

LONDON BOROUGH OF CAMDEN	WARDS: All
REPORT TITLE 2022/23 Revenue Estimates and Council Tax Setting (CS/2022/02)	
REPORT OF Cabinet Member for Finance and Transformation	
FOR SUBMISSION TO Resources and Corporate Performance Scrutiny Committee Childrens, Schools and Families Scrutiny Committee Cabinet Council	DATE 1 March 2022 1 March 2022 2 March 2022 7 March 2022
STRATEGIC CONTEXT <p>Camden 2025, and its successor We Make Camden, is our communities' vision for Camden. Camden has a proud history of investment in supporting our residents and businesses.</p> <p>Our Camden Plan, and its successor The Way We Work, is the Council's response to Camden 2025. Strong financial management of the Council's finances including Council Tax and other charges enables the Council to maintain a wide range of support and services for its residents in line with our aspirations.</p> <p>Work on renewal and recovery over the course of the last year has informed the setting of this years' budget, with investments focused on community priorities arising from feedback on the development of We Make Camden.</p>	
SUMMARY OF REPORT <p>Camden continues to operate in unprecedented times. Since the start of the coronavirus pandemic, the Council has moved swiftly to mobilise our staff, our partners and our communities to provide a vital safety net, ensuring that people have the support that they need and are able to stay at home to prevent the spread of Covid-19.</p> <p>The Covid pandemic has had a lasting impact on many residents and businesses, and it is vital that the Council continues to provide support to the most vulnerable residents across Camden. A Renewal Commission was established in response to the significant impact of the pandemic, and the recognition that the borough needed to plan not just how it would recover - but also how it would renew, and build a more equal, sustainable, and fairer borough, in which everyone has a voice, and no one gets left behind.</p> <p>Inevitably, the pandemic is having a significant impact on our financial position with the Council having to commit £19m of its own resources in the response to the Covid</p>	

emergency in 2020-21. On top of this the Council will continue to need to set aside resources to deal with the effects of the pandemic from supporting the NHS vaccination and testing programmes to supporting residents and businesses affected by the pandemic. The pandemic has also rapidly increased demand for some key services including social care, public health and homelessness support and children's services.

The Council, citizens and partners have also been in the process of refreshing Camden 2025, recognising the need to update our community vision to recognise the fundamental changes over the last few years. The renewed borough vision, should it be agreed by Cabinet and Full Council, will be known as "We Make Camden". This work on community and council priorities has informed our approach to investment and budget setting set out in this report.

In response to the hardship now being faced by many across the borough the Council is doubling the welfare support it provides to vulnerable residents from £1m to £2m and continuing to invest in 'Good Work Camden' so that residents can be better supported into, and thrive within, good work.

Maintaining good quality well-funded adult social care services continues to be a priority and will form a key part of our renewed vision. It is a vital to ensure that everyone can access the services they need to keep themselves well and older and disabled people can live independently for as long as possible. In proposing the adult social care precept, the council is mindful of the pressures on the health and social care system which cannot be overestimated. The current pandemic has amplified this demand with more individuals needing support from the council. As such, and in the absence of a sustainable long term funding plan from government, the raising of the Adult Social Care precept will be vital in addressing these significant financial pressures.

The Local Government finance settlement 2022-23 has seen a fourth straight one-year settlement making medium term planning difficult. The settlement includes estimates of the core revenue funding that will be available to the council, mainly from Council Tax and locally retained business (known as the Council's core spending power).

The assessment assumes that Council's will raise Council Tax by the 2.99% (including a 1% social care levy), in order to fund local services. Furthermore, the government's assumption of the Council's core spending power fails to factor in the damaging impact the pandemic has had on our tax base, meaning the Council is estimated to retain approx. £8m less in business rates than what has been assumed in the government's core spending' assessment, placing significant new pressures on the Council's financial position.

Ongoing austerity from central government and the lack of a long-term sustainable funding strategy for local authorities, is coupled with rising pressures and very significant growth in demand for our services, most notably within health and social care. While the government funding in 2022/23 has increased compared with the previous year government funding is still significantly lower than it was in 2010. This prolonged period of austerity has seen a significant decrease in government funding since 2010. In 2010 government funding was £1,123 per resident, whilst in 2022/23

like for like funding is estimated to be £367 per resident (at 2010 prices), representing a reduction of 67%.

The impact of ongoing austerity and rising cost and demographic pressures mean that the Council is projecting a new budget deficit of between £35m and £40m by 2025/26. It should be noted that there is still a good deal of uncertainty regarding the Council's medium term financial position both due to the ongoing need to support residents and businesses effected by the impact of the pandemic and because of the lack of information about future government funding and the extent to which the Council's tax base for both Council Tax and Business Rates will recover to pre-pandemic levels.

Maintaining the Council's financial resilience and stability is vital for the Council to be able to continue to support the renewal of the borough from the fallout from the Covid pandemic.

This report makes a series of recommendations for the Council's finances for the coming financial year to ensure that the Council remains financially resilient and able to respond to the challenges it is facing in supporting residents and businesses in the face of significant hardship.

The detailed budget aligns with the overall Medium Term Financial Strategy agreed by Cabinet in December 2018 that not only took steps to ensure that the Council could continue to operate on a sound financial footing over the medium term, but also to align the Council's limited resources to achieving the ambition for our borough, residents and communities. The recommendations in this report will support the vision of We Make Camden to make Camden a place where everyone has a chance to succeed, where nobody gets left behind, and where everybody has a voice.

In summary this report:

- Presents budget and funding proposals that will enable the Council to balance its budget in 2022/23 and utilise available resources towards the achievement of We Make Camden outcomes.
- Provides an update on the overall medium-term financial position for the Council, including detail from the Local Government Finance Settlement for 2022/23, and provides updates on other government announcements and the main areas of financial risk.
- Recommends a council tax increase of 2.99%, made up of:
 - A rise of 1.99% in the 2021/22 core council tax level to support council funding at large, and;
 - A rise of 1% from the levying of an Adult Social Care Precept to support the Council in its response to the unprecedented demographic and demand pressures facing adult social care.
- Sets out the required level of council tax income to balance the budget as:

- £126,002,421 which equates to a proposed Camden element of council tax of £1,396.34 at the Band D level for residents not in garden squares.
- Sets out the Garden Squares Levies for 2022/23.
- Sets out the proposed Greater London Authority precept at £395.59, an increase of 8.8% on last year (subject to Greater London Authority approval of the budget), making the total council tax charge at Band D £1,791.93.
- Includes the Executive Director Corporate Services' assessment of the adequacy of general balances available to manage financial risk and the robustness of the budget.
- Recommends fees and charges for approval by Cabinet and by Council where required.

Local Government Act 1972 – Access to Information

The following document(s) has been used in the preparation of this report:

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RECOMMENDATIONS

THE SCRUTINY COMMITTEES are asked to consider the report and make any recommendations to the Cabinet.

THE CABINET is recommended to:

1. Exempt the decisions made regarding the recommendations in this report from call in (as agreed by the Chair of the Resources and Corporate Performance Scrutiny Committee) on the grounds of urgency, and for the reasons set out in Paragraph 2.3 of the report.
2. Note that the Council has not received any feedback following the consultation with Non-Domestic Ratepayers, and the equality impact assessment in Appendix E.
3. Recommend to Council for approval:
 - (a) The council tax requirement for the year 2022/23 of £126,002,421.

- (b) The calculations for determining the council tax requirement for the year 2022/23 in accordance with the Local Government Finance Act 1992 as set out in Appendix B.
 - (c) To note that the 2022/23 Greater London Authority (GLA) precept set out in this report is £395.59 for Band D and is subject to Greater London Authority approval of the budget on 24 February 2022.
 - (d) That the Council sets the amount of council tax for 2022/23 as detailed in Appendix B and notes that this will mean a Camden element of council tax of £1,396.34 (2.99% increase) for Band D residents not in garden squares.
 - (e) That the Council hereby determines that its basic amount of council tax for the financial year 2022/23 is not excessive as outlined in Paragraph 2.25.
 - (f) The budget summary as set out in Appendix C.
 - (g) The Garden Squares levy requirements received for each Garden Square Committee for 2022/23 as shown in Appendix B
4. In relation to fees and charges;
- (a) Agree the new fees and charges and those increasing above 5% discussed in Appendix D1 and listed in Appendix D2-D4.
 - (b) Delegate authority to the relevant Director to decide increases to existing fees and charges up to a maximum of 5% or to keep them at the same amount, in consultation with the relevant portfolio holder.
 - (c) Agree and recommend to Council approval of the new fees and charges and those increasing above 5% discussed in Appendix D1 and listed in Appendices D3 and D4, and a delegation to the relevant Director to decide increases to those existing fees and charges requiring Council approval in the same terms as recommendation 4 (b) above.
5. Note in Paragraphs 2.51 to 2.57 the planned use of reserves, and in Paragraph 2.58 the adequacy of reserves as stated, and that no major allocations of general balances are being considered at this stage.

COUNCIL is recommended to:

1. Note the information set out in this report.
2. Note that the Council has not received any feedback following the consultation with Non-Domestic Ratepayers, and the equality impact assessment in Appendix E.
3. Agree:

- (a) The council tax requirement for the year 2022/23 of £126,002,421.
 - (b) The calculations for determining the council tax requirement for the year 2022/23 in accordance with the Local Government Finance Act 1992 as set out in Appendix A.
 - (c) To note that the Greater London Authority (GLA) precept set out in this report is £395.59 for Band D and as shown for all bands in Appendix B and is subject to Greater London Authority approval of the budget on 24 February 2022.
 - (d) That the Council sets the amount of council tax for 2022/23 as detailed in Appendix B and notes that this will mean a Camden element of council tax of £1,396.34 (2.99% increase) for Band D residents not in Garden Squares.
 - (e) That the Council hereby determines that its basic amount of council tax for the financial year 2022/23 is not excessive as outlined in Paragraph 2.25.
 - (f) The budget summary as set out in Appendix C.
 - (g) The Garden Squares levy requirements received for each Garden Square Committee for 2022/23 as shown in Appendix B.
4. In relation to fees and charges;
- (a) Agree the new fees and charges and those increasing above 5% that are reserved for Council approval discussed in Appendix D1 and listed in Appendices D3 and D4.
 - (b) Delegate authority to the relevant Director to decide increases to existing fees and charges up to a maximum of 5% or to keep them at the same amount, in consultation with the relevant portfolio holder.
5. Note in Paragraphs 2.51 to 2.57 the planned use of reserves, and in Paragraph 2.58 the adequacy of reserves as stated, and that no major allocations of general balances are being considered at this stage.

Signed: Executive Director Corporate Services

Date:

1. CONTEXT AND BACKGROUND

- 1.1. This report proposes the budget and council tax levels for 2022/23 in order to support the delivery of services and the renewal to the borough. The Council Tax increase of 2.99% recommended in this report, including the 1% social care levy is designed to ensure the Council can continue to fund high quality services and support the borough through the recovery from the Covid emergency. The proposed council tax increase also reflects the Government assumption and spending plans that the Council will raise Council Tax by the full amount allowable.
- 1.2. The Covid emergency has resulted in significant and sustained changes to the needs of residents and businesses. In responding to the needs of the borough our approach is strongly rooted in the ambitions and themes of Camden 2025 and its successor, We Make Camden, and social justice. The Council's priority has been to ensure we are supporting everyone to get through the pandemic – by purchasing personal protective equipment (PPE) for frontline workers, supporting COVID-19 testing and doing all we can to support local businesses to survive. We have also kept vital services operating, made sure nobody lost their council home due to COVID-19 and ensured everyone has access to food and other essentials. We know how hard things have been and more people than ever are turning to us for support. We remain committed to being there for everyone, but uncertainty around council funding has made this difficult.
- 1.3. We know that the Covid pandemic is having a lasting impact on many residents and we will continue to provide additional support across the borough. A key component is the Council's work on tackling poverty and inequality in the borough, deep participation and engagement with communities, citizens and partners, and a focus on early help which empowers individuals, families and communities. These principles have been re-emphasised in the work undertaken over the last year to develop We Make Camden and plan our approach to renewal. As such this year's budget is informed by focus on the following areas of investment:
 - Helping communities recover from COVID and addressing the cost-of-living crisis
 - Addressing health inequality and investing in prevention
 - Tackling the climate crisis
 - Deepening our approach to citizen participation and catalysing delivery of We Make Camden
- 1.4. Specifically, the Council is committing resources to support a Council Tax Reduction Scheme. In 2022/23, we will investment c.£29m to provide financial support for low earners. The Council is also working to eliminate food poverty through several initiatives and funds a local welfare scheme that has been developed over the past eighteen months to support vulnerable residents or those facing a crisis.

- 1.5. As noted earlier in the report the refresh of Camden 2025, known as We Make Camden, sets out a 2030 renewal mission around access to nutritious and sustainable food, and a focus on poverty reduction, debt and financial security through the 'Camden Challenge' approach. Last year the Council increased investment in welfare schemes to £1m to help support the least well-off in the borough and those affected by the economic consequences of the Covid pandemic. In 2022/23, this investment will be increased by a further £1m to ensure even more people are supported. Further details on this support package will be announced shortly.
- 1.6. Since 2020/21 the Council has also been investing £1.5m per annum to design and develop an integrated employment support offer with our business and education partners to support residents into meaningful employment. Supporting 500 people to find and stay in good work, through our Good Work Camden programme in the last year. Nearly 100 clients have gone on to secure successful employment, 31 have been supported to start their own business; 52 have gone onto further education or training and the team have helped many more to develop personal action plans.
- 1.7. In proposing the adult social care precept, the pressure on the health and social care system cannot be overestimated. The current pandemic has amplified the pressures on the system and more individuals need support from the local authority. As such, and in the absence of a sustainable long term funding plan from government, the raising of the Adult Social Care precept will be vital in addressing the following significant financial pressures:
- During 2021/22 the price increases in the cost of residential (5%) and nursing care (6%) exceeded the 2021/22 budget assumption of 3.5% leading to cost pressures of £0.3m. The outlook for 2022/23 prices is below.
 - Care providers are experiencing a range of cost pressures, including staffing shortages, increases in pay rates and an anticipated increase in Employers National Insurance (NI) contribution rates. The exact pressure for each provider will be dependent on whether their staff are paid National Minimum Wage (6.6% increase), Real Living Wage (4.4% increase) or London Living Wage (1.8% increase). Increases in Employers' NI are anticipated to add between 0.8% to 1% to costs. Although most cost pressures relate to pay, residential and nursing homes will also experience a marginal cost increase from inflationary pressure on non-pay items such as energy and food.

The Government has announced an expectation that Councils move towards paying a "fair price for care". A new grant of £0.878m from the Market Sustainability and Fair Cost of Care Fund is intended to prepare for the new duties on local authorities to reduce any difference between prices paid by the local authority and "self-funders". This new duty and grant are likely to further increase the inflationary pressures. It is highly likely that this grant will be insufficient to cover our full costs based on the latest modelling.

- During 2021/22 there has been a significant net increase in the demand for home care. Between April 2021 and August 2021 demand increased by an average 6.45% per month. Between September and December 2021, the rate of increase slowed to an additional 1.15% per month. Between April 2021 and December 2022 this equates to a net increase of 172,860 hours of homecare costing circa £3.2m. If the trend between September and December continues throughout 2022/23, this will result in a further net increase of circa 32,100 hours which will increase costs by a further £0.6m at 2021/22 prices.
 - The number and complexity of need of young people transitioning into adult services continues to create an additional annual pressure. In 2022/23 we anticipate new costs of circa £0.9m. This relates to c 63 young people who will either transition into adult services during 2022/23, leave education or who transitioned during 2021/22 and whose full year cost will be incurred in 2022/23. This cost pressure is on par with cost pressures experienced in recent years.
- 1.8. As part of the one-year finance settlement the Government have provided additional adult social care grants of £4.85m. Of this, £3.98m is intended to help the Council meet increased demand for social care (much of it Covid-related) alongside the 1% social care precept on Council Tax. The remaining £0.87m is a new grant from the Market Sustainability and Fair Cost of Care Fund intended to prepare for the new duties on local authorities to pay providers a “fair” price for care. (i.e. to reduce any difference between prices paid by the local authority and “self-funders”). The level of social care grants that will be received beyond 2022/23 is unclear.
- 1.9. The government has provided a one-year funding settlement to local authorities for 2022/23, the fourth year running that a one-year settlement has been received, making it difficult to plan over the medium term to support residents and businesses. In addition, at the recent Spending Review the Government re-emphasised its commitment to the ‘fair funding’ review and its ‘levelling up’ agenda. While it is hoped that ‘levelling up’ will focus on providing additional funding for all deprived areas across the country there is some concern that the practical impact will be to move resources away from London boroughs such as Camden despite them having a high level of need.
- 1.10. At the same time, the global pandemic is having a seismic and negative impact on the economy and presents a series of major challenges for the economic health of the country and its public finances in both the short and medium term. In the short-term, continued mass homeworking is reducing demand for the Council’s commercial property portfolio and reducing income from the business waste service, street markets and other business-focused services. In addition to this lower footfall levels is reducing income from leisure services.
- 1.11. The duration of this impact on income is unknown but looks increasingly to be long term. In the longer term, it is now more important than ever that the Council retains its financial resilience and stability in order to support the long-term needs of our residents. This all means the Council is facing significant financial disruption making planning over the medium term difficult and uncertain. In the

absence of further long-term financial support from government the Council will need to realign its resources and make further budget savings over the medium term to ensure it is financially resilient. While it is difficult to predict the Council's future financial position given the one-year finance settlement from the government it is expected that the Council will see a budget gap of £35m-£40m over a three-year period to 2025/26.

2. PROPOSAL AND REASONS

A Legal Framework for Setting the Budget

- 2.1. The decisions within this report are among the most important that local authorities are called upon to make during the year and the manner in which they must be made is closely prescribed by law. Members are required to give careful consideration to the information and advice set out in this report and to the relevant legal considerations set out in **Appendix A**. In approving the budget and the individual lines the Council is not making decisions as to the implementation, form or detail of service delivery. These are by law, in the most part matters for the Executive - being the Cabinet and Cabinet Members and on occasion delegated Chief Officers, and in its service delivery decision makers will be required to consider all relevant matters including the results of any consultation and the Council's equality duties.
- 2.2. By law, the Council is required to set the council tax before the 11 March for the following financial year. In order to approve a budget and council tax, Council will need to pass a resolution on the statutory determination of tax in the form attached to this report as **Appendix B**.
- 2.3. The Cabinet is asked to agree that this report is urgent and therefore exempt from the call-in procedure. A decision is urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public interest. In order to set the council tax by the 11 March, the recommendations of this report must be considered by the Council at its meeting on the 7 March 2022. If the Cabinet's decision were to be called in, it is unlikely that the correct constitutional procedures could be followed in time to allow for this matter to be dealt with at the full Council meeting on the 7 March. Failure to comply with the legal requirement to set the council tax before the 11 March would seriously prejudice the Council's interests.
- 2.4. Given that the final decision on the budget and the council tax rests with Council and all Members will have an opportunity both to speak and vote on the matter at the full Council meeting, the rationale for the call-in procedure will effectively be met. The consent of the Chair of the Resources and Corporate Performance Scrutiny Committee needs to be sought if the Cabinet decides that this decision is urgent. The Chair has confirmed that this report can be exempted from the call-in procedure.

Strategic Investments and Pressures

2.5. In shaping the MTFs and through our outcomes-focused approach, Cabinet acknowledged that there was an inevitable need to provide investment to enable longer term benefits to be realised, as well as addressing new pressures, and funding priorities. Therefore in setting a balanced budget for 2022/23, the Council has ensured the necessary spending plans are in place to deliver the ambitions of We Make Camden along with the renewal of the borough as it recovers from the impact of the Covid-19 pandemic. As such the following investments are being made to ensure that the Council continues to focus on achieving its strategic aims and addressing emerging priorities. A key part of the Council's budget is designed to help support the mission to tackle debt and financial security through the 'Camden Challenge' approach by providing additional welfare support and reducing Council Tax bills for the most vulnerable households across the borough.

- **Welfare Support** - In recognition of the increased hardship being felt by a number of residents across the borough, especially relating to fuel poverty and the ongoing cost of living crisis the 2022/23 budget includes an increase of £1m to support for work to reduce poverty across the borough. This is an increase of £1m to £2m of provision already included in the Council's budgets to support residents most effected by the impact of the pandemic. In addition to this the Council will continue to invest in our free employment advice service to help residents with career advice and support. This is in addition to the increase the Housing Revenue Account funded contribution of £0.25m in 2022/23 to support tenants facing severe hardship.
- **Council Tax Support Scheme** – The scheme agreed by Members in January 2022 will reduce Council Tax liability for the least well off in the borough by £29m during 2022/23 helping to support the Council's key aim of reducing poverty across the borough. The Scheme will ensure that 16,352 households (including pensioners) in Camden receive 100% support and are not required to pay any Council Tax. This is alongside other commitments such as providing an exemption to Council Tax for foster carers and young people leaving care.

2.6. A key component of the Council's budgets is the continued investment in preventative services to address inequalities across the borough address the needs of people who are faced with disadvantage or inequalities. In 2022/23 the Council is proposing to increase investment in several areas to support this mission.

- **Tackling Domestic Violence and Abuse** - Camden Women's Forum (CWF) launched an inquiry in November 2020 to look at how to prevent and tackle domestic violence and abuse (DVA) within Camden, as well as how violence affects children and young people now and in the future. The findings of the report presented to Cabinet in December 2021 made a number of recommendations including an increased investment of £400,000 per year to support a range of practical and focused activity

that will support the Council in its efforts to eliminate domestic violence and abuse while supporting those victims and survivors who need it.

- **Adult Social Care Services** - The Council is facing significant demographic pressures and cost inflation across adult social care services particularly increased demand for homecare, rising unit costs for residential and nursing care as described in paragraph 1.7 above. The Council budget for 2022/23 includes an increase of £7.2m in order to ensure that the service can continue to operate successfully and meet the growing demand for adult social care services.
- **Learning Disabilities Services** - The budget also includes additional provision of just under £1m to ensure the often very complex needs of young people with learning disabilities transitioning to adult services are fully met – further details in paragraph 1.7 above.

2.7. Tackling the climate crisis is another key mission for the Council;

- We will continue to develop and invest in a cross-council approach to decarbonisation and to take forward our climate emergency action plan. Cabinet will be asked to consider further proposals as the work progresses. For example, there is a report elsewhere on the Cabinet agenda that considers how we may wish to take forward our retrofit programme.
- The 2022/23 budget proposes a £2.26m contribution in **sustainable capital investment** to help achieve the goals of Camden's Climate Action Plan and the Camden Transport Strategy including projects to enable and encourage people to travel sustainably and a major investment in tree planting.
- In addition the Council is seeking to issue 'Green' Bonds. Green Bonds are a type of 'community municipal investment' (or CMI) that will allow the council to raise capital to fund specific initiatives in our neighbourhoods, from electric vehicle infrastructure to solar panel installations where residents and investors can invest as little as £5.
- The Council has also recently received £1.1m from the Social Housing Decarbonisation Fund we are using it to test innovative approaches to retrofit (i.e. improve the energy efficiency of our homes and reduce their carbon emissions) that will enable us to roll this programme out at scale across all our council homes.

2.8. We Make Camden - Alongside this report, the Cabinet is asked to agree We Make Camden, the new strategy for the borough. We Make Camden includes four mission areas covering estates, foods, diversity and youth developed through the Renewal Commission and agreed by Cabinet in December 2021.

- The budget proposals contained within this report reallocates funding within our Learning and Development provision to focus on **Equalities and Disproportionality** to ensure the Council can continue its work to become a truly anti-racist organisation and to continue our efforts to support those who face disadvantage and systemic inequalities. A

further £0.26m of permanent funding has been identified to help achieve the renewal mission to ensure “those holding positions of power in Camden are as diverse as our community”. The budget also commits a further £0.5m to the renewal missions which will be allocated to projects as they are developed.

- Investment to help achieve the other missions will be maintained such as £1.5m for the **Good Work Camden** programme, supporting 500 people to find and stay in good work, through our Good Work Camden programme in the last year. Nearly 100 clients have secured successful employment, 31 have been supported to start their own business; 52 have gone onto further education or training and the team have helped many more to develop personal action plans. The proposals also provides new investment in **digital services** and cyber-security, to ensure “everyone in Camden can access and be part of a digital society”.
- **Supporting Young People** – The pandemic has shown us the wide gulf between those that have good housing, IT equipment and connectivity and those that do not. We have worked with partners to provide devices and WIFI access through the pandemic to enable home learning but we know every child needs to learn beyond the school day so we want to use the pandemic as a springboard to better outcomes for all our children. In close collaboration with schools, we will develop a school led network of high technology learning venues ‘opportunity centres’ across the borough to operate at the evenings and weekends and holidays to provide access to better learning opportunities.
- Further investment of £0.11m in **participation and partnerships** will support the We Make Camden approach of work with partners and citizens to understand and learn about what works in delivering our ambitions.
- The **response to Covid** - The Council continues to support the community with local testing and tracing, supporting the NHS in its vaccination programme and support for people self-isolating. It stands ready to step up this support once more should a new wave of infections hit the borough. Much of the ongoing Covid support is delivered by staff redeployed from other services and from additional investment in services. The additional investment will be met from Council resources as there has been no announcements of specific government funding to support the response to Covid in 2022/23 and will be in addition to the £19m already incurred during 2020/21.

Financial Context and Outlook

- 2.9. Since 2010, austerity has significantly reduced our funding levels while we have seen significant growth in demand for our services, particularly in health and social care. As a result, we will have had to make savings of c.£197m by the end of 2022/23. This includes the extension of the current Medium Term

Financial Strategy by one year in recognition of the disruption and delays in projects caused by the pandemic. Despite the scale of the challenge, we have done this successfully, balancing our budget each year and unlike many other councils, we have not overspent over this period.

- 2.10. However, the impact of the Covid pandemic continues to cause significant financial pressure and the Council is expecting to see additional costs of approximately £28m in 2021/22 on Covid specific financial pressures to add to the £68m of pressures in 2020/21. The Government has provided several grants in previous years, but the Council has also had to use £19m of its own resources to support the financial impact of Covid. The impact of Covid is expected to continue over the medium term particularly on social care and on income from fees and charges which are forecast to be £4.6m lower than pre-Covid levels in 2021/22. Part of the Council's planning to ensure it remains financially resilient and can continue to support the borough will require reserves to be set aside to meet the continued financial challenges arising from the Covid pandemic.
- 2.11. Alongside the pressure on our services, the economic consequences of the pandemic have meant that some residents and businesses have struggled to pay their council tax or business rates. As such, we are anticipating a reduction in retained business rates of £8.7m on a like-for-like basis to the budget in 2021/22. It is uncertain how quickly the economy will recover from the shock of the pandemic and it is possible that the Council will see a reduction in its tax base over the medium term, which will again place increased pressure on the Council medium term financial position.
- 2.12. 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. While the recent Spending Review provided a three-year budget allocation to government departments the funding allocations to local authorities are for the next financial year only (2022/23). As the council seeks to plan the renewal of the borough after the impact of the pandemic in both the immediate and medium term, the uncertainty relating to future government funding makes it difficult to do so.
- 2.13. Furthermore, the long-awaited reforms to local government funding have been delayed once more meaning local government is still awaiting detail on the fair funding review (to assess the relative 'need' of each local authority and will consider how resources are distributed across local government), proposed changes to the system of Business Rates Retention, which will decide how much business rates local authorities can retain locally and the extent to which they can benefit from local economic growth, and Adult Social Care funding reform - the reforms announced thus far have been primarily focused on reducing and capping contributions by service users to the cost of their care rather than putting the sector on a financially sustainable footing.

Medium Term Financial Strategy

- 2.14. The Council's current Medium Term Financial Strategy (MTFS) was agreed by Cabinet in December 2018 and was planned to end in March 2022. The MTFS

agreed to deliver £31m of permanent savings to the general fund between 2019-2022 as part of the Council's plan to ensure it could deliver balanced budgets and maintain its financial resilience over the medium term. Given the significant disruption caused by the Covid pandemic it is planned to extend the current MTFS until the end of 2022/23 to allow more time for savings projects to be delivered.

- 2.15. As the current MTFS will now end in March 2023, it is planned to develop a new MTFS to run from 2023/24 to 2025/26. Work is currently underway to explore how the Council may continue to live within its financial means while using its limited resources to ensure the council can deliver its strategic priorities.

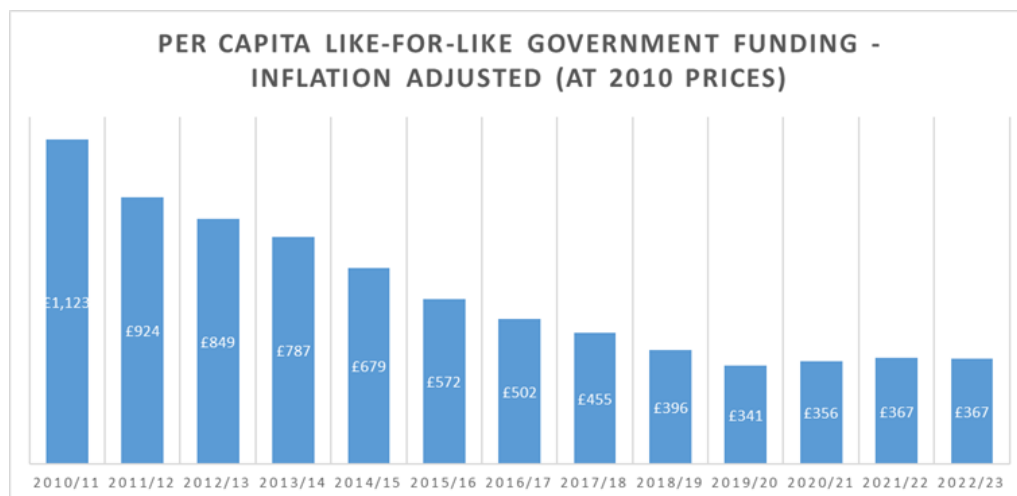
Local Government Finance Settlement

- 2.16. The Draft Local Government Finance Settlement was published on 16 December 2021. Although the Spending Review allocated government departmental budgets for a three-year period 2023-2026 the Finance Settlement to individual local authorities was for one year only. This will be the third consecutive one-year settlement for Local Authorities and strongly suggests that the government intends to enact the 'Fair Funding' review within the next two years to change the basis for grant funding being distributed to local authorities. As part of the Government's 'Levelling Up' agenda it is expected that changes to the way funding is allocated will have an adverse effect on London Councils such as Camden.
- 2.17. Existing Grants within the Council's 'Core Spending Power' have increased by £14.7m in 2022/23. Included in the increase in grants is £2.75m to compensate the Council for the freezing of National Non-Domestic Rates in 2022/23 as well as a new "2022/23 Services Grant" of £6.3m. Whilst the overall funding to local authorities through the 2022/23 Services Grant is permanent, the way the funding is allocated to individual local authorities will be reviewed next year meaning there is a risk the level of funding available to Camden will be reduced as part of the government's 'fair funding' review.
- 2.18. The increase in grants included an increase of £3.98m across Social Care Grant and Improved Better Care grant. As in previous years, its distribution is based on the Adult Social Care Relative Needs Formula and therefore presumes that authorities will raise the additional social care precept when making the needs assessment.
- 2.19. The Council has also received a new Grant to fund 'Fair Cost of Care', which is intended to provide resources for increases in external contracts relating to Adult Social Care. It is recommended that this grant is set aside to prepare for and to meet increased care contract costs in 2022/23. However, it is unlikely that this grant will be adequate to meet the demand pressures for increased costs across Camden's care contracts as set out in paragraph 1.6.
- 2.20. The government estimate is based on the assumption that the Council 'Core Spending Power' will increase by 6.9% compared with 2021/22. **This includes the expectation that the Council will increase Council Tax by 2.99% in 2022/23.** In addition to this the government estimates do not include the impact of the estimated £8.7m reduction in retained Business Rates detailed in

paragraph 2.11 above. The reduction in business rates will be offset slightly by a £0.9m 'safety net' payment as part of the national Business Rates system to compensate for reductions in individual local authorities retained business rates below the threshold of 92.5% of the baseline funding level.

- 2.21. It is also worth noting that since 2010 the Council's like-for-like funding from government on a per resident basis has dropped from £1,123 per person in 2010 to an estimated £367 per person (adjusted for inflation) in 2022/23— a cut of 67%. This has put considerable pressure on Council budget and has meant that since 2010 the Council has made £197m in budget savings to ensure a balanced budget and maintain its financial resilience.

Chart 1: Per capita like for like government funding 2010 - 2022



Financial Management Code

- 2.22. A key element of the Council's strategy for maintaining financial resilience and stability is to work within the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management Code (FM Code). The FM Code has been designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code is built on six broad principles that local authorities should consider when developing and maintaining their financial planning and governance arrangements. Officers consider the principles of the FM Code when managing financial planning and reporting and are satisfied that the Council's financial arrangements do comply with the FM Code. Officers also recognise the importance of continuing to test Council's financial management arrangements against the code and periodically review the Council's financial governance arrangements.

Council Tax and Social Care Precept

- 2.23. The Government has confirmed that local councils can raise council tax by up to 2% without the need to hold a local referendum in 2022/23 and they will have the flexibility to raise a dedicated Social Care precept by up to a further 1% on the council tax level in 2022/23. Each 1% increase represents an additional £13.56 per year for a band D property in Camden and would in total raise an

additional £1.22m in 2022/23. As detailed in paragraph 1.7 it is recommended that the raising of the social care levy is a vital component of assuring the Council can continue to provide high quality social care services.

- 2.24. This report recommends a 2.99% increase in council tax, made up of 1.99% in core council tax and 1% from the adult social care precept. This will mean that the increase in council tax for a Band D property is £40.53 for the year or £3.38 a month. This is in line with Government expectations and HM Treasury spending plans for the council.
- 2.25. The proposed combined increase in council tax levels is therefore 2.99%, made up of 1.99% core council tax plus 1% Social Care precept. The authority will be considered to have set an excessive increase in council tax if the increase in the level of band D council tax for 2022/23 is 3% (comprising 1% for expenditure on adult social care, and 2% for other expenditure). Any proposals to increase tax above this threshold would require consent gained through a local referendum. The proposed increase in council tax of 2.99% does not exceed the relevant thresholds set out by the government and is therefore, in terms of the legislation, not deemed as being excessive. The Council should, however, formally declare this at the time of making the decision and there is a recommendation to this effect (recommendation 3(e)).
- 2.26. The setting of the council tax requirement is a decision reserved to Council. It is the role of the Cabinet to recommend the council tax level to Council, having given consideration to the information and advice in this report.
- 2.27. The Executive Director Corporate Services states that the budget for 2022/23 is robust and balanced, subject to the passing of the appropriate recommendations by Cabinet and Full Council to set a council tax.

Government Council Tax Energy Rebate

- 2.28. On the 3 February the Government announced that households in Council Tax banded properties A-D would receive a one-off 'rebate' of £150. The 'rebate' will in fact be a separate payment made directly to qualifying households (that fall within bands A – D) and therefore operates outside of the Council Tax system. To date the Council has not received details of the scheme but approximately 62,800 households in Camden are expected to be eligible for the £150 payment. This is approximately 56% of Camden households compared with the government's estimate of 80% of households across the country.
- 2.29. This will mean individual payments totalling £9.4m being made to 62,800 individual households across Camden. The total Council Tax liability for residents in 2022/23 will be £161.6m so these one-off payments will represent around 5.8% of total liability across the borough. These one-off payments will be made directly to households who will be free to use the payments on any way they need including to help mitigate against rising fuel costs. It is possible the one-off payments will not reduce Council Tax debt that has accumulated during the past two years due to the impact of the Covid pandemic.
- 2.30. In addition, the government have announced one-off discretionary funding of £144 million will also be provided to 'support vulnerable people and individuals

on low incomes that do not pay Council Tax, or that pay Council Tax for properties in Bands E-H'. The Council has not yet received any information about its allocation from this funding or the rules regarding the payment of this funding to individual households.

2.31. Once the Council receives details of these schemes, details will be made available on the Council's website

2.32. **Table One - Council Tax Requirement**

Council Tax at Band D	Budget 2022/23 £000
Expenditure charged to revenue account (incl. savings)	921,324
Income credited to revenue account (incl. savings)	-692,205
Sub Total	229,118
Retained Business Rates and Reliefs Grant	-95,835
Revenue Support Grant	-23,511
Collection Fund - Council Tax Deficit	5,687
Collection Fund - Business Rates Deficit	10,543
Sub Total	126,002
Council Tax Requirement	126,002
Garden Squares	-27
Excluding Garden Squares	125,975
<hr/>	
Band D Council Tax (£s)	1,396.34
Percentage change over 2021/22	2.99%

2.33. In order to set the council tax, Council must pass a resolution on the statutory determination of tax in the form provided by legislation. A statutory determination reflecting the council tax requirement and council tax details set out above is attached as Appendix B.

GLA precept

2.34. The Greater London Authority (GLA) issues an overall precept, which is added to London Borough Council Tax bills and which includes core GLA services (the Metropolitan Police Authority, the London Fire and Emergency Planning Authority, Transport for London and the London Development Agency).

2.35. The Mayor has proposed an increase of £31.93 (8.8%) in the GLA precept for 2022/23, resulting in a band D GLA element of the council tax of £395.59. The London Mayor has stated that the GLA precept increase is to contribute towards the costs of TfL, this is to partially address the significant losses it is experiencing in fares income arising from the COVID-19 pandemic.

2.36. The Mayor is proposing to increase his precept by £20 (Band D) to raise approximately £60 million per annum for TfL as part of the funding he has been

required to raise by the government following the significant reduction in passenger journeys and associated fares income since the start of the COVID-19 pandemic. The cost of policing in London will be allocated £10 of the increase. The Mayor of London has stated that he considers this increase is necessary in order to ensure that the Metropolitan Police Service and the Majors Office for Police and Crime are adequately funded in 2022-23 in light of the grant levels made available by the Home Office.

- 2.37. London Fire Commissioner will receive £1.93 of the Council Tax increase. The Mayor has stated that this reflects the need to ensure sustainability for the fire and rescue service in the longer term, including the impact of inflationary pressures. Members will be updated should any changes occur following the GLA budget meeting on 24th February 2022.

Total Council Tax for 2022/23 including GLA Precept

- 2.38. Table Two below shows how the level of Council Tax at band D recommended for 2022/23 compares with the amount set in 2021/22. This does not apply to residents living within garden squares.

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

Total Council Tax at Band D	2021/22	2022/23	Increase / (Decrease)	Change
	£	£	£	%
Camden Element	1,355.81	1,396.34	40.53	2.99%
GLA Precept (2021/22 Proposed)	363.66	£395.59	31.93	8.78%
Total	1,719.47	1,791.93	72.46	4.21%

- 2.39. The full levels of council tax for all Camden residents are set out in the statutory determination in Appendix B.

Council Tax Base

- 2.40. The tax base for Council Tax in 2022/23 has increased slightly compared to 2021/22 but is still lower than 2020/21 due to several factors including an assumed collection rate of 95% compared with 98% pre-pandemic.
- 2.41. The Council tax base also forecasts that the Council Tax Support Scheme will reduce the collectable Council tax by £28.98m. This is based on the current average Council Tax charge in 2021/22. Any increases in Council Tax next year will increase the cost of the Council Tax Support Scheme.

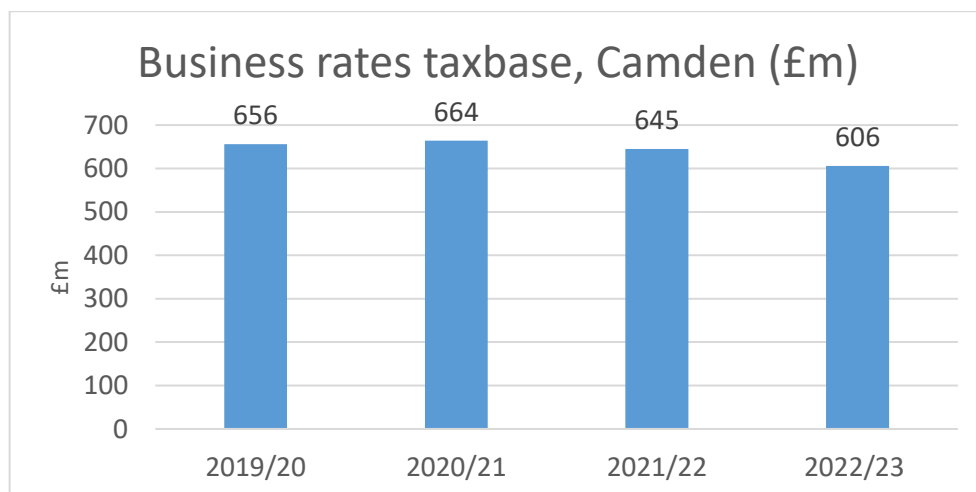
Business Rates tax base

- 2.42. Business Rates are a national system with rates set by the government each year. Under the business rates retention arrangements introduced from 1st April 2013, authorities keep a proportion of the business rates paid locally. The

amount each local authority can retain is based on a complex system that takes into account a 'Spending Baseline' that the government calculates for each authority. Local Authorities initially share 30% of the business rates they collect but then either pay a tariff or receive a 'top-up' depending on if their 30% share is higher or lower than their 'Spending Baseline'. The tariff/top up calculations are set against notional amounts of business rates received by each Council (based on historic amounts) rather than on a local authority's actual tax base each year.

- 2.43. A feature of the Business Rates System is that local authorities share some of the 'growth' if their tax base increases above the notional level assumed by the government but local authorities also bear the risk of the tax base reducing below the notional level set by the government up to a 'safety net' figure of 92.5% of the spending baseline, at which point the government provide additional grant funding to bring the 'retained business rates' amount to an amount equal to the safety net figure.
- 2.44. Up to 2019/20 Camden had seen a steady growth in its Business Rates tax base largely due to growth in the number of businesses in the borough and a consistent collection rate of c99%. The impact of the Covid pandemic has significantly affected the Council's business rates tax base which has been reduced by a combination of a reduction in the expected collection rate to 95%, an increase in businesses closing and an increase in empty properties and change of use of properties. In 2020/21 the business rates tax base in Camden was £664m. The impact of the pandemic over the past two years means that the Business Rates tax base for 2022/23 has reduced to £606m as shown in chart 2 below. This is a reduction of £59m over the past two years.

Chart 2 - Business rates tax base 2019/20-2022/23



- 2.45. The reduction in the actual business rates tax base means that the Council's retained business rates in 2022/23 will be £7.8m lower than the level assumed by the government as part of the Local Government Finance Settlement (£8.7m less than in 2021/22). This reduction puts the Council's retained Business Rates below the 'safety net' level and should result in an additional grant

payment from the government of c£1m meaning the reduction in overall resources in 2022/23 of £7m compared with 2021/22.

- 2.46. The medium-term impact on the Council's finances is difficult to predict. If the reduction in the tax base is permanent it will increase the projected budget gap over the medium term and reduce the level of resources available to the Council. The situation is further complicated by the fact that the government have announced their intention to 're-set' the business rates system as part of the overall review of which is likely to impact on the level of business rates that the Council will retain in the future.

Directorate and Departmental Budgets

- 2.47. Directorate budgets and the levies payable by the Council in 2022/23 are detailed in Appendix C.

Fees and Charges

- 2.48. Cabinet approved most fees and charges to apply in 2022/23 in the December 2021 report. That report listed new fees and charges rising by more than 5% and agreed to delegate authority to raise fees by up to 5% to Directors in consultation with relevant Cabinet portfolio holders. The new fees proposed in this report that require Cabinet approval include the introduction of a fees for the occupation and care elements of new supported living accommodation and fixed penalty notices for anti-social behaviour.
- 2.49. Some fees, mainly relating to licensing and planning, by law require Council approval, and all such fees that are new or rising by more than 5% are presented individually. As with last year a delegation is sought from Council to delegate authority to Directors in consultation with relevant Cabinet portfolio holders to raise such existing fees by up to 5%.
- 2.50. Further details regarding the fees and charges can be found in **Appendix D1**. The associated fees and charges for approval by Cabinet can be found in **Appendix D2**, with those fees and charges for approval by Cabinet and Council found in **Appendices D3-D4**.

Reserves and Balances

- 2.51. Pre-Covid, the Council was following a strategy of low reserves, ensuring that we could maintain high levels of investment in services to our communities. Our general fund balances stand at £14.8m or roughly 3.5% of our net budgeted expenditure and our earmarked reserves stand at £126.3m or 30.2% of our net expenditure. This is still at the lower end of the acceptable range, but this historic approach has been based on our confidence in our ability to deliver Medium Term Finance Strategy savings and our strong track record of living within our means.
- 2.52. Both of these positions are now uncertain over the medium term owing to the current pandemic, Brexit and the current lack of certainty over our future funding. As part of the Council's next Medium-Term Finance Strategy it is

recommended that the level of reserves is increased to support the Council against any future financial shocks. See Table Three.

2.53. This judgment has been influenced by the current factors, which should be viewed as both standalone issues as well as cumulative and compounding issues:

- As a sector, local government has seen significant cuts to its funding over the past decade. This leads to additional pressure and if the Council doesn't build up resilience this could impact its ability to serve its residents and communities.
- The financial outlook also remains uncertain due to central government agreeing a one-year settlement for 2022/23 and the outcome of local government funding reforms still being unknown.
- The long-term impact of both Covid-19 and Brexit means the Council remain to experience an unprecedented level of uncertainty over the medium term.

2.54. The forecast balances for earmarked reserves to the end of the financial year are presented in Table three below. It should be reiterated that use of earmarked reserves would not be considered where there are ongoing structural budget deficits in the organisation.

2.55. The main drawdown from reserves during 2021/22 relate to one-off funding for capital schemes as part of the Council's planned capital strategy. The balances summarised in table four do not include any movement in reserves as a result of any surplus of deficits in service budgets in 2021/22.

Table Three – Summary Movement of General Fund Reserves

Earmarked Reserves	Actual Reserves 31/03/21	Out of Reserves	Into Reserves	Forecast Reserves 31/03/22	Net Movement 2022/23	Forecast Reserves 31/03/23
	£0	£0	£0	£0	£0	£0
Reserves to support Council Priorities	44,256	-3,258	2,975	43,973	191	44,164
Reserves with Conditions	18,303	-813	3,489	20,979	-530	20,449
Reserves to Support Capital Activity & Asset Management	30,929	-19,953	7,508	18,484	-2,732	15,752
Reserves to Manage Future Risk	32,810	-6,076	13,323	40,057	-21,939	18,118
Total Earmarked Reserves	126,297	-30,100	27,295	123,492	-25,010	98,482
General Balances	14,808	-75	0	14,733	1,000	15,733

2.56. In order to protect the Council's financial resilience reserves have been established to support the Council's continuing response to Covid-19. It is forecast that the balance of these reserves will be £18.3m by the end of 2021/22. These reserves will be utilised to support Council services from the ongoing Covid related financial pressures including the funding of 2020/21 and 2021/22 Collection Fund pressures, with the 2020/21 Collection Fund pressures being repaid over three years in line with government legislation.

2.57. The Housing Revenue Reserve sits outside of the General Fund reserves and is used to support the Housing Revenue Account. It has been used to fund all

necessary expenditure to help deliver the Medium-Term Financial Strategy within the Housing Revenue Account which was developed following Government legislation changes around rent reduction across the housing stock. Current projections show a reserve position of £13.9m by the end of 21/22.

- 2.58. The Executive Director Corporate Services states that the level of reserves is under constant review and is adequate for an organisation of the Council's size and carrying the risks around further reductions in funding. The Executive Director further states that no major allocations of general balances should be considered at this stage.

3. OPTIONS APPRAISAL

- 3.1. To finance the proposed revenue budget proposals there is a net council tax requirement of £126,002,421 which equates to a Band D council tax level of £1,396.34 for residents not in Garden Squares – a 2.99% increase from 2021/22, the maximum permitted without holding a referendum. The Council could choose a different council tax level (within limitations imposed by the government), with reductions in council tax funded through expenditure reductions or increased income, and (subject to a referendum) increases in council tax used to fund additional expenditure or reduced income.
- 3.2. The proposed 2.99% increase includes a 1% 'precept' for Social Care, the justification for which is set out in paragraph 1.7. This will generate much needed additional adult social care funding to help manage significant cost pressures from demographic changes and inflation. Cabinet and Council could choose not to levy this precept in 2022/23, which would mean a reduction in the Adult Social Care budgets and could restrict the ability of the Council to respond to rising demand in social Care.
- 3.3. The report sets out the proposed departmental budgets for 2022/23. Cabinet and Council could choose alternative budget allocations.
- 3.4. The report proposes new fees and charges for 2022/23 in addition to those agreed by Cabinet on 15 December 2021. Cabinet could decide not to agree these fees and charges. The report also sets out fees and charges that are at the discretion of Council to agree, mainly regarding licensing. Council could decide not to agree these fees and charges.
- 3.5. It is worth noting that the Local Government Act 1992, Section 32 requires that all known and anticipated revenue budgetary requirements of the Authority for the forthcoming year be calculated prior to setting the Council Tax. This must be done no later than 11th March in the preceding financial year, therefore, there are no alternatives other than to agree a balanced budget by the statutory deadline.

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

- 4.1. A new **Covid variant** and its consequences are the biggest single short-term financial risk for the Council. Paragraph 2.10 states that some ongoing Covid

impact is factored into the 2022/23 budget but any major new costs or loss of income brought about by for example a new lockdown would result in new budget pressures unless new government funding was forthcoming.

- 4.2. The current **economic situation** is a major risk to the Council's ability to control its costs and collect income from local taxes and fees & charges. The [Review of the Camden Medium Term Financial Strategy](#) report to the Council's Cabinet in December 2021 set out in detail the economic risks most of which remain or have been exacerbated.
- 4.3. The **slow recovery of the Central London economy** from the pandemic and possible longer-term changes to workplaces driven by increased homeworking remains a threat to the Council's business rates tax base and puts the Council's income from commercial property and services such as markets, leisure and business waste at risk. Google mobility data for 21 January 2022 shows that weekday mobility in workplaces in Camden was still 43% down on pre-pandemic levels compared with 38% in London as a whole and 27% nationally¹. It was around 40% lower before "Plan B" was implemented on 8 December. Now that Plan B restrictions have ended, footfall in the Central London part of Camden should start to recover but it is still unclear what the "new normal" will look like.
- 4.4. The risk of **increased unemployment** which impacts on council tax collection and demand for services has lessened in the past few months. There were concerns that unemployment would rise as the furlough scheme came to an end last year, but this has not happened. The claimant count as a percentage of Camden's working age population peaked in April 2021 and stood at 4.4% in November 2021, lower than the percentage for London and Great Britain².
- 4.5. However, **inflation** has replaced unemployment as the biggest threat to Camden household income. The Office for Budget Responsibility forecast in October 2021 that Consumer Price Index (CPI) inflation would peak at 4.4% by Q2 2022 (April to June) but actual inflation had already reached 5.1% as at November 2021³. The increase in the energy price cap and the rise in employee National Insurance contributions both take effect in April 2022, both of which will immediately put pressure on our residents' household incomes, potentially reducing Council tax collection rates and increasing demand for council services. Inflation also impacts the Council's costs - increasing the cost of goods and services such as energy and building materials and creating pressure for higher pay awards.
- 4.6. To mitigate the impact of slow economic recovery and inflation, the Council has taken some short-term steps to balance the budget for 2022/23 such as budgeting for lower than normal Council Tax and Business Rates collection rates and increasing certain budgets subject to inflation by more than the standard uplift. However, should the local economic recovery remains sluggish and high inflation continues, it will need to take longer term steps to address

¹ [2022-01-21_GB_Greater_London_Mobility_Report_en-GB.pdf \(gstatic.com\)](#)

² [Labour Market Profile - Nomis - Official Labour Market Statistics \(nomisweb.co.uk\)](#)

³ [Economic and fiscal outlook - October 2021 - Office for Budget Responsibility \(obr.uk\)](#)

⁴ [CPI ANNUAL RATE 00: ALL ITEMS 2015=100 - Office for National Statistics \(ons.gov.uk\)](#)

the resulting budget pressures as part of its new Medium Term Financial Strategy – see 2.14 and 2.15 above.

- 4.7. Paragraphs 2.16 and 2.17 above set out the **uncertainty over the Council's funding** arising from the one-year finance settlement and the 'Fair Funding' Review. While principally a medium-term risk rather than a risk to the 2022/23 budget, decisions about contributions to and drawdowns from reserves and permanent funding for new priorities and pressures need to be taken in the context of this uncertainty.
- 4.8. As noted in paragraph 1.7 above, the 2022/23 budget factors in several **adult social care** pressures – Covid-related increased demand, undelivered MTFs savings, inflationary pressures on contracts principally due to providers' increased staffing costs and preparations for the new 'Fair Cost of Care' duties. New resources have been committed, partially funded by government grants and the council tax precept, but demand for services such as homecare has been rising rapidly recently and there remains a real risk of overspends. Any overspend would need to be offset by underspends elsewhere or funded from reserves which is not a sustainable solution.
- 4.9. Medium-term risks relating to children's services, education and Special Educational Needs were discussed in the December 2021 [Review of the Camden Medium Term Financial Strategy](#) report to Cabinet. The main risks for 2022/23 are pressures relating to the teachers' pay award which is unlikely to be fully met by the headline 3.2% increase in schools funding, and the continuing issue of falling pupil intake numbers. The former risk will be managed by individual schools and the latter through the Council's new education strategy Building Back Stronger agreed by Cabinet in January 2022.
- 4.10. The 2022/23 budget for the Housing Revenue Account was [agreed on 19 January 2022](#) which included measures to address short-term financial risks.

5. CONSULTATION/ENGAGEMENT

- 5.1. The Council consulted local businesses as part of the decision-making process that culminates with this proposed budget. The consultation was published on the Council's website as a news item and included in an email bulletin to members of Camden Business Network. If there are any further responses arising following the publication of this report, the Cabinet will receive a verbal update.
- 5.2. The investments set out in the Strategic Investments and Pressures section above are informed by the consultation and engagement carried out as part of the Renewal Commission and *We Make Camden*, the refresh of the Camden 2025 borough strategy.

6. LEGAL IMPLICATIONS

- 6.1. Appendix A of this report sets out the relevant legal considerations which affect the budget process. Before considering the details of the budget, Members need to have a clear understanding of the legal duties placed upon them as

individuals, upon the Council as a public body and upon the Executive Director Corporate Services (the council's Chief Financial Officer), which are relevant to the budget making process and the decisions on the council tax.

- 6.2. The Cabinet and Council, in recommending and then setting the Council Tax, must have due regard to the impact those decisions will have upon the Council's statutory duty with regard to equalities. In summary these legal obligations require the Council and Cabinet, when exercising its functions, to have 'due regard' to the need to 1) Eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act; 2) to advance equality of opportunity between people who share a relevant protected characteristic and those who don't; 3) Foster good relations between people who share a relevant protected characteristic and those who don't (which involves tackling prejudice and promoting understanding). Under the Duty the relevant protected characteristics are: Age, Disability, Gender reassignment, Pregnancy and maternity, Race, Religion, Sex, Sexual orientation. In respect of the first aim only - i.e. reducing discrimination, etc. - the protected characteristic of marriage and civil partnership is also relevant.
- 6.3. An Equality Impact Assessment (EIA) has been carried out on the setting of the revenue budgets and proposal to increase Council tax and this is attached at Appendix E. The EIA concludes that there is no potential for discrimination and all appropriate opportunities to advance equality and foster good relations have been taken. Members are referred to the detailed commentary within the EIA.
- 6.4. This report sets the budget for the forthcoming financial year and, in some cases where budgets are recommended to be reduced, further decisions will be required (or have already been taken) to implement the initiative achieving the budget reduction. These decisions will be subject to any applicable consultation requirements and analysis of equalities impacts together with consideration of other specific legal requirements. This will be undertaken as part the decision making process as required to implement the proposed budget. Further a significant number of these decisions are by law for the executive or delegated officers. Such considerations, which will be fully assessed by the decision makers in due course, are therefore not set out in this report. It therefore follows that the outcome of these decisions may lead to further amendments and/or changes to the proposed savings. Members will be aware that decisions on the budget do not amount to detailed decisions on the precise delivery of services, those decisions, in any event, for most services, being by law a matter for the executive. Decision makers (usually Cabinet, Cabinet Members or Chief Officers) are aware and will be reminded of their flexibility for example, around possible budget virements and adjustments and the use of reserves when they consider it appropriate to make alternative decisions, which may not accord with a particular budget line. The overall requirement to balance the budget remains however.

7. RESOURCE IMPLICATIONS

- 7.1. The comments of the Executive Director Corporate Services are contained within this report.

8. ENVIRONMENTAL IMPLICATIONS

8.1 The Council recognises the climate emergency as the most serious threat faced by the borough's residents. The budget provides financial resources for all the Council's services. The Council's [Climate Action Plan](#) published in June 2020 sets out how those services will contribute to tackling the climate emergency with the aim of achieving a zero carbon Camden by 2030.

9. TIMETABLE FOR IMPLEMENTATION

9.1. The Council operates a robust financial governance and monitoring process. Chief Officers receive regular reports on the financial position and regularly review the capital programme and the medium-term assumptions that underline the Council's modelling.

9.2. The report will be considered by the Resources and Corporate Performance Scrutiny Committee as well as Cabinet and Full Council.

10. APPENDICES

A The Legal Framework Governing Budget Decisions

B Statutory Determination of Council Tax 2022/23

C Directorate Budgets and Levies

D Fees and Charges:

D1. Supporting Information

D2. List of Fees & Charges – Cabinet to Approve

D3. List of New Fees & Charges - Cabinet & Council to Approve

D4. List of Increases to Existing Fees & Charges - Cabinet & Council to Approve

E Equality Impact Assessment

F Glossary of Terms

REPORT ENDS

THE LEGAL FRAMEWORK FOR SETTING THE COUNCIL TAX

Setting the Council Tax

- A1. Section 1 of the Local Government Finance Act 1992 establishes the basic duty of a billing authority to levy and collect the Council Tax in respect of dwellings within its area.
- A2. It requires every “billing authority” (local authority) to set a Council Tax for each financial year.
- A3. The process of setting the Council Tax and the setting of a balanced budget are closely linked as the Council Tax is a major source of income and will be set at a level to enable the Council to meet its financial obligations for the following year, or in other words, for it to be able to balance its books. The Council is then under a legal obligation to publish details of the amount set.
- A4. The amount of Council Tax set by the billing authority must be set before 11th March in the preceding financial year, although failure to do so does not affect validity of an amount set after that date (but would result in the Council having acted and while it had not set the Tax continuing to act unlawfully and open to challenge). No amount may be set before the earlier of 1st March or the date of issue to the billing authority of the precept from the major precepting authority. A setting of an amount of Council Tax will be void and of no legal effect if it fails to meet these requirements or those relating to relevant calculations set out in the Act.
- A5. This decision to set the Council Tax is reserved to the authority and cannot be taken by the Cabinet or delegated to officers (Regulation 4 of the Local Authority (Functions and Responsibilities) (England) Regulations 2000/2853). However, the Cabinet has responsibility for preparing, revising and submitting estimates and other amounts to the authority for consideration by the authority when reaching its decision on the Council Tax. The “estimates” relate to the budget proposals, which, having taken account of income and grant, lead to the Council Tax “calculation”. The “calculation” relates to the amount of Council Tax that the Council itself formally “calculates” before the decision to set the level of Council Tax is made.

Balancing the Budget

- A6. Before setting the level of the tax, the Council must have agreed a balanced budget, differentiated by services, which is sufficient to meet estimated revenue expenditure, levies, contingencies, any deficit estimated to be brought forward from previous years, and any amounts required to be transferred between funds. As part of the achieving of a balanced budget the Council must ensure that its income is sufficient to achieve and maintain sufficient reserves. The level of the budget requirement itself must not be unreasonable having regard to the Council’s fiduciary duty to its tax payers.
- A7. Setting a budget which does not balance could be subject to a declaration by the Courts of the accounts being illegal and anything done as a direct result of

that would also be vulnerable to being overturned (R v Liverpool CC Exp. Ferguson [1985]).

- A8. Members will be aware of the provisions of the Localism Act with regard to Council Tax. Previously, central government had the power to 'cap' Council Tax rises. If Ministers thought that local authorities were increasing taxes excessively they could stop them doing so by way of a cap. Under these new provisions the Secretary of State will determine a limit for Council Tax increases which has to be approved by the House of Commons. If an authority proposes to raise taxes above this limit they will have to hold a referendum to get approval for this from local voters who will be asked to approve or to veto the rise. The authority is, therefore, under a legal obligation, in order to avoid the need for a referendum, taking into account guidance from the Secretary of State, to decide whether its relevant basic amount is excessive.
- A9. The legislation lays down in detail the matters which an authority must take into account in general terms with regard to income and expenditure and by taking one away from the other this results in the "council tax requirement" for the year. Previously the calculation resulted in its budget requirement. The Council is then under a legal obligation should it have a requirement to calculate the tax by dividing the council tax requirement by its Council Tax base - which was agreed by Council on the 24th January 2022.
- A10. The role of the Director of Finance as the Council statutory finance officer (s151 Local Government Act 1972) is pivotal. Members are under a duty (and may expose themselves to liability if they do not) to take his advice unless they have good and rational reason to not do so pursuant to the Code of Conduct.
- A11. Under Section 25 of the Local Government Act 2003, the Council's Chief Financial Officer is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Council is under a duty to have regard to the report when making decisions about the calculations in connection with which it is made.
- A12. Another consideration which members must take into account in reaching their decisions is the views of business ratepayers (Section 65 of the Local Government Finance Act 1992).
- A13. Failure to set a balanced budget or set a Council Tax would also have practical implications as the Council could be faced with acute cash flow and potential collection difficulties.

Member Voting

- A14. Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any member with arrears of Council Tax which have been outstanding for two months or more to attend any meeting at which a decision affecting the budget is to be made, unless the member concerned declares at the outset of the meeting that he or she is in arrears and will not be voting on

the decision for that reason. The member concerned must not vote but may speak. If a Cabinet member has arrears outstanding for two months or more, they are prevented from taking any part in such a decision. The application of Section 106 of the 1992 Act is very wide and members should be aware that the responsibility for ensuring that they act within the law at all times rests solely with the individual Member concerned.

Common Law Duties

- A15. In making decisions in relation to the revenue budget and the Council Tax the Council (and its Members), as well as having a duty to ensure that the Council acts in accordance with its statutory duties, must act reasonably and must not act in breach of its fiduciary duty to its ratepayers and Council Tax payers.
- A16. In reaching decisions on these matters, Members are bound by the general principles of administrative law. Local authority decisions need to be rational, prudent and made in accordance with recognised procedures. A local authority's discretion must not be abused or fettered and all relevant considerations must be taken into account. No irrelevant considerations may be taken into account, and any decision made must be one which only a reasonable authority, properly directing itself, could have reached. The resources available to the Council must be deployed to their best advantage.
- A17. There is an overriding legal duty on Members to act prudently, responsibly, in a businesslike manner and in the best interests of the general body of local taxpayers. In deciding upon expenditure, the Council must fairly hold a balance between recipients of the benefits of services provided by the Council and its local taxpayers. Members should note that their fiduciary duty includes consideration of future local taxpayers as well as present local taxpayers. Fiduciary duty is also likely to include acting in good faith with a view to complying with statutory duties and financial prudence in the short and long term.
- A18. In approving the budget and the individual lines the Council is not making decisions as to the implementation, form or detail of service delivery. These are by law, in the most part matters for the Executive - being the Cabinet and Cabinet Members and on occasion delegated Chief Officers.
- A19. In making those subsequent decisions the decision makers will be required to consider all relevant matters including the results of any consultation and the Council's equality duties. Further the decision maker will be aware of the fact that should they consider it appropriate, for example when being asked to make service changes to achieve a budget reduction and having taken into account all relevant facts (including but not limited to the results of any consultation and after due consideration of the Council's equalities duties) they have the option of not making the budget reductions detailed within the overall budget. They will still be required to balance the budget overall via for example finding the savings from elsewhere or using reserves and otherwise comply with the Council's rules on budget setting and management. However, while being required to find balancing savings or alternative funding, there is the flexibility to allow the level of savings or even the saving itself to be

disregarded should on detailed analysis the decision makers consider it to be appropriate.

¹ FSO – subject to the scheme of delegation Chief Officers can vire between budget headings within their department. The ED Corporate Services can transfer resources in consultation with the relevant ED or Director of Public health. The transfer will be reported to the Cabinet at the earliest possibility

B STATUTORY DETERMINATION OF COUNCIL TAX 2022/23

BY THE COUNCIL OF THE LONDON BOROUGH OF CAMDEN

- B1. The report to the 2nd March 2022 Cabinet sets out the net council tax requirement for 2022/23 of £126,002,421. This equates to a basic amount of Council Tax at Band D of £1396.63, which for Camden residents not in Garden Squares is £1396.34 for Camden Council’s purposes.
- B2. The Mayor of London’s budget for the Greater London Authority reflects a 8.78% increase producing a total at the Band D level of £1791.93 for residents not living within the Garden Squares.

In accordance with s.30 of the Local Government Finance Act 1992 (and amendments made in the Localism Act 2011 and the Local Audit and Accountability Act 2014), the Council resolves;

1. Special Expenses (Garden Squares)

- B3. That it be agreed that the levies totalling £26,963.66 raised by the Garden Square committees for Fitzroy Square, Gordon Square, and Mecklenburgh Square should be designated as special Council expenses within the provisions of Section 35(1) of the Local Government Finance Act 1992.

2. Council Tax Base

- B4. That it be noted that at its meeting on 19th January 2022 the Council’s Cabinet calculated the following amounts for the year 2022/23 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992:

(1) 90,219 being the amount calculated by the Council in accordance with Regulation 3 of the Local Authorities (Calculations of Council Tax Base) Regulations 1992, as its Council Tax base for the year.

(2) Fitzroy Square	51.99
Gordon Square	23.33
Mecklenburgh Square	94.18

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

3. Calculation of Council Tax

- B5. That the following amounts be now calculated by the Council for the year 2022/23 in accordance with The Local Government Finance Act 1992 as amended by Sections 31A to 36 of the Localism Act 2011 and the Local Audit and Accountability Act 2014.

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

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

- (a) £913,088,104 being the expenditure which the authority estimates it will incur in the year in performing its functions and will charge to a revenue account, other than a BID Revenue Account, for the year in accordance with proper practices.
- (b) £nil being such allowance as the authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account for the year in accordance with proper practices.
- (c) £8,235,441 being the financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure.
- (d) £nil being such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for.
- (da) £6,799,994 being any amounts which it estimates will be transferred in the year from its general fund to its collection fund in accordance with regulations under section 97(2B) of the 1988 Act,
- (e) £9,429,920 being the amount which it estimates will be transferred in the year from its general fund to its collection fund in accordance with section 97(4) of the 1988 Act, and
- (f) £nil being the amount which it estimates will be transferred from its general fund to its collection fund pursuant to a direction under section 98(5) of the 1988 Act and charged to a revenue account for the year.

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

- (a) £787,009,866 being the income which it estimates will accrue to it in the year and which it will credit to a revenue account, other than a BID Revenue Account, for the year in accordance with proper practices.
- (aa) £nil being any amounts which it estimates will be transferred in the year from its collection fund to its general fund in accordance with regulations under section 97(2A) of the 1988 Act,
- (b) £nil being the amount which it estimates will be transferred in the year from its collection fund to its general fund in accordance with section 97(3) of the 1988 Act.
- (c) £nil being the amount which it estimates will be transferred from its collection fund to its general fund pursuant to a direction under section

98(4) of the 1988 Act and will be credited to a revenue account for the year, and

- (d) £24,541,172 being the amount of the financial reserves which the authority estimates it will use in order to provide for the items mentioned in subsection (2) (a), (b), (e) and (f) above.

(4) Council Tax Requirement

£126,002,421 being the amount by which the aggregate calculated under subsection (2) above exceeds that calculated under subsection (3) above, the authority must calculate the amount equal to the difference; and the amount so calculated is to be its council tax requirement for the year.

(5) Basic Amount

£1,396.63 being the amount at (4) divided by the amount at 2(1) above, calculated by the Council, in accordance with section 31A of the Act as amended, as the basic amount of its council tax for the year.

(6) Special Items (Garden Squares)

£26,963.66 being the aggregate amount of all special items referred to in Section 34(1) of the Act.

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

£1,396.34 the amount at (5) above less the result given by dividing the amount at (6) above by the amounts at 2(1) above, calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special items relate.

(8) Basic Amounts for Garden Squares

	£
Fitzroy Square	1,569.45
Gordon Square	1,562.40
Mecklenburgh Square	1,545.94

Being the amounts given by adding to the amount at (5) above the amounts of the special items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 2(2) above, calculated by the Council in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

(9) Camden's Council Tax

Location	A	B	C	D	E	F	G	H
Fitzroy Square	£1,046.30	£1,220.68	£1,395.07	£1,569.45	£1,918.22	£2,266.98	£2,615.75	£3,138.90
Gordon Square	£1,041.60	£1,215.20	£1,388.80	£1,562.40	£1,909.60	£2,256.80	£2,604.00	£3,124.80
Mecklenburgh Square	£1,030.63	£1,202.40	£1,374.17	£1,545.94	£1,889.48	£2,233.02	£2,576.57	£3,091.88
All other parts of the Council's Area	£930.89	£1,086.04	£1,241.19	£1,396.34	£1,706.64	£2,016.94	£2,327.23	£2,792.68

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

(10) Greater London Authority Precept

That it be noted that for the year 2022/23 the following amounts in a precept issued to the Council has been stated in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below.

Location	A	B	C	D	E	F	G	H
Greater London Authority	£263.73	£307.68	£351.64	£395.59	£483.50	£571.41	£659.32	£791.18

(11) Council Tax for the Area

That subject to the decisions on recommendation 1 above, having calculated the aggregate (to two decimal places) in each case of the amounts at (9) and (10) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amount of Council Tax for the year 2022/23 for each of the categories of dwellings shown below.

Location	A	B	C	D	E	F	G	H
Fitzroy Square	£1,310.03	£1,528.36	£1,746.71	£1,965.04	£2,401.72	£2,838.39	£3,275.07	£3,930.08
Gordon Square	£1,305.33	£1,522.88	£1,740.44	£1,957.99	£2,393.10	£2,828.21	£3,263.32	£3,915.98
Mecklenburgh Square	£1,294.36	£1,510.08	£1,725.81	£1,941.53	£2,372.98	£2,804.43	£3,235.89	£3,883.06
All other parts of the Council's Area	£1,194.62	£1,393.72	£1,592.83	£1,791.93	£2,190.14	£2,588.35	£2,986.55	£3,583.86

Directorate and Departmental Budgets and Levies

Table A sets out the proposed departmental budgets for 2022/23. Further information is provided in the Council's Budget Book which are [on the Council's website](#). The Housing Revenue Account budget, which was agreed by Cabinet in January, is also shown in the Budget Book for reference.

Table A - Directorate Budgets 2022/23

Directorate	2022/23 Gross Budget £0	2022/23 Income Budget £0	2022/23 Final Net Budget £0
Corporate Services	83,234	-58,277	24,957
Supporting Communities	193,576	-95,253	98,323
Supporting People	441,162	-272,479	168,683
Public Health*	22,810	-332	22,478
Non-Departmental	180,542	-265,864	-85,323
Total	921,324	-692,205	229,118

*The Public Health grant received by the Council is allocated across departments in addition to the Public Health Directorate.

Levies

The Council pays levies to a number of organisations, which it must meet within its total budget requirement. Table B summarises the total levy payable to each organisation and compares it to the amount for the previous year.

Table B – Levies

Levy	2021/22 £0	2022/23 £0	Change %
North London Waste Authority (provisional)	5,187	5,778	11%
London Councils Grant Scheme	201	207	3%
Traffic Signals (estimate)	356	423	19%
Concessionary Fares	10,474	7,565	-28%
London Pensions Fund Authority (estimate)	1,326	1352	2%
Lee Valley Regional Park Authority	212	213	0%
Environment Agency (estimate)	207	211	2%
Total	17,963	15,749	-12%

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

DIRECTORATE AND DEPARTMENTAL BUDGETS AND LEVIES APPENDIX C

Should any residents in the garden squares be entitled to benefit from council tax reduction, the Council will contribute towards the requested levy, applying the same eligibility criteria as residents outside of the squares.

The levy requirements received for each Garden Square Committee for 2022/23 are shown in Table C below.

Table C - Garden Squares Levies

Garden Square	Levy Request 2021/22	Levy Request 2022/23	CTRS Adjustment	Collected through Council Tax 2022/23	Increase / (Decrease) in Levy Requested
	£	£	£*	£	
Fitzroy Square	9,000.00	9,000.00	-	9,000.00	0%
Gordon Square	3,930.00	4,014.46	- 140.23	3,874.23	2%
Mecklenburgh Square	14,000.00	14,500.00	- 410.57	14,089.43	4%
TOTAL	26,930.00	27,514.46	-550.80	26,963.66	

**this is the Camden contribution towards the levy requirement due to residents eligible for Council Tax Reduction Scheme support.*

D1 FEES & CHARGES 2022/23 SUPPORTING INFORMATION

Fees Requiring Cabinet Approval

This report delegates authority for approving fees and charges increasing up to 5% to the relevant Executive Director 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 exception proposals and the reasonableness of the fee or charge.

A summary table of new fees and fee increases over 5% that require Cabinet approval can be found in Appendix D2.

Fees Requiring Full Council Approval

Some fees and charges by law require Full Council approval, which include some licensing fees. These are detailed in Appendices D3 and D4.

This report delegates authority for approving fees and charges increasing up to 5% to the relevant Executive Director in consultation with Portfolio holders.

Licence fees fall broadly into two categories. Those set by statute which the Council has no power to amend and those where the relevant statute gives Councils the power to set their fees in line with cost recovery, a cap may be set by statute in some cases.

Adult Social Care

Adult Social Care

Charlie Ratchford Court (a council owned and operated extra care service) opened during 2021/22. There are three fees and charges associated with this facility.

Rent charges which have been set in line with similar Council services and within affordability guidelines and are broadly comparable with the Council's social rent. Annual rent increases will mirror HRA rent uplifts.

Service charges will be adjusted annually to reflect actual running costs.

There are also several rooms which are available for hourly hire by external organisation. Proposed rates for these (inclusive of VAT) are proposed in Appendix D2.

Community Services

Green Spaces

The service is proposing to increase fee PLA.54 by 8.41% due to increased supplier cost. Appendix D4

Community Services

Sports and Physical Activity

The service is proposing to introduce a New Learn to Swim programme product, which offers adult and child lessons with a lower instructor to participant ratio (than

previous) to improve the quality or delivery, swimming progression and outcomes. The teachers for this new product have received specialist adult and child training. (COM.387) Appendix D2

D2. FEES AND CHARGES – CABINET TO APPROVE

New Fees & Charges in 2022/23

All proposed increases are from the 1st April 2022.

Ref	Division	Service	Description	Legislation	New 2022/23 Fees and Charges (£)
ASC.013	Adult Social Care	Charlie Ratchford Court - Hire of rooms by external organisations per hour charge (inclusive of VAT)	Roundhouse Activity Room Forum Activity Room café/dining space & kitchen Lounge & Adjoining Courtyard	Local Government Act 2003	35.00
ASC.014	Adult Social Care	Charlie Ratchford Court - Hire of rooms by external organisations per hour charge (inclusive of VAT)	hairdressing / wellbeing suite adjoining Courtyard Meeting Room	Local Government Act 2003	25.00
ASC.015	Adult Social Care	Charlie Ratchford Court Guest Suite	per night (inclusive of VAT)	Local Government Act 2003	30.00
COM.387	Community Services	Sports and Physical Activity	Swim School - Swimbies (Junior)	Local Government Act 2003	7.85
COM.387	Community Services	Sports and Physical Activity	Swim School - Swimbies (Junior Concessionary)	Local Government Act 2003	6.25

NEW FEES AND CHARGES – CABINET AND COUNCIL TO APPROVE APPENDIX D3

D3. NEW FEES AND CHARGES - CABINET AND COUNCIL TO APPROVE

All proposed fees are effective from the 1st April 2022

No new fees and charges – Cabinet and Council to approve

EXISTING FEES AND CHARGES – CABINET AND COUNCIL TO APPROVE APPENDIX D4

D4. EXISTING FEES AND CHARGES – CABINET AND COUNCIL TO APPROVE

All proposed fees are effective from the 1st April 2022.

Ref	Division	Service	Description	Legislation	2022/23 Fees and Charges (£)	% Increase from 2021/22	£ Increase from 2021/22
PLA.054	Community Services	Green Spaces	Commemorative benches - cast iron end	Allotments Act 1950 (S10)	1788	9.02%	1640

E EQUALITY IMPACT ASSESSMENT



Our approach

Equality Impact Assessments (EIAs) are our chosen way for working out the effect our policies, practices or activities (the word activity will be used throughout as an umbrella term) might have on different groups before we reach any decisions or take action. They are an important service improvement tool, making sure that our services are as effective as they can be for everyone Camden serves. Additionally, they also help to prevent us from taking actions which might have outcomes that we did not intend.

Stage One - what is being analysed and who is responsible for the equality impact assessment?

Name of the activity being analysed	Setting of revenue budgets and proposal to increase council tax by 2.99% for 2022/23, including 1% for the adult social care precept.
Service and directorate responsible	General Fund Strategy - Finance - Corporate Services
Names and posts of staff undertaking the assessment	Amit Brar
Date assessment completed	27/01/2022
Name of person responsible for sign off of the EIA	Jason Blackhurst - Head of Finance (Corporate Services)

Stage Two - planning your equality analysis

Outline the activity being assessed

This report seeks to set the budget for the forthcoming 2022/23 financial year. The report sets out the budget provision for each service and the level of council tax required across the organisation.

In setting its budget and making its savings, the Council is obliged to ensure that any changes made to achieve its strategic outcomes are established with due regard having been given to the need to (1) eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, (2) advance equality of opportunity, and (3) foster good relations between people with protected characteristics and those without them.

The establishment of the overarching budget framework will have an inflationary impact on most services. However, with regards to equality considerations, this is not likely to create a significant negative impact. The framework outlined in this budget also reflects primary decisions taken elsewhere, which themselves are or will be subject to further consultation or their own EIAs. Examples of these include the implementation of savings, fees and charges and the restructuring of services. The 2022/23 budget framework contains no new savings – a new Financial Strategy is being developed which will be agreed in December 2022 and will be reflected in the 2023/24 budget

While this budget is set as an overarching framework within which the services can act, it does not dictate exactly how money is allocated or spent. Any such changes are made within the service upon being given the relevant consideration, such as taking into account the results of any consultation or an assessment of value for money or of impacts on equality. Some of these decisions are also yet to be taken and will be subject to the appropriate governance processes. As such, the primary proposal of this report that would impact on the EIA is council tax setting.

Background - Council Tax Reductions & Exemptions

The impact of any council tax changes will be mitigated either entirely or in part should a resident be eligible for an exemption from council tax or for a reduction in their council tax.

In 2013 the government abolished Council Tax Benefit and replaced it with localised Council Tax Support (CTS) schemes. These schemes were designed and adopted by individual councils, but with a reduced level of funding from central government.

Council Tax Support Scheme (CTS)

CTS schemes have been introduced such that a resident's CTS award will be based on 100% of their council tax liability. However, they may still have to make some level of council tax payment, depending on their income and other circumstances. Pensioners are protected so that they receive the same level of support as under the Council Tax Benefit Scheme, whilst those of working age may have to make some contribution based on their income.

Each year, councils must consider whether to revise or replace the current scheme for the next financial year. In 2018 Camden decided to increase the maximum CTS scheme award to 100% from the previous level of 91.5%. This step helps to reduce the financial burden on residents with no earned or very low income, whilst reducing administration costs related to the recovery of relatively small amounts and freeing up resources to pursue larger debts.

A new CTS scheme was implemented for 2020/21 financial year. The scheme continued to award a maximum of 100% council tax and the total amount awarded in this year has been modelled to be the same amount as the previous scheme. However the scheme is simpler to administer resulting in savings which will reduce running costs. The scheme will be supported by a discretionary council reduction scheme which will help those with exceptional financial circumstances.

Pension Credit Age

Councils are statutorily obliged to protect people of pension credit age so that they are not affected by the change from Council Tax Benefit to CTS.

Discounts for disabled people

People who are severely mentally impaired aren't included when working out council tax. Live-in carers looking after somebody that isn't their partner, spouse or child under 18 are also excluded. Under the Disabled Band Reduction Scheme, people may be eligible for reductions known as disabled relief if they have had alterations to their property that would not be necessary if either they or another occupant were not disabled. The scheme allows a reduction of one band unless the property is in the lowest band A, in which case a one sixth reduction is awarded. It is possible that a disabled person may qualify for both disabled relief and additional discounts, such as those offered for those living alone or those who are the only adult in the property.

Council Tax Reductions and Exemptions

Circumstances under which people are exempt from paying, or have their council tax liability reduced on the basis of grounds other than CTS schemes, are mainly laid out by the government. Local authorities can decide on local discounts and exemptions. Examples of some particular exemptions follow.

Carers, Foster Carers, Care leavers: Foster carers and friends and family carers (also known as kinship carers) are treated in the same way by Camden for council tax purposes. Foster Carers have been exempt from paying council tax since 1 April 2014 with Friend and Family Carers becoming exempt from 1 April 2015. From 1 April 2018, the same exemption has been applied to those leaving care and choosing to live within the borough subsequently up to the age of 25 years. The exemption for these groups is applied to the amount left to pay after the award of any discounts. This is paid whether or not somebody else lives in the property as long as the care leaver is liable to pay council tax.

Lone or No Adult Households: Households in which an adult lives on their own or in which no one else counts as an adult receive a 25% reduction on their council tax bill. Households in which nobody counts as an adult receive a 50% reduction.

Full-Time Students: Households where everyone is a full-time student don't have to pay council tax. Full-time students are defined as being on a course that lasts for at least one academic year and involves at least 21 hours of study per week. Full time students for qualifications up to A-level must be under 20, on a course that last at least 3 months and which involves at least 12 hours of study per week.

Second Homes: Local authorities may elect to charge residents less council tax for a property they own or rent that is not their main home. Local authorities can give furnished second homes or holiday homes a discount of up to 50%. Camden has elected not to apply this and instead charges full council tax on second homes.

Empty Homes: From 1 April 2019, Local Authorities can charge up to 100% extra council tax if a home has been empty for 2 years or more (unless it's an annexe or the owners/residents are members of the armed forces). Camden has adopted this and enforces it. From 1 April 2020, homes empty for 2-5 years or more will be liable to 100% extra council tax and those empty over 5 years will be liable to 200% extra tax. However, if someone is selling an empty property on behalf of an owner who has died, they will not have to pay council tax for up to 6 months from the day they get probate (the right to deal with the estate).

Some homes will receive an exemption from council tax for as long as they stay empty. They include homes:

- belonging to someone in prison (except for not paying a fine or council tax)
- belonging to someone who has moved into a care home or hospital
- that have been repossessed
- that cannot be lived in by law, e.g. if they are derelict

- that are empty because they have been compulsorily purchased and will be demolished

Residents may also receive a 25% discount if their home is undergoing major repair work or structural changes.

Any increases in council tax are matched by corresponding percentage increases in discounts or exemptions.

Other Council Tax Exemptions

The Local Government Act 2003 provided councils with the power to exercise discretion over reductions in council tax for certain people or classes of people, including by reducing the tax payable to zero. The provision was incorporated into the Local Government Act 1992 as Section 13A. The purpose of the legislation is to give councils flexibility to reduce council tax in instances which might be deserving of a reduction, but which otherwise fall outside the existing statutory provisions for exemptions, discounts and council tax reductions (formerly Council Tax Benefit).

Camden's policy allows for reduction where a taxpayer is forced to leave their main home in Camden unoccupied due to serious damage caused by external environmental factors beyond their control. This has been applied in cases of flooding and street subsidence.

In addition to these cases, existing policy gives the Council a general power to reduce council tax liability for any council tax payer in exceptional circumstances. Reductions are intended only as short term assistance, rather than as a way of reducing council tax indefinitely. Each case is determined on its merits and decisions are made by the Head of Council Tax and Business rates, with a right to appeal to the Director of Customer Services.

The amount of expenditure on discretionary reductions will be reviewed annually by the Executive Director Corporate Services. This is done with a view to bringing the policy back to Cabinet after two years, should expenditure begin to put pressure on the overall level of council tax or should new deserving classes of council tax payers emerge.

Proposal for 2022/23

Camden is proposing a council tax increase of 2.99% (including 1% precept for Adult Social Care (ASC)) to generate an additional £3.66m of council tax in 2022/23, with the intention of using the additional resources to help protect services over the medium term. This constitutes an increase of £0.78 per week for residents in a band D property who do not receive any reductions or exemptions.

The Ministry of Housing, Communities and Local Government has announced that an authority will be considered to have set an excessive increase in council tax in 2022/23 if the increase in the level of Band D council tax over 2021/22 is 2% or more. Changes in core council tax can only bring about an increase of 2% per annum without being deemed as excessive. Changes to the adult social care precept can bring about an additional increase of up to 1% in council tax for the 2021/22 financial year, and as such council tax is being raised by an additional 1% through this precept.

Any proposals to increase tax above the threshold of 2% would be deemed as excessive and require consent gained through a local referendum. The proposed 2.99% increase of the council tax does not give rise to an increase of 2% or more and is therefore not deemed as excessive.

Groups Most Likely to be Affected

All people eligible to pay either full or reduced council tax will be affected. Any household that is currently charged council tax will see their bill rise proportionally by 2.99%.

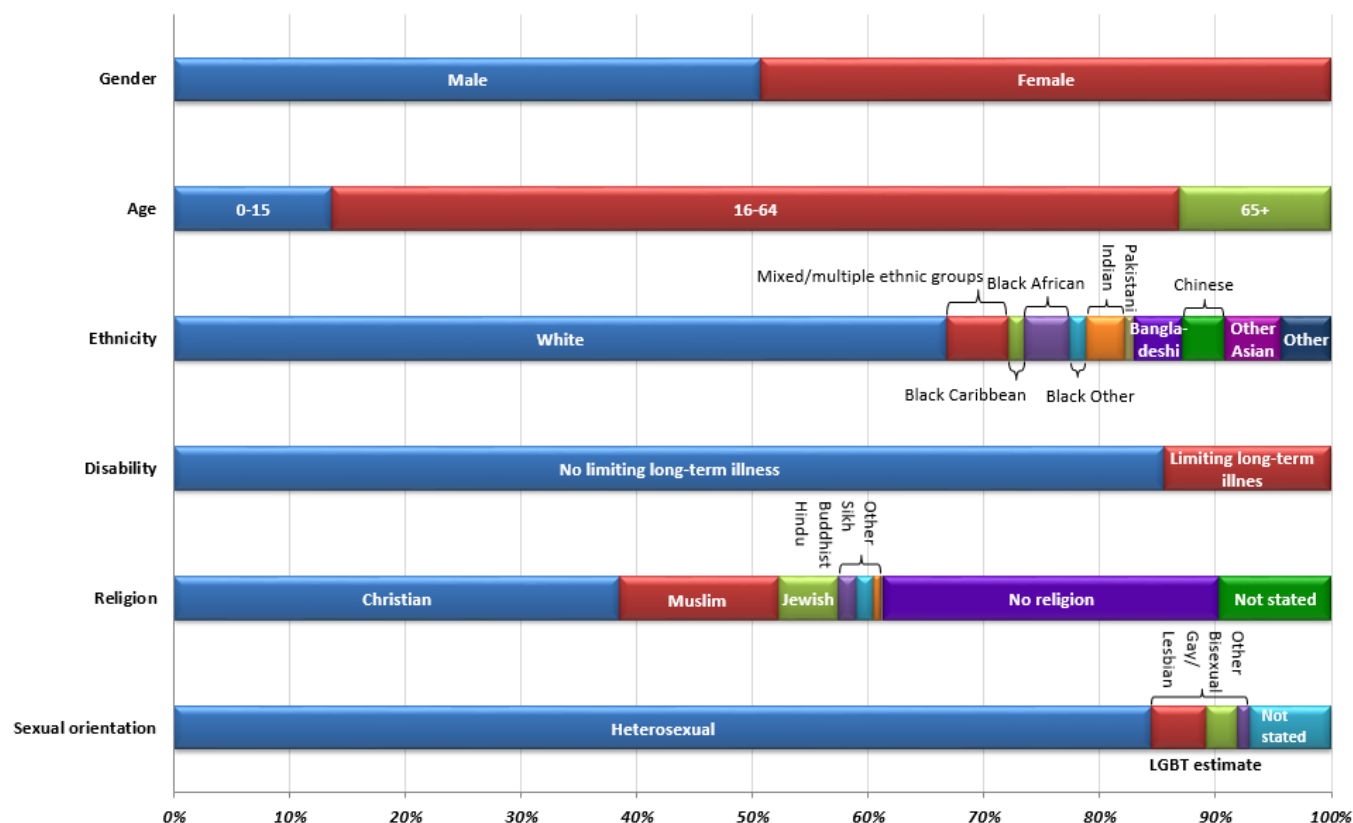
Desired Outcomes

- To endeavour to ensure, as far as is reasonable and proportionate, that the implementation of the council tax increase does not adversely impact one group more than any other.

- To give consideration to vulnerable groups whilst ensuring that this does not add to the burden of those left to pay.
- To ensure that those who are entitled to discretionary reductions in council tax because they have suffered the inconvenience of being forced from their home or are foster carers or family and friends carers are not disproportionately impacted by the 2.99% increase, in accordance with Council policy.

Gather relevant equality data and information

Camden Demographic Profile



- **Age Profile:**
The age of the liable person is not recorded for council tax purposes, but Camden's age profile is typical of a metropolitan city with a university presence, containing a larger proportion of students and younger adults and relatively fewer children and older people compared to the national average.
- **Disability:**
An analysis of the council tax data indicates that there are 273 households where Disabled Relief has been granted.
- **Race:**
The race of the liable person is not recorded for council tax purposes, but there is no reason to believe that the increase will impact on any particular ethnic group disproportionately.
- **Gender reassignment:**
There is no council tax data regarding gender reassignment.
- **Marriage and civil partnership:**
Council tax records do not show the marital status of the liable person.

- **Pregnancy and maternity:**
There is no council tax data regarding pregnancy or maternity.
- **Religion or belief:**
This is not recorded for council tax purposes, but there is no reason to believe that any particular religious group is likely to be disproportionately affected by the proposed changes.
- **Sex and Sexual orientation:**
There is no council tax data regarding sex and sexual orientation.

General Council Tax and CTS Data

112,161 households were liable for council tax in October 2021, when this data was extracted, 23,083 were receiving CTS, of which 16,241 were of working age. Of these, 70% receive 100% support.

Consultation and engagement

In January 2022, the Finance Department carried out its annual Camden Business Community Consultation with business ratepayers about the budget proposals for next year. Ratepayers were invited to comment on the overall budget process and planned expenditure, of which income from business rates plays a key part. Any responses received by 18th February 2022 would have been considered in the context of the overall budget and included in the budget report.

The combination of demographic and demand pressures, cost inflation, new burdens and reducing level of Government funding has resulted in the Council making decisions to raise the maximum ASC precept of 8% over the 4 years from 2017/18 to 2020/21. A further 1% increase has been allowed for in the 2021/22 Local Government Finance Settlement. Raising the precept will partially mitigate these pressures, ensuring that our most vulnerable residents continue to have access to vital services. In 2022/23, a 1% ASC precept increase will be levied.

Have you identified any information gaps?

There are several gaps in demographic information relating to council tax, although many are not relevant. From the information that is available, there is no evidence that any group will be disproportionately impacted by the proposed increase to the level of council tax. Many groups who might have suffered from the financial burden will have this mitigated by reductions or exemptions as a result of the CTS scheme or similar, as laid out in the background information on reductions and exemptions.

Stage Three - analysing your equality information and assessing the impact

Analysing the evidence outlined above, could the activity have a negative or positive impact on protected groups?

Should the increase in council tax of 2.99% be approved, tax paying households within the borough will be affected proportionately to what they currently pay and will all have the same 2.99% increase applied from the 2021/22 level.

The majority of Camden's ASC service user population falls into protected characteristic categories. The majority of support ASC provides, to users that have been assessed and deemed eligible, is delivered to older people with age-related disabilities. In 2021/22 so far (up to 9 February 2022), we supported 4,537 service users, of whom 59% were

aged 65 or above. Of those supported, 11% had a learning disability identified as their primary support need, 18% had mental health needs and 58% had a physical or sensory impairment. It should be noted that many service users will have multiple support needs e.g. physical support and support with memory and cognition. Increased funding to these areas is therefore likely to positively impact services areas that benefit protected characteristic user groups.

Income raised from the ASC precept is solely reserved for spend on ASC services. This is to help manage significant challenges in the service, namely large demographic and inflationary pressures, and pressures from hospital discharges. Raising a 1% social care precept will allow us to collect an additional £1.22m. This will be fully allocated to ASC, ensuring that our most vulnerable residents continue to have access to vital services.

Those exempt from paying council tax will remain unaffected and there will be no groups moving from being exempt, to being expected to pay.

Exemptions may also be granted where a taxpayer is forced to leave their main home in Camden unoccupied due to serious damage caused by external environmental factors beyond their control. This has been applied in cases of flooding and street subsidence. As this is based on external environmental factors, there is no impact on any group over another, protected or otherwise.

Other steps the Council has taken to improve fairness in the council tax system include charging 100% or 200% council tax on all long term, unfurnished and unoccupied properties and giving 100% discounts to Camden foster carers and care leavers. This will help us maintain Camden's diverse community and will contribute to the goal laid out in the Camden Plan of eliminating child poverty in the borough.

The intention is that the council tax rise will have a positive impact on vulnerable groups, both helping to protect many of the services they receive from the Council and reducing the level of cuts required to set balanced budgets in future years. The rise in council tax will be a permanent and ongoing source of additional revenue and is not subject to government grant cuts.

The CTS scheme has been constituted in such a way that any rise or change in council tax cannot result in a disproportionate impact on any particular group. Further details of the CTS scheme and other similar schemes is laid out in the previous section (Stage two), in which there is more background information on reductions and exemptions.

Equality impact summary

Protected group	Summarise any possible negative impacts that have been identified for each protected group and the impact of this for the development of the activity	Summarise any positive impacts or potential opportunities to advance equality or foster good relations for each protected group
Age	<p>No negative impact identified - legislation dictates that entitlements for people of Pension Credit age must be assessed on the 100% scheme, so they will not be affected by any changes.</p> <p>Those of all ages who are eligible to pay council tax in full or in part will see an increase of 2.99%. As anyone who is eligible to pay council tax, whether full or part will see an increase of 2.99%, it will not disproportionately impact any age group over another.</p>	<p>There should be no disproportionate impacts on those of certain ages. Should those of a pension credit age receive services from the Council, they may benefit from increased Council income limiting the need for services to be reduced. In particular, elderly users of ASC services will benefit from funding from the 1% precept increase.</p>
Disability	<p>No negative impact identified - council tax payable will increase by 2.99% for eligible households, regardless of whether or not the household is subject to a CTS scheme reduction. Since residents with disabilities may be eligible for 100% reduction as per the Council's CTS scheme, the financial burden placed on CTS claimants with a disability will be mitigated.</p>	<p>There will be no disproportionate impacts on those with disabilities. Should those with a disability receive services from the Council, they may benefit from increased Council income limiting the need for services to be reduced. In particular, disabled users of ASC services will benefit from funding raised through the 1% precept increase.</p>
Gender reassignment	<p>No positive or negative impact identified.</p>	<p>No positive or negative impact identified.</p>
Marriage and civil partnership	<p>No positive or negative impact identified.</p>	<p>No positive or negative impact identified.</p>
Pregnancy and maternity	<p>No negative impact identified.</p>	<p>Expectant parents or those with children may benefit from fewer future reductions in services they may receive as a result of increased Council income.</p>
Race	<p>No positive or negative impact identified.</p>	<p>No positive or negative impact identified.</p>
Religion or belief	<p>No positive or negative impact identified.</p>	<p>No positive or negative impact identified.</p>
Sex	<p>No positive or negative impact identified.</p>	<p>No positive or negative impact identified.</p>

Protected group	Summarise any possible negative impacts that have been identified for each protected group and the impact of this for the development of the activity	Summarise any positive impacts or potential opportunities to advance equality or foster good relations for each protected group
Sexual orientation	No positive or negative impact identified.	No positive or negative impact identified.


Stage Four - planning for improvement

What actions have been identified:

- to mitigate against or minimise any negative impacts?
- to advance equality, and therefore improve the activity?

Council tax collection rates will be monitored throughout the year. This is used as an indicator of the ability for an individual or household to pay. By monitoring this, links may be able to be drawn between the rise and any impacts on a range of groups across the borough.

Stage Five - outcome of the EIA

Outcome of analysis	Description	Select as applicable
Continue the activity	The EIA shows no potential for discrimination and all appropriate opportunities to advance equality and foster good relations have been taken.	
Change the activity	The EIA identified the need to make changes to the activity to ensure it does not discriminate and/ or that all appropriate opportunities to advance equality and /or foster good relations have been taken. These changes are included in the planning for improvement section of this form.	
Justify and continue the activity without changes	The EIA has identified discrimination and / or missed opportunities to advance equality and / or foster good relations but it is still reasonable to continue the activity. Outline the reasons for this and the information used to reach this decision in the box below.	
Stop the activity	The EIA shows unlawful discrimination.	

Reasons for continuing with an activity when negative impacts or missed opportunities to advance equality have been identified: N/A

Stage Six - review, sign off and publication

Review: Jason Blackhurst

Date when EIA will be reviewed: February 2023

Sign off:

Quality assured by:	Jason Blackhurst - Head of Finance (Corporate Services)
Quality assured by OD for organisational change / restructures:	N/A
Signed off by:	Director of Finance
Date:	15th February 2022
Comments (If any)	N/A

F GLOSSARY OF TERMS

The following provides brief explanations of technical terms used in this report. Details of the council tax regime are provided in an additional appendix.

- F1. Adult Social Care Flexibility / Precept – Since 2016/17, local authorities responsible for adult social care have been given discretion to raise additional funds solely for that purpose by increasing council tax. The government has set a number of restrictions that local authorities must adhere to in order to avoid breaching the referendum threshold. It has been announced that councils will have the flexibility to increase the dedicated ASC precept by up to 1% in 2022/23. This flexibility is being offered due to demographic changes which are increasing the demand for adult social care and increasing pressure on council budgets.
- F2. Balances – Unallocated reserves which are retained to enable the Council to respond to uncertainties and risks.
- F3. Business Rates (National Non-Domestic Rates (NNDR)) – A tax paid on all commercial, industrial and other non-domestic properties based on the assumed rental value of the property. The multiplier is set nationally each year by the government. From 2013/14, this funding has been managed through the business rates retention scheme, which distributes rates between councils whilst allowing authorities to keep a portion of growth in the local rates base. However, in 2018/19 Camden participated in a London-wide rates retention pilot, which ensured that all growth in rates collected would be kept in the city. There is a 67% retention rate in place for 2022/23.
- Appeals – Refers to appeals by ratepayers against rateable values. The calculation of rateable values and the outcome of appeals are both determined by the government's Valuation Office Agency. If successful, repayment costs are shared between the Council, government and the Greater London Authority (GLA).
 - Baseline Funding Level – A section of the Settlement Funding Assessment relating to business rates. Under the old system, should the Camden share of business rates under the business rates baseline exceed this, a levy would be applied, but Camden would keep a share of the growth. Should it be less, Camden would bear the loss up to the safety net threshold.
 - Billing Authority – A local authority responsible for collecting council tax and non-domestic rates, such as Camden.
 - Business Rates Baseline – This is the local share of business rates generated across an authority before the tariff or top-up. Outside the pool, the local share covered 30% of all business rates generated in Camden, with 37% going to the GLA and 33% to central government. The business rates baseline would then be compared to the baseline funding level and be matched to it through a tariff or top-up. Under the business rate retention pilot schemes, pooled authorities have a combined baseline and share a greater proportion of any growth in business rates.
 - Non-Domestic Rates Multiplier – This is the rate in the pound of rateable value that must be paid in non-domestic rates. This is set each year

by the government and will be set at 51.2p for 2022/23. Small businesses and charities are subject to reduced multipliers.

- Retained Business Rates – This is the amount of business rates retained by the authority after payments have been made to the government and the GLA.
 - Safety Net – A mechanism whereby the government ensures that no local authority will see its business rates income drop especially sharply (below 7.5% of an authority's baseline funding level) in a particular year. The government funds any gap in excess of 7.5% through a levy paid by other local authorities on growth in business rates income. The baseline funding levels are updated each year.
 - Tariff – A payment from the authority to central government. It is the excess of an individual authority business rates baseline over its baseline funding level. Tariffs are fixed at the start of the Business Rates Retention scheme and updated in future years in line with the increase in the non-domestic rates multiplier. Central government income from tariffs is redistributed to other authorities across the country in the form of 'top-ups'.
- F4. Capital Programme – The Council's medium term (10 year) capital expenditure and funding plans.
- F5. Cash Limits – An amount of money agreed by the Cabinet within which a directorate and division sets its budget. It is subsequently expected to contain its net expenditure within these limits.
- F6. Collection Fund – The fund administered by a billing authority into which the council tax and non-domestic rates it collects are paid, and from which payments are made to precepting authorities, to the government, and to meet its own spending requirements. Any balance on the collection fund must be shared between the billing authority, precepting authorities and the government in accordance with regulations governing council tax and non-domestic rates.
- F7. Core Settlement Funding – A government definition of Council resources introduced from 2016/17, comprising of council tax income and the settlement funding assessment (baseline business rate retained income and revenue support grant). Cuts to revenue support grant are apportioned based on this definition of funding.
- F8. Core Spending Power – A government definition of projected revenue funding available for local authority services which since 2016/17 has been made up of: the modified settlement funding assessment; estimates of growth in the council tax base; potential additional council tax available from the adult social care council tax flexibility; potential increases in the standard council tax; potential additional council tax available from a £5 cash principle for districts with a lower quartile B and D council tax level; the improved better care fund grant, new homes bonus grant and rural services delivery grant.
- F9. Council Tax – The locally determined tax on residential properties.
- Basic Amount of Council Tax – The sum of the Camden element of council tax (plus the amount to be raised through the Garden Square levies)

divided by the total Camden council tax base. This value is used to determine the change in an authority's annual council tax.

- Band D Equivalent – By law and convention, council tax is usually expressed as a Band D equivalent. In many areas a Band D property is a mid-sized, typical property.
- Council Tax Base – The number of properties within a council's area expressed as a Band D equivalent, after adjusting for exemptions and discounts. The band D charge is calculated by dividing the council tax requirement by the base.
- Council Tax Requirement – The amount each authority estimates as its planned net spending, after deducting income it raises from fees and charges, grants, and funding from reserves.
- Council Tax Reduction Scheme – The system that replaced council tax benefit from 2013/14. Support to recipients is given by way of a discount on their council tax bills.
- Precept – A precept differs from a levy in that the precepting body sets its own council tax, which is then collected by Camden alongside its own council tax. The only precept Camden collects is on behalf of the Greater London Authority (GLA). By this definition, the 'social care flexibility'/ASC precept is not technically a levy or precept since Camden will raise the income and incurs the expenditure directly.

- F10. Dedicated Schools Grant (DSG) – A government grant ring-fenced for schools and other education-related spending, including on early years and special educational needs.
- F11. Formula Grant – The main government grant supporting general fund expenditure up to 2012/13, which was replaced by the elements of settlement funding assessment.
- F12. General Fund – The fund from which the costs of the Council's major services (excluding council housing) are met.
- F13. Greater London Authority (GLA) – the precepting authority whose precept is added to Camden's council tax to form the overall council tax bill.
- F14. Housing Revenue Account (HRA) – A local authority statutory ring-fenced account which covers current income and expenditure on all housing services relating to owned housing stock. HRA expenditure covers the costs of managing and maintaining stock, along with debt charges relating to previous property acquisitions and renovations. HRA income consists of rents, fees and charges. The Council is legally required to set a balanced HRA budget, meaning that the HRA balance can never be in deficit. The HRA budget for the upcoming financial year is set each January.
- F15. Levy – This term relates to two distinct systems:
- (A) A contribution which the Council is required to make to another body (typically a London-wide provider of services). Levies differ from precepts in that they form part of the Council's budget and are therefore passed on through council tax.

(B) A mechanism which limits the benefit an authority can derive from real growth (above inflation) in business rates. The levy is applied proportionally on a 1:1 basis. Thus a 1% increase in business rates income produces a corresponding 1 per cent increase in revenue (as measured by the baseline funding level) from the rates retention scheme.

F16. Precept – refers to two distinct figures:

(A) The sum collected by the GLA alongside Camden’s council tax (further explained in G9).

(B) The adult social care precept, which is collected as part of Camden’s council tax and which is spent solely on adult social care services.

F17. Outturn – The actual level of revenue or capital expenditure in a year.

F18. Reserves – Amounts available in the Council’s accounts to fund planned future expenditure (normally known as ‘earmarked reserves’), or set aside to manage known risks.

F19. Revenue Support Grant – This is one of two elements of the Settlement Funding Assessment (the other being the local share of business rates) and is a central government grant designed to finance revenue expenditure across any service. It is determined in the Local Government Finance Settlement.

F20. Settlement Funding Assessment – The largest part of local authorities’ shares of the local government spending control total (the centrally set sum set aside for local authority funding) as determined by the government and consisting of two amounts – revenue support grant and the baseline funding level of retained business rates.

F21. Specific Grant – A government grant allocated outside the revenue support grant distribution system, usually intended to support a specific service or purpose but often not ring-fenced.