

LONDON BOROUGH OF CAMDEN	WARDS: All
REPORT TITLE Review of the Camden Medium Term Financial Strategy (CS/2020/30)	
REPORT OF Cabinet Member for Finance and Transformation	
FOR SUBMISSION TO Resource and Corporate Performance Scrutiny Committee Cabinet	DATE 14 December 2020 16 December 2020
STRATEGIC CONTEXT <p>The Council is facing a significantly challenging outlook following the global pandemic. This report presents an updated overview of the Council's financial position as it seeks to support our citizens, communities and businesses through the Covid-19 crisis.</p>	
SUMMARY OF REPORT <p>This report provides an update on:</p> <ul style="list-style-type: none"> • The latest estimate of the financial pressure caused by the Covid-19 crisis, and proposals for addressing the financial impact for 2020/21 • The funding support schemes announced by Government to date • The latest outlook for the Council's funding and spending over the medium term, and the resulting funding gap • Recommended fees and charges for 2021/22 • Key risks associated with the current and projected financial position and service provision <p>Local Government Act 1972 – Access to Information</p> <p>The following resources have been used in the preparation of this report and are available online via the web address: www.camden.gov.uk/MTFS:</p> <p>Contact Officer Nigel Mascarenhas Interim Director of Finance Finance and Procurement 5 Pancras Square</p>	

Telephone
Email

London N1C 4AG
020 7974 1904
Nigel.Mascarenhas@camden.gov.uk

RECOMMENDATIONS

The Resource and Corporate Performance Committee is asked to consider the report and make any recommendations to Cabinet.

Cabinet is recommended to:

- (a) Note the continued challenging and uncertain funding outlook for the council set out in Section Two of the report including the financial pressures as a result of the Covid-19 crisis set out in paragraph 2.2 – 2.15.
- (b) Note the Retrospective Equality Impact Assessment at Appendix A.
- (c) In relation to fees and charges discussed in section 2.47 and Appendix B:
 - i. Delegate authority to the relevant Executive Director to decide increases to existing fees and charges up to a maximum of 5%, in consultation with the relevant portfolio holders.
 - ii. Note the particular content in Appendix B setting out supporting information for the new fees and charges and the fees and charges where the proposed increase is over 5%.
 - iii. Agree the new fees and charges, and the increase in fees and charges where the proposed increase is over 5%, as shown in Appendix B, delegating authority to the relevant Director to introduce those changes.
- (d) Note the forecast 2019/20 revenue and capital outturn positions set out in sections 2.57 – 2.62.
- (e) Agree to the Council planned use of Reserves summarised in Appendix C
- (f) Note the current projected medium term funding gap that has arisen as a result of the Covid-19 crisis set out in paragraph 2.34
- (g) Note the likely need for additional savings to ensure a balanced budget and financial stability as outlined in paragraph 2.37.
- (h) Note the risks outlined in section four of the report.

Agreed by: Director of Finance

Date: 3 December 2020

CONTEXT AND BACKGROUND

- 1.1 The Council is facing a significant financial challenge following the global pandemic – one that has the potential to severely undermine and threaten our financial sustainability and resilience. The resulting financial pressure will have a significant and long term impact on the Council and its medium term financial position. Over the previous months, officers have worked to understand both the immediate and long term pressures facing the Council as a result of the Covid-19 crisis.
- 1.2 The Covid-19 crisis is having a significant impact on the Council's financial position with its effects being felt across the Council. We are facing an additional financial pressure of c£48m on our General Fund revenue position through a combination of our direct interventions to support our communities; significant pressures from lost income as we have had to either pause or limit some of our services supported by fees and charges, and we are seeing reductions in tax collection in both council tax and business rates from both residents and local business experiencing financial hardship.
- 1.3 At present, we have received government support of £31m and have made a further request for £13m to compensate for the loss of income from 'sales, fees and charges' during the pandemic which is expected to be paid in instalments over the course of the year. The scale of the challenge means that this support will not fully compensate us and there remains a net financial pressure of at least £5.4m even if all of the full claim for lost 'sales, fees and charges' is met. At the same time, there is still a good deal of uncertainty regarding the level of financial support available from the government for losses of income from both 'sales, fees and charges' and from local tax income. Work will be required to explore how to address this in-year pressure and proposals will come forward as part of the budget setting report to Cabinet in February 2021.
- 1.4 It is important to note that the forecasts above do not reflect the potential additional costs and pressures arising from the national restrictions that came into force from 5 November 2020. As such, these figures are likely to change, including those for government funding support.
- 1.5 At the same time, the global pandemic is having a fundamental and negative impact on the economy and presents a series of significant challenges for the economic health of the country and its public finances in the medium term. At present, we have no confirmed funding beyond this financial year and the recent Spending Review has only provided funding allocations for the next financial year (2021/22). This means that we will need to continue to develop our financial forecasts and plans at a time where there is considerable uncertainty and where the pandemic represents a fundamental threat to our financial sustainability and resilience.
- 1.6 Camden, in conjunction with other London boroughs, London Councils and the Local Government Association is continuing to lobby the government to ensure that they recognise the scale of the challenge facing councils as a result of the Covid-19 crisis. The Council is working directly with other London boroughs to

discuss and share forecasts for financial impacts and to provide feedback to the government on the challenges facing local government.

Retrospective Equality Impact Assessments

- 1.7 During the emergency phase of the Covid-19 the Council had to move at pace to support local residents and businesses through the height of the Covid-19 crisis. This meant that in some cases it was not possible to carry out full equality impact assessments at the time. In addition while not removing the requirement to consider equalities a number of the decisions were taken as a result of binding legislative direction. However for the sake of completeness the Council has subsequently carried out assessments which are detailed in Appendix A.
- 1.8 The assessment concludes that, in the context of an emergency response, it is a complex task to disentangle whether negative impacts are a result of the resourcing needs and national legally binding requirements to tackle Covid-19 or directly due to a Council decision. Some changes, such as those in waste services, were difficult decisions and a necessary trade-off to ensure that key statutory services could continue.
- 1.9 Broadly, the Council changes prompted by the Covid-19 pandemic would impact the vast majority of Camden's population but there would be a disproportionate impact on people more dependent on public services, such as those with care needs or economically disadvantaged.
- 1.10 As Camden deals with this further lockdown and then moves into the recovery and renewal phase of the Covid-19 pandemic, it will, as far as possible, fully consider proportionate equality impact assessments as part of future emergency response activity and when this is impossible or when it wishes to undertake a further retrospective assessment.
- 1.11 While retrospective they provide useful learning which officers will apply in future and related decision making particularly when looking to mitigate some of the impacts identified in 1.8 - 1.9 above and the report in detail in Appendix A.

2. PROPOSAL AND REASONS

- 2.1 This report provides an update on a number of financial matters:
 - An update on the latest estimate of the financial pressure caused by the Covid-19 crisis, and proposals for addressing the financial impact for 2020/21
 - Detail of the funding support schemes announced by Government to date
 - The latest outlook for the Council's funding and spending over the medium term
 - Note the potential need for additional budget savings for the 2021/22 budgets to support a balanced budget position
 - Agree to the recommendations for Fees and Charges included in paragraph 2.47 and Appendix B

- Key risks associated with the current and projected financial position and service provision, and
- Note the retrospective assessment of Equality Impacts on the decisions taken during the emergency period of the pandemic

Current year financial impact

2.2 The financial impact of the Covid-19 pandemic on the Council's finances is significant. That said, while the situation continues to develop, it is extremely difficult to make a definitive and comprehensive assessment of its full financial impact. As such, the figures in this report are based upon our best estimates and forecasts and remain subject to change.

2.3 Table One below shows the latest central estimate of the financial pressure in 2020/21. There is still a good deal of uncertainty regarding the financial pressure, but the updated 'central estimate' of £48m is based on updated data and assumptions on the impact of government measures such as social distancing and work that the Council has done to reallocate resources to tackle the impact of the Covid-19 crisis. It should be noted that the figures currently exclude an assessment of the financial impact of the national restrictions introduced in November nor the potential impact of the tier system beyond the provisional December end point.

Table One: Summary of Estimated Costs Pressures

2020/21 Financial Pressures
Summary

	£m
Collection Fund Deficit	22
Forecast Covid Pressures to Service Budgets	30.3
Service underspends	-3.8
Forecast Overspend	48.5
Grants Received to Support the identified financial pressures	-30.1
<i>Sales Fees and Charges</i>	<i>-13.0</i>
<i>Compensation Claim</i>	
Budget Gap to be funded	5.4

Cost Pressures

2.4 Additional cost pressures are a result of the Council providing additional support to residents and businesses during the pandemic. The Council's response to the Covid-19 crisis includes expected expenditure of c£3.3m on

direct support for shielded residents, including grants to the voluntary sector; £1.5m on additional adult social care costs to protect the social care market and to provide additional care for people leaving hospital, and c£2.4m to provide accommodation and support for rough sleepers and homeless and overcrowded households to ensure people are in Covid-secure properties.

- 2.5 The government invited councils and other housing providers to bid for additional funding from two separate 'pots' of money totalling £105m and £161m for the provision of support and accommodation for homeless households and rough sleepers during this financial year. The Council has been awarded £1.137m from the Next Steps Accommodation Programme (NSAP), MHCLG funding for emergency accommodation for rough sleepers for use in 2020/21. The Council has also been awarded £5.790m over 10 years to the Rough Sleeping Accommodation Programme (RSAP), for longer term "move on" accommodation for former rough sleepers.
- 2.6 As the organisation has mobilised behind the response to the pandemic, there have been a number of areas where spending has been rebalanced away from what would constitute business-as-usual spending. For example a number of services have had to temporarily close or reduce provision such as libraries, where staff were redeployed to help the Council's emergency response to Covid by working in teams such as the front line presence teams, supporting the delivery of food parcels and providing additional support and processing grant payments to local businesses. The Council has redirected resources within Adult Social Care and Housing Support Services to support the most vulnerable residents, and has utilised existing hostel spaces to provide accommodation for rough sleepers. In addition the Council has redeployed officers to support the administration of grants and emergency payments to local businesses and residents. As the situation develops, the Council is continuing to redeploy existing staff and resources to support local track and trace and 'Covid Marshals' to support residents and business through the latest Covid measures.

Loss of Income due to the Crisis

- 2.7 Officers are closely monitoring the impact on the Council's income streams. Much of the loss of income is due to the fact that we may have had to stop specific services (e.g. fee-attracting events or leisure provision); relaxation of existing rules and procedures to support the emergency response (e.g. parking) or to reflect the slow down in economic activity (e.g. rent for our commercial property). These are pressures that are not caused directly by council decisions, but as a direct consequence of the lockdown measures put in place to help control the Covid-19 crisis and the economic consequences of those measures.

Shortfall in Tax Collection – Business Rates

- 2.8 The Council collects significantly more business rates than it retains through the business rates retention system with any income paid over to a regional and national pot for redistribution across local government. Under the government's business rates retention scheme local authorities are able to

retain a proportion of their locally retained business rates income. In doing so, we are able to benefit and retain more should we see an increase in local income. Likewise, our income will reduce should there be a fall in local business rates income.

- 2.9 Despite the range of support, it is inevitable that some businesses will be unable to pay their business rates during the Covid-19 crisis leading to an increase in bad debt for business rates and a loss of income collected. While it is difficult to definitively predict the financial pressures on local businesses in such an uncertain economic climate, we estimate that non-payment levels will be approximately 17% or £86m over the course of the year. Under the business rates retention system, we will not have to bear the full impact of this loss. Rather, we would be eligible under the 'Safety Net' system and our loss would be capped at £9.1m (7.5%). The loss of £9.1m is currently assumed within our financial forecasts and so, is creating a further financial pressure for the Council.
- 2.10 Linked to our local business rates arrangements, the Council has been participating in a pooling arrangement with all other local authorities in London for increased rates retention since 2018/19. As it stands, it is too early to make a judgment about the financial impact in the current year. We continue to work with councils across London to understand the position. It should be noted that due to our prudent approach to budgeting, we have made no budgetary assumption for 2020/21 in terms of anticipated benefit from the pool.

Shortfall in Tax Collection - Council Tax

- 2.11 The Council has received £3.1m from the government hardship fund to help support Camden residents who were experiencing financial difficulties. Alongside our ongoing commitment to invest £25m in its Council Tax Support Scheme and provide 100% council tax support for those residents most in need, we have been able to use the funding to go further than the Government's commitment to support hardship.
- 2.12 The Council initially invested £1.3m of the funding to increase support, giving everyone on the scheme with something left to pay a three month holiday from council tax. In addition, anyone with less than £150 to pay will not have to pay anything at all this year. As the crisis has developed, it has been decided to invest a further £0.2m in the scheme to support those eligible residents. Prior to these arrangements, the scheme already provided over 15,000 working age households with council tax exemptions. Under these new arrangements, over 6,600 households on the scheme will now receive an additional discount.
- 2.13 Despite the extended help offered to council tax payers, the number of council tax scheme claimants is expected to rise as residents face new increased financial hardship. Between March and October, the number of council tax support claimants increased by over 1,608 households – with all new claimants being working age households. This has increased the cost of the scheme by £1.9m this financial year, this cost is included in the Council's overall expected financial pressure of £22m on the collection fund summarised in paragraph 2.3.

- 2.14 In addition to the extended Council Tax Support Scheme, the Council has invested £1.8m in its local welfare assistance fund to give residents in an immediate financial crisis access to a one-off payment to help pay their bills or buy shopping. To the 30 October, over 27,000 food deliveries have been made to local households and hostels funded from the £1.8m set aside as part of the local welfare assistance scheme.
- 2.15 In recognising the financial hardship faced by our residents, this will impact on the Council's ability to collect the council tax upon which the budget has been developed. We anticipate that there is a significant risk that people will be unable to pay their council tax or will delay making payment. In the first six months of the year, payment of Council Tax is approximately 11% lower than budgeted. Over the course of the financial year, this would equate to a financial loss of £16.3m, of which c£13m would be a loss to the Council and the balance a loss to the GLA.

Government Support to Date

- 2.16 As the scale of the financial situation of councils became clearer, the Government have responded with a number of funding announcements. Table two below summarises the funding that has been announced and is available to support the pressures summarised in table one. A comprehensive list of Covid related funding is shown in Appendix D some of which is ring-fenced for specific activities or paid to the Council to administer directly to local businesses.

Table Two: Government Grants to Camden to Support Financial Pressure

Total Financial pressure	£48.5
Funded by	£m
<u>Government Grant</u>	
COVID General Grant (tranche 1 – 3)	-£19.3
COVID General Grant (tranche 4)	-£7.2
Hardship Grant	-£3.1
Other small Grants	-£0.5
<i>Government Income Compensation Scheme</i>	-13.0
	-£43.1
Net Pressure	£5.4

- 2.17 The Council has received other funding from government either to pay directly to local businesses or to fund other specific areas of work such as developing a local Test and Trace system and other Public Health outcomes relating directly to the Covid pandemic along with further funding to support work around Rough Sleeping, all of which will be matched by additional expenditure. The grants detailed in the table above are those that are available to meet the net financial pressures shown in table one.

Income Compensation Scheme

- 2.18 In the early stages of the pandemic, Government support was focused on a series of grants designed to support the additional expenditure incurred by local authorities. On 24 August, the Government announced an Income Compensation scheme designed to compensate councils for some of their budgeted income that has been lost as a direct result of the pandemic.
- 2.19 The government have stated that not all lost income is eligible for the compensation scheme – income from commercial rents, investments and any lost income from taxes are ineligible for the scheme. The scheme is also only targeted at General Fund income, no lost income from the Housing Revenue Account or from the Council's partner organisations being eligible for the scheme.
- 2.20 The scheme does not include a list of which types of income are eligible for the scheme. Rather the government have devised a set of principles that local authorities have to apply in order to make a claim. The three principles are;
- Principle one: The income is transactional income from customer and client receipts (excluding rents and investment income), which is generated from the delivery of goods and services and which was budgeted for in 2020/21
 - Principle two: As a result of COVID-19, and consequent reductions in economic activity, this income has been unavoidably lost and will not be recovered in this financial year.
 - Principle three: Compensation will be based on net losses. Where a local authority has been able to reduce expenditure, or has received other compensation, compensation will only be provided for the residual loss.

Once the lost income that is eligible for the scheme is identified, net of any reduced expenditure the following reductions are then made to reach the amount that can be claimed via the Scheme.

The deductible – An initial amount equivalent to **5%** of budgeted income from eligible sales, fees and charges will be deducted from claimed losses. Local authorities will be expected to absorb this initial portion of loss. **NB. This is 5% of the full budgeted income not just 5% of the estimated loss.**

The co-payment rate – Thereafter there will be a cost splitting arrangement where **75%** of relevant losses will be compensated for by Government, with the remainder being met by local authorities, up to a maximum of the total budgeted loss for 2020/21.

- 2.21 At present, we are forecasting an income loss of £40.9m in 2020/21. Once the criteria of the income support package are applied, the following applies:
- £13m will be funded by the Government to support our financial loss,
 - £12.9m will fall on the council to fund, reflecting the government's desire for local government to share the financial burden, and
 - £15m relates to business rates and council tax income losses and as such, further detail is awaited about whether any further support will be forthcoming.

2.22 The Council is required to submit updated claims through the year and at the year-end based on the most recent financial loss position. The figures in 2.21 are an estimate with the final amount claimed subject to change based on the actual lost budgeted income at the financial year end.

Response to the 2020/21 impact

2.23 Given the level of uncertainty surrounding both the overall expenditure and funding from government, it remains difficult to be precise about the net financial pressure that we face and therefore, what the consequences are for the budget agreed by Council in March 2020. That said, it is clear that there will be a current year financial pressure to address, but the lack of certainty means that it feels too early to recommend a precise funding strategy at this stage.

2.24 In supporting the current year response and as per the Cabinet decision in May 2020, work continues to:

- Review the Council's reserves to develop options for re-appropriating reserve funds to help support the Council's response to Covid-19.
- Monitor closely the Council's income streams and debt levels to see what impact the Covid-19 crisis is having.
- Look at the investments made in services as part of the 2020/21 budget setting process to see which investments can be paused or cancelled to free up money to fund the response to the Covid-19 crisis.
- Review all the council's costs to see which could be stopped or paused as the organisation refocuses its efforts towards the emergency response.
- Consider whether current resourcing and staffing levels are appropriate. To ensure we are able to control our spending outlay as far as possible and to provide further development opportunities for our current workforce, a more robust approach to new recruitment has been put in place since October, including a 5% vacancy factor (full year effect). This is not a recruitment freeze, but consideration is given to whether recruitment can be suspended, delayed or stopped in order to make a financial saving. Maintaining such an approach into the new financial year may also be necessary subject to the outcome of the CSR.
- Continue to engage with MHCLG and HM Treasury on the financial pressures caused by the Covid-19 crisis in support of requests for further government support. To date, we have submitted four data returns, setting out the impact on our finances.

Medium Term Financial Outlook

2.25 Looking ahead, it should be noted that the Council was already operating in a significantly challenging financial environment prior to the outbreak. In December 2018, Cabinet agreed a Medium Term Financial Strategy (MTFS) that sought to provide the financial framework for the three years from 2019/20 to 2021/22 while delivering savings of approximately £28m. This followed a period of 8 years where the Council had been obliged to make an

unprecedented £169m of savings and to reduce its workforce by 23% (1,140 full time equivalents).

- 2.26 The Covid-19 crisis will almost certainly have a long term impact on the Council's financial position and require the Council to review its medium term financial strategy to ensure that the Council is still able to deliver the outcomes of Camden 2025, support the renewal of the borough, and maintain the financial resilience of the Council. Though the precise impact remains difficult to predict at this early stage, there are some critical factors that are likely to influence our position. These are set out below.

Economic Outlook

- 2.27 The Covid-19 crisis has led to an unprecedented level of uncertainty in the economy. In its medium term projections the Council anticipated inflation of 2.5% for contracts, 1% for supplies and services and 2% for all other expenditure and income for the coming 3 years. This assumption will need to be reviewed as the information from the current crisis becomes clearer, to inform the Council's medium term financial position. With additional inflation assumptions used were appropriate.
- 2.28 At present, many institutions are holding back on making projections for inflation due to the level of uncertainty and are discussing a series of scenarios instead. The Bank of England is currently predicting that a combination of spare capacity in the economy and low oil prices, along with VAT reductions on many goods will mean CPI inflation is expected to remain below 1%, before rising to around 1.8% by the third quarter of 2021. The Bank of England report¹ also states that the uncertainty around their economic projections are unusually high with a good deal of uncertainty about a number of factors including the speed of the recovery from the Covid economic shock. Against this backdrop, it should be recognised that low inflation may not necessarily lead to a reduction in the Council's expenditure given the financial hardship faced by our suppliers in some areas such as health and social care.
- 2.29 At the same time, the United Kingdom is currently coming to the end of a 'transition phase' of the process of leaving the European Union with the final exit from the transition period due to end on 31 December 2020. The final relationship between the United Kingdom and the European Union has not yet been settled and given the current economic climate, there is a risk that we see increased costs, particularly if we experience increasing import costs. For us locally, should we see an increase in our contract costs by an additional 1% in each year of 2020/21 and 2021/22, above the 2.5% planned for each year, it would result in an increase in the deficit for 2021/22 of £2.3m.

Future Funding of Local Authorities and Funding Announcements

- 2.30 On 24 March, the government announced that the Comprehensive Spending Review (CSR) would be delayed from July 2020 to enable the government to remain focused on responding to the public health and economic emergency.

¹ Bank of England, Monetary Policy Report August 2020

The intention was that the CSR would have set future public spending plans for the next 3-5 years and with it, an outline for total local government funding.

- 2.31 In October 2020, the government announced that they would no longer hold a CSR this year but would instead set government department budgets for 2021/22 with a one year Spending Review. The one year financial settlement will harm the Council's ability to plan for its financial resilience over the medium term.
- 2.32 The government Spending Review contained a number of funding announcements, but the detailed allocation to individual councils for each of the funding announcements has not yet been made. Once the allocation of funding is known officers will update the Medium Term Financial Forecast for the Council.
- 2.33 Alongside the discussion on total local government funding, there had been an intention to introduce local government funding reforms from 2021/22, including the outcome of the 'Fair Funding Review' – an attempt to review how funding is distributed within local government and the assessment of each councils' level of 'need'. On 28 April, the Government confirmed that the review of relative needs and resources and the move to 75% business rates retention will no longer be implemented in April 2021. The government have recently announced that they will publish a report detailing a fundamental review of the Business Rates system in spring 2021. At this stage, it is not clear when these 'Fair Funding or the Business Rates reforms will be introduced.

Medium Term Financial Position

- 2.34 Due to the level of uncertainty highlighted above, it is not yet possible to make a reasonable estimate of the expected budget gaps facing the Council over the medium term. Early indications are that the Council could potentially face a budget gap of c£40m by 2024/25.

Table Three – Estimated Medium Term Financial Pressure

	2022/23 Projection £m	2023/24 Projection £m	2024/25 Projection £m
<u>Core Funding</u>			
Revenue Support Grant (RSG)	-22.7	-22.7	-22.7
Retained Business Rates	-104.5	-105.4	-106.4
Council Tax	-118.3	-121.2	-124.1
	-245.4	-249.3	-253.2
<u>Estimated Spend</u>			
Departmental Cash Limits after savings & growth	314	325.9	337.9
Service Specific Grant Income	-54.5	-52.6	-52.6
Other Non Departmental Spend	8.3	7.7	7.6

	267.8	281	292.9
Funding Gap	22.4	31.7	39.7

2.35 The table above sets out our current working assumption and this is being refined as our understanding improves of the impact of the pandemic and its long term impact.

2.36 The exact level of budget gap will depend on a number of factors, including;

- The economic outlook and the level of support that our residents and businesses need over the medium term, and the speed and extent to which the economy recovers.
- The level of funding set out by the government to support local authorities and how that is allocated to individual councils.
- The need to replenish reserves to support the financial stability of the Council. This would be subject to the financial outturn position in the current year and the extent to which we would need to rely on reserves to meet the budget shortfall.
- The policy decisions that the Council takes to support the renewal of the borough.
- Changes to both the Council Tax base and uptake of the Council Tax Reduction Scheme and well as changes to the Business Rates model.

2.37 The Council is currently in the second year of a three year Medium Term Financial Strategy with a number of savings agreed by Cabinet in December 2018 to ensure the Council's financial stability and to produce a balanced budget position up to the end of 2021/22 financial year. While the medium term financial impact of the Covid-19 crisis is still uncertain there remains a high likelihood that we will require some form of additional savings in 2021/22 in addition to those already agreed in order to produce a balanced budget. A further update will be provided to Cabinet following the outcome of the Comprehensive Spending Review and the confirmation of individual allocations of resources to local authorities.

Reserve Balances and Planned Use of Reserves

2.38 The Council sets aside specific resources in our reserves as part of our wider approach to prudent financial management. Reserves are treated like long-term savings held for specific purposes and the Council will use them only when strictly necessary. The recent financial climate has meant that it has been increasingly difficult to transfer unspent income into our reserves. Like savings, when money is drawn down from reserves and not replenished in equal or greater proportion, the money can only be used once and reserves start to deplete.

2.39 In accordance with CIPFA guidance, we have a number of both general balances and earmarked reserves. General balances are held as a wider financial contingency against unexpected financial shocks while the latter are held for a number of specific purposes. This includes, but is not limited to, the

support to the delivery of our key strategic outcomes within Our Camden Plan, to contribute to our Capital Programme, to mitigate future known financial risks (such as insurance liability or a decline in business rates) and to provide investment and pump prime initiatives that will deliver future financial benefit and longer term savings. In managing our reserves over the medium term, we have recognised that they are a one off resource and not a sustainable solution to the financial challenges that we face over the medium term.

- 2.40 As part of our prudent financial management, all reserves are regularly reviewed to ensure that they remain at appropriate levels and are relevant. If they are no longer required for the purposes originally intended they are reallocated to best support our strategic priorities. The scale of the savings programme outlined within the MTFS is significant and in developing this it has been important to reduce the worst impacts on front line services. As such, it has been agreed that some limited use of reserves will be required as part of our financial strategy. This additional resource will provide capacity and one-off investment to support our strategic outcomes. It is recognised that once this resource is used, it is no longer available for other purposes and simply provides some limited time to enable service changes to be planned and implemented in an orderly way. A summary of the current and forecast balances of reserves is presented in **Appendix C**.
- 2.41 Pre-Covid, the Council was already following a strategy of low reserves. Our general fund balances stand at £14m or roughly 3.3% of our net budgeted expenditure and our earmarked reserves stand at £95.7m or 21% of our net expenditure. This is at the lower end of the acceptable range, but this historic approach has been based on our confidence in our ability to deliver MTFS savings and our strong track record of living within our means. The Covid-19 crisis means both of those things are now in doubt over the medium term and we will be operating with a substantial reduction in our financial flexibility. This position will need to be closely monitored moving forward to ensure that reserve levels remain at an appropriate level to provide a strong level of resilience and flexibility to respond to emerging financial shocks.
- 2.42 In line with the recommendations agreed by Cabinet in July 2020 officers have been reviewing the current reserve allocation with the view to re-appropriating some reserves to support the Council's financial resilience and its response to the Covid-19 crisis. This would mean re-appropriating earmarked reserves where they are no longer needed into general balances to give the Council greater resilience in the case of further unforeseen financial pressures.
- 2.43 Officers have carried out an initial exercise to identify 'earmarked' reserves that may no longer be required for their stated purpose. An initial review of the reserves has identified reserves within the Council 'Multi-Year Budget Reserve', (reserves held for potential future pressures whose timing is unclear) of £2.8m that are no longer required for their stated purpose.
- 2.44 As we look ahead, there is a significant risk of further financial shocks to the Council from the need to respond to the second wave of Covid-19, any local lockdown or Tier restrictions and the wider economic impact of Covid-19. This means that in order to maintain its financial resilience and flexibility the Council

also needs to increase its unallocated reserves to ensure it has resources in place to meet any immediate financial pressures the Council may face in supporting local residents. The need to develop new savings projects to help deliver the Council's next MTFs will also inevitably require additional investment from reserves.

Council Tax and Adult Social Care Precept

- 2.45 Each year the Government sets rules for the level of Council tax increase that can be levied before a local authority is required to hold a local referendum. For 2020/21, the government re-imposed the local referendum limit for council tax increases at 2%. This was a reduction from the 3% limit seen in 2018/19 and 2019/20, and restricted local authorities in their ability to address funding pressures through local taxation. At the 2020 Spending Review the government announcement that the local referendum limits for Council Tax increase for 2021/22 will remain at 2% with a further 3% Adult Social Care precept allowed for appropriate authorities. The modelling of the Council's medium term budget gap detailed in Table Three includes an assumption of a 2% Council Tax income only with no additional Social Care precept.
- 2.46 Given the scale of the financial challenge facing the Council over the medium term the 3% Social Care precept would go some way to addressing the pressures in the service and the remaining projected council funding gap as each 1% increase would generate c£1.2m to help close the Council's expected medium term budget shortfall.

Fees and Charges proposals

- 2.47 Fees and charges are proposed by officers and approved by Cabinet and, where required, by Council, on an annual basis. Fees requiring approval by Council will be presented in full in the budget setting report on 1 March. Reporting to Cabinet is on an exception basis, with new fees or those fees or charges with proposed increases above the 2020/21 threshold of 5% listed individually. These are listed in **Appendix B**, together with detail on the reasons for the charges. Cabinet is recommended to agree the fees as presented, and also to agree that decisions on increases up to 5% on existing fees are delegated to Executive Directors in consultation with the relevant Cabinet Members.

Update on Business Rates Pooling in London

- 2.48 For the last three years Camden, along with all London authorities and the Greater London Authority, have been participating in a pilot scheme to pool business rates income across the capital and retain an increased proportion of any business rate income growth, as the government sought to make moves towards greater local financial autonomy.
- 2.49 In 2018/19, the arrangements allowed London authorities to pilot a 100% retention model, allowing London to collectively retain 100% of business rates above an agreed baseline. This brought a collective financial benefit to London of nearly £400m of which Camden benefitted by £7.7m. This income has been

used as part of the Council's wider strategy to maintain its long term financial stability.

- 2.50 The government subsequently decided to reduce the intended proportion of locally retained business rates to 75% above the baseline in 2019/20 and reduced it further to 67% in 2020/21 with the GLA keeping 37% and councils keeping 30%. As stated above, it is unclear what the financial impact will be in the current year.
- 2.51 For 2021/22, London Councils have agreed to continue with the London Pool in 2021/22 under the same arrangements as 2020/21. There are, however, a number of uncertainties to consider with regard to the direct financial benefit and potential risks involved. These include, the ongoing negative impact of Covid-19 on business rates in the capital; the possibility that the Government may still implement a "reset" of baselines that had been indicated earlier in the year; and uncertainty regarding the continuation of the new reliefs and grant schemes that have supported businesses with their business rates bills in 2020-21.
- 2.52 If the Council operated outside of a business rates pool, it would be required to pay a 50% levy on the business rates income growth it retained. However, London Councils Leaders' Committee have agreed in principle to support a pool for London under the 67% retention rates. The benefit of a London wide pool would be that collectively, London would pay a lower levy rate on growth than the individual authorities would if they operated outside of the pool. This is estimated to benefit Camden in the region of £0.5m to £1.0m. The pooling designation will be included in the provisional Local Government Finance Settlement and will require authorities to ratify their involvement within 28 days thereafter. As in previous years, the final decision to agree whether or not to stay in the pool will be taken by the Leader of the Council.

Update on Housing Revenue Account Financial Challenge

- 2.53 The Housing Revenue Account (HRA) is a ring-fenced account within the General Fund containing the income and expenditure arising from a housing authority's landlord functions. As it is a requirement to set a balanced budget each year, expenditure needs to be kept in line with income. However, the HRA's main source of income is from social rents which are exposed to losses from right to buy (albeit partly offset from new CIP units) and changes to the Government rent standards.
- 2.54 From 2016/17 to 2019/20, rents were reduced by 1% year on year at a time that the Council was facing rising costs from inflation, fire safety and repairs. A savings programme was undertaken to bridge the shortfall however the HRA reserve has fallen during that time from £39.2m (2015/16) to £27.4m (2019/20), largely due to costs relating to the evacuation of the Chalcots estate and essential fire safety works. A lower reserve depletes the resources the Council holds for emergencies or other one-off earmarked costs so are forecasting to start rebuilding this over the medium term. (see Appendix C).

- 2.55 Rental increases which are permitted under the new rent standard since April 2020 (maximum permitted being CPI + 1%) are just about covering the inflationary pressures of Camden's landlord function, forcing the Council to find savings in expenditure to pay for any new regulatory costs such as fire safety and building safety. Now with the additional burden of lost income arising from the coronavirus pandemic and no financial support from central government, the financial viability of the HRA is under threat.
- 2.56 For 2020/21, the impact of lower collection rates for rents and service charges is estimated to be £5m (c. 3% of HRA income). Officers are working hard to increase income collection or make expenditure savings to offset the pressure but a risk remains that any shortfall would need to be met from the HRA reserve. A separate report will be brought to Cabinet in January which will focus on the HRA medium term outlook and set the budget for 2021/22.

2020/21 Forecast Outturn

- 2.57 The Council operates a quarterly budget reporting system with a process to monitor significant movements between quarters. The following summary updates on the forecast outturn position for 2020/21 as at month 6 (30 September). Further detail on the forecast can be found in the online document *2020/21 Financial Outturn Forecast (Month 6 – September)*.
- 2.58 The General Fund is showing a forecast gross revenue overspend of £48m including Camden's share of expected Collection Fund deficits. This is being driven by the extraordinary expenditure and loss of income as a result of the Covid-19 crisis, offset in part by underspends on services from a combination of temporary reduced demand in some services during the Covid-19 crisis and action taken by officers to reduce expenditure.
- 2.59 The Council has to date received £30.1m in government grants to support these pressures, with an additional claim for £13m made to the government's Income Compensation scheme (see paragraphs 2.18 – 2.22). This would leave a net revenue pressure this year of £5.4m.
- 2.60 The Council's Capital programme is forecast to be £14m overspent at year end against an overall budget of £173m. The overspend relates to a number of projects that have started on site more quickly than was expected when the capital budgets were set. Overall the Capital programme is forecasting to underspend by £16m against a budget of £991m.
- 2.61 The Covid-19 crisis has had an immediate impact on the construction industry and the sale value of capital assets and the Council has made prudent estimates for both expenditure and capital receipts. These assumptions are regularly tested through the Council's governance structures and through access expert external advice on future market trends and forecasts are regularly updated both for existing schemes and any new capital schemes being considered.
- 2.62 The Housing Revenue Account is forecast to overspend by 4.8m.

3. OPTIONS APPRAISAL

Alternative Fees and Charges

- 3.1 The report asks the Cabinet to agree the introduction of new Fees and Charges, and individual Fees and Charges where the proposed increase is more than 5%, or where the charge is being levied for the first time. The Cabinet could decide not to agree these Fees and Charges for 2020/21 however this could impact on the ability for a service to recover its costs or result in additional budget pressures.

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

- 4.1 This report sets out our financial outlook and is based on a series of emerging issues, challenges and risks. These are outlined below:
- The economic outlook is uncertain, including the uncertainty as a result of Brexit (paragraphs 2.29 – 2.30)
 - The Council has no confirmation of its funding levels beyond 2020/21 (paragraphs 2.30 to 2.33),
 - Business rates and council tax income is volatile (paragraph 2.8 – 2.15)
 - The second wave of Covid-19 and local lockdown would significantly impact the Council financially and materially alter the financial forecasts presented in this report (paragraphs 2.43)
- 4.2 Beyond the above risks, there are a series of policy risks set out below.

Impact of Welfare Changes

- 4.3 Universal Credit full service was introduced across Camden on 5 December 2018 for all new claims and it is anticipated that 100 people a week will make a claim. Whilst pensioners and those in temporary/supported housing will remain on legacy benefits for the foreseeable future, it is anticipated that over 18,500 residents will transfer to Universal Credit over the next 4-5 years through either making a new claim or through the government's 'managed migration' of existing claimants, expected to take place between 2020 and 2023.
- 4.4 Our analysis has identified that over 4,450 households may be worse off under the UC calculation and new claimants need to wait for the first payment, potentially leading to increased hardship and risk of homelessness. There is also a risk for the Council as a landlord as 9,500 council tenants are expected to transfer to the new benefit, 2,600 of which may be worse off. A support model has been set up to support residents make and sustain their claim with early intervention taking place for key, high risk households. Camden is committed to ensuring that no council tenant is evicted if they get into rent arrears as a result of government delays in UC payments.

Risks in Adult Social Care and Health Integration

- 4.5 Adult Social Care operates in a challenging financial environment which has been exacerbated by the Covid-19 pandemic.
- 4.6 The Covid-19 response has had a profound effect on the operating model of Adult Social Care. The requirement to “protect the NHS” necessitated the Council to focus much of its social care response on facilitating hospital discharges and preventing admissions. A streamlining of processes, together with Government funding for care packages for those being discharged enabled very rapid discharges and improvements in integrated working with the health system. The service is now planning the transition from this emergency response to a new operating model which will look to maintain the progress made on integrated working between the NHS system which is free at the point of use and a social care system which is means tested.
- 4.7 The Council, in conjunction with North Central London has provided a significant level of practical and financial support to social care providers, but there are ongoing financial viability concerns within the sector.
- 4.8 Prior to the pandemic, Adult Social Care was already facing demographic pressures from increasing numbers of older adults with multiple long term conditions. Learning disability services are also experiencing significant demographic pressures from a combination of increasing numbers of young people with complex needs transitioning into the service and improvements in longevity. The impact of the pandemic is likely to lead to increases in numbers and frailty of those seeking adult social care support in the future.
- 4.9 The national funding arrangements for social care remain volatile as the Government continues its approach of one-off or short-term funding solutions. Although the Government has released a 10 year forward plan for the NHS, which includes some funding guarantees, the Adult Social Care Green paper continues to be delayed, which makes longer term financial planning difficult. The latest Spending Round allocated additional funding to Social Care with Camden to receive an additional £5.6m in funding for 2020/21 to help meet increasing adult social care costs. As the government have only issued a one-year settlement, this funding is not guaranteed beyond 2020/21. While the government has indicated that the additional national funding for Social Care will remain in place beyond 2020/21, there is a risk that the allocation to individual local authorities may be altered from 2021 onwards meaning that Camden could see its share of the national funding pot reduced in future years. The pandemic has increased the level of uncertainty for care funding.
- 4.10 The Council has delivered significant savings programmes in Adult Social Care, the most recent of which was the £16.8m delivered between 2015/16 and 2018/19. A new three-year MTFS programme began in 2019/20 and was broadly delivered. However, work on this programme was paused whilst the service responded to the Covid-19 pandemic. The service is now undertaking a review of the adult social care transformation programme to incorporate lessons from the pandemic response. Delivery of the 2020/21 saving programme is uncertain.

- 4.11 Although the 10 year forward view for the NHS had some guarantees of funding for the NHS, the local NHS system is under increasing financial strain, which is being addressed locally through the North Central London Sustainability and Transformation Plan. The pressures in the health system will also be impacted by the pandemic.
- 4.12 The financial pressures facing adult social care services are expected to be long term, ongoing pressures due to the above issues.

Risks in Children's Services and Special Educational Needs (SEN)

- 4.13 The Council's approach to transformation and investment in early intervention and prevention has enabled the management of the children's social care budget within the available resources. However, the Council is experiencing increasing numbers of unaccompanied asylum seeking children (UASC) which are having a consequential impact on the availability of places in the young people's pathway. The Government announced an increase in the funding for UASC to £143 per night, an increase of 25% which will help to alleviate some of the financial pressure in the service.
- 4.14 In common with other education authorities, Camden is experiencing cost pressures on its Dedicated Schools Grant High Needs Block (DSG HNB). The DSG HNB pays for educational services for children and young people with special educational needs (SEN). The HNB is experiencing cost pressures from a combination of demographic and cost inflation. However, the most significant pressure has been caused by the implementation of the Children and Families Act 2014, which extended local authority responsibilities for SEN services to support young people to age 25, the government have committed to increasing the new burdens funding from £6m to £9m nationally in 2020/21, to help meet the cost of providing support to the age of 25, but this funding does not guarantee that all additional costs associated with the support will be met. The Council's careful management of its HNB had resulted in the creation of a HNB reserve within the DSG reserve. However current forecasts indicate that the HNB reserve will be extinguished during 2019/20 and the HNB will fall into deficit. The SEN pressures are not unique to Camden and so we are working with London Councils as part of a national lobbying arrangement to put pressure on the Department for Education (DfE) to increase funding for SEN. In September 2019 the DfE announced an additional £700m for HNB. Camden is expected to receive additional funds of circa £3.1m which will alleviate much of the in-year pressure, but the rate of increase in numbers of children with an EHCP and cost increases are anticipated to increase the deficit on the HNB DSG reserve. We are seeking to mitigate SEN cost pressures by working with Camden schools to deliver additional resource provision for children with autism in the borough so that we can reduce expensive out-of-borough placements, as well as a review of external high cost placements.

Climate Crisis

- 4.15 In 2019, Camden declared a “climate emergency” and held the UK’s first Citizens’ Assembly on the climate crisis. The Citizens’ Assembly brought together residents with a broad range of experiences and backgrounds, who closely reflected the demographics of Camden, to develop proposals that would inform a new Climate Action Plan for Camden. Assembly members were provided with high quality evidence about the climate crisis and independently facilitated by a leading public participation organisation called Involve to devise a set of climate proposals for Camden. All evidence presented to the Assembly is available at www.camden.gov.uk/climate-crisis
- 4.16 Full Council considered and endorsed the Citizens’ Assembly proposals in October 2019 and committed to adopt them within a new Climate Action Plan. Full Council also passed a Motion committing the Council to target a zero carbon Camden by 2030. A draft of the Climate Action Plan was developed over November and December and published for formal public consultation in January 2020 and was formally adopted by Cabinet on 10 June 2020, to align with the conclusion of Camden’s existing 10-year environmental sustainability plan, Green Action for Change.

5. LINKS TO OUR CAMDEN PLAN

- 5.1 The vision and ambition set out in Camden 2025 sit at the heart of our medium term financial strategy.
- 5.2 In response to the Covid-19 crisis the Camden Renewal Commission has been set up by Camden Council and UCL’s Institute for Innovation and Public Purpose (IIPP) to develop practical solutions to help achieve a fair, sustainable economy and address the inequalities we have in Camden. The Commission will be led by our residents’ experiences of life in Camden, and every Camden resident can play a part in the Commission’s work.
- 5.3 Through our outcomes-based budgeting approach, we have aligned our financial resources in support of the outcomes detailed in Our Camden Plan. We will maintain this approach and commitment as we develop our response to the Covid-19 crisis.

6. CONSULTATION/ENGAGEMENT

- 6.1 There has been no formal public consultation. The Council has undertaken extensive engagement with residents and businesses throughout the Covid-19 crisis to date.

7. LEGAL IMPLICATIONS

- 7.1 The Borough Solicitor has been consulted and has no comments to add.

8. RESOURCE IMPLICATIONS

- 8.1 Comments of the Executive Director Corporate Services are included within this report.

9. TIMETABLE FOR IMPLEMENTATION

- 9.1 Implementation of proposals will occur as outlined in the body of the report. Council will receive a council tax and budget setting report for the financial year 2020/21 for agreement at its meeting on 1 March. The Fees and Charges agreed in this report will be in effect for the financial year 2021/22.

10. APPENDICES

- 10.1 Further information is provided in the attached appendices:

Appendix A: Retrospective Assessment of Equality Impacts

Appendix B: Fees and Charges 21/22

Appendix C: Reserves Balances

REPORT ENDS

Decision Making during the Pandemic

Summary of decisions on Camden Council's Covid Decision Log

1. Introduction

Since the onset of the Covid-19 pandemic in early March 2020 and the implementation of a national lockdown, preventing unnecessary travel, Camden Council had to make decisions at pace in order to keep residents and staff safe.

In responding to Covid-19, it has been necessary to utilise the urgency provisions – which we already have in our Constitution – thereby avoiding the need to list the decision on the Forward Plan for at least 28 days. The Council's Scheme of Delegation continued to apply during this period. However, decision-making structures have temporarily changed.

The Council has changed its officer decision-making and advisory structure with the creation of the Gold group, acting as Corporate Management Team (CMT) has previously. Gold has been supported by the new Silver group, established to oversee the operational delivery of our Covid-19 response. With both groups, in decision-making terms they are a consultative and directive body, with individual officers taking the decisions as permitted under the Schemes of Delegation.

While the Council's structure and Directorates remain unchanged, work related to the Covid-19 response has been re-organised into workstreams; The decision to escalate a decision to Silver or Gold sits with the workstream lead and then with the Silver Officer. The decision whether a matter is to be taken to Members rests with the Chief Executive/Gold. All officer decisions with a financial/political/societal impact should be logged recorded on the [Camden Covid19 Decisions Log](#).

During this time, it has still been essential to fulfil the Section 149 Public Sector Equality Duty to, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

As we enter the renewal and recovery stage, it is important to demonstrate that we continue to place equality considerations at the heart of our decision making. Full Equality Impact Assessments (EIA) have been carried out for key decisions and the Decisions Log records information on any mitigations made. This report seeks to provide a high level, retrospective review of specific decisions made, in order to inform our future practice.

2. Approach

- 2.1. This piece of work focusses on decisions made by Camden Council from March to June 2020 as recorded on the Camden Covid19 Decisions Log at 29/06/2020. An initial review of the Log identified 63 decisions recorded as being made between during this period by Gold (17), Supporting Communities DMT (22), Supporting People DMT (23) and Corporate Services DMT (1).
- 2.2. In order to provide timely analysis, the review has prioritised those decisions recorded on the Log where no Equality Impact Assessment (EIA) has been carried out* and the decision would result in a service being paused or reduced.
- 2.3. Decisions that were not in scope included those which were:
- to delegate authority, membership or partnership for purposes of effective operation or increased capacity
 - to temporarily extend contracts during the pandemic
 - to provide or increase funding as part of response to the pandemic
 - internal technical decisions with no likely impact on staff or residents
 - internal decisions with positive staff impact
 - covered by a full Equality Impact Assessment
- 2.4. There were 24 decisions that could be identified as meeting the criteria (listed in Appendix A). These decisions were selected for a review of their equality impact as an early priority.

Service decrease decisions by department

Row Labels	Entries
Supporting People - ASC	6
Supporting Communities - Development	2
Supporting Communities - Property Management	1
Supporting Communities - Public Protection	2
Supporting Communities - Regeneration and Planning	4
Supporting Communities - Other	9

- 2.5. The spreadsheet contains a field that asks ‘What consideration was given to statutory obligations including s149*’ and a definition of s149, our public sector equality duty (PSED). However, this field was not sufficient for this review, so we undertook a brief retrospective analysis to provide assurance and to document that equality considerations were taken into account during this period.
- 2.6. Information collection from services was facilitated by Strategic Support Leads for relevant workstreams and a template was provided for ease of completion. The request centred on two main questions:
1. **Have people with a particular protected characteristic or combination of characteristics been affected by this change differently from those without it?**
 2. **If there are any possible negative impacts, what are we / have we been doing to mitigate the impact?**
- 2.7. In addition, a request was made for available demographic information about the people affected by the change / users of the service.
- 2.8. Links to information on assessing equality impact, including information on protected characteristics on the Camden Council staff intranet pages for reference.
- 2.9. Responses were received for all decisions where information requested. Although only high level summaries were requested, the depth of the response varied.

3. Key findings for Supporting Communities

- 3.1. Many of the services provided under Supporting Communities are provided to all residents and often to visitors to the area too. Although changes to services may impact many of our residents, it is still necessary to pay attention to whether this impact has a disproportionate effect on certain people with protected characteristics.

Temporary closure of outside spaces

- 3.2. This decision involves the temporary closure of park facilities as per government guidance, including a temporary ban on barbecues.
- 3.3. The decision had the potential to impact:
- Older people by limiting their access to spaces and facilities to exercise and maintain mobility.

- Young people by limiting their access to playgrounds for exercise and social contact
- Individuals and families on a low income would be impacted due to having access to other garden spaces and equipment
- Households from Black, Asian and minority ethnic backgrounds may be negatively impacted as many are less likely to have access to outdoor facilities
- In particular, gatherings for barbecues are popular with different communities and those in rented households

3.4. Possible negative impacts have been mitigated by:

- Ensuring we kept spaces open to mitigate impacts
- Resisting closing benches to support older/ disabled people's use.
- Leaving parks open overnight which allowed people to benefit from green spaces at quieter times
- Re-opening Tennis Courts and Park MUGAs (cabinet member decision) - Positive, allowed people to access facilities
- Re-opening Playgrounds, outdoor gyms and Housing MUGAs (cabinet member decision) - Positive, allowed people to access facilities

Parking

3.5. During the lockdown period, the council temporarily suspended parking controls in many areas, making parking in controlled areas free to everyone. The exception was certain areas where it was necessary to secure parking capacity for front-line workers. This suspension of parking controls was lifted from the 8th June.

3.6. These decision had the potential to impact residents with disabilities / older people with mobility issues. The changes may have had a positive impact for some people where parking could be found closer to destinations.

3.7. The changes were a response to the lockdown and to help ensure those working in essential services such as the NHS were able to identify or be signposted to free and available parking options in the borough. By supporting NHS workers, we felt that this was beneficial for those with adverse health inequalities.

3.8. There was also a backlog of Blue Badge renewals prior to Covid-19 which was exacerbated by the lockdown.

3.9. The Council made the decision to implement a Blue Badge renewal grace period and honour any blue badges that expired after Jan 1st 2020. This will have had a positive effect on people with disabilities and mobility issues.

Cessation of discretionary waste collections (garden / bulky)

3.10. The decision to suspend bulky waste collections had the potential to impact:

- Older residents
- Disabled residents
- BAME residents
- Households on a low income

These groups of people may not have access to a vehicle to use Council recycling centres or have the mobility necessary to deposit the items.

3.11. The bulky waste service is not covered by council tax and is an additional service that is requested by individual households. The Council decided to halt this during the early stages of lockdown so to ensure thorough resourcing for the statutory waste services which are received by all equalities groups.

Closure of sports and leisure centres

3.12. The closure of leisure centres was carried out to ensure that people would socially distance during the lockdown period.

3.13. It is generally felt that older, more vulnerable centre users would have been more effected due to suspension of programmes to tackle health issues (obesity etc.) however a wider group of people with adverse health conditions are more vulnerable to Covid-19 and therefore would be at increased risk in public buildings.

3.14. As part of the wider Covid-19 response. Camden's GLL sites were all decommissioned following the lockdown freeing up officers from GLL and S&L to provide support elsewhere in the council via redeployment.

Revision of enforcement activity in relation to private sector

3.15. During the Covid-19 pandemic, the enforcement team has attempted to maintain where possible a reactive service to complaints regarding standards and management issues reported by tenants by:

- Visits will be conducted (subject to risk assessment) where imminent risk to tenant's health and safety identified.
- Desk based investigation of complaints
- Video inspections of complaints following agreement by tenant

3.16. Data on the private rented sector identified that:

- Younger people were more likely to be renting from a private landlord when compared to older age-groups. This is in part due to Camden's large student population.

- A higher than average number of people from White – other, Mixed, Asian and Chinese backgrounds were likely to live in the private rented sector.

3.17. An EIA was recently completed for the renewal of the borough wide additional HMO licensing scheme. The majority of enforcement activity within the private rented sector involves HMOs and a similar client group. The outcome of the analysis was that the EIA showed no potential for discrimination and all appropriate opportunities to advance equality and foster good relations have been taken.

3.18. The changes instigated to the enforcement process has resulted in the majority of complaints received being resolved satisfactorily. Tenants with a particular protected characteristic or combination of characteristics have not been affected by these process changes differently from those without it.

Licensing of Houses in Multiple Occupation (HMO)

3.19. This decision relates to moving to desktop based issue of licences. Prior to Covid-19, Environmental Health Officers would inspect the HMO prior to issuing the licence. Licences are to be prepared based on floor plans and other information provided by the proposed licence holder via their application.

3.20. There is no specific data available relating to protected characteristics among HMO residents or landlords in Camden. However, the profile is similar to that referred to in the enforcement section.

3.21. The change to a desktop based process will maintain the ability to issue licences to ensure that standards are improved within HMOs, however a follow up compliance inspection will be required once social distancing requirements are eased.

3.22. Also referred to in the enforcement section, an EIA was recently completed for the renewal of the borough wide additional HMO licensing scheme. The outcome of the analysis was that the EIA showed no potential for discrimination and all appropriate opportunities to advance equality and foster good relations have been taken.

Emergency Repairs Protocol

3.23. The changes to the emergency repairs protocol involved moving to P2 & P3 repairs as per the government guidelines where repairs could be carried out. These are classified as essential repairs. P4 repairs, which are classified as non-urgent, were put on hold and are not currently being carried out.

3.24. This change applies to all residents (Both tenants, leaseholders and commercial). Our repairs service recognises that the need for repairs can have a greater effect on the wellbeing of vulnerable populations such as the elderly or people with disabilities.

- 3.25. Repairs for these vulnerable groups have always been prioritised and continued to be after moving to emergency protocol.
- 3.26. We also set up a direct team to carry out all Careline repairs over an entire week for vulnerable people which was a success.

4. Key findings for Supporting People

- 4.1. During the pandemic, Adult Social Care have had the challenge of reducing service user, carer and staff exposure to the virus and ensuring that there is sufficient staff resource to cover prioritised and emergency response, whilst managing service cover with staff absence due to shielding, social isolation and illness.
- 4.2. A key measure to support this was enabled by the Coronavirus Act 2020: Care Act Easements Decision. This involved adopting the Covid wellbeing conversation approach to prioritisation. A full EIA was carried out as part of this decision, which for some resulted in a temporary reduction or pausing of their care.
- 4.3. Due to the nature of services provided by Adult Social Care, changes in services are likely to have some impact on people with disabilities or older people. As a result, there was a particular focus on mitigation of the impact on people and their families / carers..

Day Services

- 4.4. Several of the decisions related to the closure of Council buildings in order to reduce contact between people from different households. This meant the temporary cessation of building-based day services for people with learning disabilities, mental health difficulties and older people.
- 4.5. Some of the identified impacts on people using these services were:
- People with learning disabilities are particularly vulnerable to the effects of prolonged social isolation and a lack of social interaction or activity.
 - All of the people who regularly use the mental health day service were impacted, mostly negatively. There was a negative impact for people in the loss of opportunities to socialise and attend physical and creative activities in person. For some people this caused increased anxiety and exacerbated their mental illness.
 - More than half of people using mental health day service were from a black, Asian or minority ethnic background. At the time of the decision, the disproportionate effects of Covid-19 on BAME communities was not known.

- There was a negative impact for older people in the loss of opportunities to socialise with peers and attend physical and creative activities in person. For some people this caused social isolation and concerns about how and where they will get food and have a hot meal.
- Feedback to some services show that many people have adapted well to the closure of the building. For some people there have been positive impacts. People have developed their digital skills and independence and found support within their informal networks.
- Some people with learning disabilities and their family carers have created or identified new opportunities for themselves and Supported Living Providers have worked to develop alternative day opportunities and activities for people within each individual property.

4.6. Possible negative impacts have been mitigated by:

- Learning Disability Day Services staff have worked to develop both a virtual on-line offer of activities and a more recent and limited 'one to one' support offer of social distanced outdoor activities for some of the more able people who normally attend Greenwood and are able to socially distance consistently.
- In one case, a person with Behaviours of Concern has attended day services at Greenwood with controlled access to the safe spaces within the building in order to prevent the breakdown of family care arrangements.
- Mental Health Day Services staff ran online sessions and groups for people who usually attend the service. These were both group sessions and individual.
- Mental Health Day Services staff made welfare telephone calls to all service users on a regular basis.
- When the lockdown rules relaxed, staff met people who were particularly struggling with social isolation, in public spaces, with social distancing.
- There has been an online older people's service throughout, which has mitigated some of the impact of the building closure. This has included creative ways to offer support, such as an exercise group for stroke survivors.
- Staff have made regular support phone calls to all individuals who use older people's day service to ensure they have enough food and are managing.
- In some cases, particularly at the beginning of lockdown, staff visited people and took shopping. Kitchen staff prepared meals to take to people until food distribution supplies were more established.

4.7. Planning is now underway to provide COVID safe day services. A renewed co-produced Day Services support offer is being created for people with learning disabilities to include a building based offer, a community based offer and an online offer. Older People's day services will be a limited service, by comparison with pre-covid-19, and will support people in

“bubbles” as adopted in schools. The online and telephone support will continue.

Careline

- 4.8. Reduction of Careline Service installation service, to prioritise hospital discharge and to reduce non-essential visits to people’s homes during lockdown. (NB. Response service was not affected and worked as normal)
- 4.9. The reduction in installations during the initial pandemic period is likely to have impacted people of a number of protected groups. Based on the current analysis the following protected groups may be affected due to their proportionately higher use of adult social care services:
- Older people (65+)
 - People with physical disabilities or sensory impairments
 - People with a learning disability or mental health needs
- 4.10. Possible negative impacts have been mitigated by the prioritisation and continuation of installations for hospital discharge. A service risk assessment has been carried out for an agreed return to business as usual and referrals for new installations are being actively encouraged.

Short breaks

- 4.11. The decision for a temporary reduction in Breakaway Service to emergency respite only was made in order to reduce interaction between households. In addition, all visitors were stopped from attending.
- 4.12. This meant that emergency beds were made available for people should their carers become unwell with Covid-19, and be unable to continue in their caring role. Breakaway offered short breaks to 8 people over the pandemic period, including a number of new service users who were admitted to the service during lockdown, due to emergencies and safeguarding interventions.
- 4.13. The impacts of the service reduction would be for people with learning disabilities and their carers. There are approximately 35 people who regularly use the service.
- 4.14. The main impact of the restriction of service, was the potential stress for informal carers to continue in their caring role without a break, and for the individuals to be isolated from friends who use the service, at a time when they were unlikely to also accessing any other services outside of their home environment.
- 4.15. Possible negative impacts have been mitigated in the following ways:

- Welfare calls were made to ensure that carers were managing. Staff maintained contact with people who regularly use the service and also linked in with practitioners in the Camden Learning Disabilities Service and Children and Young People Disability Service.
- Service was provided to those people most at risk of carer breakdown. People were encouraged to have longer stays, so that the movement between households was reduced.
- As lockdown eases, limited visiting will be facilitated and more people will be able to use the service.
- To mitigate the spread of Covid-19, staff and residents have been tested regularly and are now part of the ongoing care home track and trace arrangements.

4.16. In addition to mitigations made for the individual decisions above, Adult Social Care have also carried out a review of the impact of Covid-19 which considered both the impact of the pandemic itself and whether Adult Social Care's (ASC) response to it had any disproportionate impacts of people who are Black, Asian and from any other Minority Ethnic groups (BAME). It also considers the impact on both ASC's and the local care sector's BAME workforce.

Children and Families

4.17. No decisions recorded on the Covid Decision Log related to reduction or cessation of services under Children and Families. As with other services there have been some extension of contracts via council processes. At the same time, services have mitigated the effects of essential changes, such as the reduction in face to face contacts, in a range of ways, examples below.

4.18. The Camden Family Early Help team has offered a family check-in service for those young people who may be vulnerable at this time when schools are closed. Teams were checking to make sure families have access to essentials, such as food, medicine and supplies, and connecting them to those who can help, if needed. The service allows the team to speak to families where there are concerns about vulnerability and as such continue a proactive safeguarding check.

4.19. The Council has also created a health and wellbeing hub for families where families can call and get advice on any aspect of family life – exercise, schooling, diet and eating, nursing and other issues – this has been advertised via school bulletins and in our weekly CNJ insert. In addition the Council has launched the 'Garden for all scheme', which is a scheme to utilise the contained outdoor space of our commissioned Play Centres across the borough with hourly slots for families living in overcrowded accommodation, temporary accommodation or without access to garden space.

5. Conclusions

- 5.1. In the context of an emergency response, it is a complex task to disentangle whether negative impacts are a result of the resourcing needs and national requirements to tackle Covid-19 or directly due to a Council decision. Some changes, such as those in waste services, were a necessary trade-off to ensure that key statutory services could continue.
- 5.2. Broadly, the Council changes prompted by the Covid-19 pandemic would impact the vast majority of Camden's population but there would be a disproportionate impact on people more dependent on public services, such as those with care needs or economically disadvantaged.
- 5.3. Where possible, services have prioritised services to reduce the impact on the most vulnerable people in our community. Many services have reacted swiftly and creatively to achieve this.
- 5.4. These changes sit within the much bigger picture of the Council's large scale community response where additional and new services were mobilised to keep residents safe and supported.
- 5.5. An example of additional services is the creation of the Frontline Presence Team. This dedicated frontline service was established to ensure that social distancing was promoted across the borough. The main challenge was to ensure that the reinfection rate was kept low and that older residents and those with underlying health conditions were less likely to be exposed to risk.
- 5.6. As Camden moves in to the recovery and renewal phase of the Covid-19 pandemic, it would be useful to consider how to approach proportionate equality impact assessments as part of future emergency response activity.

APPENDIX B – FEES AND CHARGES SUPPORTING INFORMATION

This report delegates authority for approving fees and charges increasing up to 5% to the relevant Chief Officer in consultation with Portfolio holders. New fees and charges or exceptions where increases are above 5% on the previous year's maximum level are detailed for Cabinet approval.

Supporting information is provided below to explain the exceptional proposals and the reasonableness of the fee or charge.

Customer Services

Registrars

There is a 5.26% increase in the fee/charge for CUS187 - Baby Naming in Ceremony room of Tavistock House, room hire included between 9am-5pm, Mon-Fri (30 min slot) – it is proposed to increase this from £190 to £200 which is an increase of £10.

Environment and Sustainability

Environment Services

Environment Services introduced a re-fill station in December 2019, the project is aimed at changing behaviours and raising awareness with a view to shifting sale of products away from a packaging-heavy approach to one of re-usable and re-fillable packaging. Prices (0001 – 0032) are guided by our sustainable green supply chains recommended retail sales price or RRP. This means prices are liable to fluctuate throughout the year to reflect the purchase price of goods but will not exceed the proposed maximum fees proposed in the report. The Refill Station Camden operates on a cost neutral basis, therefore the income from the sales pays for a trader post at London Living Wage and the repurchasing of carefully selected stock.

The recycling service are proposing to introduce biodegradable kitchen caddy bags (PLA.322), which is a service available under the contract with Veolia.

PLA.314, PLA.315 and PLA.792 are statutory fees and the proposed fees are set in accordance with the legislation.

Economy, Regeneration and Investment

Development Management

A new fee is proposed for an administration charge for invoicing for Pre Planning Applications paid for incrementally when the total of each payment is less than £80,000 (REG 100). The service are proposing to introduce this admin fee to improve cost recovery of staff time as they are increasingly getting requests for Pre Planning Applications to be invoiced incrementally. This fee is in line with the

admin fee for instructing consultants and is reflective of the true cost of raising invoices and purchase orders and communicating with the relevant people.

Two new statutory charges REG150 and REG 151 are required to be approved.

Community Services

Public Protection

The Business & Planning Act 2020 received Royal assent on 22 July 2020 making provisions for the promotion of economic recovery and growth. The Act introduced pavement licenses that can be granted for a limited duration not to extend beyond 30 September 2021, unless the legislation is amended by the Secretary of State. A new statutory fee has been introduced as decided by the Chief Executive under urgency powers as part of the Councils response to Covid-19 (PLA.804) to reflect the pavement licencing regime for hospitality businesses following the covid19 outbreak. Although pavement licenses are a non-executive function by law, they have been included within this report for completeness as constitutionally all fees and charges are approved by Cabinet.

Housing Support Services

Private

There is a new penalty charge (HOU.033) for landlords who fail to comply with the new legislation on electrical safety standards in the private rented sector.

FEES AND CHARGES INCREASING OVER 5% FOR 2021/22

Ref	Division	Service	Description	Legislation	2021/22 Fees and Charges (£)	% Increase from 2020/21	£ Increase from 2020/21
PLA.314	Environment and Sustainability	Environment Services	CN11 - FPN - Failure to produce authority (waste transfer notes).	Environmental Protection Act 1990	300.00	58.64%	110.89
PLA.315	Environment and Sustainability	Environment Services	CN12 - FPN - Failure to furnish documentation (waste carrier's licence).	S5/5b Control of Pollution (amendment) Act 1989	300.00	58.64%	110.89
PLA.792	Environment and Sustainability	Environment Services	CN9 - FPN - Failure to comply with a waste receptacle notice (early payment reduction)	Environmental Protection Act 1990	80.00	6.67%	5.00
CUS.187	Customer Services	Registrars	Baby Naming Celebrant services (Celebrant attendance, Baby Naming in Ceremony room of Tavistock House, room hire included)	2013 Marriage Act & 1953 Birth and Deaths Registration Act	200.00	5.26%	10.00

			9am- before 5pm, Mon-Fri (30 min slot)			
--	--	--	--	--	--	--

NEW FEES AND CHARGES FOR 2021/22

Ref	Division	Service	Description	Legislation	New 2021/22 Fees and Charges (£)
HOU.033	Housing Support Services	Private Sector Housing	FPN/CPN Legislation - Failure to comply with Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020	Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020	30,000.00
PLA.804	Community Services	Public Protection	Pavement Licence	Business and Planning Act 2020	100.00
0001	Environment and Sustainability	Environment Services	Laundry Liquid Per Litre	Local Government Act 2003	6.00
0002	Environment and Sustainability	Environment Services	Face Mask Reusable	Local Government Act 2003	7.00
0003	Environment and Sustainability	Environment Services	Laundry Bottles	Local Government Act 2003	3.50
0004	Environment and Sustainability	Environment Services	Fabric Conditioner	Local Government Act 2003	5.00
0005	Environment and Sustainability	Environment Services	Fabric Conditioner Bottles	Local Government Act 2003	3.50
0006	Environment and Sustainability	Environment Services	Kitchen Cleaner	Local Government Act 2003	4.50
0007	Environment and Sustainability	Environment Services	Kitchen cleaner Bottles	Local Government Act 2003	3.50
0008	Environment and Sustainability	Environment Services	Bathroom Cleaner	Local Government Act 2003	5.00
0009	Environment and Sustainability	Environment Services	Bathroom Cleaner Bottles	Local Government Act 2003	3.50
0010	Environment and Sustainability	Environment Services	All purpose Cleaner	Local Government Act 2003	5.00
0011	Environment and Sustainability	Environment Services	All Purpose Cleaner Bottles	Local Government Act 2003	3.50
0012	Environment and Sustainability	Environment Services	Dishwasher Powder	Local Government Act 2003	6.00
0013	Environment and Sustainability	Environment Services	Washing Up Liquid	Local Government Act 2003	4.50

0014	Environment and Sustainability	Environment Services	Washing Up Liquid Bottle	Local Government Act 2003	3.50
0015	Environment and Sustainability	Environment Services	Hand Soap	Local Government Act 2003	5.00
0016	Environment and Sustainability	Environment Services	Hand soap Bottle	Local Government Act 2003	3.50
0017	Environment and Sustainability	Environment Services	Hand Sanitiser 100L	Local Government Act 2003	4.00
0018	Environment and Sustainability	Environment Services	Carbolic Household Soap 75g	Local Government Act 2003	3.00
0019	Environment and Sustainability	Environment Services	Pink Household Soap 450g	Local Government Act 2003	6.00
0020	Environment and Sustainability	Environment Services	Household Soap Green 450g	Local Government Act 2003	6.00
0021	Environment and Sustainability	Environment Services	Household Soap White 450g	Local Government Act 2003	6.00
0022	Environment and Sustainability	Environment Services	Toothbrushes	Local Government Act 2003	3.00
0023	Environment and Sustainability	Environment Services	Enamel Bucket 2.5L	Local Government Act 2003	10.00
0024	Environment and Sustainability	Environment Services	Enamel Soap Dish	Local Government Act 2003	10.00
0025	Environment and Sustainability	Environment Services	Enamel Toothbrush Holder	Local Government Act 2003	6.00
0026	Environment and Sustainability	Environment Services	Enamel Measuring Jug	Local Government Act 2003	10.00
0027	Environment and Sustainability	Environment Services	Beech Door Wedge	Local Government Act 2003	3.00
0028	Environment and Sustainability	Environment Services	Wood Vegetable Brush	Local Government Act 2003	4.50
0029	Environment and Sustainability	Environment Services	Wooden Nail Brush	Local Government Act 2003	3.50
0030	Environment and Sustainability	Environment Services	Scrubbing Brush	Local Government Act 2003	4.49
0031	Environment and Sustainability	Environment Services	Galvanised Shovel	Local Government Act 2003	6.75
0032	Environment and Sustainability	Environment Services	Loafer Natural Back Scrubber	Local Government Act 2003	4.00
PLA.322	Environment and Sustainability	Environment Services	Biodegradable kitchen caddy bags (150 bags)	Local Government Act 2003	10.00
REG.100	Economy, Regeneration and Investment	Development Management	Administration charge for invoicing for PPAs paid for incrementally when the total of each payment is less than £80,000	Localism Act 2011	62.00

REG150	Economy, Regeneration and Investment	Development Management	Prior approval under Part 20 of Town and Country Planning Act for construction of new dwellings (50 dwellings or less)	Town and Country Planning Act 1990	334.00
REG151	Economy, Regeneration and Investment	Development Management	Prior approval under Part 20 of Town and Country Planning Act for construction of new dwellings (Exceeds 50 dwellings). Plus an additional £100 per dwelling in excess of 50 up to a maximum of £300,000	Town and Country Planning Act 1990	16,525.00

APPENDIX C – RESERVES BALANCES

Earmarked reserves are one-off balances set aside for investment towards agreed priorities. A key element in handling the Council's earmarked reserves is that the principles of the Camden Plan are incorporated: namely, confidence that the Council is spending and investing resources on the delivery of outcomes and eradicating unnecessary bureaucracy and waste. Each reserve has a framework providing assurance that there are clear owners, managers, timescales, deliverables and outcomes. Table 1 below sets out the forecast reserve position over the next 5 years.

Based on current projections the Council's earmarked reserves are forecast to reduce over the next 2 years to £70.8m, a £16m reduction, rising slightly thereafter to £75.9m by the end of 22/23. The main reasons for this movement are the utilisation of one-off funding to enable the delivery of MTFS savings initiatives, and the planned revenue funding of the capital programme. Proposals to fund the next capital strategy will be subject to approval by Cabinet. Officers have used a prudent forecast to show the worst-case scenario and where external funding is available this would always be utilised first before a call on Council resources.

The Housing Revenue Account reserve balances is showing a projected £5m drawdown for 20/21 relating to planned drawdowns from earmarked reserves and a net increase of £1.3m over the following four years, reflecting plans to rebuild the reserve over the medium term. The forecast to support school activities remains fairly stable.

Table 1 – Forecast Reserve Balances

Earmarked Reserves	Actual Reserves 31/03/2020	Forecast Reserves 31/03/2021	Forecast Reserves 31/03/2022	Forecast Reserves 31/03/2023	Forecast Reserves 31/03/2024	Forecast Reserves 31/03/2025
Reserves to support key revenue budget outcomes						
Dedicated Schools Grant	5,314	4,243	4,243	4,243	4,243	4,243
Multi Year Budget Reserve	41,015	30,697	31,403	32,467	34,467	36,467
Education Commission (CPEE)	723	198	198	198	198	198
People Specific Reserves	2,415	689	250	250	250	100
Sub Total	49,467	35,827	36,094	37,158	39,158	41,008
Reserves to support the councils service remodelling programme						
Cost of Change	5,291	5,200	3,959	3,959	3,959	3,959
Camden Plan	1,716	1,974	2,454	2,934	3,414	3,894
Sub Total	7,007	7,174	6,413	6,893	7,373	7,853
Reserves to support on-going capital activity and asset management						
Future Capital Schemes	23,110	8,439	5,144	5,406	7,772	10,093
Commercial and other property	776	0	0	0	0	0
Haverstock PFI Funding Reserve	1,368	1,238	1,108	978	848	848
Schools PFI Equalisation Reserve	2,518	3,015	3,512	3,679	3,846	4,013

Building Schools for the Future	464	414	364	314	314	314
Accommodation Strategy	4,249	3,665	3,082	3,082	3,082	3,082
Sub Total	32,485	16,771	13,211	13,460	15,863	18,351
Reserves to mitigate future corporate risk						
Self-Insurance Reserve	3,500	3,500	3,500	3,500	3,500	3,500
Contingency Reserve	0	0	0	0	0	0
Business Rates Safety Net	3,270	8,215	11,538	14,861	18,184	21,507
Sub Total	6,770	11,715	15,038	18,361	21,684	25,007
Reserves to support the Mayor's charity						
Mayor's Charity Reserve	12	12	0	0	0	0
Total Earmarked Reserves	95,741	71,499	70,755	75,871	84,077	92,218
General Balances	13,992	13,992	13,992	13,992	13,992	13,992
Housing Revenue Account	27,395	22,400	19,847	20,023	21,682	23,682
Schools' Balances	13,518	13,518	13,518	13,518	13,518	13,518
Total Reserves	150,646	121,409	118,112	123,404	133,269	143,410

Table 2 below sets out the in-year movement across earmarked and other reserves. The net movement to the group supporting key revenue outcomes is due primarily to a £1.1m forecast drawdown from the Dedicated Schools Grant reserve, and a £3.5m call across the Multi Year Budget reserve.

The On-going Capital Activity and Asset Management group is showing a significant reduction in reserve levels in 2020/21 as funding is forecasted to be used in support of the capital programme.

The Mitigation of Future Corporate Risk group is showing an in year contribution of £4.9m to this group which is due to an increase in the Business Rates Safety Net Reserve to cover reduction in retained Business Rates and Collection Fund deficit.

Table 2 – Forecast Movement in Reserves

Earmarked Reserves	Actual Reserves 31/03/20	Forecast Out of Reserves	Forecast Into Reserves	Forecast Reserves 31/03/21	2020/21 Net Movement
	£m	£m	£m	£m	£m
To Support Key Revenue Outcomes	49.467	-15.947	2.306	35.826	-13.641
To Support the Council's Remodelling Programme	7.007	-3.267	3.434	7.174	0.167
On-going Capital Activity and Asset Management	32.486	-26.906	11.192	16.771	-15.714
Mitigation of Future Corporate Risk	6.770	0.000	4.945	11.715	4.945
Charitable Activity	0.012	0.000	0.000	0.012	0.000
Total Earmarked Reserves	95.741	-46.120	21.877	71.498	-24.243

General Reserves	Actual Reserves 31/03/20	Forecast Out of Reserves	Forecast Into Reserves	Forecast Reserves 31/03/21	2020/21 Net Movement
	£m	£m	£m	£m	£m
General Balances	13.992	0.000	0.000	13.992	0.000
Housing Revenue Account	27.395	-4.995	0.000	22.400	-4.995
Schools Balances	13.518	0.000	0.000	13.518	0.000
Total Reserves	150.646	-51.115	21.877	121.408	-29.238