellaneous Income	0	0

## Children Schools and Families Revenue Budget

## Appendix G2

Directorate	Budget 2012/13 £000	FINAL BUDGET 2013/14 £000
Achievement	21,188	23,213
Family Service & Social Work	36,382	34,198
Inclusion	23,953	26,067
Schools	-17,814	-22,234
Strategy and Resources	10,863	20,911
<b>Children Schools and Families</b>	<b>74,572</b>	<b>82,156</b>

## Children Schools and Families Revenue Budget by Expenditure/Income Type

Directorate	Budget 2012/13 £000	FINAL BUDGET 2013/14 £000
<b>NET EXPENDITURE</b>	<b>74,572</b>	<b>82,156</b>
<b>Expenditure</b>	<b>282,456</b>	<b>285,433</b>
Employees	176,040	176,568
Premises	18,127	18,270
Transport Related Expenditure	3,507	3,265
Supplies And Services	37,898	41,152
Third Party Payments	38,653	31,546
Transfer Payments	2,189	8,607
Support Services	91	75
Capital Financing Costs	5,951	5,951
<b>Income</b>	<b>-207,884</b>	<b>-203,278</b>
Government Grants	-177,657	-181,229
Reimbursements & Contributions	-9,466	-5,592
Customer & Client Receipts	-7,567	-7,291
Sales	-1,131	-1,195
Rents	-6	-6
Support Services	0	0
Interest	0	0
Recharges To Other Services	-12,057	-7,965
Miscellaneous Income	0	0

## HASC Revenue Budget

## Appendix G3

Directorate	Budget 2012/13 £000	FINAL BUDGET 2013/14 £000
Adult Social Care Division	97,124	92,338
General Fund Housing	20,245	20,757
<b>HASC General Fund</b>	<b>117,369</b>	<b>113,094</b>

## HASC by Expenditure Income/Type

Directorate	Budget 2012/13 £000	FINAL BUDGET 2013/14 £000
<b>NET EXPENDITURE</b>	<b>117,447</b>	<b>113,094</b>
<b>Expenditure</b>	<b>159,826</b>	<b>156,997</b>
Employees	33,305	32,947
Premises	4,379	3,539
Transport Related Expenditure	2,201	2,179
Supplies And Services	5,692	4,825
Third Party Payments	103,331	103,001
Transfer Payments	7,435	7,213
Support Services	3,349	3,160
Capital Financing Costs	133	133
<b>Income</b>	<b>-42,379</b>	<b>-43,903</b>
Government Grants	-7,544	-6,945
Reimbursements & Contributions	-14,032	-15,991
Customer & Client Receipts	-7,730	-7,751
Sales	0	-70
Rents	-7,855	-7,860
Support Services	0	0
Interest	-10	-10
Recharges To Other Services	-5,208	-5,275
Miscellaneous Income	0	0



## Legal Revenue Budget

## Appendix G4

Directorate	Budget 2012/13 £000	FINAL BUDGET 2013/14 £000
Legal Services	4,965	4,946

### Legal Services by Expenditure/Income type

Directorate	Budget 2012/13 £000	FINAL BUDGET 2013/14 £000
<b>NET EXPENDITURE</b>	4,965	<b>4,946</b>
<b>Expenditure</b>	5,700	<b>5,684</b>
Employees	4,439	4,422
Premises	26	27
Transport Related Expenditure	6	6
Supplies And Services	1,217	1,220
Third Party Payments	5	5
Support Services	6	3
Capital Financing Costs	0	0
<b>Income</b>	-735	<b>-737</b>
Reimbursements & Contributions	-85	-88
Customer & Client Receipts	-313	-318
Sales	-5	-6
Support Services	0	0
Recharges To Other Services	-186	-180
Miscellaneous Income	-146	-146

## Finance Revenue Budget

## Appendix G5

Directorate	Budget 2012/13 £000	FINAL BUDGET 2013/14 £000
Corporate Finance	5,365	4,509
ICT	16,809	14,451
Internal Audit	1,153	943
Revenues and Benefits	4,098	4,595
Procurement	2,320	2,085
Property	21,214	18,553
Business Support	670	1,212
<b>Finance</b>	<b>51,628</b>	<b>46,348</b>

## Finance by Expenditure/Income Type

Directorate	Budget 2012/13 £000	FINAL BUDGET 2013/14 £000
<b>NET EXPENDITURE</b>	<b>51,628</b>	<b>46,348</b>
<b>Expenditure</b>	<b>281,362</b>	<b>255,409</b>
Capital Financing costs	9,136	8,653
Employees	32,722	31,330
Premises	15,143	13,883
Supplies And Services	11,570	9,884
Support Services	56	29
Third Party Payments	872	834
Transfer Payments	211,677	190,624
Transport Related Expenditure	187	173
<b>Income</b>	<b>-229,734</b>	<b>-209,060</b>
Customer & Client Receipts	-1,851	-2,062
Government Grants	-211,432	-190,444
Interest	0	0
Miscellaneous Income	-102	-71
Recharges To Other Services	-2,336	-2,195
Reimbursements & Contributions	-6,397	-6,406
Rents	-6,616	-6,964
Sales	0	0
Support Services	-1,000	-918

## Strategy & Organisational Development Revenue Budget

## Appendix G6

Directorate	Budget 2012/13 £000	FINAL BUDGET 2013/14 £000
<b>Strategy &amp; Organisational Development</b>	9,515	<b>9,349</b>

### Strategy & Organisational Development Revenue Budget by Expenditure/Income Type

Directorate	Budget 2012/13 £000	FINAL BUDGET 2013/14 £000
<b>NET EXPENDITURE</b>	9,515	9,349
<b>Expenditure</b>	11,353	<b>11,289</b>
Employees	8,472	8,412
Premises	48	291
Transport Related Expenditure	10	7
Supplies And Services	2,543	2,506
Third Party Payments	204	0
Support Services	2	0
Capital Financing Costs	74	73
<b>Income</b>	-1,838	<b>-1,940</b>
Government Grants	-15	0
Reimbursements & Contributions	-180	-228
Customer & Client Receipts	-22	-22
Sales	-90	-93
Support Services	-1,512	-1,576
Recharges To Other Services	-20	-21

**Public Health****Appendix G7**

Directorate	Budget 2012/13 £000	FINAL BUDGET 2013/14 £000
<b>Public Health</b>	0	<b>25,649</b>

**Non-Departmental Budgets****Appendix G8**

Non Departmental Expenditure	Budget 2012/13 £000	FINAL BUDGET 2013/14 £000
Cross Cutting Savings Proposals	1,099	-7,531
Revenue Contribution to Capital from Reserves	-6,701	-42,507
Transfers to Reserves	18,652	24,265
Transfers from Reserves	-15,750	-21,358
Contribution to Pensions	14,301	14,799
Interest Receivable/Payable	2,721	1,554
Minimum Revenue Provision	1,884	2,488
PFI Leases	230	230
Levies	1,989	2,052
Net Other Items	7,886	18,634
Depreciation	-18,300	-18,300
Direct Revenue Financing	6,701	42,507
Government Grants	-29,643	-46,837
Contingency	2,512	0
<b>Total Non-Departmental Expenditure</b>	<b>-12,419</b>	<b>-30,004</b>

The figures in the Statutory Determination include £60.741m of non-recurrent spend from Earmarked Reserves that have not been allocated to departments. These are not reflected in the above figures to aid comparability between years.

Appendix G8

HOUSING REVENUE ACCOUNT – Budget 2013/14

	2012/13	2013/14
	BUDGET	BUDGET
	£'000	£'000
<b>EXPENDITURE</b>		
Repairs	41,536	44,275
Housing Management Services	18,329	18,455
Commercial Properties	1,572	1,547
Housing Needs	2,895	2,778
Temporary Accommodation	2,853	2,272
Caretaking and Grounds Maintenance	11,176	12,063
Power	12,467	12,297
Rent and Rates	7,624	5,770
Tenant Management Organisations	1,905	1,992
Capital & Contingency (Depreciation, MRA, Debt Management)	62,718	66,411
Bad debt provision	940	940
Corporate and Democratic Core	3,086	3,076
<b>GROSS EXPENDITURE</b>	<b>167,101</b>	<b>171,876</b>
<b>INCOME</b>		
Government Grant	(6,824)	(6,824)
Dwelling Rents	(118,821)	(124,209)
Other Rents	(9,671)	(9,671)
Charges for Services	(32,757)	(34,441)
HRA Investment income	(266)	(266)
<b>GROSS INCOME</b>	<b>(168,339)</b>	<b>(175,411)</b>
<b>NET COST OF SERVICES</b>	<b>(1,238)</b>	<b>(3,535)</b>
<b>APPROPRIATIONS</b>		
Revenue Contribution to Capital	1,238	3,535
Planned draw on reserves	6,600	4,006
<b>(Decrease)/Increase in Reserves</b>	<b>(6,600)</b>	<b>(4,006)</b>

Use of Reserve	Reserves at 31/3/12	Expected Reserves at 31/3/13	Expected Reserves at 31/3/14	Expected Reserves at 31/3/15
	£m	£m	£m	£m
Capital Schemes Programmed	33.486	25.684	25.148	23.703
Major Repairs Programme	12.540	12.540	8.570	5.870
Residential Leases	2.339	2.339	1.339	0
Allocated Working Balance	11.055	12.257	13.757	13.257
<b>TOTAL</b>	<b>59.420</b>	<b>52.820</b>	<b>48.814</b>	<b>42.830</b>

**2014/15 Unavoidable Permanent Pressures**

*The following table summarises the current estimates of unavoidable pressures in 2014/15. Work will continue throughout 2013/14 to challenge the underlying assumptions in these pressures and to seek alternatives and efficiencies to assuage and mitigate against the costs. 2014/15 financial planning contains £4m for unavoidable pressures*

Directorate	Service	Pressure	Comment	2014/15 Value (£'000)
Finance	Treasury	Interest	Possible pressures arising from continuing low interest rates	1,528
Finance	Pensions	Further contributions required to pensions fund	The triennial actuarial review of the fund in 2010 recommended an additional £1.3m should be set aside for backfunding for the next 3 years. It is likely that the next review, expected in November 2013, will recommend further contributions, broadly currently estimated at £1.5m.	1,500
Housing & Adult Social Care	Complex needs	Demographic trends	Young people transitioning into adult services. Expected that incremental cost of £0.5m in 2013/14 will be covered by NHS transfer of funding, but this cannot be guaranteed in future years.	1,000
Housing & Adult Social Care	Freedom Pass	Increases in costs of Concessionary Fares	Inflation in expenditure is driven by Association of Train Operating Companies (ATOC) fare increases which are consistently above Council's assumed inflation rate. The pressure has been mitigated by a renewals exercise undertaken during 2012 has reduced the number of valid passes, which is anticipated to reduce LBC share of the scheme costs	510
Housing & Adult Social Care	Adults over 65	Older People requiring support	Increased numbers of people requiring support. Forecast based on existing models of service, assuming a net increase of 40 residential/nursing placements and 100 community care placements over 5 years from 2014/15. (2012/13 numbers holding steady)	461
Housing & Adult Social Care	Homelessness	Increases in Temporary Accommodation Costs	In April 2013 the Total Benefit Cap (TBC) is being introduced. This limits the amount a single person can get in benefits to £350, and couple or people with children to £500 per week. It is expected that a significant number of families in Temporary Accommodation will be subject to this cap. The estimated increase in the Council's liability in respect of making up the shortfall is estimated is £1.5m from 2013/14, but due to the expectation that transitional arrangements will mean July introduction for Camden, the 2013/14 requirement is £1.125m.	375
Finance	Corporate property	Energy Costs	Current modelling suggests that fuel costs are expected to rise over the medium term as a result of inflationary rises and climate change levies.	170
Culture & Environment	Environment service	Pressure due to uncompetitiveness if apply fees and charges inflation	Discretionary income area where charging is to market rate. Any further increases will make the service less competitive and lose income. Current service review is happening to mitigate this pressure in the medium to long term.	300
CSF	Early Years	Reversal of DSG savings programme on nursery provision for 3 year olds	Policy decision around nursery provision for 3 year olds in Camden schools and play centres. This would represent a 15 hour per week increase (including lunch). The Council is still working up how this could be funded on an ongoing basis. Given the other pressures within the Early Years Block it is extremely unlikely to be funded within that block. Primary head teachers have asked officers to report to schools forum on the possibility of topslicing schools budgets to help to pay for this. The proposal will be discussed at the next Schools Forum on 11th December. Following this meeting the Council may consider what it could do to enable the funding to be found. This figure assumes that general fund resources are used to fund the pressure.	150
<b>TOTAL 2014/15 PRESSURES</b>				<b>5,994</b>

**Risks**

*Initial proposed budget allocations for unavoidable pressures in 2014/15 are included above, but there are a number of other risks that must be monitored in 2013/14 and the years beyond.*

Directorate	Service	Pressure	Comment	2013/14 Potential Value (£'000)	2014/15 Potential Value (£'000)	2015/16 Potential Value (£'000)	2016/17 Potential Value (£'000)
<b>Culture &amp; Environment</b>							
Culture & Environment	Commercial Waste	Pressures in achieving income targets.	Commercial Waste is currently undertaking a full service review to improve competitiveness and increase customer numbers	760	980	1,210	1,450

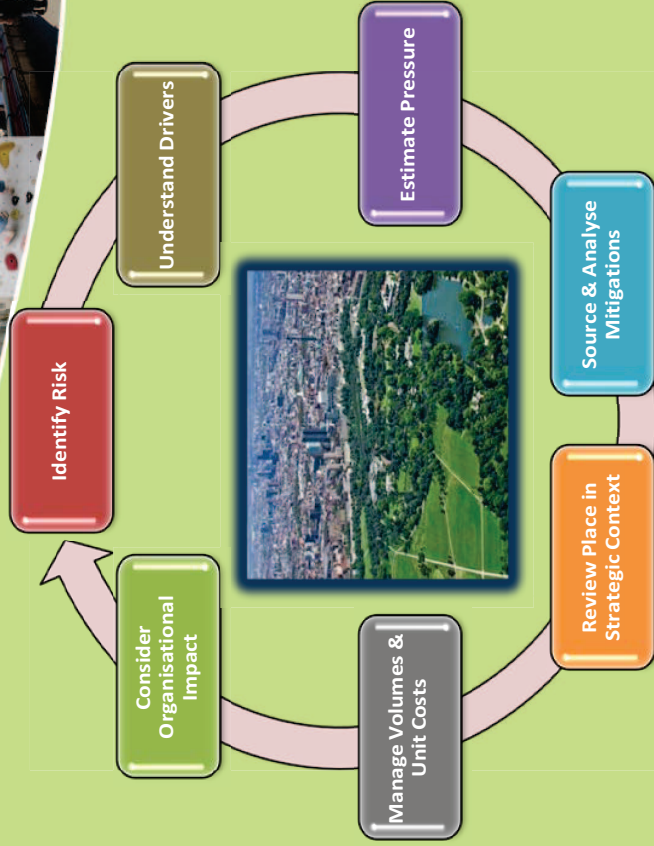
Directorate	Service	Pressure	Comment	2013/14 Potential Value (£'000)	2014/15 Potential Value (£'000)	2015/16 Potential Value (£'000)	2016/17 Potential Value (£'000)
Culture & Environment	Parking Income	Reduction in issue of Penalty Charge Notices by 2.5% p.a as a result of increased compliance.	Parking Services are implementing a number of projects to decrease costs, such as E-permits and cashless parking, reviewing the contract and are developing a range of others, such as automatic number-plate recognition.	1,270	2,460	3,590	4,650
Culture & Environment	Community Safety	Homelessness Strategy implementation Grant may not be awarded in future	MTFS makes assumptions about overall reductions in levels of external funding. It is expected this pressure will managed within this reduction.	1,300	1,300	1,300	1,300
Culture & Environment	Environment Services - NLWA	The waste disposal service faces numerous pressures over the medium-term. Landfill taxes continue to rise year on year, and contract payments are rising substantially due to the current rates of inflation. Furthermore, there is significant uncertainty and risk around the new waste disposal sites and changed charging methodologies planned for implementation in 2014/15.	The use of reserves and one -off balances from previous years performance have been extended to mitigate pressures in 2013/14, however these are unlikely to be available beyond then.	0	1,228	2,139	TBC
Culture & Environment	Community Safety	GLA Partnership funding grant may not be awarded in future	Income target within Communities	300	300	300	300
Culture & Environment	Place shaping	Neighbourhood planning	Communities now have the power to prepare their own neighbourhood plans, which if they meet set requirements, have to be adopted by the Council as statutory planning documents. Depending on volume this may lead to increase in costs.	100	TBC	TBC	TBC
Culture & Environment	Placeshaping	HS2 legal challenge	It is anticipated that it will costs £130k for HS2 legal challenge for 2012/13 - this will be funded from R&P legal budget in the AD's cost centre but it's not clear how much this will cost in future years. Pressure is additional to reserve of £560k established at the end of 2011/12.	TBC	TBC	TBC	TBC
<b>Children Schools and Families</b>							
CSF (DSG early years block)	Early Years - disadvantaged 2 year olds (new duty)	The government has made a commitment to extend nursery provision to disadvantaged 2 year olds (15 hours per week) with a target coverage of 40% of 2 years olds to be able to access nursery care by September 2014 (equates to 1,100 children for Camden). Cost of provision is expected to be £3 per hour more than the £6.07 government funding.	For 2013/14 and 2014/15 it is expected that take-up will be less than 100%. The saving from this combined with the fact that the government is providing funding for the full year should enable the costs to be contained with the total funding available. From 2015/16, there is a risk the government will link funding to take-up and take-up will increase to bearer 100%.	0	0	1,800	1,800
CSF (DSG high needs block)	Special educational needs	Responsibility for funding education for young people aged 16 to 25 with learning needs transfers to the authority from September 2013. This together the lack of growth funding provided by the government for under 16 will place significant pressure on this part of the new DSG.	The funding provided by the government for 16 to 25 is currently £2m less than forecast spend. Planned savings are expected to be made within the under 16 section from reducing use of independent schools. However there is a danger that the savings will not be sufficient leaving a net overspend for the block. It is expected that this risk will reduce over time as more savings are made.	1,000	700	500	300
CSF (schools block)	Mainstream schools	Impact of lower pupil numbers and hence less government funding due to decanting of houses linked to HS2.	Impact on individual schools within the proposed route could be significant. Compensation scheme may be available from the government.	0	0	TBC	TBC
<b>Finance</b>							
Finance	Revenues	Universal Credit	Possible pressure if grant provided to maintain current processes is wound down faster than staff leave the organisation. Pressure in baseline budgets may emerge as cases move to Universal Credit regime. Potential pressure may emerge from initiatives to assisting customers to make digital claims.	0	TBC	TBC	TBC

Directorate	Service	Pressure	Comment	2013/14 Potential Value (£'000)	2014/15 Potential Value (£'000)	2015/16 Potential Value (£'000)	2016/17 Potential Value (£'000)
Finance	Revenues	Social fund	Camden will receive a social fund grant, and admin funding for supporting the administration of the grant. Risk that grant will decrease in future years.	0	0	TBC	TBC
<b>Housing and Adult Social Care</b>							
HASC	ASC	Transfer of Independent Living Allowance responsibilities from 2015/16	A transfer review programme led by the ILF will commence in March 2013. The scale of resources transferring and the associated commitments is not yet known. The funding mechanism is not known, but the resources are not expected to be ring fenced	TBC	TBC	TBC	TBC
<b>Public Health</b>							
Public Health	Public Health	Uncertainty over Funding and Commitments	A 2 year funding settlement was announced in January. The final funding formula means that Camden, and Public Health partners Islington, both have grant allocations significantly above the 'target level', and will therefore receive smaller than average rises, or larger than average cuts, to the grant in future years. A risk remains regarding the level of contract liabilities being transferred from the NHS and the impact of demand led services Camden will end 2014/15 £7.8m above the target allocation.	0	0	4,000	8,000
<b>Corporate</b>							
Finance	Pensions	Further contributions required to pensions fund	The triennial actuarial review of the fund in 2010 recommended an additional £1.3m should be set aside for backfunding for the next 3 years. It is likely that the next review, expected in November 2013, will recommend further contributions, broadly currently estimated at £1.5m. 2013/14 value is funded within budget, and 2014/15 value is captured in allocations above.	Funded	Funded as indicative pressure above	1500	1,500
Employer pension contribution	All services	Likely increased take-up of pension scheme due to statutory changes that require employers to automatically enroll staff into their scheme. Staff have to opt out if they do not wish to continue as a member but this has to be renewed every three years.	Alongside this statutory amendment that affects all schemes, other changes to the local government pension scheme might have a negative impact on take-up. Employee contribution rates are increasing and changes made to the calculation of final pensions. It is therefore unclear what the overall impact on employee take-up will be. A 25% increase would cost £1.7m but implementation for existing staff might be delayed until 2017.	0	300	500	700
<b>TOTAL RISKS</b>				<b>2,036</b>	<b>2,021</b>	<b>6,500</b>	<b>10,500</b>



# Medium-term Demand-led Modelling

business • community and living • council and democracy • education • environment • housing • leisure • policing and public safety • social care and health • transport and streets





# Demand-led Modelling: Introduction to Approach

## Background

Demand-led Modelling presents a visual analysis of the Council's key medium-term risks and pressures. This allows a focus on the cost drivers which are causing the pressures, and mitigations being sought out and developed by the service to reduce the impact. The approach should aid financial planning and resource maximisation as Council has an holistic overview of the main service areas in which overspends are expected in future years. The approach will aid the accumulation of central business intelligence and understanding across the organisation.

## Methodology

The key risks for inclusion in the approach were suggested by senior finance officers and validated through the service. The information that drives the risks is the accumulation of data from across the business and is the result of joint working between Finance and the relevant service areas. The analyses has included MTFS savings programmes, demographic changes, and new and future changes to statute.

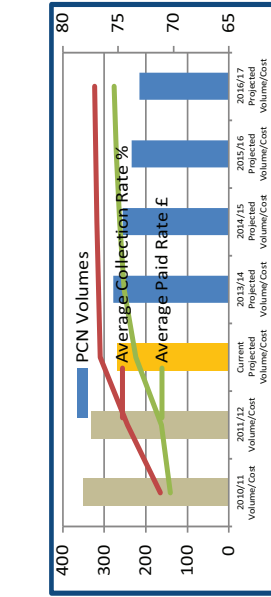
## Next Steps

A number of further risks are being developed and will be launched in the July report – the notable current omissions are the high-value, high-impact areas of Older People, Learning Disabilities and Homelessness, which while complex to model, should benefit from this approach. Presently, risks are contained to those in the general fund, but it is intended to incorporate Schools and HRA risks over the next year. Regular horizon scanning will ensure that the risks included are correct.

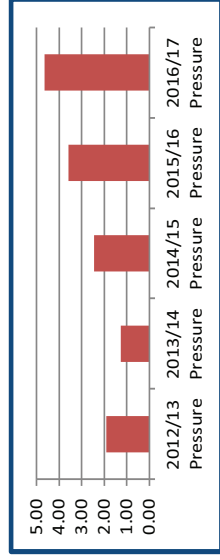


## Look and Feel – How it Works...

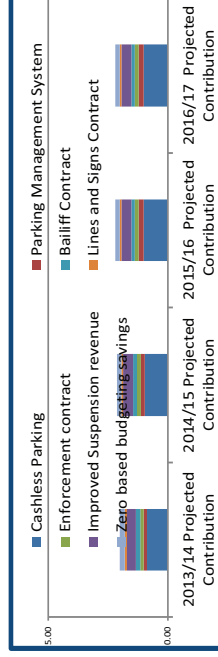
1) **Estimate Pressures.** This is the difference between anticipated costs or income and what budget. To estimate this we need to understand...



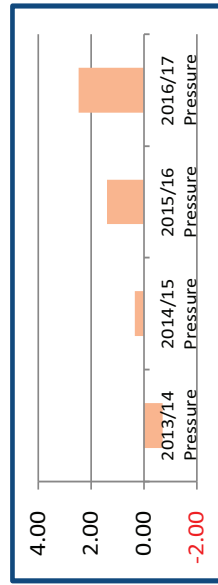
1) **Cost Drivers.** What is it that's driving costs? Is it that costs are going up, or demand? Is the pressure being reduced because procurement has reduced costs, or because we have constrained demand?



3) **Potential Mitigations.** What are the service doing to contain the pressure? For example, are there plans to raise income or offer cheaper alternatives?



1) **Net Pressure.** Once the impact of the potential mitigations have been incorporated, we're left with the net pressure the Council is facing in the medium-term.



# Summary of Gross Demand-led Pressures (1)

Risk Number	Category	Directorate(s)	Service(s)	Current Budget £m	Outturn Forecast £m	Variance Deficit / (Surplus) £m	Budget as Percentage of Controllable Organisational Expenditure/Inc ome Budget %	2013/14 Pressure £m	2014/15 Pressure £m	2015/16 Pressure £m	2016/17 Pressure £m	Likelihood (0-5)	Impact Status (likelihood x Pressure)
1	Concessionary Fares	HASC	Adult Social Care	12.30	12.30	0.00	2.5%	0.00	0.24	0.51	0.79	3	Green
2	Energy	Finance	Property	2.47	2.44	-0.03	0.5%	0.13	0.16	0.24	0.33	3	Green
3	Looked After Children & Children In Need	CSF	Family Service & Social Work	16.90	16.00	-0.90	3.4%	0.14	0.14	0.15	0.15	3	Green
<b>Expenditure</b>				<b>31.67</b>	<b>30.74</b>	<b>-0.93</b>	<b>6.3%</b>	<b>0.27</b>	<b>0.55</b>	<b>0.90</b>	<b>1.28</b>		
4	PCN Income	C&E	Parking Services	17.01	15.11	1.90	18.4%	1.27	2.46	3.59	4.65	3	Red
5	Commercial Waste Income	C&E	Environment Services	7.57	6.99	0.58	8.2%	0.76	0.98	1.21	1.45	3	Amber
<b>Income</b>				<b>24.58</b>	<b>22.10</b>	<b>2.48</b>	<b>26.5%</b>	<b>2.03</b>	<b>3.44</b>	<b>4.80</b>	<b>6.10</b>		
<b>TOTAL</b>				<b>56.25</b>	<b>52.84</b>	<b>1.55</b>	<b>32.9%</b>	<b>2.29</b>	<b>3.99</b>	<b>5.70</b>	<b>7.38</b>		
<b>NET PRESSURE AFTER POTENTIAL MITIGATIONS</b>				<b>-</b>	<b>-</b>	<b>-0.00</b>	<b>-</b>	<b>-0.29</b>	<b>0.88</b>	<b>2.27</b>	<b>3.40</b>		

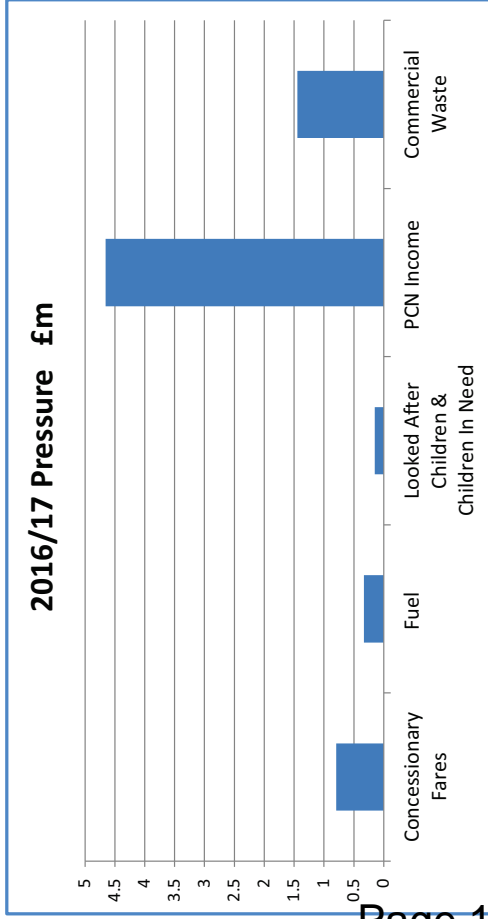
The table shows that the Council is holding risks in key demand-led areas of £2.3m in 2013/14, and that this is set to rise to £7.4m by 2016/17. However, once the assuaging impact of potential mitigations - generally service-led initiatives to reduce costs and increase income (discussed below) - is taken into account, this is reduced to a nil pressure for next year, rising to £3.4m in 2016/17.

However, it is important to note that at this stage this model does not include the potentially significant areas of Homelessness, Older People and Learning Disabilities. These are currently being modelled and it is intended to include them from July.

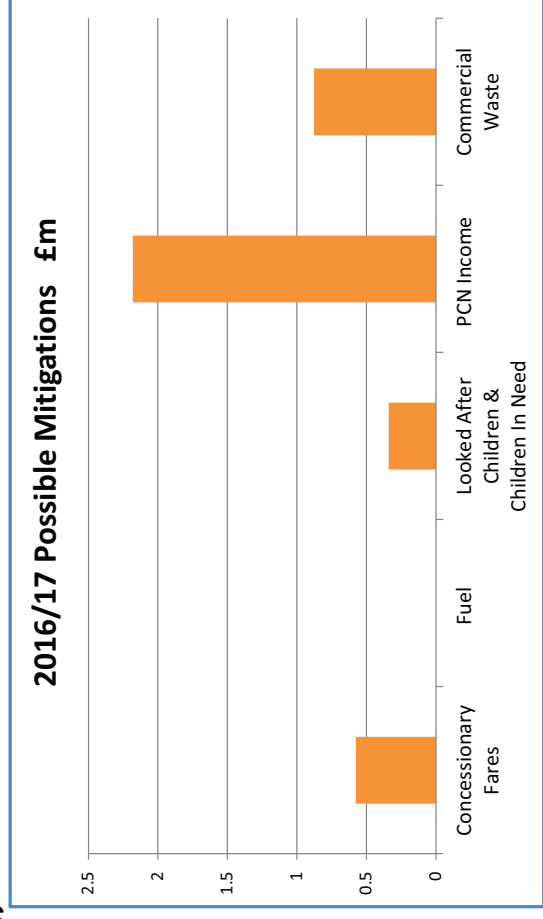
Our current estimates of 2014/15 pressures are £6m as discussed in appendix H, while Council modelling allows for £4m of uncontrollable pressures. It is hoped that this demand-led model will help draw out further potential mitigations in the areas being modelled that will help

# Summary of Gross Demand-led Pressures (2)

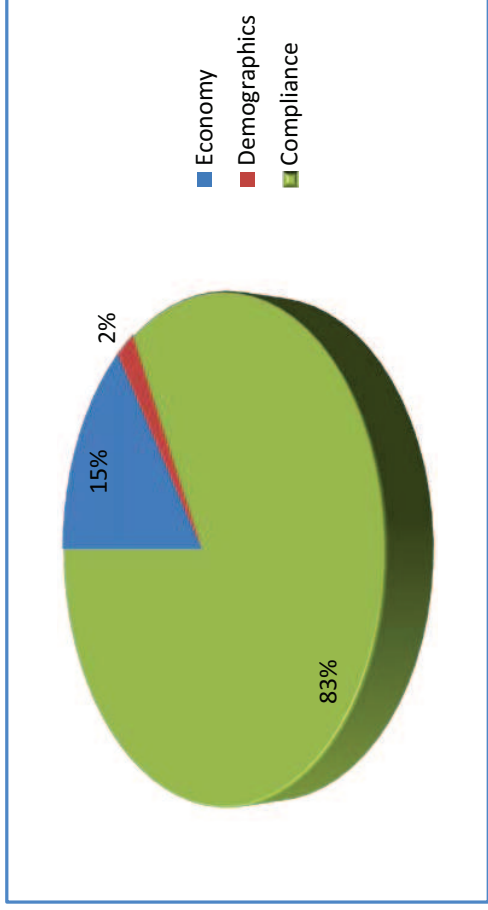
Cumulative Pressure



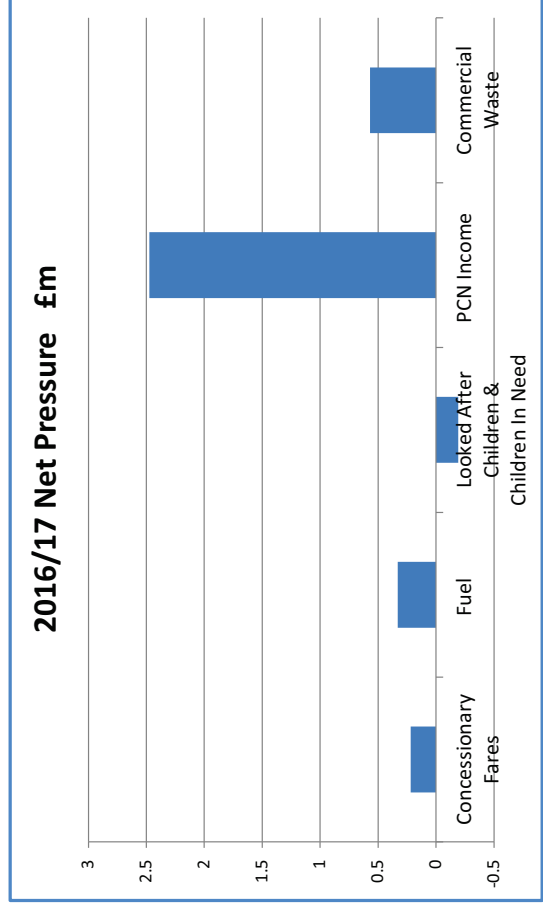
Possible Mitigations



Risk Drivers Categorisation Analysis



Net Pressure (after possible mitigations)



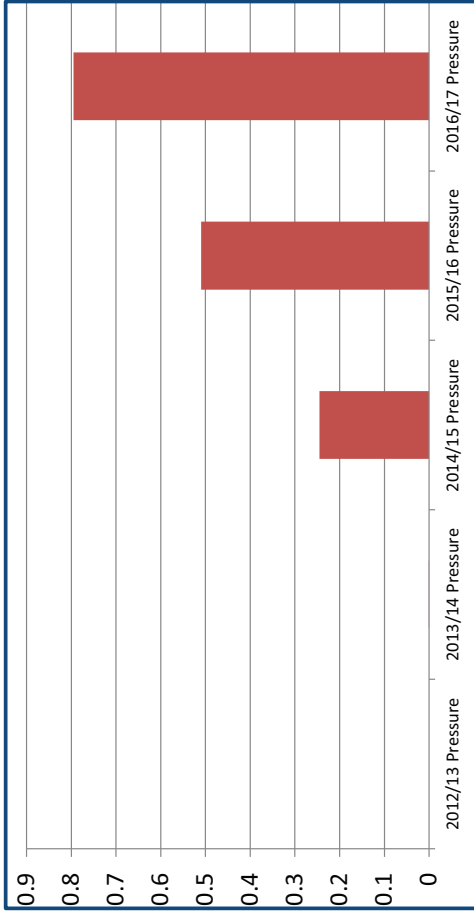
# Risk 1: Concessionary Fares

**Summary of Risk:** The statutory obligation to provide free travel passes to retired residents produces an increasing cost on the Council due to demographics and rises in fares.

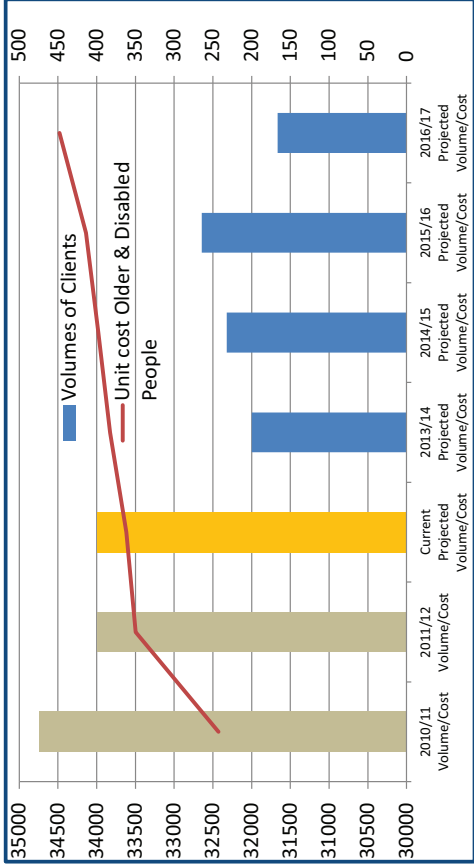
**Risk Status** (likelihood of occurrence 0-5)

3

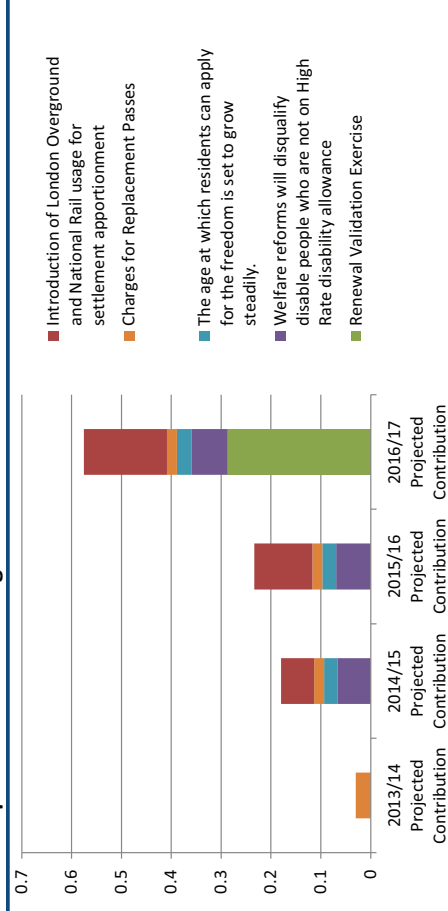
**Financial Impact of Pressure £m (prior to mitigations)**



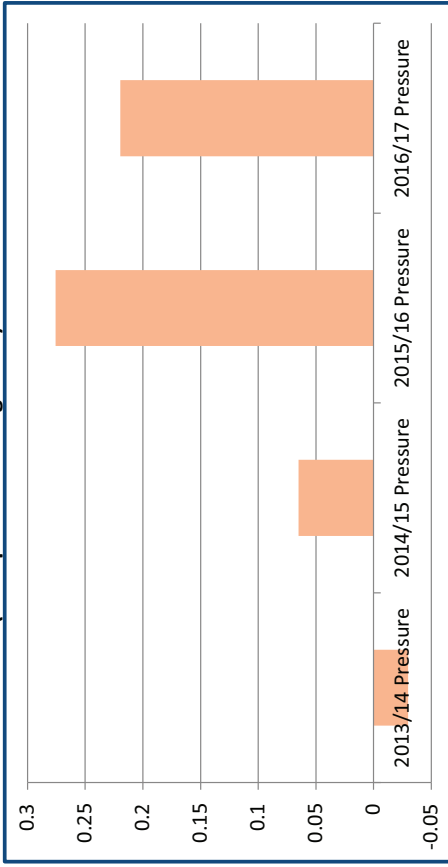
**Risk Drivers**



**Impact of Potential Mitigations £m**



**Net Pressure £m (after potential mitigations)**



## Risk 2: Energy Costs

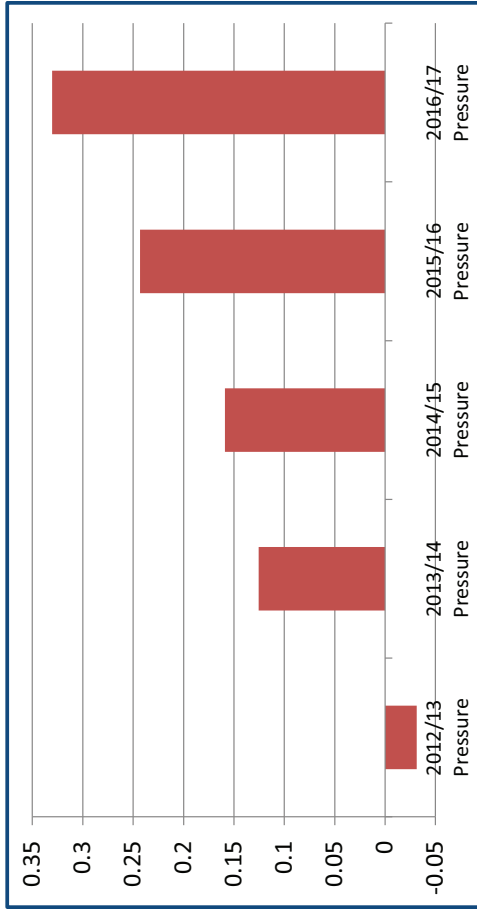
**Summary of Risk:**

The rise in energy costs has historically outstripped inflation. Uncertainty and risk exists around future rises, linked to global economic conditions.

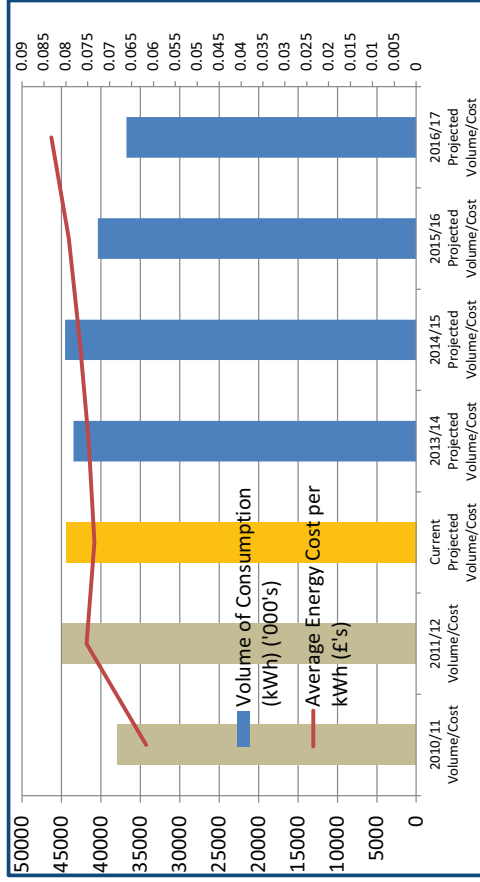
Risk Status  
(likelihood of occurrence 0-5)

3

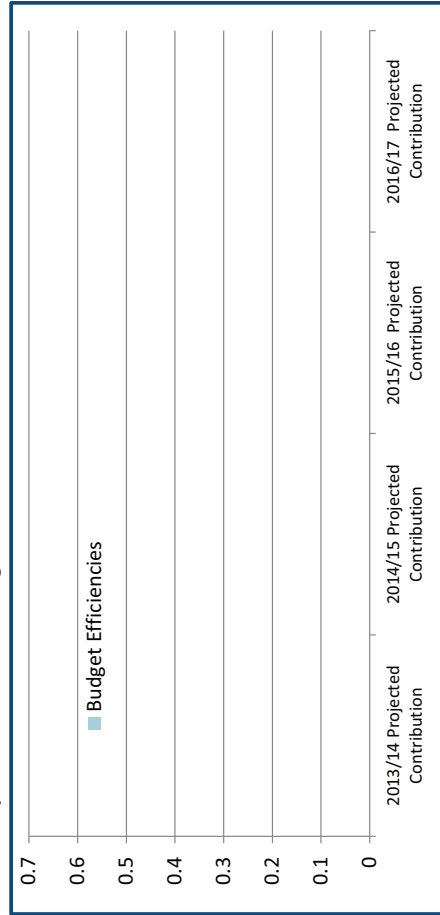
Financial Impact of Pressure £m (prior to mitigations)



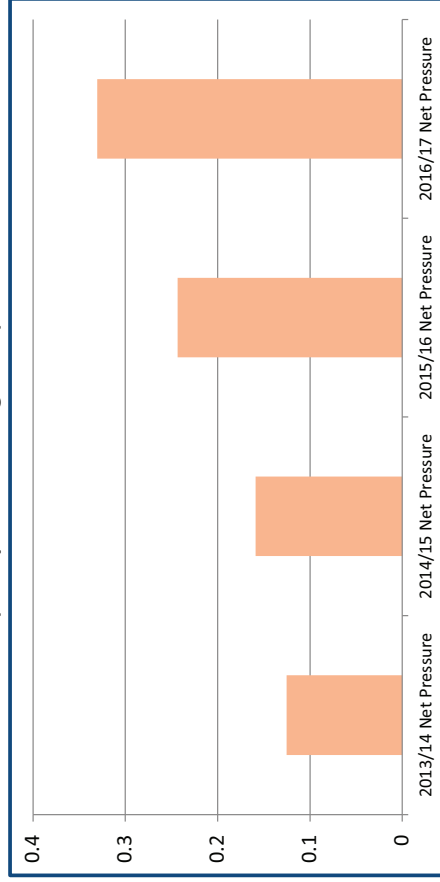
Risk Drivers



Impact of Potential Mitigations £m



Net Pressure £m (after potential mitigations)



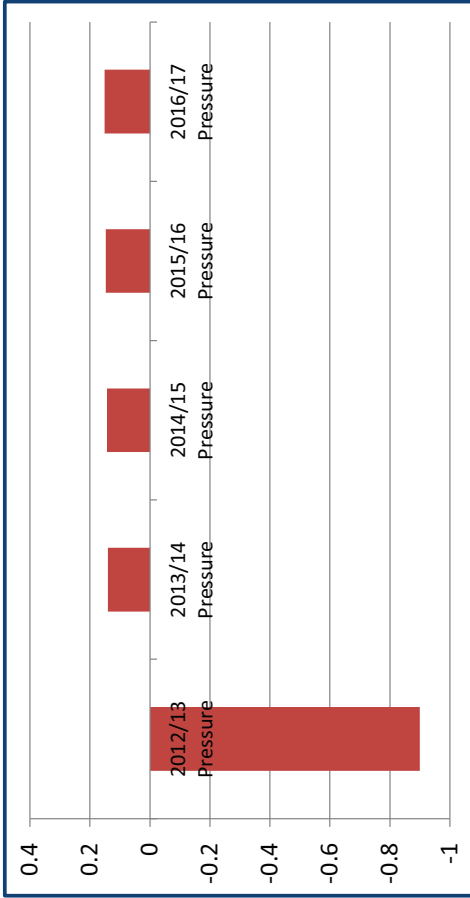
### Risk 3: Looked After Children / Children In Need

**Summary of Risk:** The number of Looked After Children & Children in Need service is a demand led service and is difficult to predict. However, placement costs have risen steadily over the years which in turn has put pressure on the council's finances.

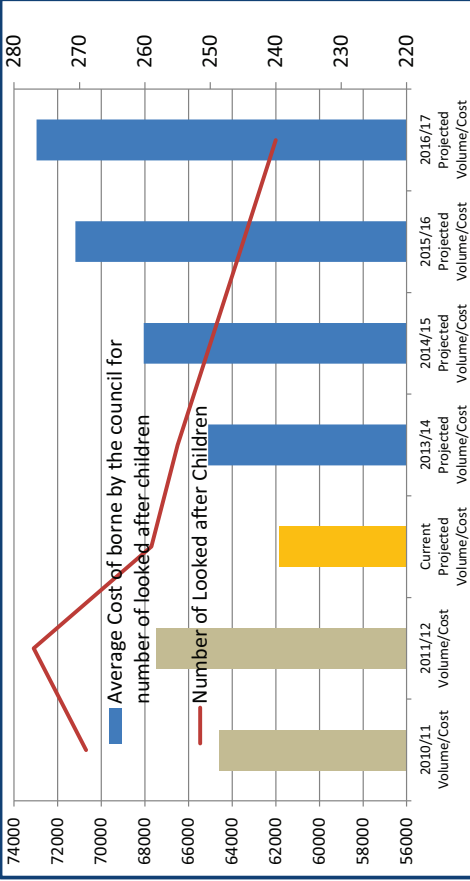
**Risk Status**  
(likelihood of occurrence 0-5)

**3**

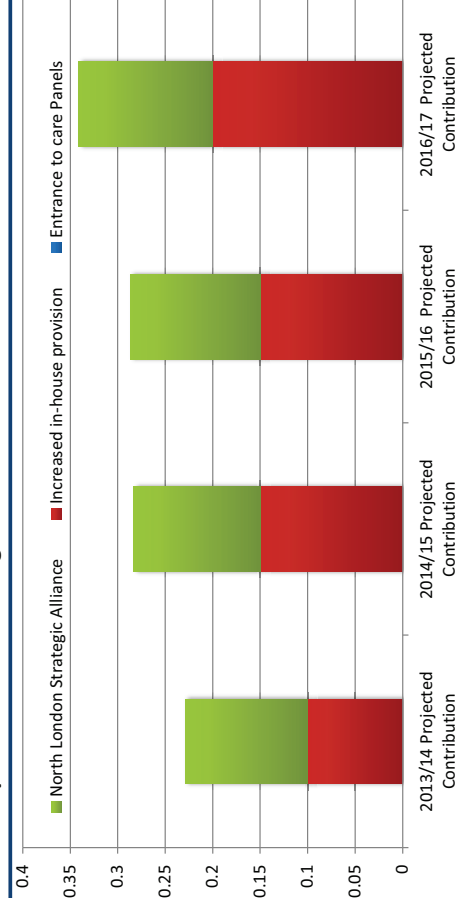
Financial Impact of Pressure £m (prior to mitigations)



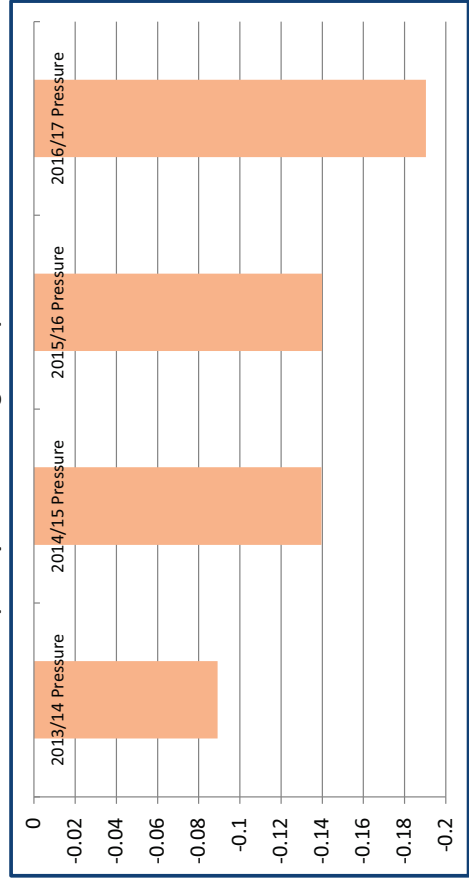
Risk Drivers



Impact of Potential Mitigations £m



Net Pressure £m (after potential mitigations)





### Risk 4: PCN Income

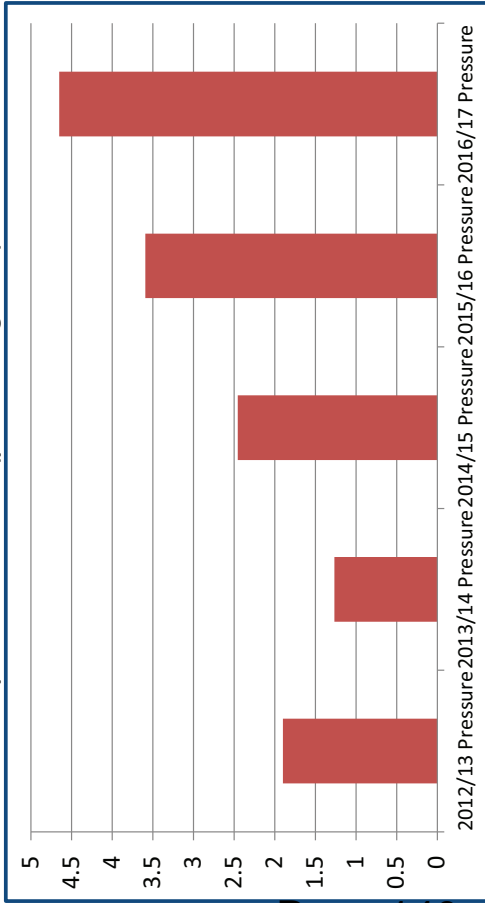
**Summary of Risk:**

Income from Penalty Charge Notices has been declining year on year since 2007/08 due to improvements in compliance. With technology expected to play a significant role in the future of Parking enforcement, moving us away from the heavy resource based approach towards systems that are automated reductions in costs can be expected. It should be noted the net pressure reported below is the net PCN pressure only. Parking has various other pressures that are not included in the figures reported below.

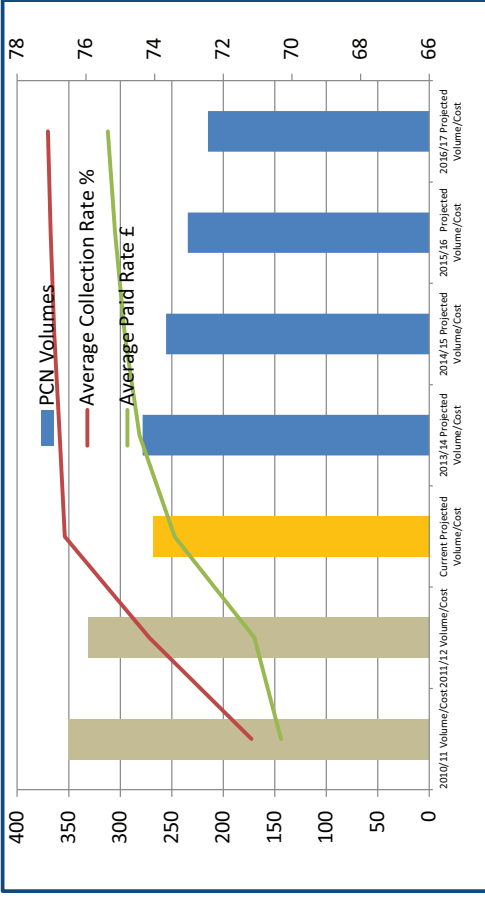
Risk Status  
(likelihood of occurrence 0-5)

3

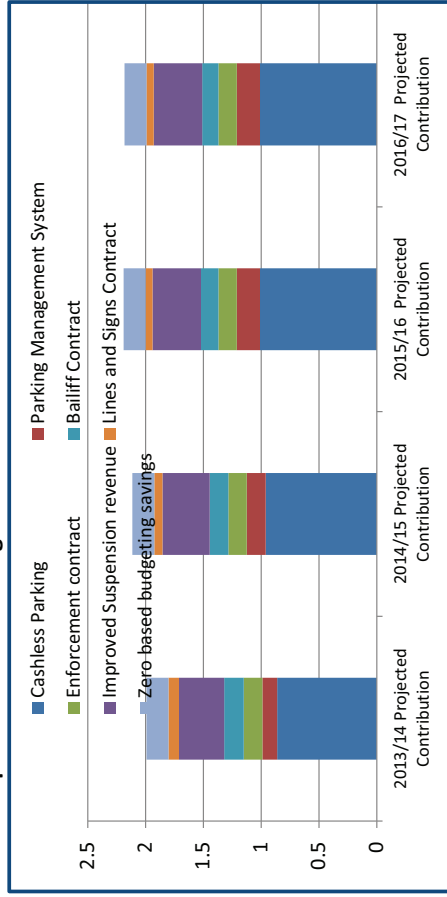
Financial Impact of Pressure £m (prior to mitigations)



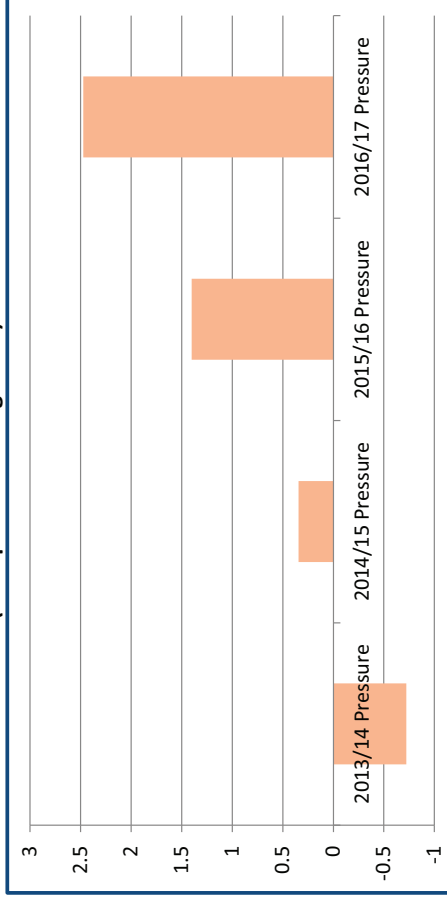
Risk Drivers



Impact of Potential Mitigations £m



Net Pressure £m (after potential mitigations)



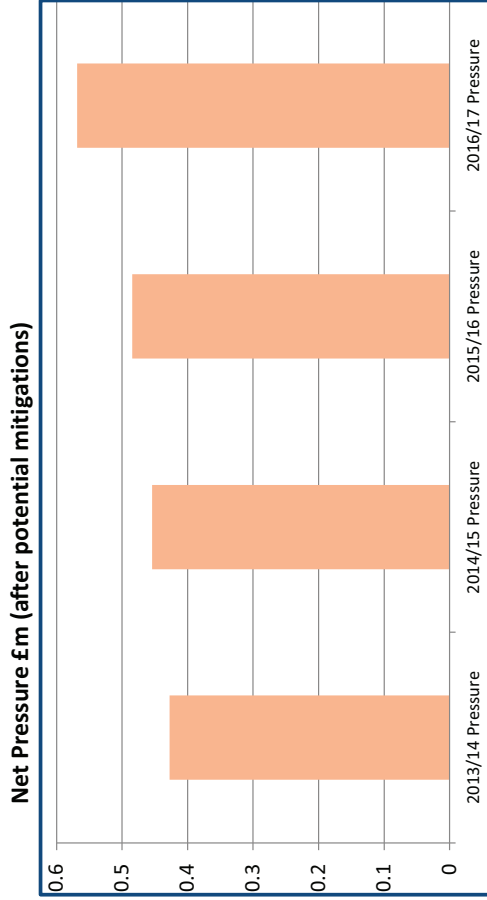
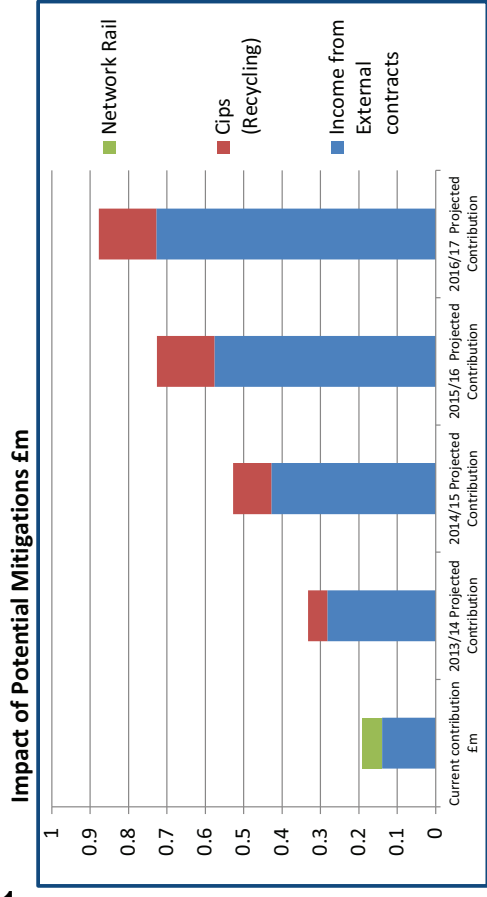
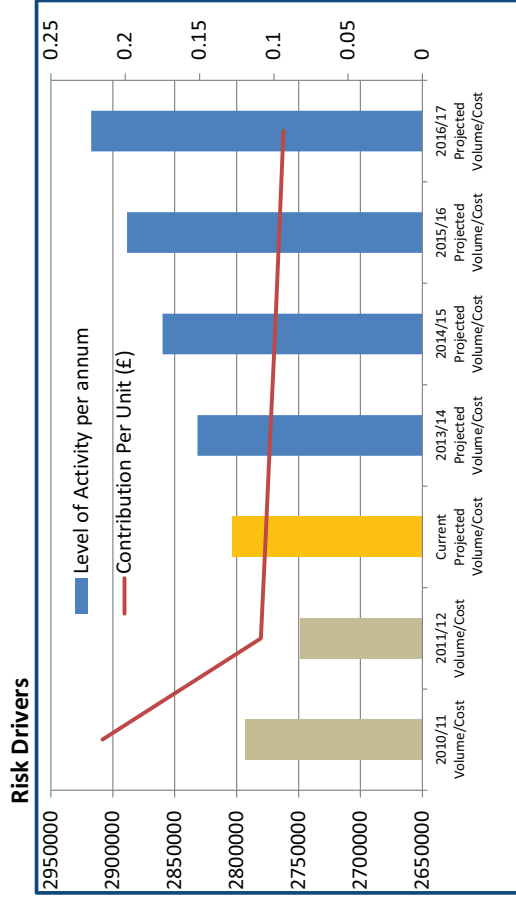
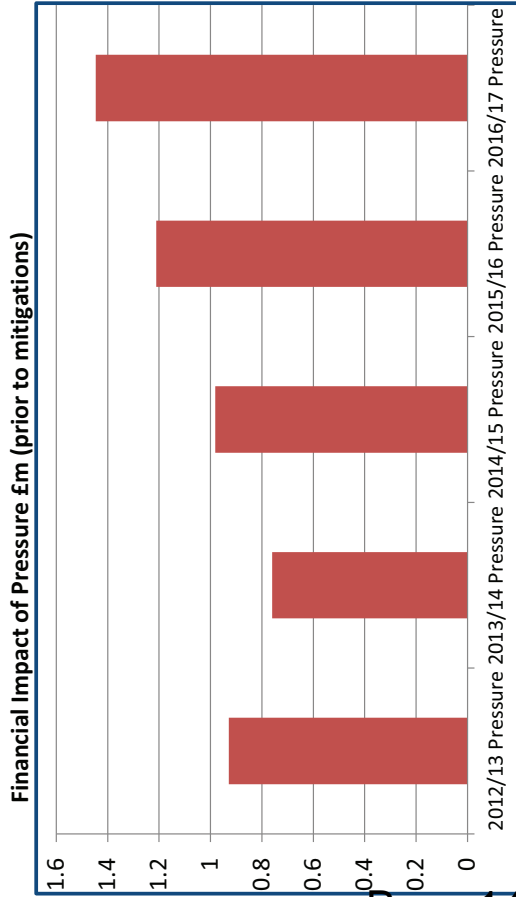
## Risk 5: Commercial Waste Income

**Summary of Risk:**

Income from Commercial Waste is decreasing because of the change in economic climate currently experienced and the increase in competition in the market. Currently Camden is charging higher rates than many of our competitors due to the fact our waste disposal charge is tied in with NLWA charge rates which are higher than what some of our competitors are being charged.

Risk Status  
(likelihood of occurrence 0-5)

3



# Future Projections and Assumptions

*These inflation allowances are included in future modelling, and any pressures are the difference between expenditure/income and budgets adjusted for these allowances*

## Inflation Assumptions

Year	1	2	3	4	5	6	7	8	9	10
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Inflation %</b>										
A - Employees Pay	0.00%	1.00%	1.00%	2.50%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%
A - Employees Non Pay	0.00%	1.00%	1.00%	2.50%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%
C - Premises	0.00%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
E - Transport Related Expenditure	0.00%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
E - Transport Related Expenditure Fuel	0.00%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
G - Supplies and Services	0.00%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
J - Third Party Payments	3.00%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
J - Third Party Payments Levy	0.00%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
L - Transfer Payments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
N - Support Services	0.00%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
P - Capital Financing Costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TA - Government Grant	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TB - Contributions	0.00%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
TC - Fees and Charges	1.34%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
TD - Sales	1.34%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
TE - Rents	1.34%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
TF - Support Services	0.00%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
TG - Interest	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TH - Recharges to Other Services	0.00%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
TZ - Misc Income	0.00%	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%



## Population and Other Assumptions

taken from Camden Profile 2012 on Data Observatory -

<http://www.camdendata.info/Pages/Home.aspx>

### Demographics

Households:	103,019		534,531
Population of Greater London:	3%		30%
Size:	22 sq/km		35%
Conservation Areas:	39		26%
Listed Buildings:	5,645		23%
'Unfit' Dwellings:	9,249		11%
Area of Greater London:	1%		46%
Employment of Greater London:	7%		

### Housing

Average Houseprice:			534,531
Overcrowding:			30%
Owner Occupied:			35%
Council Rented:			26%
Privately Rented:			23%
RSL or Housing Asc:			11%
Living alone:			46%

### Other

Aged under 30:	41%
Aged under 45:	68%
Aged under 18:	19%
Minority Ethnic Group:	27%
Languages in Schools:	126
Male life expectancy:	78
Female life expectancy:	83
Lower male life exp. in poorest area:	11
Lower female life exp. in poorest area:	8

### Employment

Number of businesses:	23,990
By number of businesses in UK:	5th
Jobs in Borough:	300,000
Empty shops:	7%
JSA Claimants:	6%
People on out of work benefits:	22,570 (12.6%)

### Education

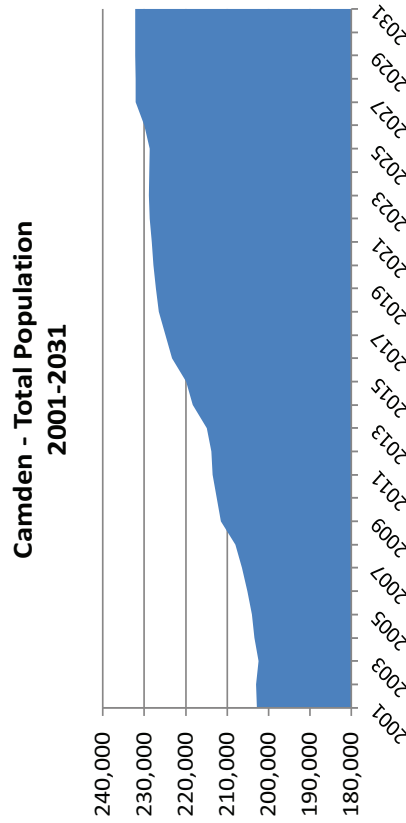
Residents In employment with degrees:	47%
Residents with no qualifications:	8%
Residents with limiting long-term illness:	16%
Residents in flats:	86%
Students:	24,000



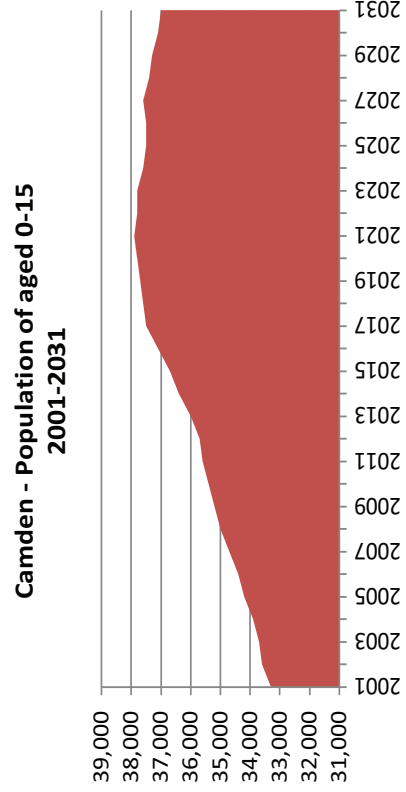


# Demographic Projections (1)

Demographic changes within the borough will have a very significant impact on demand for Council services in future years.



Total Population is forecast to rise from 203,000 in 2001 to 232,000 in 2031 – a rise of 15%



There's a projected 6% rise in the number of children and young people in the next 10 years, creating pressures on schools and associated services.

Source: GLA 2011 Projections

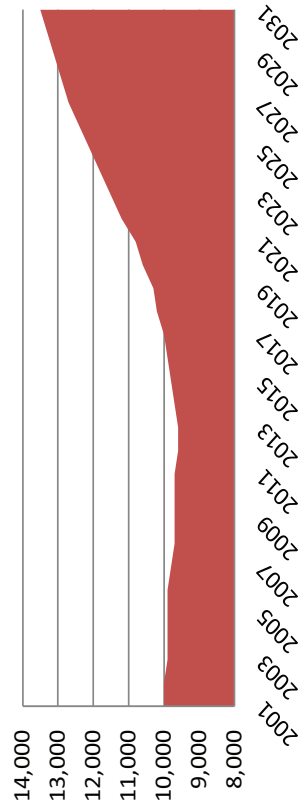


## Demographic Projections (2)

**Demographic changes within the borough will have a very significant impact on demand for Council services in future years.**

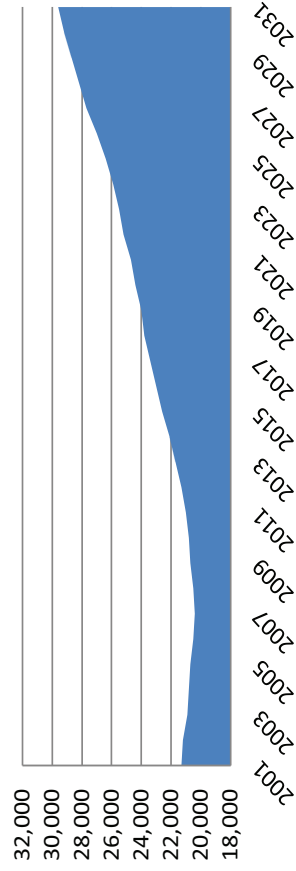
**Older People** numbers are set to increase markedly – 40% on 2012 levels – by 2031, increasing costs on social care residential support

Camden - Population of 'Older Pensioner Age' Persons (age 75+) 2001-2031



**Older Pensioners** – residents aged 75 and over – require a high degree of support, and the number in the borough is projected to rise to 13,500 by 2031.

Camden - Population of 'Pensioner Age' Persons (age 65+) 2001-2031



Source: GLA 2011 Projections

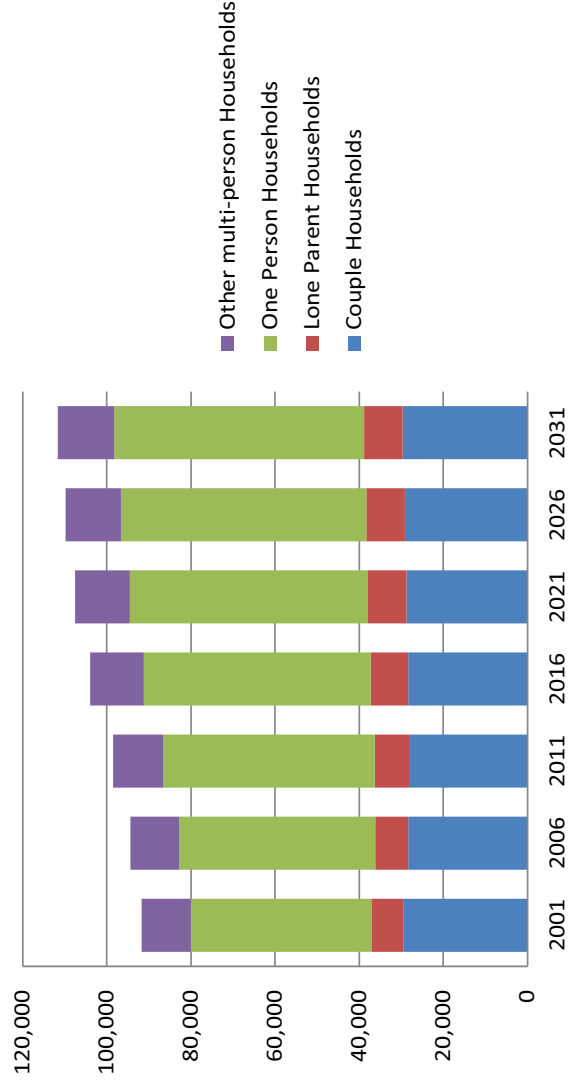


## Demographic Projections (3)

Demographic changes within the borough will have a very significant impact on demand for Council services in future years.

The number of **one-person households** will increase from 43,000 in 2011 to 59,300 in 2031 – with implications on a wide number of services such as Planning, Housing, and Environmental Health

Projected Households by Type, 2001-2031



Source: GLA 2011 Projections

**THE COUNCIL TAX SYSTEM**

The Council Tax system, introduced by the Local Government Finance Act 1992, is primarily a tax on domestic property but the number of residents in a given property is a factor in determining how much a household pays. All domestic properties in the borough have been assigned by the Valuation Office Agency of the Inland Revenue to one of eight value bands, with properties in the lowest band (A) being liable for the lowest bills and those in the highest band (H) for the highest. The difference in the level of tax paid at each band level is fixed by statute in the following proportions of the Band D council tax.

<b>Band A 6/9</b>	<b>Band B 7/9</b>	<b>Band C 8/9</b>	<b>Band D 9/9</b>
<b>Band E 11/9</b>	<b>Band F 13/9</b>	<b>Band G 15/9</b>	<b>Band H 18/9</b>

The Council is required to determine the tax at the band D level, by reference to the previously agreed tax base which expresses all domestic properties in the Borough in terms of band D equivalents adjusted for estimated losses on collection. The basic tax for each property is then determined by applying the appropriate ratio to the band D tax figure. However, overlaying this is a complex system of discounts. In addition, there is a hierarchy of persons liable to pay the tax on any property, so that liability is not always easy to determine.

Properties were valued for Council Tax purposes by reference to their market value on 1 April 1991 and the movement in market values since that date should have no impact on relative valuations and hence on the bills facing individual households. The market values determining the band to which each property has been assigned are as follows:

<b>Property Band</b>	<b>Value (£000)</b>
A	40 or under
B	40 – 52
C	52 – 68
D	68 – 88
E	88 – 120
F	120 – 160
G	160 – 320
H	Over 320

Bills are discounted by 25% if there is only one adult resident in the property. The number of resident adults in a property will in many instances be a notional figure since there are several categories of resident who are disregarded for this purpose. Persons in these categories of disregarded adults include those who are severely mentally impaired, school children aged 18 or over, apprentices, trainees and student nurses, resident care workers provided by a charitable body, and persons in detention or in long-term residential care.

However, under certain circumstances, students and student nurses can find themselves liable for Council Tax, while for those on low incomes the value of discounts is deducted before calculation of Council Tax Support. Many low income families nevertheless benefit significantly from eligibility for council tax support up to 91.5% of the tax.

Other discounts apply to empty properties, which receive a 100% discount for the first month



and to properties in a poor state of repair, which receive a discount of 25% for one year. Homes occupied by full time students are exempt from council tax as are certain other homes such as those occupied by diplomats and those awaiting the probate of a deceased person.

Joint and several liability for the payment of the Council Tax applies to any person falling into the same category in the hierarchy of liability as the liable person to whom the bill is sent. This hierarchy of liability is:

- Resident freeholder
- Resident leaseholder
- Resident statutory or secure tenant
- Resident with a contractual licence to occupy
- Other resident
- Owner

## Appendix K

Line	Relevant Basic Amount	2012/13	2013/14
1	Council Tax Requirement	£99,469,724	£83,904,530
2	Average Band D Camden council tax - including Garden Squares	£1,021.77	£1,021.77
3	Council Tax Base	97,350	82,117
	Levies *		
	- North London Waste Authority	£5,043,000	£4,977,324
	- London Pensions Fund Authority	£1,406,915	£1,407,000
	- Lee Valley Regional Park Authority	£279,485	£273,895
	- Environment Agency	£189,881	£192,798
	- Traffic Signals	£352,530	£356,908
	- Concessionary Fares	£12,292,190	£12,249,471
	- London Councils Grant Scheme	£345,942	£241,452
	- Garden Squares	£23,429	£23,555
4	sub-total Levies	<u>£19,933,372</u>	<u>£19,722,404</u>
5	Relative Basic Amount = (Council Tax Requirement LESS Levies)/Council Tax Base	817.01	781.59
6	Council Tax Support Allowance (CTSA)	£18,387,770	
7	Council Tax Requirement LESS CTSA LESS Levies	£61,148,582	
8	Council Tax Base LESS (CTSA/Band D council tax)	79,354	
9	Alternative Notional Amount = line 7/line 8	770.58	
10	Change in Relevant Basic Amount for 2013/14 compared to Alternative Notional Amount	11.01	
11	Percentage Change in Relevant Basic Amount for 2013/14 compared to Alternative Notional Amount	1.43%	

\* as shown in the DCLG supporting papers to the Local Government 2013/14 Finance Settlement as revised on 24 January 2013

STATUTORY DETERMINATION OF COUNCIL TAX 2013/14

**BY THE COUNCIL OF THE LONDON BOROUGH OF CAMDEN**

The report to the 27<sup>th</sup> February 2013 Cabinet sets out the net council tax requirement for 2013/14 of £83,904,530. This equates to a Council Tax of £1,021.48 at the Band D level for Camden Council's purposes.

The Mayor of London's budget for the Greater London Authority reflects a 1.2% decrease producing a total at the Band D level of £1,324.48 for residents not living within the Garden Squares.

## STATUTORY DETERMINATION OF COUNCIL TAX 2013/14

**BY THE COUNCIL OF THE LONDON BOROUGH OF CAMDEN**

**In accordance with s.30 of the Local Government Finance Act 1992 (and amendments made in the Localism Act 2011), the Council resolves;**

**1. Special Expenses (Garden Squares)**

That it be agreed that the levies totalling £23,555.43 raised by the Garden Square committees for Fitzroy Square, Gordon Square, and Mecklenburgh Square should be designated as special Council expenses within the provisions of Section 35(1) of the Local Government Finance Act 1992.

**2. Council Tax Base**

That it be noted that at its meeting on 16<sup>th</sup> January 2013 the Council's Cabinet calculated the following amounts for the year 2013/14 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992:

(1) 82,117.08 being the amount calculated by the Council in accordance with Regulation 3 of the Local Authorities (Calculations of Council Tax Base) Regulations 1992, as its Council Tax base for the year.

(2) Gordon Square	26.84
Fitzroy Square	49.91
Mecklenburgh Square	87.20

Being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items relate.

### 3. Calculation of Council Tax

That the following amounts be now calculated by the Council for the year 2013/14 in accordance with Sections 31A to 36 of the Localism Act 2011.

**(1) In relation to each financial year a billing authority in England must make the calculations required by this section.**

**(2) The authority must calculate the aggregate of: (in accordance with Section 31A(2) of the Act)**

- (a) £944,605,530 being the expenditure which the authority estimates it will incur in the year in performing its functions and will charge to a revenue account, other than a BID Revenue Account, for the year in accordance with proper practices.
- (b) £nil being such allowance as the authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account for the year in accordance with proper practices.
- (c) £24,265,000 being the financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure.
- (d) £nil being such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for.
- (e) £nil being the amount which it estimates will be transferred in the year from its general fund to its collection fund in accordance with section 97(4) of the 1988 Act, and
- (f) £nil being the amount which it estimates will be transferred from its general fund to its collection fund pursuant to a direction under section 98(5) of the 1988 Act and charged to a revenue account for the year.

**(3) The authority must calculate the aggregate of: (in accordance with Section 31A(3) of the Act)**

- (a) £820,775,000 being the income which it estimates will accrue to it in the year and which it will credit to a revenue account, other than a BID Revenue Account, for the year in accordance with proper practices.
- (b) £326,000 being the amount which it estimates will be transferred in the year from its collection fund to its general fund in accordance with section 97(3) of the 1988 Act.

- (c) £nil being the amount which it estimates will be transferred from its collection fund to its general fund pursuant to a direction under section 98(4) of the 1988 Act and will be credited to a revenue account for the year, and
- (d) £63,865,000 being the amount of the financial reserves which the authority estimates it will use in order to provide for the items mentioned in subsection (2) (a), (b), (e) and (f) above.

#### **(4) Council Tax Requirement**

£83,904,530 being the amount by which the aggregate calculated under subsection (2) above exceeds that calculated under subsection (3) above, the authority must calculate the amount equal to the difference; and the amount so calculated is to be its council tax requirement for the year.

#### **(5) Basic Amount**

£1,021.77 being the amount at (4) divided by the amount at 2(1) above, calculated by the Council, in accordance with section 31A of the Act, as the basic amount of its council tax for the year.

#### **(6) Special Items (Garden Squares)**

£23,555.43 being the aggregate amount of all special items referred to in Section 34(1) of the Act.

#### **(7) Basic Amount for Areas of the Borough not including Garden Squares**

£1,021.48 the amount at (5) above less the result given by dividing the amount at (6) above by the amounts at 2(1) above, calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special items relate.

#### **(8) Basic Amounts for Garden Squares**

	£
Fitzroy Square	1,201.92
Gordon Square	1,152.25
Mecklenburgh Square	1,148.08

Being the amounts given by adding to the amount at (5) above the amounts of the special items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 2(2) above, calculated

by the Council in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

**(9) Camden's Council Tax**

<b>Location</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
Fitzroy Square	801.28	934.82	1,068.37	1,201.92	1,469.02	1,736.11	2,003.20	2,403.84
Gordon Square	768.17	896.19	1,024.22	1,152.25	1,408.31	1,664.36	1,920.42	2,304.50
Mecklenburgh Square	765.39	892.95	1,020.51	1,148.08	1,403.21	1,658.34	1,913.47	2,296.16
All other parts of the Council's Area	680.99	794.48	907.98	1,021.48	1,248.48	1,475.47	1,702.47	2,042.96

Being the amounts given by multiplying the amounts at (7) and (8) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in the proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

**(10) Greater London Authority Precept**

That it be noted that for the year 2013/14 the following amounts in a precept issued to the Council has been stated in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below.

	A	B	C	D	E	F	G	H
Greater London Authority	202.00	235.67	269.33	303.00	370.33	437.67	505.00	606.00

**(11) Council Tax for the Area**

That subject to the decisions on recommendation 1 above, having calculated the aggregate (to two decimal places) in each case of the amounts at (9) and (10) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amount of Council Tax for the year 2013/14 for each of the categories of dwellings shown below.

Location	A	B	C	D	E	F	G	H
Fitzroy Square	1,003.28	1,170.49	1,337.70	1,504.92	1,839.35	2,173.78	2,508.20	3,009.84
Gordon Square	970.17	1,131.86	1,293.55	1,455.25	1,778.64	2,102.03	2,425.42	2,910.50
Mecklenburgh Square	967.39	1,128.62	1,289.84	1,451.08	1,773.54	2,096.01	2,418.47	2,902.16
All other parts of the Council's Area	882.99	1,030.15	1,177.31	1,324.48	1,618.81	1,913.14	2,207.47	2,648.96



Earmarked Reserves	Actual Reserves 31/03/2012	Forecast Reserves 31/03/2013	Forecast Reserves 31/03/2014	Forecast Reserves 31/03/2015	Forecast Reserves 31/03/2016
<b>Reserves to support key revenue budget outcomes</b>					
Mental Health Aftercare Reserve	300	150	100	0	0
Dedicated Schools Grant	7,239	6,923	3,799	2,966	2,433
Support for Schools in Difficulty	742	742	542	342	242
Parking Reserve	3,656	3,656	3,656	3,656	3,656
Homes for Older People	8,448	7,651	4,188	303	0
The Camden People's Fund	2,316	556	121	0	0
Multi Year Budget Reserve	6,105	3,832	2,289	1,791	1,360
Education Commission	2,000	1,634	534	34	0
HASC Specific Grants	8,924	4,693	2,344	1,294	794
<b>Sub Total</b>	<b>39,731</b>	<b>29,838</b>	<b>17,574</b>	<b>10,387</b>	<b>8,486</b>
<b>Reserves to support the councils service remodelling programme</b>					
Corporate Initiatives	376	376	0	0	0
Pay Modernisation	3,511	3,387	0	0	0
Workforce Remodelling/Cost of Change	4,293	1,293	5,800	2,800	0
Camden Plan	2,000	1,900	2,400	800	0
Recovery Fund	141	0	0	0	0
Invest To Save Reserve	0	4,866	6,000	1,500	500
<b>Sub Total</b>	<b>10,320</b>	<b>11,821</b>	<b>14,199</b>	<b>5,099</b>	<b>499</b>
<b>Reserves to support on-going capital activity and asset management</b>					
Future Capital Schemes	28,883	40,346	7,374	11,512	20,174
Commercial and other property	1,976	1,976	184	0	0
Haverstock PFI Funding Reserve - amortise initial payment to Kajima	2,409	2,279	2,149	2,019	1,889
Building Schools for the Future	1,939	1,564	76	0	0
Accommodation Strategy	5,203	5,596	4,727	1,593	486
<b>Sub Total</b>	<b>40,410</b>	<b>51,761</b>	<b>14,510</b>	<b>15,124</b>	<b>22,549</b>
<b>Reserves to mitigate future corporate risk</b>					
Self-Insurance Reserve	12,187	12,187	12,187	12,187	12,187
Contingency Reserve	0	2,500	2,500	2,500	2,500
Business Rates Safety Net	0	0	6,000	6,000	6,000
<b>Sub Total</b>	<b>12,187</b>	<b>14,687</b>	<b>20,687</b>	<b>20,687</b>	<b>20,687</b>
<b>Reserves to support charitable activity</b>					
Mayor's Charity Reserve	22	22	22	22	22
<b>Total Earmarked Reserves</b>	<b>102,669</b>	<b>108,128</b>	<b>66,991</b>	<b>51,318</b>	<b>52,242</b>
General Balances	13,624	13,624	13,624	13,624	13,624
Housing Revenue Account	59,420	52,820	48,814	42,830	39,330
Schools Balances	12,180	11,780	11,180	10,180	9,180
<b>Total Reserves</b>	<b>187,894</b>	<b>186,353</b>	<b>140,610</b>	<b>117,953</b>	<b>114,377</b>

	2012/13 Budget	2013/14 Budget	2014/15 Budget	2015/16 Budget	2016/17 Budget	2017/18 Budget	TOTAL 12/13 onwards	TOTAL 12/13 onwards
	£000	£000	£000	£000	£000	£000	£000	%
<b>EXPENDITURE</b>								
<b>FINANCE DEPARTMENT</b>								
Netley redevelopment	4,800	18,363	6,439	0	0	0	29,602	
Surma redevelopment	50	585	6,450	835	0	0	7,920	
Kings Cross Accom. Strategy	20,832	58,329	3,829	0	0	0	82,990	
Greenwood redevelopment	367	1,490	6,533	4,484	2,363	770	16,007	
Other properties and ICT investment	6,572	9,511	19,775	7,283	6,116	18	49,275	
<b>Total Fin Dept</b>	<b>32,621</b>	<b>88,278</b>	<b>43,026</b>	<b>12,602</b>	<b>8,479</b>	<b>788</b>	<b>185,794</b>	18.1%
<b>CHILDREN SCHOOLS AND FAMILIES DEPARTMENT</b>								
Regent High School (BSF)	7,944	4,709	0	0	0	0	12,653	
Kings Cross Primary School (incl. Frank Barnes)	1,000	6,250	4,136	0	0	0	11,386	
Edith Neville redevelopment	250	3,000	9,690	2,060	0	0	15,000	
Maria Fidelis urgent works	20	1,000	2,750	2,649	0	0	6,419	
CIP schools capital schemes	8,174	21,118	11,856	0	0	0	41,148	
Buildings Planned Maintenance & sustainability wks	1,645	6,472	8,500	12,550	0	0	29,167	
Other CSF capital expenditure	6,666	4,668	1,893	137	0	0	13,364	
<b>Total CSF</b>	<b>25,699</b>	<b>47,217</b>	<b>38,825</b>	<b>17,396</b>	<b>0</b>	<b>0</b>	<b>129,137</b>	12.5%
<b>CULTURE AND ENVIRONMENT DEPARTMENT</b>								
Planned Improvements - Highways	7,794	6,200	8,600	7,000	0	0	29,594	
New Depot	0	0	6,000	0	0	0	6,000	
Other C & E capital expenditure	7,629	7,246	1,319	1,164	264	0	17,622	
<b>Total C &amp; E</b>	<b>15,423</b>	<b>13,446</b>	<b>15,919</b>	<b>8,164</b>	<b>264</b>	<b>0</b>	<b>53,216</b>	5.2%
<b>HOUSING &amp; ADULT SOCIAL CARE</b>								
Housing GF exp.	1,398	1,334	1,625	2,734	0	0	7,091	
Homes for Older People and other Adult Social Care	10,790	9,664	7,969	0	0	0	28,423	
HRA Estates Regen. incl Hostels	22,301	47,486	68,735	55,421	62,739	56,784	313,466	
HRA dwellings works	60,839	58,926	49,813	51,504	48,881	41,975	311,938	
<b>Total HASC</b>	<b>95,328</b>	<b>117,410</b>	<b>128,142</b>	<b>109,659</b>	<b>111,620</b>	<b>98,759</b>	<b>660,918</b>	64.2%
<b>TOTAL CAPITAL PROGRAMME</b>	<b>169,071</b>	<b>266,351</b>	<b>225,912</b>	<b>147,821</b>	<b>120,363</b>	<b>99,547</b>	<b>1,029,065</b>	100.0%

<b>Funded:</b>								
Gov. grants - BSF, Schools & Other	26,684	13,646	1,388	665	0	0	42,383	4.1%
GLA - Decent Homes grant	7,500	10,000	27,500	0	0	0	45,000	4.4%
Other grants and contributions	9,658	6,552	572	0	0	0	16,782	1.6%
HRA (MRA,RCCO,leaseholders contribs.)	36,257	36,159	28,773	28,056	27,800	32,800	189,845	18.4%
Revenue contribs. - General Fund	6,701	42,507	4,794	270	268	0	54,540	5.3%
Prudential Borrowing - GF	27,509	36,549	5,667	0	0	0	69,725	6.8%
Prudential Borrowing - HRA	852	10,914	27,587	17,917	0	0	57,270	5.6%
Capital Receipts	53,910	110,024	129,631	100,913	92,295	66,747	553,520	53.8%
<b>TOTAL</b>	<b>169,071</b>	<b>266,351</b>	<b>225,912</b>	<b>147,821</b>	<b>120,363</b>	<b>99,547</b>	<b>1,029,065</b>	100.0%

Appendix O

Capital Receipts	2012/13 Target £000	2013/14 Target £000	2014/15 Target £000	2015/16 Target £000	2016/17 Target £000	2017/18 Target £000	2018/19 Target £000	TOTAL Target £000
<b>Balance b/fwd @ 1 April 2012</b>	<b>87,348</b>							<b>87,348</b>
<b>General Fund</b>								
GF Disposals Programme	14,685	34,178	29,440	16,500				94,803
Homes for Older People		1,750	23,850					25,600
Greenwood redevelopment					2,250	13,000		15,250
Netley redevelopment		10,430	22,300					32,730
Surma redevelopment				8,900				8,900
Edith Neville School redevelopment				3,000	7,000			10,000
Kings Cross Comm.Strategy - disposals	6,300	25,480		31,530	22,860			86,170
<b>General Fund sub-total</b>	<b>20,985</b>	<b>71,838</b>	<b>75,590</b>	<b>59,930</b>	<b>32,110</b>	<b>13,000</b>	<b>0</b>	<b>273,453</b>
<b>Housing Revenue Account</b>								
HRA Small Sites	13,924	13,000	1,188					28,112
Right to Buy (Camden's share)	1,400	1,500	1,700	1,800	1,868			8,268
Hostels - Parker House flats				35,000				35,000
Estate Regeneration - Holly Lodge	3,200	2,800	5,605					11,605
Estate Regeneration - Chester/ Balmore		9,488						9,488
Estate Regeneration - Marden Lane			27,961	41,557	1,970			71,488
Estate Regeneration - Abbey			2,688	32,262	5,005	30,473		70,428
Estate Regeneration - Bourne					5,510	16,529		22,039
Estate Regeneration - Bacton Low Rise			6,828	4,552	29,624	13,518	13,518	68,040
Camden/Plender St. - GF/HRA			1,770	9,803	378			11,951
Estate Regeneration - block provision					16,927	33,470		50,397
<b>HRA sub-total</b>	<b>18,524</b>	<b>26,788</b>	<b>47,740</b>	<b>124,974</b>	<b>61,282</b>	<b>93,990</b>	<b>13,518</b>	<b>386,816</b>
<b>Total Target for year</b>	<b>39,509</b>	<b>98,626</b>	<b>123,330</b>	<b>184,904</b>	<b>93,392</b>	<b>106,990</b>	<b>13,518</b>	<b>660,269</b>
<b>Total Capital Receipts</b>	<b>126,857</b>	<b>98,626</b>	<b>123,330</b>	<b>184,904</b>	<b>93,392</b>	<b>106,990</b>	<b>13,518</b>	<b>747,617</b>

## APPENDIX P – CAPITAL FORECAST AT MONTH 9

**Table 1 – Capital Expenditure compared to Budget 2012/13**

Department	Budget	Spend as at month 9	Projected Outturn for Year	Variance (Projected Outturn less Budget)	Variance
	£000	£000	£000	£000	%
Finance – Property Services	29,592	17,772	29,677	85	0.3
Finance - Information Technology	3,029	764	2,494	(535)	(17.7)
Children , Schools & Families	25,699	21,821	25,699		
Culture & Environment	15,423	7,804	15,479	56	0.4
Housing & Adult Social Care	95,328	55,656	89,774	(5,554)	(5.8)
<b>Total</b>	<b>169,071</b>	<b>103,718</b>	<b>163,123</b>	<b>(5,948)</b>	<b>(3.5)</b>

## Minimum Revenue Provision 2013/14

New capital accounting regulations were made in February 2008 dealing with the way in which local authorities make provision for the repayment of loans they have entered into to support General Fund capital spending - the minimum revenue provision (MRP). Previously, authorities were required to make an MRP based on a complex formula set out in regulations issued in 2003, which was subsequently amended by further regulations in 2007. The present regulations replace the earlier formula based regulations with a duty to “determine for the current financial year an amount of minimum revenue provision which it considers prudent”. In determining what is prudent, an authority must have regard to guidance issued by the Secretary of State. The guidance makes recommendations on the interpretation of the term “prudent provision.” The guidance recommends that before the start of the year authorities prepare a statement of their policy on making MRP for submission to their full council, mirroring the requirement to report to Council on the Prudential borrowing limits and investment policy. In the guidance, Options 1 and 2 deal with debt which is supported by the government through the grant system, whilst Options 3 and 4 deal with new borrowing under the Prudential system for which no support is given.

### Option 1: Regulatory Method

For debt which is supported by the Government through the grant system, authorities may continue to use the formulae (4% on the reducing balance) in the current regulations, since the Revenue Support Grant is calculated on that basis. Although the existing regulation 28 is revoked by regulation 4(1) of the 2008 Regulations, authorities will be able to calculate MRP as if it were still in force. Regulations issued in 2007 did away with the application of the adjustment to the calculation known as Adjustment A and it is proposed to continue to exclude this factor from the MRP calculations.

### Option 3 – Asset Life method

For new borrowing under the prudential system, option 3 is to make provision over the estimated life of the asset for which borrowing is undertaken. Camden uses the equal instalment method for existing borrowing and it is proposed that this continues. It is also intended that for future schemes funded in this way, as permitted under the regulations, that MRP will not be charged until the asset comes into service.

### MRP Policy for Camden

For 2013/14 it is proposed that the council continues its policy and adopts Option 1 for supported borrowing and Option 3 - the asset life method, for the calculation for borrowing under the prudential system. The council will also exclude Adjustment A. The Council will also continue to credit, where possible, unapplied capital receipts to the Capital Adjustment Account which has the effect of reducing the General Fund Capital Financing Requirement until such time as the capital receipts are utilised to fund capital expenditure. In 2013/14 onwards as capital receipts are needed to fund the capital programme the MRP will rise. The estimated MRP for 2013/14 is shown below alongside the latest estimate for 2012/13.

	2012/13	2013/14
	£m	£m
<b>Excl. PFI/Finance Leasing</b>		
Supported borrowing	0.610	1.695
Prudential borrowing	0.570	0.793
<b>Minimum Revenue Provision</b>	<b>1.180</b>	<b>2.488</b>

MTFS Savings Programme 2011-2014: Programme Analysis

Table below lists all individual strand within the Council's Savings Programme. It provides information on the value of each of the programme, savings achieved since 11/12 and in some cases the amount that is unlikely to be achieved in the originally agreed timetable.

General Fund- Total					
Department/ Directorate	Savings Target	Savings Achieved	Non-delivery in current MTFS period	Permanent Non-Delivery	
Culture and Environment	19.542	15.704	0.598	0.719	
Housing and Adult Social Care	26.436	18.782	-	-	
Children, Schools and Families	13.718	11.496	-	-	
Finance	14.563	7.979	0.600	0.025	
Law and Governance	1.489	1.489	-	-	
Strategy and Organisational Development	2.278	1.962	-	-	
Workforce modernisation	2.000	-	0.600	-	
Non-Departmental	0.450	0.450	-	-	
HRA element	(6.981)	(3.711)	(0.033)	-	
Procurement (*)	9.799	2.548	3.055	-	
<b>Total</b>	<b>83.294</b>	<b>56.699</b>	<b>4.820</b>	<b>0.744</b>	

(\*) Procurement saving programme value is £15m including £3m HRA and £5.2 incorporated within directorate programmes

Culture and Environment					
Savings Reference	Savings Title	Savings Target	Savings Achieved	Non-delivery in current MTFS period	Permanent Non-Delivery
E25	Reduce the range and scope of library services	1.430	0.997	0.098	0.070
F1	Rethinking savings options in Arts	0.170	0.130	-	-
E28	Conversion of energy in-efficient street lighting stock to achieve a significant reduction in energy consumption. Alternative use of materials in highway construction.	0.800	0.500	-	0.300
E31	Parks & Open Spaces	0.500	0.300	-	0.049
E30	Phased reduction in the frequency of street cleansing. Introduce enforcement action. Improve the commercial waste and recycling service provided to Camden's businesses	4.700	2.000	0.500	0.300
J6	Reorganisation of regulatory services	0.893	0.893	-	-
J1	Reorganisation of waste and street cleaning client side services	0.500	0.500	-	-
A2	Additional Savings - Second Weekly Collection	0.470	0.470	-	-
E29	Review of funding for the voluntary and community sector (VCS)	2.500	2.500	-	-
J2	Reorganisation of engineering services	0.700	0.700	-	-
J3	Restructure business/ admin support in Culture and Environment	1.060	1.060	-	-
J4	Library Service efficiencies – phase two	0.400	0.400	-	-

Savings Reference	Savings Title	Savings Target	Savings Achieved	Non-delivery in current MTFS period	Permanent Non-Delivery
J5	Reorganisation of planning service	0.920	0.920	-	-
J7	Efficiencies from C&E	1.580	1.580	-	-
J8	Strategy & Performance Activity	0.170	0.170	-	-
J9	Reorganisation of Communications Function	0.084	0.084	-	-
E23	Restructure and reduce the community safety team, align in activity with ket priorities	1.300	1.300	-	-
E24	Create a smaller Economic Development team that works strategically to deliver a more focused and sustainable impact	0.300	0.300	-	-
E26	Refocus and reduce the Camden Active Health programme and Sports Development programme	0.200	0.200	-	-
E27	Transfer Talacre sports centre to GLL contract, close Mornington sports centre and introduce a new contractual arrangement for the Learn & Swim programme	0.200	0.200	-	-
E36	Further efficiencies from the review of corporate communications and additional efficiencies within the CSP department – Registrars element	0.165	-	-	-
A1	Additional Income - Dec Report	0.500	0.500	-	-
		<b>19.542</b>	<b>15.704</b>	<b>0.598</b>	<b>0.719</b>

Housing and Adult Social Care					
Savings Reference	Savings Title	Savings Target	Savings Achieved	Non-delivery in current MTFS period	Permanent Non-Delivery
E10a	Change some partnership services within integrated services for people with mental health needs to improve access, efficiency, and to respond to increasing needs	1.100	0.500	-	-
E10b	Change some partnership services within integrated services for people with mental health needs to improve access, efficiency, and to respond to increasing needs	0.800	0.600	-	-
E8b	Deliver social care in a different way to facilitate personalisation and Better Care Choices	7.500	5.000	-	-
E2	Remodelling the temporary accommodation services	1.600	0.700	-	-
E5	Savings in non-stably housed Supporting People services	3.400	3.000	-	-
E9a	Change transport service to be more focused on the most vulnerable group of statutory customers	1.100	0.800	-	-
E11	Review and reduce these services to ensure service is focused on statutory and high level preventative services	4.600	1.900	-	-
E9b	Change transport service to be more focused on the most vulnerable group of statutory customers	0.500	0.400	-	-
E1	Efficiencies within housing service	0.700	0.700	-	-

APPENDIX R

Savings Reference	Savings Title	Savings Target	Savings Achieved	Non-delivery in current MTFs period	Permanent Non-Delivery
J13	Reorganise administration support in the HASC directorate	0.600	0.600	-	-
J14	Strategy & Performance Activity	0.120	0.120	-	-
J15	Reorganisation of Communications Function	0.116	0.116	-	-
E8a	Deliver social care in a different way to facilitate personalisation and Better Care Choices	0.400	0.446	-	-
A4	Additional Permanent Reductions (10/11)	1.100	1.100	-	-
A5	Supporting People Savings	2.800	2.800	-	-
		<b>26.436</b>	<b>18.782</b>	<b>0.000</b>	<b>0.000</b>

Children, Schools and Families					
Savings Reference	Savings Title	Savings Target	Savings Achieved	Non-delivery in current MTFs period	Permanent Non-Delivery
J10	Reorganise strategic and support services in CSF directorate	1.710	1.340	-	-
J11	Strategy & Performance Activity	0.050	0.050	-	-
E12	Early years reduction in grants to community nurseries	0.600	0.600	-	-
E13	Remodel play service to meet needs of most vulnerable	2.800	1.900	-	-
E15	Re-design youth provision across universal, targeted and specialist levels	1.600	1.400	-	-
E19	Refocus preventative services on those most at need	0.200	0.200	-	-
E20	SEN support services review of staffing	0.182	0.180	-	-
E22	Reduce costs of school support services	1.389	1.089	-	-
E21	SEN efficiencies in transport and review central team	0.247	0.097	-	-
E17	Securing efficiencies in looked after children placements	0.100	-	-	-
E18	Remodelling family services and social work	2.800	2.600	-	-
J12	Reorganisation of Communications Function	0.035	0.035	-	-
E14	Procurement efficiencies in the Connexions contract and delivering youth council functions differently	0.250	0.250	-	-
E16	End current joint arrangements of social work team based at Great Ormond Street Hospital	0.400	0.400	-	-
F2	Increase in gov funding for unaccompanied asylum seekers	0.100	0.100	-	-
F3	Commissioned services – negotiated contract efficiencies	0.205	0.205	-	-
A3	Additional Permanent Reductions (10/11)	1.050	1.050	-	-
		<b>13.718</b>	<b>11.496</b>	<b>0.000</b>	<b>0.000</b>



Finance						
Savings Reference	Savings Title	Savings Target	Savings Achieved	Non-delivery in current MTFS period	Permanent Non-Delivery	
J20	Efficiencies from ICT	2.000	1.675	-	-	
J21	Efficiencies from the corporate finance function	2.093	1.250	-	-	
J25	Efficiencies in property services	0.390	0.390	-	-	
J20+E32	Reorganisation of Revenues service	2.400	1.600	0.500	-	
E34	Property Services - divisional restructure	2.200	1.916	-	-	
J22	More risk-based approach to internal audit	0.290	0.190	-	-	
E33 + A11	Review of service delivery for ICT services across the council, covering staffing and non staffing costs	1.700	-	-	-	
A7	Area Review	2.500	-	0.088	-	
J24	Reorganise the procurement function across the council	0.300	0.300	-	-	
J10	IT contracts & systems review and restructure	0.170	0.170	-	-	
A10	Additional Permanent Reductions Finance	0.350	0.350	-	-	
E25	Reduce the range and scope of library services	0.170	0.138	0.012	0.025	
		<b>14.563</b>	<b>7.979</b>	<b>0.600</b>	<b>0.025</b>	

Law and Governance						
Savings Reference	Savings Title	Savings Target	Savings Achieved	Non-delivery in current MTFS period	Permanent Non-Delivery	
E35	Use technology to increase self service for members, make the service more efficient and reduce overall members of staff	0.450	0.450	-	-	
J16	Reduction of the legal service	1.039	1.039	-	-	
		<b>1.489</b>	<b>1.489</b>	<b>0.000</b>	<b>0.000</b>	

Strategy and Organisation Development						
Savings Reference	Savings Title	Savings Target	Savings Achieved	Non-delivery in current MTFS period	Permanent Non-Delivery	
E36	Further efficiencies from the review of corporate communications and additional efficiencies within the CSP department	0.109	0.031	-	-	
J19	Reorganise the HR service	1.363	1.125	-	-	
J17	Reprioritisation and reduction on strategy and performance activity	0.347	0.347	-	-	
J18	Corporate reorganisation of the communications function	0.340	0.340	-	-	
A9	Additional Permanent Reductions CSP	0.119	0.119	-	-	
		<b>2.278</b>	<b>1.962</b>	<b>0.000</b>	<b>0.000</b>	

HRA			
Savings Reference	Savings Title	Savings Target	Savings Achieved
E4	Change to the council housing repairs service	0.300	0.300
E1	Efficiencies within housing service	1.400	0.800
E2	Remodelling the temporary accommodation services	0.700	0.600
E3	Improving cost recovery through raising tenant and leaseholder service charges (Sbj Consultation)	0.300	0.200
E4	Change to the council housing repairs service (Sbj Consultation)	4.400	3.700
E6	Improving and integrating customer services in housing management	1.250	1.000
E7	Repositioning housing management	0.750	0.500
E1	Efficiencies within housing service (Sbj Consultation)	0.500	-
E3	Improving cost recovery through raising tenant and leaseholder service charges	1.250	-
J1	Delaying Renewal Division management structure	1.000	0.800
J2	Delaying directorate structure - including deletion of Assitant Dir Post	0.250	0.250
		<b>12.100</b>	<b>8.150</b>

DSG			
Savings Reference	Savings Title	Savings Target	Savings Achieved
E12	Early years reduction in nursery hours and closure 2 children centres	2.600	1.900
E20	Restructure SEND services, reducing levels of outreach and support to core entitlement	1.071	0.800
E21	Enhanced local provision for pupils with special educational needs	1.200	0.150
E22	Reduce costs of school support services	0.800	0.600
		<b>5.671</b>	<b>3.450</b>

## GLOSSARY OF TERMS

The following provides brief explanations of technical terms used in this report. Information is provided in a separate appendix on the details of the Council Tax regime.

**Alternative Notional Amount** – the Relevant Basic Amount of council tax for 2012/13 that would have applied had the new system of Council Tax Reduction Support been in operation in that year.

**Basic Amount of Council Tax** – (the level of the Camden element of council tax) plus (the amount of the Garden Square levies divided by the total Camden council tax base)

**Balances** – Unallocated reserves which are retained to cover uncertainties and risks which may require funding in the future and, if they are deemed more than adequate to cover these risks, may also be used to meet policy changes in the year.

**Band D Equivalent** - By law and convention, Council Tax is usually expressed as a Band D equivalent. In many areas a Band D property is a mid sized, typical property.

**Baseline Funding Level** – the amount of a local authority's Start-Up Funding Assessment which is provided through the local share of the estimated business rates aggregate at the outset of the Business Rates Retention scheme.

**Billing Authority** - A Local Authority responsible for collecting the Council Tax and Non-Domestic Rates, such as Camden.

**Business Rates Baseline** – See proportionate share below..

**Council Tax Reduction Scheme** – this is the new system that replaces council tax benefit. Support to recipients is given by way of a discount on their council tax bills.

**Council Tax Requirement** – The amount each authority estimates as its planned net spending, after deducting income it raises from fees and charges, grants, and funding from reserves.

**Capital Programme** - The Council's medium term (5 years) capital expenditure plans.

**Cash Limits** – An amount of money agreed by the Cabinet within which a Department sets its budget, and subsequently within which it is expected to contain its net expenditure.

**Collection Fund** – The fund administered by a billing authority into which the Council Tax and non-domestic rates it collects are paid, and from which payments are made to precepting authorities, to the Government, and to meet its own spending requirements. Any balance on the Collection Fund must be shared between the billing authority, precepting authorities and the Government in accordance with regulations governing council tax and non-domestic rates.

**Contingency** – An amount included within a budget to provide for matters that at the time the budget is set are considered likely to occur during the year, and which therefore need to be reflected in the budget, but the timing or cost of which are uncertain.

**Council Tax**- The locally determined tax on residential properties..

**Council Tax Base** - The number of properties within a Council's area, after adjusting for exemptions and discounts, expressed as a Band D equivalent, used to set the level of Council Tax.

**Council Tax Freeze Grant** - A grant scheme that is open to all billing and major precepting authorities, including police and fire authorities, which decide to freeze their council tax. In 2013/14 this grant is equivalent to the authority raising their 2012/13 council tax by 1 per cent and is payable for 2013/14 and for 2014/15 but not for later years.

**Dedicated Schools Grant (DSG)** – A Government grant based on pupil numbers and will not be finally set until after the start of the financial year, although provisional figures based on known numbers are used in the current budget calculations.

**Formula Grant** – The main Government grant supporting General Fund expenditure up to 2012/13.

**General Fund** – The fund from which the costs of the Council's major services (excluding council housing) are met.

**Greater London Authority (GLA)** – the precepting authority whose precept is added to Camden's Council Tax to form the overall Council Tax bill.

**Housing Revenue Account (HRA)** – A local authority statutory ringfenced account, covering current income and expenditure on its housing services relating to its own housing stock.

**Levy** – This term is used for two different things.

- (A) A contribution which the Council is required to make to another body, normally a London-wide provider of services. Levies differ from precepts in that they form part of the Council's Budget Requirement and are therefore passed on as part of Camden's Council Tax.
- (B) A mechanism to limit the benefit an authority can derive from real growth (above inflation) in business rates. The levy is applied proportionally on a 1:1 basis. Thus a 1 per cent increase in business rates income produces a corresponding 1 per cent increase in revenue (as measured by the Baseline Funding Level) from the rates retention scheme. There is a limit on the maximum levy rate of 50p in the pound. The levy is payable to the Government.

**National Non-Domestic Rates (NNDR)** – also known as Business Rates, They are paid on all commercial, industrial and other non-domestic properties. The rate poundage or multiplier is set nationally each year by the Government.

**Precept** – The demand for money made by a precepting authority on billing authorities such as Camden to finance the preceptor's own expenditure, requiring the billing authority to collect income from Council Tax payers on the preceptor's behalf. Camden only receives a precept from the Greater London Authority (GLA). A precept differs from a levy in that the precepting body sets its own Council Tax which is then added to Camden's purely for collection purposes.

**Private Finance Initiative (PFI)** - They are partnerships between the public and private sector used to deliver public sector assets under which the PFI developer incurs the costs of constructing the asset and the public sector pays an annual unitary charge for the use of the asset.

**Proportionate Share** - This is the percentage of the national business rates yield which a billing authority has collected - on the basis of the average rates collected by authorities over the two years 2010-11 and 2011-12. This percentage is applied to the *local share* of the estimated business rates aggregate to determine the *billing authority business rates baseline*.

**Relevant Basic Amount of Council Tax** – The level of Band D council tax excluding the amount needed to fund levies.

**Reserves** - Amounts available in the Council's accounts to fund future expenditure plans (normally known as 'Earmarked Reserves'), or as an amount retained to cover uncertainties and risks facing the authority for which funding may be required in future (normally referred to as 'Balances').

**Retained Business Rates** – the amount of business rates retained by the authority after it has paid the Government and the Greater London Authority their shares.

**Revenue Outturn** – The actual level of revenue expenditure in a year.

**Safety Net** – A mechanism whereby the Government provides support to a local authority which sees its business rates income drop, in any year, by more than 7.5 per cent below their *baseline funding level*. The baseline funding levels are updated each year by the September RPI for the purposes of assessing eligibility for the safety net.

**Specific Grant** – A Government grant allocated outside the Revenue Support Grant distribution system, usually for a specific service or purpose.

**Start-Up Funding Allocation** – a local authority's share of the local government spending control total as determined by the Government and consisting of two amounts – Revenue Support Grant and Baseline Funding Level.

**Tariff** – A payment from the authority to the Government. It is the excess of an *individual authority business rates baseline over its baseline funding level*. *Tariffs* are fixed at the start of the Business Rates Retention scheme and index linked to the Retail Prices Index in future years.

Appendix T

Council Tax Freeze Grant 13/14 Draft Eligibility Criteria

	2012/13	2013/14	Change	Change %
Camden Council Garden Squares	£99,446,295 £23,429	£83,880,975 £23,555	-£15,565,320 £126	-15.652% 0.540%
Council Tax Requirement	£99,469,724	£83,904,530	-£15,565,194	-15.648%
Council Tax Base (to one decimal place)	97,350.0	82,117.1	-15,232.9	-15.6476%
Camden Council Band D council tax	£1,021.53	£1,021.48	-£0.05	-0.0049%
Garden Squares Band D council tax using all Camden tax base	£0.24	£0.29	£0.05	20.8333%
<b>Average Band D Camden council tax - including Garden Squares DRAFT ELIGIBILITY CRITERIA</b>	<b>£1,021.77</b>	<b>£1,021.77</b>	<b>£0.00</b>	<b>0.000%</b>

This page is intentionally left blank

## Appendix 2



## **THE LONDON BOROUGH OF CAMDEN**

At a meeting of the **CABINET** held on **WEDNESDAY, 27TH FEBRUARY, 2013** at 7.00 pm in the Council Chamber, Town Hall, Judd St, WC1

### **MEMBERS OF THE CABINET PRESENT**

Councillors Sarah Hayward (Chair), Nasim Ali, Theo Blackwell, Patricia Callaghan, Julian Fulbrook, Abdul Hai, Tulip Siddiq, Angela Mason, Valerie Leach and Phil Jones

### **OTHER MEMBERS PRESENT**

Councillors Meric Apak, Peter Brayshaw, Andrew Mennear, Awale Olad and Tom Simon

**The minutes should be read in conjunction with the agenda for the meeting. They are subject to approval and signature at the next meeting of the Cabinet.**

## **MINUTES**

### **1. APOLOGIES**

There were no apologies.

### **2. DECLARATIONS BY MEMBERS OF PECUNIARY, NON-PECUNIARY AND ANY OTHER INTERESTS IN RESPECT OF ITEMS ON THIS AGENDA**

There were no declarations.

### **3. DEPUTATIONS**

A deputation request was received and noted from Vanessa Stourton and Sarah Simonon, residents of Camden Studios in respect of Item 11 "Camden Community Investment Programme" – College Place Garages, as attached at **APPENDIX A**.

### **4. ANNOUNCEMENTS**

#### **Webcasting of the Meeting**

At the beginning of the meeting, Councillor Hayward reminded everyone present that the meeting was being broadcast to the Internet and that anyone who did not wish to appear on the webcast should take a seat in one of the galleries.

**5. REPRESENTATIONS RECEIVED ABOUT WHY THE MEETING SHOULD BE OPEN TO THE PUBLIC**

It was noted that on occasions part of a Cabinet meeting would be held in private and not open to the public, if an item was being considered which was likely to lead to the disclosure of exempt or confidential information. In accordance with the Local Authorities (Executive Arrangements) (meetings and Access to Information) (England) Regulations 2012, members of the public can make representations about why that part of the meeting should be open to the public

No such representations were received in respect of items on this agenda.

**6. NOTIFICATION OF ANY ITEMS OF BUSINESS THAT THE CHAIR DECIDES TO TAKE AS URGENT**

There were no such items.

**7. MINUTES**

**RESOLVED –**

THAT the minutes of the meeting held on Wednesday, 16<sup>th</sup> January 2013 be approved and signed as a correct record.

**8. MATTERS REFERRED FROM A COUNCIL SCRUTINY COMMITTEE**

The following references were received and noted:

- (a) The Culture and Environment Scrutiny Committee meeting held on 14<sup>th</sup> January 2013, regarding “Managing the Night Time Economy (NTE)”. The reference was presented by the Councillor Olad, Chair of the Scrutiny Committee.

Councillor Hai thanked the Scrutiny Committee for the reference. He was pleased to note the success of the Partnership Licensing Approach which illustrated how the Council (Licensing Team), Police and local community organisations were working together to minimise the impact of the NTE in the Borough. Councillor Hai recognised that this work was ongoing and looked forward to working with Councillor Olad .

- (b) The Housing and Adult Social Care Scrutiny Committee meeting held on 25<sup>th</sup> February 2013, in respect of item9, “Camden’s Response to Welfare Changes”, as attached at **APPENDIX B**, which was presented by the Councillor Apak, Chair of the Scrutiny Committee.

*Cabinet - Wednesday, 27th February, 2013*

- (c) The Audit and Corporate Governance Committee meeting held on 5th February 2013, in respect of item 13 “Establishing Camden’s Health and Wellbeing Board”, as attached at **APPENDIX C**, which was presented by Councillor Brayshaw.

With regard to (b) and (c), it was noted that the references would be taken at the respective items and the appropriate Cabinet Member would respond during the debate of those items.

**Please note that there were no alternative options considered or rejected by the Cabinet for the following items, unless indicated, although Cabinet Members considered and noted comments from a deputation as mentioned at item 3 above and duly considered, where applicable, options listed within the reports.**

## **9. CAMDEN'S RESPONSE TO WELFARE CHANGES**

Consideration was given to a report of the Assistant Chief Executive and Director of Housing and Adult Social Care.

As mentioned at item 8 above, a reference was received and noted from the Housing and Adult Social Care Scrutiny Committee meeting held on 25<sup>th</sup> February 2013, in respect of this item, which was introduced by Councillor Apak, Chair of the Scrutiny Committee.

Councillor Fulbrook thanked the Scrutiny Committee for the reference. Referring to the first recommendation, he considered that it was best practice to review the use of the power to discharge the Council’s homelessness duty by an offer of private sector rented accommodation and would have special regard to the placement of families. With regard to the second recommendation, Councillor Fulbrook advised the Cabinet that this issue was already covered in appendix 3 to the report, which deals with vulnerable households.

In light of the reference, the Leader of the Council proposed an additional recommendation which was agreed by the Cabinet (resolution x).

### **RESOLVED –**

- (i) THAT the contents of the report be noted together with the anticipated impacts of welfare changes on residents in the borough and the Council’s response to date;
- (ii) THAT the approach to responding to the welfare changes, both in the short and longer term be noted;
- (iii) THAT, in addition to the current resource budgeted for responding to welfare changes, the proposal to allocate up to £360,000 from the Camden Plan

***Cabinet - Wednesday, 27th February, 2013***

reserve be agreed, should it be required, to provide advice, support and assistance to local residents impacted by welfare changes to equip them to make informed choices, develop skills and where appropriate find employment, as set out in section 4;

- (iv) THAT the planned programme of reviewing council policies in light of welfare changes mentioned in section 9, be noted including the approach to rent arrears as set out in appendix 4;
- (v) THAT the strategy to continue to prioritise the prevention of homelessness over the provision of temporary accommodation by developing the homelessness pathway as detailed in section 6 and accompanying equality impact assessment (EIA) be noted;
- (vi) THAT the continuation of the policy to support vulnerable families (in circumstances described in the Inter Borough Temporary Accommodation Agreement in appendix 3) to live in Camden as far as is reasonably practical be agreed;
- (vii) THAT the approach to supporting existing families in temporary accommodation affected by welfare changes in (paragraphs 6.11 – 6.13) be agreed;
- (viii) THAT, in order to minimise the use of temporary accommodation, to the use of the statutory power to end the main homelessness duty by a suitable private sector offer following a thorough assessment of the individual household's needs be agreed;
- (ix) THAT authority be delegated to the Director of Housing and Adult Social Care to offer reasonable incentives to landlords in order to procure private rented sector properties that offer sustainable opportunities to clients in affordable locations either to prevent homelessness or to provide temporary accommodation under the Council's statutory duties; and
- (x) THAT any use of the power to discharge the Council's homelessness duty by an offer of private sector rented accommodation be reviewed after 18 months from 1<sup>st</sup> April and be subject to re-approval by the Cabinet.

**ACTION BY: Assistant Chief Executive and Director of Housing and Adult Social Care**

**REASONS**

For the reasons set out in the report, the reference from the Housing and Adult Social Care Scrutiny Committee and above.

**10. 2013/14 REVENUE ESTIMATES AND COUNCIL TAX**

Consideration was given to a report of the Director of Finance

It was noted that the Chair of the Resources and Corporate Performance Scrutiny Committee had agreed to exempt the decisions made pursuant to the recommendations in the report from call-in on the grounds of urgency and for the reasons set out in paragraphs 1.6 and 1.7 of the report.

At this point in the proceedings, the meeting was adjourned for 10 minutes due to a technical problem with the microphones. The meeting reconvened at 7.48 p.m.

**RESOLVED –**

- (i) THAT the decision be made pursuant to the recommendations in this report from call in (as agreed by the Chair of the Resources and Corporate Performance Scrutiny Committee), on the ground of urgency, and for the reasons set out in paragraphs 1.6 and 1.7 of the report;
- (ii) THAT the update on the Savings Programme outlined in Section 5 be noted;
- (iii) THAT the Fees and Charges set out in paragraph 5.28 and Appendix D1 and listed in Appendix D2 be agreed and recommended to full Council for approval;
- (iv) THAT the reinstatement of a festival grants budget at a cost of £60,000 for 2013/14 be approved, as outlined in paragraph 5.13;
- (v) THAT the permanent removal of fees and charges to small and medium community events (up to 10,000 people) be approved and only apply statutory charges to all community events attracting over 10,000 people as set out in Appendix D1;
- (vi) THAT an adjustment to the fees and charges policy agreed in the December 2011 Cabinet report, be agreed, as set out in Appendix D1, to delegate the in-year adjustment of fees and charges in Traded Services to Chief Officers in conjunction with the Director of Finance;
- (vii) THAT due consideration be given to and note the feedback following the consultation with Non-Domestic Ratepayers as set out in paragraph 8.5;
- (viii) THAT the following be agreed and recommended to full Council for approval:
  - (a) The budget summaries set out in Appendices G1 to G8.
  - (b) The Council Tax requirement for the year 2013/14 of £83.905m.
  - (c) The calculations for the year 2013/14 in accordance with the Local Government Act 1992 as set out in Appendix L.
  - (d) Note that the Greater London Authority (GLA) precept set out in this report is £303 for Band D and as shown for all bands in Appendix L and is subject to GLA approval of the budget.

*Cabinet - Wednesday, 27th February, 2013*

- (e) That the Council sets the amount of Council tax for 2013/14 as detailed in Section (9) of Appendix L and notes that this will mean a Camden element of Council Tax of £1,021.48 for Band D residents not in Garden Squares.
- (f) That the Council hereby determines that its relevant basic amount of Council Tax for the financial year 2013/14 is not excessive as outlined in paragraph 8.4.
- (ix) THAT due consideration be given to and note the outcome of the budget consultation with schools and allocation of Dedicated Schools Grant (DSG) as set out in Section 7;
- (x) THAT the update on the 2012/13 budget in Section 10 be noted;
- (xi) THAT authority be delegated to the Director of Culture and Environment in consultation with the Cabinet Member for Adult Social Care and the Cabinet Member for Communities and Culture to sign-off an annual grant award up to a maximum of £200k under the Camden Plan: Investing in Sustainable Neighbourhoods where this meets the start-up and sustainability plans of the successful proposal as set out in paragraphs 5.15-5.16.;
- (xii) THAT £0.1m be provided to Funding Circle to invest in businesses on behalf of the Council, as discussed in Section 5.34 and the detailed arrangements be delegated to the Director of Culture and Environment in consultation with the Director of Finance;
- (xiii) THAT the proposals in Section 11 and set out in Appendix M be approved to allow for the use of general balances and earmarked reserves;
- (xiv) THAT the update on the Capital Strategy outlined in Section 12 be noted;
- (xv) THAT the changes to the Housing Capital Investment Strategy outlined in paragraphs 12.8 and 12.9 be agreed;
- (xvi) THAT the funding of bulge classes be agreed as outlined in paragraph 12.12.;
- (xvii) THAT authority be delegated to the Head of Property Services and the Borough Solicitor to dispose of Ingestre Road, Branch Hill, and St. Margarets as detailed in the Homes for Older People Disposals Strategy set out in paragraphs 12.14 to 12.19;
- (xviii) THAT the Minimum Revenue Provision for 2013/14, as set out in paragraph 12.20 and in Appendix Q. be agreed and recommended to full Council for approval;
- (xix) THAT the revisions to the Scheme of Delegation be agreed, as set out in Table 17 and paragraph 13.2.

**ACTION BY: Director of Finance  
Borough Solicitor (Committee Services)**

## **REASONS**

For the reasons set out in the report

### **11. CAMDEN'S COMMUNITY INVESTMENT PROGRAMME (CIP)**

Consideration was given to a report of the Directors of Finance, Culture and Environment, Housing and Adult Social Care and Children, Schools and Families

Councillor Hayward, Leader of the Council, advised the meeting that a petition had been handed to her just prior to the start of the meeting, from Kim Jacobson, on behalf of residents of Constable House and surrounding area in respect of the proposed sale of land at Constable House (Adelaide Road and Eton College Road sites). It was received too late to accept a deputation, but Councillor Hayward assured Kim Jacobson that she would receive a full response. Councillor Fulbrook added that officers would discuss the proposals with residents before they were implemented.

#### **ACTION BY: Director of Housing and Adult Social Care**

As mentioned at item 3 above, a deputation was received and noted from Vanessa Stourton and Sarah Simonon, residents of Camden Studios in respect of this item, as attached at APPENDIX A.

Councillor Fulbrook thanked the deputation for their statement. He acknowledged their anxiety, but felt that the Council was trying to do something sensible regarding garages that were being underused. At this stage a decision had not been reached with regard to whether the garages would be retained in house as a Council development or would be a private development. Two options had been looked at, an east-west development and a north-south development. The north-south development would not have any windows overlooking the garden of Camden Studios. If the Council did decide to dispose of the garages then the scheme would be subject to planning approval and that would give you an opportunity to put forward comments. He assured the deputation that the Council would not dispose of the site without covenants running with the land to make absolutely certain that the residents of Camden Studios were not overlooked. He added that the right of light for residents of Camden Studios would also be secured. With regard to the concern raised about emergency fire vehicles not being able to turn around in the area, Councillor Fulbrook said that the Council would ensure there was sufficient access for emergency vehicles. He added that officers would discuss the proposals and issues raised by the deputation with residents.

#### **RESOLVED –**

- (i) THAT authority be delegated to the Head of Property Services in consultation with the Director of Finance, the Director of Culture and Environment and the

***Cabinet - Wednesday, 27th February, 2013***

Borough Solicitor, to grant a lease for a term of 25 years in respect of Lauderdale House, as per paragraphs 4.1 - 4.5.;

- (ii) THAT authority be delegated to the Director of Finance to negotiate with individual leaseholders in the Heath Street shops and restructure/dispose of leasehold interests in accordance with the detail set out in Section 3; and
- (iii) THAT the refreshing of lease arrangements, disposal (by freehold or lease) or redevelopment of the assets listed with the project descriptions in the table at Appendix 2 including partnership projects with occupiers be agreed and that it be noted that any required further detail decisions will be taken in accordance with the requirements of the Council's Constitution, as set out in the Borough Solicitor comments at Section 5.

**ACTION BY: Directors of Finance, Culture and Environment, Housing and Adult Social Care and Children, Schools and Families**

**REASONS**

For the reasons set out in the report

**12. TREASURY MANAGEMENT STRATEGY REPORT 2013/14**

Consideration was given to a report of the Director of Finance

**RESOLVED –**

THAT the following be endorsed and recommended to Council, to adopt and agree:-

**Borrowing Strategy:**

1. Agree the Debt Strategy as set out in Section 5;
2. Agree the operational boundaries and authorised limits in Table 2;
3. Agree the prudential and treasury management indicators set out in the tables presented in Appendix 2 ;

**Investment Strategy:**

4. The Investment Strategy for 2013/14 as set out in section 6 of this report (including appendices 4 to 13);
5. The credit rating criteria as set out in section 6 (paragraphs 6.5 to 6.31 and Table 7);
6. The investment instruments categorised as specified and non-specified in Appendix 5.

**ACTION BY: Director of Finance**



**Borough Solicitor (Committee Services)**

**REASONS**

For the reasons set out in the report

**13. ESTABLISHING CAMDEN'S HEALTH AND WELLBEING BOARD**

Consideration was given to a report of the Director of Housing and Adult Social Care and Borough Solicitor.

The Borough Solicitor informed the Cabinet that Camden's Clinical Commissioning Group (CCCG) had requested two amendments to the proposed Terms of Reference.

Paragraph 4.1, "Membership" – "Borough Director (CCCG)" be changed to "Chief Officer (CCCG)"

Paragraph 4.9, "Quorum" - add "...and one member of Camden's Clinical Commissioning Group

As mentioned at item 8 above, a reference was received and noted from the Audit and Corporate Governance Committee meeting held on 5th February 2013, in respect of this item, as attached at APPENDIX C, which was presented by Councillor Brayshaw, Chair of the Committee. Councillor Callaghan thanked Councillor Brayshaw and the Committee for the reference which would be considered by the full Council at its meeting on 4<sup>th</sup> March 2013.

Cabinet Members also thanked the officers who had been involved in this work.

**RESOLVED –**

- (i) THAT the reference from the Audit and Corporate Governance Committee be noted;
- (ii) THAT taking into account the reference from the Audit and Corporate Governance Committee, the following be recommended to Council:
  - 1. To note the contents of this report
  - 2. To agree the composition of the Board and formally establish the Board to be operational as from the 1<sup>st</sup> April 2013,":
  - 3. To agree to the terms of reference for the Board detailed in Appendix 1, subject to the following amendments:

Paragraph 4.1, "Membership" – "Borough Director (CCCG) be changed to "Chief Officer (CCCG)"

***Cabinet - Wednesday, 27th February, 2013***

Paragraph 4.9, "Quorum" - add "...and one member of Camden's Clinical Commissioning Group"

4. To agree to the amendments to the constitution as detailed within the report
  5. To delegate authority to the Borough Solicitor to make any minor amendments to the Constitution flowing from this report and in consultation with the Leader and Cabinet Member for Adult Social Services any amendments required to ensure that the Councils arrangements comply with Regulations highlighted within the report.
- (iii) THAT **the Leader** agrees the nominations of the councillors onto the Board, as set out below (and referred to in paragraph 3.3) and agrees to the standard Chief Officer Delegation to the Director of Public Health:
- a) Cabinet Member for Adult Social Care and Health – Councillor Callaghan
  - b) Cabinet member for Children – Councillor Angela Mason
  - c) Leader of the Council – Councillor Sarah Hayward

**ACTION BY: Director of Housing and Adult Social Care and Borough Solicitor.**

**REASONS**

For the reasons set out in the report and above.

**14. PUBLIC HEALTH TRANSITION**

Consideration was given to a report of the Chief Executive.

Cabinet Members welcomed Julie Billett, Joint Director of Public Health (Camden and Islington) to the meeting.

**RESOLVED –**

- (i) THAT the progress of work to prepare for the transfer of public health functions including staff and contracts from the PCT and to establish a joint public health service between the London Borough of Camden and the London Borough of Islington and the funding arrangements for the public health functions be noted; and
- (ii) THAT authority be delegated to the Chief Executive, in conjunction with the Director of Finance and Borough Solicitor, to take all necessary steps to implement the shared public health service between Camden and Islington as outlined within this report.

**ACTION BY: Chief Executive**

**REASONS**

For the reasons set out in the report

**15. CUSTOMER ACCESS STRATEGY - EFFICIENTLY IMPROVING THE CUSTOMER EXPERIENCE**

Consideration was given to a report of the Director of Culture and Environment.

It was noted that recommendation 2, needed to be amended as technically the proposed contract for payment services would not be with Post Office Counters Ltd but with one of their service providers. It was stressed, however, that residents would still be able to access the payment service through post offices in the borough.

**RESOLVED –**

- (i) THAT the Camden Customer Access Strategy in Appendix 1 be agreed;
- (ii) THAT the closure of the Town Hall cashiers service be agreed from November 2013 following the setting up of a contract through Post Office Counters Ltd, with one of their payment service providers;
- (iii) THAT authority be delegated to the relevant Chief Officer in consultation with the relevant Cabinet Member to approve restructuring proposals (including those involving more than twenty posts) arising from the Customer Access Strategy; and
- (iv) THAT it be noted that the decision on the financial aspect for these changes has been taken as part of the Council Tax setting report (additional one off funding of £4.62M to generate net on-going savings of £3.34M per annum from 2016/17 onwards).

**ACTION BY: Director of Culture and Environment**

**REASONS**

For the reasons set out in the report and above.

**16. PROCUREMENT OF YOUNG PEOPLES PATHWAY SERVICES**

Consideration was given to a report of the Director of Children, Schools and Families.

It was noted that there was a confidential appendix to this report containing confidential information relating to this item, which Cabinet Members had read and would take into account when making the decision.

**RESOLVED –**

- (i) THAT the procurement award strategy for the proposed contracts be approved, as set out in this report, in accordance with Contract Standing Order 3.2;
- (ii) THAT a negotiated procurement process for the provision of Lot A – Progress Service and the associated waiver of CSO 6 which requires contracts over £100,000 to be competitively tendered be approved; and
- (iii) THAT authority be delegated to the Director of Children, Schools and Families to undertake any necessary amendments to the procurement strategy which may be required pursuant to clause 3.4 of this report.

**ACTION BY: Director of Children, Schools and Families**

**REASONS**

For the reasons set out in the report

**17. PROCUREMENT OF HOSTELS PATHWAY SERVICES**

Consideration was given to a report of the Director of Housing and Adult Social Care.

It was noted that there was a confidential appendix to this report containing confidential information relating to this item, which Cabinet Members had read and would take into account when making the decision.

**RESOLVED –**

- (i) THAT the contract procurement strategy for the proposed contracts, be approved as set out in this report, in accordance with Contract Standing Order 3.2; and
- (ii) THAT authority be delegated to the Director of Housing and Adult Social Care to undertake any necessary amendments to the procurement strategy which may be required pursuant to clauses 3.3 and 3.4 of this report.

**ACTION BY: Director of Housing and Adult Social Care**

**REASONS**

For the reasons set out in the report

**18. PROCUREMENT OF MENTAL HEALTH SUPPORTED LIVING PATHWAY SERVICES**

Consideration was given to a report of the Director of Housing and Adult Social Care.

It was noted that there was a confidential appendix to this report containing confidential information relating to this item, which Cabinet Members had read and would take into account when making the decision.

**RESOLVED –**

- (i) THAT the procurement strategy to tender two block contracts (north and south of the borough) of schemes within the mental health support living pathway is approved;
- (ii) THAT a waiver of Contract Standing Order (CSO) 6.2 in accordance with CSO 5.1 is approved to negotiate directly with the landlord providers over the remaining schemes; and
- (iii) THAT authority be delegated to the Director of Housing and Adult Social Care to undertake any necessary amendments to the procurement strategy which may be required pursuant to clauses 3.3 and 3.4 of this report.

**ACTION BY: Director of Housing and Adult Social Care**

**REASONS**

For the reasons set out in the report

**19. DATE OF NEXT MEETING**

It was noted that the next ordinary meeting of the Cabinet will be held on Wednesday, 10<sup>th</sup> April 2013 at 7.00 p.m. in the Council Chamber.

**20. ANY OTHER BUSINESS THAT THE CHAIR DECIDES TO TAKE AS URGENT**

There was no other business.

The meeting ended at 8.58 pm

*Cabinet - Wednesday, 27th February, 2013*

**CHAIR**

**Contact Officer: Lorraine Jones**

**Telephone No: 0207 974 5721**

**E-Mail: [lorraine.jones@camden.gov.uk](mailto:lorraine.jones@camden.gov.uk)**

**MINUTES END**

# Appendix 3

**Branch Hill House, London NW3**  
Economic Statement



**Branch Hill House, London NW3**  
Economic Statement  
December 2019

**WSP | Indigo**

**wsp indigo.**

Aldermary House  
10-15 Queen Street  
London EC4N 1TX

**T** 020 3848 2500  
**E** [info@indigoplanning.com](mailto:info@indigoplanning.com)  
**W** [indigoplanning.com](http://indigoplanning.com)

---

# **Branch Hill House, London NW3**

## **Economic Statement**

Contents	Page
<b>1. Introduction</b>	<b>1</b>

**Branch Hill House, London NW3**  
Economic Statement

wsp indigo.

---

# 1. Introduction

- 1.1. Paragraph 80 of the NPPF states that significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.
- 1.2. This Statement assesses the anticipated economic effects of the proposed development, both during the construction phase and once the scheme is complete and operational. It considers the following **temporary socio-economic effects**:
- Temporary construction employment;
  - Gross value added to the local economy by the temporary construction employment; and
  - Temporary construction worker expenditure.
- 1.3. It then goes on to consider the following **permanent socio-economic benefits**:
- Housing provision in relation to regional targets;
  - Additional household expenditure arising from the new residential population;
  - Council tax receipts; and
  - The impact of the new residential population on existing social infrastructure services, specifically primary and secondary schools, and GPs.
- 1.4. The local impact area used within the assessment is the London Borough of Camden (LBC), in which the site is located.

## Temporary Economic Effects

### Construction Employment

- 1.1. The proposed development will include a construction phase which will generate turnover and temporary employment for construction firms and related trades.
- 1.2. In order to estimate the construction employment arising from a scheme, standard EIA methodology entails undertaking a number of calculations, derived from the anticipated construction cost of the scheme. However, at the time of this assessment, an anticipated construction cost is not known.
- 1.3. In the absence of this information, WSP | Indigo has formed an assumption of the likely construction cost of the scheme, based on our experience of assessing similar sized schemes in London, supplemented by desktop research into the typical build costs per sqm of residential units in London. Specifically, research by the architects *Architecture for London*, estimate that for new residential units in London, a minimum of £2,000 per sqm is a realistic construction cost estimate.
- 1.4. With a total floorspace area of 4,443.3 sqm, this equates to an estimated construction build cost of £8.9 million. This calculation assumes that assorted construction costs (materials, labour etc) are somewhat consistent with that across London as a whole. This is considered to be a realistic estimate of construction costs of the scheme.

- 1.5. Data from the Annual Business Survey 2017 Revised Results<sup>1</sup> published in May 2019 reveals that the total turnover in the construction sector during 2017 was £256,369 million. The average number of people employed in the construction sector during 2017 was 1.5 million, suggesting that the average turnover per full time equivalent construction job in 2017 was £170,913.
- 1.6. Using the build cost estimate of £8.9 million and the average turnover per full time equivalent construction job in 2017 of £170,913, WSP | Indigo estimates the proposed development will generate 52 person years of temporary construction employment. This is equivalent to 52 construction workers being employed on a full-time basis for 12 months.
- 1.7. The standard convention in economic impact assessment is that ten person-years of construction employment equates to one full-time equivalent permanent job in the construction sector. The construction of the proposed development will therefore support the equivalent of around 5 FTE construction jobs.

#### Gross Value Added by temporary construction employment

- 1.8. The Office for National Statistics defines Gross Value Added (GVA) as “*the contribution of each individual producer, industry or sector to the economy*”. The Annual Business Survey 2017 provides estimates of the approximate GVA added by different sectors of the UK economy. During 2017, the approximate GVA added by the construction sector was £96,805 million.
- 1.9. With the average number of people employed in the construction sector in 2017 at 1.5 million, this suggests that the GVA per full time equivalent construction job in 2017 was £62,476. WSP | Indigo estimates that the 52 person years of temporary construction employment generated by the development will create GVA added to the local economy of approximately £3.2 million. This would be for the entire construction program.

#### Temporary Construction Worker Expenditure

- 1.10. During the demolition and construction period, using professional judgement, a conservative estimation was made that 60% of the workforce would spend £6 per day on food and drink and socialising on 232 days per annum. The 232 working days was based on the assumption that a full time equivalent (FTE) employee works five days a week, with four weeks holiday and eight bank holidays off per year.
- 1.11. Applying this figure to the temporary construction employment supported, generates an additional gross spend of circa £43,430. This would be for the entire construction program.

### **Permanent Economic Effects**

#### Housing Provision

- 1.12. The proposed development will provide 34 new homes, across a range of sizes and tenures, as illustrated in **Table 1**.

**Table 1 – Accommodation Schedule of the Proposed Development**

	Market	Intermediate (Affordable)
1-Bedroom	4	6
2-Bedroom	9	1

<sup>1</sup> ONS (2019) Annual Business Survey 2017 Revised Results

3-Bedroom	14	-
4-Bedroom	-	-
<b>Total</b>	<b>27</b>	<b>7</b>

- 1.13. The provision of 34 additional dwellings equates to 3.8% of the minimum annual target for the LBC in the London Plan<sup>2</sup> (889 net additional dwellings) or 3.1% of the minimum annual target in the Draft London Plan<sup>3</sup> (1,086 net additional dwellings).

Additional household expenditure

- 1.14. The provision of 34 residential units will result in additional household expenditure in the local economy.
- 1.15. The report on Family Spending, published by the ONS in January 2019<sup>4</sup>, provides data for the financial year ending 2018 on household expenditure. The results reflect the Living Cost and Food Survey for 2017 / 18 based on a sample of 15,370 households across Great Britain.
- 1.16. The latest data reveals that the average weekly household expenditure in London for the period between the financial year ending 2016 and financial year ending 2018 was £658.30. The survey also shows that, on average, each household in London spends £124.20 per week on net housing, fuel and power costs. Since this spending typically goes to major national institutions with only modest impacts on the local economy, this spending has been deducted from average weekly household expenditure.
- 1.17. This means that for the period between the financial year ending 2016 and financial year ending 2018, net average weekly household expenditure in London was £534.10 which is equivalent to an annual figure of £27,773.20. Assuming that VAT of 20% had been paid on all of this spending, the average annual household expenditure (net of indirect taxation and housing, fuel and power costs) was £22,218.60 for London during the period April 2016 to March 2018.
- 1.18. Based on this analysis and the net addition of 34 households to the local area, it is estimated that the gross additional household expenditure generated by the new residential population at the site would be around £755,432 per annum. This assumes that all units are occupied and that the 34 net additional households demonstrate spending patterns typical of London as a whole.
- 1.19. This additional household expenditure of £755,432 per annum is a gross effect. Some of this spending would leak out of the area as residents spend their income in other regions and neighbouring boroughs. As such, it has been assumed that 25% of the additional household expenditure generated by the new residential population of the proposed development would be spent outside the local area.
- 1.20. Based on these assumptions, the net additional household expenditure generated by the new residential population of the proposed development is expected to be approximately £566,574 per annum.

<sup>2</sup> Greater London Authority (2016) The London Plan, March 2016.

<sup>3</sup> Greater London Authority (2018) The Draft London Plan, August 2018.

<sup>4</sup> ONS (2019) Family Spending in the UK: financial year ending 2018

### Council Tax payments

- 1.21. The proposed residential units would have a beneficial effect on the annual Council Tax receipts received by the LBC.
- 1.22. For the purpose of this assessment it has been assumed that all new properties at the Site are rated as Council Tax Band D<sup>5</sup>. This is a mid-rate Council Tax Band which generates a conservative estimate of Council Tax receipts. It has also been assumed that the 12 one-bedroom units could well be occupied by only one person and, as such, it is assumed that these properties will be occupied by people qualifying for the single adult discount of 25% on the standard Band D charge. It is also assumed that all residential units are fully occupied.
- 1.23. Based on these assumptions, WSP | Indigo estimates that the 34 net additional households at the Site would generate additional Council Tax receipts for LBC of £48,433 per annum, at 2019/20 prices.

### Effects of the Additional Residential Population

- 1.24. The additional population arising from the residential element of the Proposed Development will have an effect on the capacity of existing services and facilities, such as schools and GPs. The effects are assessed based on the estimated population yield of the completed Development, calculated using the GLA Population Yield Calculator (Version 3.2) and housing unit mix.
- 1.25. **Table 2** sets out the estimated population yield of the completed development.

**Table 2 – Population Yield of the Proposed Development<sup>6</sup>**

Age Group	Population Yield
0 – 4	5
5 – 11	3
12 – 15	1
16 – 17	1
18 – 64	62
65+	2
<b>Total</b>	<b>74</b>

### Education

- 1.26. As set out in **Table 2**, the Proposed Development is expected to yield a requirement for an additional 3 primary school places (ages 5 -11) and 2 secondary school places (ages 12 – 17). This assumes a worst-case scenario inasmuch as it does not factor in for school-age residents of the new development who are already enrolled at nearby schools.
- 1.27. Given the small additional demand, it is considered likely that this will be met by the existing

<sup>5</sup> LBC – Council Tax Band D = £1,562.35

<sup>6</sup> GLA Population Yield Calculator v3.2 (2019)

schools within the borough. There will therefore be no adverse effects on local education facilities.

#### GPs

- 1.28. As set out in **Table 2**, the Proposed Development would increase the demand for existing health facilities within the vicinity of the site, with an estimated 74 net additional residents.
- 1.29. The Healthy Urban Development Unit (HUDU)<sup>7</sup> recommends a GP:patient ratio of 1;1,800. As a result, based on the HUDU guidance of 1,800 patients per GP, the 74 new residents would require an additional 0.04 GPs. This assumes a worst-case scenario inasmuch as it does not factor in for residents of the new development who are already enrolled at nearby GP practices.
- 1.30. Given the small additional demand, it is considered likely that this will be met by the existing GP facilities within the borough. There will therefore be no adverse effects on local healthcare facilities.

#### **Summary**

- 1.31. This Economic Statement has demonstrated that the proposed development will generate significant economic benefits for the local area of LBC.
- 1.32. The proposed development will create the following temporary economic benefits:
- 52 person years of temporary construction employment;
  - The standard convention in economic impact assessment is that ten person years of construction employment equate to one full-time equivalent, permanent job in the construction sector. This means that the construction of the scheme would support the equivalent of around **5 FTE construction jobs**;
  - The construction employment generated by the proposed development will create **gross value added** to the local economy of around **£3.2 million**; and
  - Temporary construction workers will spend an **additional £43,430 in the local economy**.
- 1.33. The proposed development will generate the following permanent economic benefits, all of which will be enjoyed in perpetuity:
- The **provision of 34 residential units**, equating to 3.8% of LBC's annual housing target in the London Plan, and 3.1% of the annual target in the Draft London Plan;
  - The new residential population would result in an additional **£566,574 in household spending** in the local area annually; and
  - The 34 additional homes will generate Council Tax receipts for LBC to the value of **£48,433 per annum**.
- 1.34. It is also considered that there will be no adverse effects on the capacity of existing social infrastructure services (schools and GPs) in the area from the additional residential population.

---

<sup>7</sup> NHS London Health Urban Development Unit (2009)



