

Council Budget 2012 – 2013

# Financial Forward Plan and Capital Programme



## Budget 2012/2013 Index

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## **Recommendations Agreed by Council 6<sup>th</sup> March 2012**

### 1. **Corporate Plan**

The Corporate Plan sets out the council's priorities over the forthcoming year.

That the Chief Executive be authorised to make any required amendments prior to publication on 1 April in consultation and agreement with the Leader and the Cabinet Member for Resources and Performance.

### **Consultation and Equalities**

- 1.2 That Cabinet consider conscientiously the consultation outcomes and give due regard to the statutory equality duties when making their decisions.

### **Medium Term Financial Strategy (MTFS)**

- 1.3 That Council approve the.

The MTFS sets out all of the budget changes over the period from 2012/13 to 2014/15, including assumptions around inflation, changes to levies, pressures, savings and grant funding. It is the model around which the council's financial strategy is based.

### **Detailed Revenue Budgets, Savings and Pressures**

- 1.4 That Council approve the estimates for income and expenditure, savings, pressures and council tax schedules.

The budget has been prepared on the basis of a **council tax freeze** for 2012/13.

- 1.5 That it be noted that the Chief Finance Officer under his delegated powers has calculated the amount of 143,178 (band D equivalents) as the council tax base for the year 2012/13 [Item T in the formula in Section 31B (3) of the Local Government Finance Act 1992, as amended (the "Act")].

- 1.6 That it be noted that the council tax requirement for the council's own purposes for 2012/13 (excluding precepts) is £159,385,750.

1.7 That Council approve the following amounts be now calculated for the year 2012/13 in accordance with Sections 31 to 36 of the Act:

- (a) £897,032,964 being the aggregate of the amounts which the Council estimates for the items set out in the Section 31A(2) of the Act,
- (b) £737,647,214 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £159,385,750 being the amount by which the aggregate at 1.8(a) above exceeds the aggregate at 1.8(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its basic Council Tax requirement for the year. (Item R in the formula in Section 31A(4) of the Act)
- (d) £1,113.20 being the amount at 1.8(c) above (Item R), all divided by Item T (Item 1.6 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax.
- (e) The Chief Finance Officer has determined that the Council's basic amount of Council Tax for 2012/13 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Act 1992.

London Borough of Barnet Valuation Bands (£)

A	B	C	D	E	F	G	H
742.13	865.82	989.51	1,113.20	1,360.58	1,607.96	1,855.33	2,226.40

Being the amounts given by multiplying the amount at 1.8(d) 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 is in that 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.

1.8 That it be noted that for the year 2012/13 the Greater London Authority has stated the following amounts in precepts issued to the council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:-

Greater London Authority Valuation Bands (£)

A	B	C	D	E	F	G	H
204.48	238.56	272.64	306.72	374.88	443.04	511.20	613.44

- 1.9 That, having calculated the aggregate in each case of the amounts at 1.8 and 1.9 above, the council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2012/13 for each of the categories dwellings shown below: -

Council Tax for Area (£)

A	B	C	D	E	F	G	H
946.61	1,104.38	1,262.15	1,419.92	1,735.46	2,051.00	2,366.53	2,839.84

- 1.10 That in accordance with Section 38(2) of the Act the Chief Executive be instructed to place a notice in the local press of the amounts set under recommendation 1.10 above pursuant to Section 30 of the Local Government Finance Act 1992 within a period of 21 days following the Council's decision.

**Capital**

- 1.11 That Council approves the capital strategy and capital programme and that the Chief Officers be authorised to take all necessary action for implementation.
- 1.12 The Chief Finance Officer be authorised to adjust capital project budgets in 2012/13 throughout the capital programme after the 2011/12 accounts are closed and the amounts of slippage and budget carry forward required are known.
- 1.13 That where slippage results in the loss of external funding and a new pressure being placed on prudential borrowing, the relevant Director report on options for offsetting this impact by adjusting other capital projects.

**Treasury Management, Capital Prudential Code and Borrowing Limits**

- 1.14 The Council note the Treasury Management Strategy for 2012/13 which will go to Full Council for approval.
- 1.15 The full set of Prudential Indicators is noted and that the Chief Finance Officer be authorised to raise loans, as required, up to such borrowing limits as the council may from time to time determine and to finance capital expenditure from financing and operating leases.

**Housing Revenue Account and Rents**

- 1.16 That Council approve the Housing Revenue Account estimates for 2012/13.
- 1.17 That, with effect from 1 April 2012:-
- (a) The rent of all council dwellings be changed in line with the proposals outlined in this report, producing an average increase of 7.41%.
- (b) That the rents of all properties re-let for whatever reason be moved upwards to the formula rent. Where formula rent is below actual rent no reduction will be made.

(c) Service charges for all tenants of all flats and maisonettes based on the services they receive be increased by 6.1% to the following charges (per week, 48 week basis):-

Caretaking £6.07

Caretaking Plus £7.84

Block Lighting £0.97

Grounds Maintenance £0.63

Quarterly Caretaking £1.22

(d) That communal digital TV service charge for all tenants of all flats and maisonettes will be £0.76 as agreed at Council 1 March 2011.

(e) Heating charges be changed as follows:

i. For dwellings linked to the communal boiler house on the Grahame Park estate the weekly gas charge be amended in line with Barnet Homes' review of tenant affordability, gas consumption and cost, as follows (charges per week on 48 week basis):-

1 bedroom dwellings – an 18.5% decrease from £13.53 to £11.03

2 bedroom dwellings – a 6.5% increase from £14.36 to £15.29

3 bedroom dwellings – a 15.0% increase from £14.36 to £16.51

ii. Heating charges excluding Grahame Park should increase by 6.1%

(f) That the leaseholder management fees be frozen at current levels.

(g) That the charges for the Assist (Lifeline) Service and the Warden Service are frozen at current levels.

(h) That, with effect from 1 April 2012, the rents of council garages be increased by 7.41% in line with the increase in general dwellings rents.

(i) That the Chief Executive be instructed to take the necessary action including the service of the appropriate Notices.

### **Equality Impact Assessments**

1.18 That Council note the Equality Impact Assessments. A summary is set out in paragraph 9.6.2 of the report. The appendix provides the full assessments where significant changes to service delivery are proposed.

### **Reserves and Balances Policy**

1.19 That Council agree the Reserves and Balances Policy and the Chief Financial Officer's assessment of adequacy of reserves in section 9.13. This states that the minimum level of General Fund balances should be £15m after taking account of all matters set out in the Chief Finance Officer's report on reserves and balances as set out in the appendix.

## **Corporate Risk Register**

- 1.20 That Council note the Corporate Risk Register.
- 1.21 There are significant changes to the way local government will be funded in the future that are proposed from 2013/14 onwards, including redistribution of business rates. In addition it has been confirmed that government austerity measures will continue into 2015/16 and 2016/17 meaning further cuts to government funding. This, alongside rises in the boroughs population and demand for services, provides new challenges for longer term financial planning. Council are asked to note the commentary.

## **2 RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet on 26 July 2011 agreed a business planning process covering the period 2012/13 - 2014/15.
- 2.2 Cabinet on 3 November 2011 agreed the draft corporate plan priorities and the draft budget proposals for 2012/13 to 2014/15 for consultation.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The business planning process enables Members to set the strategic direction of the council and for that direction to be reflected in the Corporate Plan. The Corporate Plan will remain as the primary document against which council policy considerations are evaluated in Committee and Delegated Powers Reports.
- 3.2 The council's current Corporate Plan priorities remain the same as those defined in the Corporate Plan 2011 - 2013:
- Better services with less money
  - Sharing opportunities and sharing responsibilities
  - Successful London suburb
- 3.3 The council's strategic objectives and performance targets have been refreshed for 2012/13, to set clear priorities for the year ahead and to reflect the changing local landscape. The council's budget is focused on delivering its strategic objectives, ensuring that resources follow strategy.
- 3.4 The Corporate Plan is updated annually and forms an overarching framework for more detailed directorate plans, team plans, and for setting performance objectives for individual officers. Each directorate will publish a summary of their directorate plan on 1 April 2012, setting out how the council's objectives will be delivered and outlining key actions for the year ahead.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 Severe resource constraint represents the most significant risk to the council achieving its strategic objectives. The One Barnet programme potentially mitigates this risk but needs to be taken forward in a timely fashion and integrated into the business planning process.
- 4.2 The council has taken steps to improve its risk management processes, in particular integrating the management of financial and other risks. Risk management information is reported quarterly to Cabinet Resources Committee and is reflected as appropriate in business planning.
- 4.3 Icelandic Bank litigation: the winding up boards for both Glitnir and Landsbanki have now confirmed that Barnet will be treated as a priority creditor and distributions are in the process of being paid. Some of these will



not take place for a number of years, but the overall risk of having to write off all these balances (as highlighted in previous business planning reports) no longer exists.

- 4.4 The current economic turmoil within the Eurozone, coupled with the slow growth within the UK economy, now represents the most significant financial risk to the council. There is a treasury risk due to the fact that banks around the world are exposed to debt within the Eurozone, and this means that the treasury strategy must be cautious to reflect this risk.
- 4.5 There is also a risk that the government has to reconsider the current spending review (2011-15) and make further cuts to local government support. In the Treasury's Autumn Statement it was announced that there are plans to make further cuts in 2015-17. For this reason, it is important that the council is prudent with its use of reserves and contingency to mitigate against future cuts.
- 4.6 The challenges set out in this report require fundamental change in the way council services are delivered, which impacts on the human resources of the organisation and related policies and practices. Managing this process in conjunction with Trade Unions and staff is a risk which will be mitigated through the people and culture workstream of the One Barnet programme.

## **5. EQUALITY AND DIVERSITY ISSUES**

- 5.1 Equality and diversity issues are a mandatory consideration in decision-making in the council. This requires members to satisfy themselves that equality considerations are integrated into day to day business and that all proposals emerging from the finance and business planning process have properly taken into consideration what impact, if any, there is on any protected group and what mitigating factors can be put in train. Cabinet has already considered the findings of the 2011/12 EIA Review in November 2011.
- 5.2 The projected increase in the borough's population and changes in the demographic profile will be key factors that need to be considered when determining both the corporate strategy and service responses. Both of these need to also reflect the aspirations and contributions of current residents.
- 5.3 Similarly, all human resources implications have been managed in accordance with the council's Managing Organisational Change policy that supports the council's Human Resources Strategy and meets statutory equalities duties and current employment legislation.

## **6 USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

- 6.1 This report covers the council's Medium-Term Financial Strategy and business planning process. In March 2011, the council set a three year budget which puts the organisation in a strong position to manage the challenges of funding reductions resulting from the Spending Review. In November 2011, Cabinet agreed updated 3 year budget proposals over the period 2012/13 to 2014/15 for consultation. This report feeds back on this consultation and recommends the adoption of the budget proposals set out within the report.
- 6.2 The total budget gap is £34m over the next 3 years. There is an agreed provision of £1.6m to meet demographic pressures in relation to Adult Social Care. Amendments have been made to the budget model for corporate risks of £3.1m (principally increases in concessionary fares and Council Tax Benefit localisation) resulting in a revised budget gap of £38.7m. Savings of £43.1m and new pressures of £4.4m have been identified to enable a balanced budget to be set. The three year budget position is set out in section 9.4, with pressures and savings included in **Appendix 2**.
- 6.3 There has been significant global economic uncertainty over recent months. The outlook for UK growth over the longer-term remains weak and future cuts to public spending cannot be ruled out. Given this context, it is proposed that the council's financial strategy remain cautious.
- 6.4 Demographic change poses a particular challenge. Barnet is facing significant budget reductions at the same time as the population is increasing, particularly in the young and very old. Given that 55% of the council's budget is spent on Adult Social Care and Children's Services, this poses a particular challenge as these services are predominantly 'demand led'. There will also be costs related to infrastructure development. As part of this year's planning process, a proposal for a longer term financial plan has been developed to address these challenges.

## **7 LEGAL ISSUES**

- 7.1 This report succinctly sets out the complex challenges faced by the council as a consequence of the spending review, current and foreseeable economic climate and the particular demographic changes in Barnet. Members will of course be aware of the legal responsibility to set a balanced budget against this difficult backdrop. This necessitates making difficult decisions with regard to council policies and delivery of services. Some residents and or service users may not be agreeable to the council's proposals and a challenge by way of Judicial Review could be mounted by any person, group of persons or body or group of bodies that may be adversely affected by a particular proposal. Such a challenge could be brought at any stage of the decision making process on the grounds of illegality, irrationality and or impropriety, however, such challenges must be brought within three months of the council decision. In order to successfully defend such a challenge, it is

critical that proper decision making processes are followed, that, where appropriate, there is proper consultation and at all times the council has due regard to its public law equality duties. These are both set out in further detail below.

7.2 All proposals emerging from the finance and business planning process have been carefully considered and, where appropriate, mechanisms put into place to mitigate the legal risk of challenge as far as possible.

7.3 With regard to staff and redundancy consultation, Members will be aware that there is a statutory requirement to give 90 days notice where there are potentially more than 99 redundancies. This report states at paragraph 9.7.4 that as at 3 November 2011, the total number of staff at risk was estimated at 92 and as at the time of writing this report there are currently 84 staff at risk. In any event to mitigate risk, a 90 day consultation has been carried out and will conclude on 3 February 2012.

## **CONSULTATION**

7.4 As a matter of public law the duty to consult with regards to proposals to vary, reduce or withdraw services will arise in three circumstances:

- Where there is a statutory requirement in the relevant legislative framework;
- Where the practice has been to consult or where a policy document states the council will consult then the council must comply with its own practice or policy; and
- Exceptionally, where the matter is so important that the council ought to consult whether or not there is a statutory duty to consult.

7.5 Consultation must be carried out fairly. In general, a consultation can only be considered as proper if:

- Comments are genuinely invited at the formative stage;
- The consultation documents include sufficient reasons for the proposal to allow those being consulted to be properly informed and to give an informed response;
- There is adequate time given to the consultees to consider the proposals; and
- There is a mechanism for feeding back the comments and those comments are conscientiously taken into account by the decision maker / decision making body when making a final decision.

7.6 Consultation proposals should demonstrate not only that the council is approaching the proposals with an open mind but also that it is mindful of the range of implications any proposal may have for those affected and that any decision is not pre-determined prior to the consultation and the response thereto being considered. Details of the council's consultation on proposals within this report are set out in section 9.3.

- 7.7 The council must take account of all relevant considerations; including importantly the duty to give due regard to the public law equality duty and in particular any potential differential and/or adverse impact. The council must also have regard to and weigh up all countervailing factors, including financial resources, which in the context of the function being exercised; it is proper and reasonable for the council to consider.
- 7.8 Finally there has been staff consultation about these proposals in compliance with s188 of the Trade Union & Labour Relations (Consolidation) Act 1992. This collective and individual staff consultation will take place during the period 26 October 2011 to 3 February 2012.

### **PUBLIC SECTOR EQUALITY DUTY**

- 7.9 The core provisions of the Equality Act 2010 came into effect in October 2010. This Act provides a new cross-cutting legislative framework to update, simplify and strengthen the previous discrimination legislation. In short, the council must have due regard to the equality duties whenever it exercises a public function. The broad purpose of this duty is to integrate considerations of equality and good relations into day to day business requiring equality considerations to be reflected into the design of policies and the delivery of services and for these to be kept under review.
- 7.10 The general duty on public bodies is set out in section 149 of the Act.
- (1) A public authority must, in the exercise of its functions, have due regard to the need to:
    - (a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
    - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
    - (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
  - (2) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
    - (a) Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
    - (b) Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and
    - (c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

- (3) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- (4) Having due regard to the need to foster good relations between persons who having due regard, in particular, to the need to:
  - (a) Tackle prejudice, and
  - (b) Promote understanding.
- (5) Compliance with the duties in this section may involve treating some persons more favourably than others but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.
- (6) The relevant protected characteristics are:
  - Age;
  - Disability;
  - Gender reassignment;
  - Pregnancy and maternity;
  - Race;
  - Religion or belief;
  - Sex;
  - Sexual orientation.

It also covers marriage and civil partnership with regard to eliminating discrimination.

7.11 The Equality and Human Rights Commission has issued a statutory code of practice with regard to services, public functions and associations as well as a number of non statutory guides, including an essential guide to the public sector equality duty, equality objectives, equality information, meeting the equality duty in policy and decision-making and engagement. The council must follow statutory guidance and have regard to non-statutory guidance when formulating policies and decision making and should only depart from it with good reason.

7.12 The guidance states, amongst other matters, that public authorities should:

- Have an adequate evidence base (i.e. up to date and reliable information about the different groups) when undertaking the analysis and making decisions and to consider what engagement needs to be undertaken with people who have an interest in tackling discrimination, advancing equality and fostering good relations; and
- Analyse the potential impact that a policy, procedure or practice might have on different equality groups.

7.13 Finally, the council must be mindful of well established principles that have emerged in case law, namely:

- Due regard means the regard that is appropriate in all the circumstances and therefore the context of the decision is important.
- The duty is equally applicable in the formative stages (when the policy is being formulated) as well as at the time of making a final decision. It involves a conscious approach and state of mind.
- An incomplete or erroneous application of the duties will mean that due regard has not been given.
- The duty must be exercised in substance, with rigour and with an open mind (i.e. it is not a tick box exercise),
- The duty is non-delegable (i.e. the decision maker / decision making body must ultimately discharge the duty)
- The duty is a continuing one and therefore requires consideration when formulating policies and making decisions as well as a review;
- Consideration must be given to what if cumulative impact, if any, there is on any protected group(s).

7.14 The equality and diversity officer is satisfied that these requirements have been adhered to in formulating the proposals referred to in this report.

## 8. CONSTITUTIONAL POWERS

8.1 Constitution, Part 3, Responsibility for Functions – Section 3, Responsibilities of the Executive.

## 9. BACKGROUND INFORMATION

### 9.1 Executive Summary

9.1.1 In March 2011, the council set a three year budget for the period 2011/12 - 2013/14. In November 2011, Cabinet agreed draft corporate plan priorities and budget proposals for 2012/13 to 2014/15 for consultation. This report:

- Recommends the **Corporate Plan for 2012/13** for approval;
- Feeds back on the **outcome of consultation** on the budget proposals for 2012/13 to 2014/15; and
- Recommends **budget proposals for 2012/13 to 2014/15** for approval;

- 9.1.2 Next year's strategic objectives are set out in **section 9.2**. These form the basis of the 2012/13 Corporate Plan. These strategic objectives drive the allocation of resources and have been refined following the outcome of the public consultation.
- 9.1.3 The total budget gap is £34m over the next 3 years. There is an agreed provision of £1.6m to meet demographic pressures in relation to Adult Social Care. Amendments have been made to the budget model for corporate risks of £3.1m (principally increases in concessionary fares and Council Tax Benefit localisation) resulting in a revised budget gap of £38.7m.
- 9.1.4 **Savings of £43.1m and new pressures of £4.4m** have been identified to enable a balanced budget to be set. The three year budget position is set out in section 9.4, with pressures and savings included in **Appendix 2**.
- 9.1.5 On 3 October 2011, the Government announced that funding would be found to enable a **council tax freeze for 2012/13**. This is for one year only leaving a funding cliff edge in 2013/14. To address this, when budget headlines were set in November 2011, they were based on a council tax freeze for 2012/13, a 5% increase in 2013/14 and a 2.5% increase in 2014/15. Since that point, analysis of the council tax base shows an increase, meaning that these budget proposals are now underpinned by an increase of 2.5% in 2013/14 and 2014/15.

### **Strategic Context**

- 9.1.6 The economic climate is extremely challenging. Central government funding for local authorities is reducing by £81bn over four years and councils across the country face the challenge of providing better services with less money. Barnet will have 26% less income from central government over four years. At the same time, population growth and rising expectations makes it imperative that the council is able to adapt and change to ensure better services for our residents.
- 9.1.7 In spite of this, the residents of Barnet continue to receive high quality services: 91% of schools in Barnet are rated as 'good' or 'excellent' by Ofsted and Adults and Children's services are recognised as 'excellent' by external inspectors. The borough remains an attractive and successful place to live, with household incomes totalling almost £6bn last year and 86% of residents satisfied with their local area.
- 9.1.8 However, the council needs to go further to ensure that residents continue to receive the quality of service that they expect and that the borough continues to prosper. The council will need to make savings of £43m over the next three years, the majority of which is being achieved through efficiency and 'back office' savings.

- 9.1.9 At the same time as prioritising resources and cutting back on waste and inefficiency, the council needs to invest now in order to meet the challenges of the future. In Children's Services we are investing £1m a year in Early Intervention. The council has also set aside £5.5m of pressures over the next three years to fund increases in demand due as a result of an increasing population.
- 9.1.10 The council's future regeneration programme will see £6bn of private sector investment over the next 25 years to ensure that the borough remains an attractive place to live and do business.
- 9.1.11 Residents from across the borough will continue to share in the benefits of growth, with increasing housing development leading to an increase in the tax base and, subsequently, lower council tax bills for residents. This is why the council is now able to confirm that council tax bills will only need to rise by 2.5% in 2013/14, rather than the 5% forecast in the autumn.
- 9.1.12 The council has achieved savings early in the budgetary cycle and is ahead in meeting planned future commitments without imposing significant rises in council tax or having to seek further unplanned savings. As a result there is £5 million now included in a temporary service reserve. This is non-recurring sum, for 2012/13 only and will be needed over the next three years to support work to mitigate youth unemployment by appropriate and effective means and to improve the condition of roads and pavements.

## **9.2 Strategic objectives and the Corporate Plan**

- 9.2.1 The Corporate Plan is the overarching strategic document for the council, setting out its strategic objectives. The 2012/13 Corporate Plan has been revised to reflect the new freedoms offered by the new Localism Act.
- 9.2.2 The 2012/13 Plan is more focussed, with a reduced number of objectives, refined performance targets, and clear lines of accountability. The Corporate Plan sits above published Service Plans for each directorate providing a clear link between the council's strategic objectives and the actions each service will take to deliver them. The council's strategic objectives reflect the concerns of residents following a consultation exercise to understand the views of residents in relation to service priorities.
- 9.2.3 The strategic objectives set out in the Corporate Plan reflect the priorities of residents and achieving them will require collaboration between the council and its public sector partners. For example, an objective to keep Barnet safe sets out how the council will work with the police and others to achieve this.

### **Overarching priorities**

- 9.2.4 Next year's Corporate Plan retains the three overarching themes of this year's Plan: ***Better Services with less money; Sharing opportunities, sharing***



**responsibilities; and A successful London suburb.** The council's strategic objectives sit below these themes. Objectives are set out below:

***Better services with less money***

- Safeguarding vulnerable children and adults.
- Investing in early intervention and prevention to reduce the number of children and families experiencing complex problems.
- An efficient council, with services designed to meet the changing needs of residents.

***Sharing opportunities, sharing responsibilities***

- Ensuring every school is a good school for every child, and targeting support at young people at risk of not fulfilling their potential
- Supporting residents to live healthy and independent lives
- Offering greater personalisation for users of care services, a positive experience of care for and support for carers

***A successful London suburb***

- Working with our partners and residents to keep Barnet safe.
- Protecting the Barnet environment
- Maintaining clean streets, and keeping Barnet moving through efficient management of the roads and pavements network
- Sustain Barnet as a successful place through regeneration, and supporting enterprise and employment

**Approach to business planning**

9.2.5 The Government's plan to cut public spending by £81 billion by 2015 will have a big impact on councils across the country. Tough choices are required.

9.2.6 The council's approach to business planning has been to focus on mitigating the impact of funding reductions on front line services as far as possible through back office efficiencies and developing alternative ways to deliver services. Of the £43m of savings identified within this report, 77% are from efficiencies, 17% comes from service reductions and 6% are related to increases in income.

**Longer term financial planning and demand management**

9.2.7 Modelling has been undertaken to understand the impact of growing demand on the council's budget resulting from demographic change, taking into account a range of factors including population increase, inflation and likely legislative changes.

9.2.8 Although many factors will change and this graph is illustrative, it shows that, if funding to local government remains flat, the council's entire budget will potentially be spent on Adults Social Care and Children's Services within 17 years.



9.2.9 The council has finalised its Infrastructure Delivery Plan (IDP) which responds to demographic change in Barnet up to 2026. The IDP sets out the infrastructure required to support this growth and identifies the funding sources to enable its delivery.

9.2.10 This is relevant to our planning process in a number of ways. Firstly, this picture is used to inform the level of additional investment needed in services to fund demographic changes. Specific detail on investment in demand can be seen in **Appendix 2** in respect of Adults and Children's Services. Secondly, it also provides an evidence base to lobby the government about sustainable funding for local government in the future. It is also important to consider longer term financial planning in the context of the change the government is making to business rates and council tax benefits. A commentary on these changes and the council's response is included in **Appendix 7**.

### 9.3 Consultation

9.3.1 The Business Plan and Budget consultation had three strands;

- Consultation on next year's Corporate Plan and our priorities for the next ten years.
- General Consultation on Business Plan and budget for 2012/13-2014/15 which invited residents' views on our approach, the priorities the council has set for savings and further comments on the savings we have identified within our Business plan for 2012/13 (in particular those that have been identified as 'general consultation').
- Service specific consultations where we have indicated there will be reductions in service provision in 2012/13.

9.3.2 Information about consultation was published in local newspapers, online and in Barnet First.

599 people responded to the online questionnaire on the corporate plan and a further 74 took part in a deliberative face-to-face discussion.

The corporate plan consultation, which asked residents for priorities the council should focus on over the next ten years, found that services which benefited the whole community in general were most valued by residents, with many considering environment, street scene and community safety to be basic services needed for a successful borough. The importance of these universal services was broadly confirmed in face-to-face discussions, although there was also acknowledgement that services which supported the most vulnerable were also important.

In the business plan and budget consultation there was, as in past years, much greater participation in detailed consultation about specific services rather than the general budget. Only 25 people filled in the online consultation about the general budget while service specific consultations extended to more than 1,000 participants in some cases.

From this small sample, only 19 per cent wanted council tax to increase more rapidly than inflation to provide greater investment in services.

Generally it was felt that the council has struck an appropriate balance between reducing services, protecting some specific services and freezing council tax for the fourth year running.

In the open comments section of consultation, the state of the borough's roads and rises in car parking charges were considered the most important issues.

The issue of car parking fees was also a strong theme that was raised at the business at the Business Breakfast Event.

The general online consultation also found that the majority of respondents agreed with the individual service areas priorities that had been identified in developing services budget (although in face-to-face consultation with the Voluntary Sector it was clear that there is a need to improve the quality of the dialogue between the council and the sector in relation to change).

Within service specific consultation, there was concern about the scale of the reduction in spending on activities for young people, especially in the wake of the riots across London last summer. This was echoed in the deliberative consultation with Citizens' Panel members.

9.3.3 As a result of consultation, the following amendments have been made to the budget proposals:

a) The additional funding available through the growth of the council tax base is being used to ensure that the **council tax** increase in 2013/14 can be reduced from 5% to 2.5%;

b) The proposed increase in **on-street parking charges** will not be implemented. As a result £140k has been allocated from contingency to ensure the Environment, Planning and Regeneration budget remains in balance

c) £5m has been added to the temporary service development reserve to fund priority programmes.

## 9.4 Medium-term financial strategy

9.4.1 The Medium Term Financial Strategy (MTFS) sets out all of the budget changes over the relevant three-year planning period, including assumptions around inflation, changes to levies, pressures, savings and grant funding. It is the model which underpins the council's financial strategy.

### 2011/12 – 2013/14 budget plan

9.4.2 When the three-year budget covering the period 2011/12 to 2013/14 was set in March 2011, the MTFS reflected a budget gap of £53.4m over the three years, together with savings proposals to reach a balanced position.

	2011/12 £ m	2012/13 £ m	2013/14 £ m	Total £m
<b>Budget Gap March 2011 (incl. pressures)</b>	<b>29.1</b>	<b>13.1</b>	<b>11.2</b>	<b>53.4</b>
Savings proposals	(29.1)	(13.1)	(11.2)	(53.4)
<b>Final Gap</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Funding from central Government

9.4.2 The 2011/12 budget was set and savings proposals have been implemented. This report sets out budget proposals for the period 2012/13 to 2014/15. The Local Government funding settlement for 2012/13 has already been announced, so next year's budget can be set with certainty. For 2013/14 and 2014/15, the settlement has yet to be announced at individual local authority level, so the MTFS has been updated using the national budget reduction figures from Spending Review 2010. Given the current economic uncertainty, and the likelihood that further cuts to local government funding may be made in 2013/14 and 2014/15 (and the confirmation that further cuts will be made in 2015/16 and 2016/17) the council's financial strategy in terms of reserves and contingency remains cautious for the coming financial year.

## 2011/12 financial position

- 9.4.4 The latest position on budget monitoring for 2011/12 was reported to Cabinet Resources Committee on 14 December 2011. The report shows a projected £0.991m overspend across all services. Since then work has been ongoing on the Quarter 3 position. This confirms that whilst there are some pressures the position against the council's level of general reserves will remain above £15m at the end of the year.
- 9.4.5 The most significant risk is the overspend reported in Environment, Planning and Regeneration service. An action plan is in place to address this position for 2011/12 and continuing into 2012/13. The action plan includes additional base budget provision of £0.75m to address historic budgetary issues.

## Risks over the next three years

- 9.4.6 As reported to Cabinet in November 2011, a number of additional risks have been added to the budget model. These are set out below:
- **Business rate localisation** – the government has indicated that it will localise business rates in 2013/14, with councils able to retain income from business rates rather than funding being returned to central government and then reallocated. This creates both a risk and an opportunity, as income from business rates can go up as well as down.
  - **Council Tax benefit localisation** – the government has indicated that it will localise council tax benefit in 2013/14, and reduce funding for this by 10% in the process. Unless reductions in benefit are passed on to the public, this will represent a saving of over £3m that the council will need to make as a result of this change. This has been reflected in contingency.
  - **Concessionary fares** – the council is billed by Transport for London (TfL) for the cost of concessionary fares in Barnet. £0.605m has been added to contingency to reflect the additional costs of travel and volume of users for 12/13.
  - **North London Waste Authority levy (NLWA)** – the latest financial plan suggests a lower levy than expected for 2012/13, although a higher increase in 2013/14 as a result of NLWA using balances to fund 2012/13. Consideration is also being given to introducing menu pricing which could affect the levy in future.
  - **Dilnot review** – the review into the future of social care in England was published earlier in 2011. It proposed significant changes which could increase the cost of social care in Barnet by at least £13m. If the government accepts these proposals, they will be implemented in 2014/15. Until the social care white paper comes out later in 2012 it is difficult to assess the full implications of this risk.

- **Non-pay Inflation** – the level of inflation is currently running well over the Bank of England's 2% target. Rising inflation will increase the cost of providing services. An inflationary provision of 2.5% on non-staff costs has been added to contingency. There is an expectation that services will contain these costs and contingency will be added only where this isn't possible.
- **Pay inflation** – in 2012/13 the budget has been set on the basis of a pay freeze. £0.873m has been added to contingency to fund potential increases in pay for lower paid staff. For 2013/14 and 2014/15 the government has confirmed its intention to limit increases in public sector pay to 1%. This is reflected in the MTFS.
- **Additional funding** – extra grant has been announced since the November report. Although not ringfenced, notionally this funding is in respect of learning disabilities and early intervention for two year olds. £0.2m has been added to the learning disability budget and £0.39m has been added to the Children's budget.
- **Environment, Planning and Regeneration** - savings for bus lane enforcement are not achievable in 2012/13 and these have been substituted in the final budget proposals.

9.4.7 The updated MTFS is set out in **Appendix 1**.

9.4.8 The MTFS has also been updated following the announcement that the government will provide funding to enable councils to freeze council tax in 2012/13. On 3 October 2011, the Government announced that funding would be found to enable a **council tax freeze for 2012/13**. This is for one year only leaving a funding cliff edge in 2013/14. To address this, when budget headlines were set in November 2011, they were based on a council tax freeze for 2012/13, a 5% increase in 2013/14 and a 2.5% increase in 2014/15. Since that point, analysis of the council tax base shows an increase, meaning that these budget proposals are now underpinned by an increase of 2.5% in 2013/14 and 2014/15.

## 9.5 Revenue budget

### Savings

9.5.1 Savings proposals for 2012/13 and 2013/14 have been reviewed across the council to ensure they remain deliverable and are in line with the direction of policy. Savings proposals have also been developed for 2014/15. Each savings proposal is included in **Appendix 2** to this document, and are summarised as follows:

SERVICE	2012/13	2013/14	2014/15	Total Savings
	£000	£000	£000	£000
Adult Social Services	(4,657)	(3,944)	(5,704)	(14,305)
Chief Executive	(1,628)	(795)	(345)	(2,768)
Children's Service	(1,044)	(4,553)	(3,900)	(9,497)
Commercial Services	(1,991)	(1,219)	(1,241)	(4,451)
Corporate Governance	(160)	(189)	(228)	(577)
Deputy Chief Executive	(1,053)	(543)	(532)	(2,128)
Environment, Planning & Regeneration (Inc SPA)	(2,768)	(3,197)	(3,390)	(9,355)
<b>TOTAL</b>	<b>(13,301)</b>	<b>(14,440)</b>	<b>(15,340)</b>	<b>(43,081)</b>

## Pressures

9.5.2 Budget proposals also include pressures. These are included in **Appendix 2** and are summarised as follows:

SERVICE	2012/13	2013/14	2014/15	Total Pressures
	£000	£000	£000	£000
Adult Social Services	880	800	1,194	2,874
Children's Service	1,142	750	750	2,642
Environment, Planning & Regeneration (Inc SPA)	500	0	0	500
<b>TOTAL</b>	<b>2,522</b>	<b>1,550</b>	<b>1,944</b>	<b>6,016</b>

9.5.3 The overall position for Member decision can be summarised as follows:

	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
<b>Budget gap</b>	<b>12.3</b>	<b>10.4</b>	<b>11.3</b>	<b>34.0</b>
Pressures agreed in March	0.8	0.8	-	1.6
<b>Revised budget gap</b>	<b>13.1</b>	<b>11.2</b>	<b>11.3</b>	<b>35.6</b>
Savings proposals	(13.3)	(14.4)	(15.4)	(43.1)
	<b>(0.2)</b>	<b>(3.2)</b>	<b>(4.1)</b>	<b>(7.5)</b>
Pressures	1.7	0.8	1.9	4.4
Changes in contingency	(1.5)	2.4	2.2	3.1
<b>Gap / (surplus)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

9.5.4 Cabinet are asked to recommend the budget as set out in **Appendix 2** for approval by Council.

**Balanced position**  
As a result of the budget proposals set out above, the council has a balanced budget position for the period 2012/13 to 2014/15. This is based on actual funding announcements for the first year of this period, and assumptions about funding levels in 2013/14 and 2014/15.

## 9.6 Equality Impact Assessments

9.6.1 Those budget savings that are subject to detailed equality impact assessments are as follows:

- Fairer contributions policy
- Transport
- Reduction in back office and management overheads (Adults)
- Partnership with Health
- Local Authority Trading Company
- Retendering core services
- Reducing the cost of the most expensive care packages
- Increasing contributions families and communities make
- Supporting people and voluntary sector
- Review of current care packages
- Corporate parenting
- Fostering and adoption allowances
- Child and Adolescent Mental Health Services (CAMHS)
- Funding for youth support services
- Customer Services Transformation
- Bowling fees
- Hiring of parks
- Clinical waste

9.6.2 The potential equality impact has been highlighted, alongside the actions to mitigate. In most instances, there has not been a differential impact noted on



groups with protected characteristics. However, proposals in respect of fairer contributions policy noted a differential impact on a number of Adult groups. Proposals in respect of CAMHS highlight a potential differential impact on those with disabilities, sexual orientation, gender, teenage parents and children in care. Proposals in respect of youth services raise concerns around the impact on people with disabilities. The implementation of these proposals will ensure that mitigating action is taken to address these concerns.

9.6.3 An analysis of the cumulative impact of the equality impact does not raise any additional concerns over an above those set out in the appendix.

## 9.7 Staffing implications and associated costs

9.7.1 The budget savings options set out in this report at **Appendix 2** have a number of implications in terms of staffing:

	2012/13	2012/13	2012/13	2013/14	2014/15
Service Area *	Proposed FTE Reduction at 31 March 2012	Employees At Risk at 3 Nov 2011 **	Employees At Risk at 17 Jan 2012 **	FTE Reduction	FTE Reduction
<b>Adult Social Services</b>	6.5	14	14	19.5	12
<b>Chief Executive**</b>	16.1	6	6	5.75	0
<b>Children's Service</b>	6.5	4	4	64	21
<b>Commercial Services</b>	12.5	33	30	2	2
<b>Corporate Governance</b>	2.0	1	1	4	3
<b>Deputy Chief Executive</b>	15.0	3	3	2.6	0
<b>EPR</b>	16.0	31	26	4	0
<b>Total</b>	<b>74.6</b>	<b>92</b>	<b>84</b>	<b>101.85</b>	<b>38.0</b>

\*There are a number of cross-cutting consolidation exercises in hand which may increase the number of employees at risk

\*\*Budget proposals include mid year savings, staff consultation for these will open mid year 2012/13 and are not included in these at risk figures

9.7.2 The above information is provided to enable the Cabinet to understand the full service delivery and financial implications of the budget proposals. All staffing related decisions are the sole responsibility of the General Functions Committee.

9.7.3 On 3 November 2011, General Functions Committee considered the staffing implications of the budget headlines, and agreed that subject to the completion of statutory consultation with staff and Trade Unions that the Assistant Director for HR be instructed to arrange with the respective Directors for redundancy letters to be issued to those employees who are to be made redundant as a result of this process.

## **Redundancy Consultation Process**

- 9.7.4 On 3 November 2011, the total number of staff at risk was estimated at 92 – currently there are 84. The Redundancy consultation process concludes on 3<sup>rd</sup> February 2012.
- 9.7.5 Where there were restructures required to deliver these savings then consultation has taken place on these changes during the 90 day period so that the restructures can be implemented by 31 March to ensure that full savings are achieved.
- 9.7.6 A council-wide staff Equalities Impact Assessment (EIA) has been undertaken and has looked at the Equality impacts at key milestones. The milestones are identification of those at risk: at the start of consultation; mid consultation; end of consultation and after completion of the process.
- 9.7.7 The outset EIA in the 3 November 2011 GFC report sets out the ‘at risk group’. This Group reflects those employees who are employed within those areas where budgets savings are being proposed. At mid consultation that had been no change in the ‘at risk group’ and no equality impacts had been identified through the collective or local consultation process, however the next key stage will be at the end of consultation as decisions are made about budget savings and the consequent decisions about employees selected for redundancy. To attempt to minimise the number of redundancies the council has a rigorous redeployment process to ensure that the maximum number of employees are redeployed into suitable alternative roles.

## **9.8 One Barnet programme**

- 9.8.1 Good progress has been made over the last year on projects within the One Barnet programme. The programme is investing £9.2m in projects that will deliver over £16m of base budget savings by 2014/15 and underpin the MTFs. Cumulative savings expected by 2019 total £120m. Other key points include:
- £5.8m of savings already delivered up to 2011/12;
  - Libraries review delivered;
  - Two procurements in progress (Development and Regulatory Services, Customer and Support Services) and one complete (Parking); and
  - Local Authority Trading Company has gone live on 1<sup>st</sup> February 2012 for in-house adult social care services.

## **Additional projects**

9.8.2 Through the business planning process, a number of future years savings have been identified which are dependent on projects and resource to enable them to be delivered. Savings total £12.1m by 2014/15 and are as follows:

- **Streetscene** – the Environment, Planning and Regeneration budget proposals include savings of £0.5m in 2013/14 and £1.0m in 2014/15 in respect of alternative service delivery in this area;
- **Health Integration and demand management** – savings totalling £7.6m from demand management, and £0.7m in respect of health integration have been included in budget proposals;
- **Early intervention** - £2.1m of savings in Children’s services are included in these proposals for 2013/14. This will be delivered through investment in early intervention and prevention;
- **Community Safety**; and
- **Strategic Review of Leisure** - £1.0m of savings included in these proposals for 2014/15.

9.8.3 Additional funding has been allocated within this report to fund these projects £5m has been allocated to the Transformation Reserve as set out 9.13. This will mean that a total of £28m of savings will have been delivered through the programme by 2015.

## **9.9 Council Tax**

9.9.1 As part of the Localism Bill the government has introduced new arrangements for council Tax setting. These include provisions for a referendum on excessive council tax increases. The government has indicated that the trigger is a 3.5% rise in order for it to be considered as excessive. In effect this means that council tax increases are capped at 3.5% for 2012/13. The council’s budget is based on a council tax freeze for 2012/13.

9.9.2 The detailed council tax base schedules are included in **Appendix 2**. Under delegated powers, the Chief Finance Officer has determined the 2012/13 taxbase to be 143,178 (Band D Equivalents) – the calculation is set out below:

Council taxbase	Band D Equivalent	
	2011/12	2012/13
Number of properties	161,645	162,698
Estimated discounts	(18,248)	(16,709)
Estimated other changes	(1,775)	(717)
<b>Total Relevant Amounts</b>	<b>141,622</b>	<b>145,272</b>
Estimated non-collection (1.5%)	(2,125)	(2,178)
Contribution on lieu of MoD	160	84
<b>Council tax base</b>	<b>139,657</b>	<b>143,178</b>

### Council Tax

9.9.3 The Localism Act requires Council approval of the council tax requirement (including formula grant) in place of budget requirement (excluding formula grant). This simplifies existing rules and does not affect council tax.

9.9.4 The calculation of the council tax for Barnet is set out below:

BUDGET	2011/2012 Original	2011/2012 Current	2012/2013 Original
	£	£	£
<b>Total Service Expenditure</b>	<b>284,329,571</b>	<b>284,329,571</b>	<b>280,857,570</b>
Contribution to / (from) Specific Reserves	3,996,192	6,546,192	11,140,180
<b>NET EXPENDITURE</b>	<b>288,325,763</b>	<b>290,875,763</b>	<b>291,997,750</b>
Other Grants	(33,354,200)	(35,904,200)	(41,977,000)
<b>BUDGET REQUIREMENT</b>	<b>254,971,563</b>	<b>254,971,563</b>	<b>250,020,750</b>
Formula Grant	(99,505,391)	(99,505,391)	(90,635,000)
Collection Fund Adjustments			
<b>BARNET'S ELEMENT OF COUNCIL TAX REQUIREMENT</b>	<b>155,466,172</b>	<b>155,466,172</b>	<b>159,385,750</b>
Council tax base	139,657	139,657	143,178
<b>Basic Amount of Tax</b>	<b>1,113.20</b>	<b>1,113.20</b>	<b>1,113.20</b>
<b>GLA Tax</b>	<b>309.82</b>	<b>309.82</b>	<b>306.72</b>
<b>Total Council Tax (Band D Equivalent)</b>	<b>1,423.02</b>	<b>1,423.02</b>	<b>1,419.92</b>

9.9.5 The GLA precept is £43,915,556 making the total estimated demand on the collection fund and council tax requirement £203,301,306.

London Borough of Barnet	£159,385,750
Greater London Authority	£43,915,556
<b>Total requirement for council tax</b>	<b>203,301,306</b>

9.9.6 The council is required to set levels of council tax for each category of dwelling. As there are no special items within Barnet's or the GLA's budgets affecting parts of the borough, there are only eight amounts of tax to set, as set out below:

<b>Council Tax Band</b>	<b>Barnet</b>	<b>GLA</b>	<b>Aggregate</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>A</b>	742.13	204.48	946.61
<b>B</b>	865.82	238.56	1104.38
<b>C</b>	989.51	272.64	1262.15
<b>D</b>	1113.20	306.72	1419.92
<b>E</b>	1360.58	374.88	1735.46
<b>F</b>	1607.96	443.04	2051.00
<b>G</b>	1855.33	511.20	2366.53
<b>H</b>	2226.40	613.44	2839.84

9.9.7 Individual council tax bills will reflect occupancy status with discounts for low occupancy (one or no adults) and exemptions for specific circumstances. In addition, some residents will be eligible for council tax benefit.

## 9.10 Capital Programme

9.10.1 The council's Capital Strategy and current programme are contained within **Appendix 4**. The strategy has been developed to underpin the Corporate Plan, Housing Strategy and Regeneration Strategy. It brings together the key priorities for capital investment, sets out the strategy for use of various funding

streams, and for the first time sets out a capital programme over a 5 year horizon.

9.10.2 The current programme (including 2011/12 spend and new approvals) is £362.473m from 2011/12 to 2016/17.

9.10.3 The priorities for capital investment are based around the following themes:

- **People** – the most important stakeholders for Barnet Council are local residents. The capital strategy focuses on capital investment plans that make a real difference to people. The most significant priorities are:
  - Investment in provision of **additional school places** (primary and secondary) **and education facilities** (such as the Pupil Referral Unit and special schools);
  - Investment in **disabled facilities adaptations** to support older people to live at home and maintain their independence.
  
- **Place** – the capital strategy must underpin the regeneration strategy and deliver its aspirations for Barnet as a place. The most significant priorities within this are:
  - Investment in **roads and pavements**; and
  - Investment in **infrastructure** to support the delivery of regeneration projects.

The **Infrastructure Delivery Plan** (IDP) responds to demographic change in Barnet up to 2026 and drives the council's prioritisation of investment in infrastructure. The population is expected to increase by 14% in the next 15 years. The IDP sets out the infrastructure required to support this growth. The high level of projected growth within a number of specific areas has strongly influenced how and where infrastructure such as open spaces, schools, leisure facilities and health centres is to be delivered.

The IDP sets out the funded capital infrastructure projects across Barnet, and where these are delivered by Barnet Council, these are reflected in the council's capital programme. The IDP also sets out unfunded infrastructure projects. The Community Infrastructure Levy is one source of funding designed to support these unfunded schemes.

Consideration will be given to using HRA funding (both existing capital funding), on strategic interventions to enable schemes to progress in accordance with the **regeneration strategy**.

- **Organisation** - alongside this, some funding needs to be set aside for essential projects to enable the council to fulfil its statutory duties and this is reflected in the programme. The most significant priorities within this are:
  - **Health and safety works** on council owned buildings;

- **Drainage** works;
- Investment in **equipment** to support services.

9.10.4 The capital programme is funded from a range of sources: developer contributions, government funding and internal resources (capital receipts and borrowing). The key elements of the funding strategy are as follows:

- The **Community Infrastructure Levy** and the **New Homes Bonus** will be set aside to fund infrastructure requirements in the borough;
- **Borrowing** will be used to support the programme with a limit of £10m per annum which is aligned to the MTFs. Barnet Council's level of borrowing is currently low, and the strategy is to keep this level below the London average;
- A target of £40m of **capital receipts** underpins the programme; and
- Consideration will be given to using HRA funding (both existing capital funding), on strategic interventions to enable schemes to progress in accordance with the **regeneration strategy**.

## 9.11 Treasury Management Strategy

9.11.1 The Treasury Management Strategy is included at **Appendix 5**. The strategy has been updated to reflect the following:

- The counterparty list and duration of investments has been revised in light of current economic uncertainty in both inside the Eurozone and elsewhere in the global economy, UK banks with an A- credit rating have been added to the counterparty list as they are systemically important to the UK economy and are covered by the UK government guarantee;
- The prudential indicators have been updated to reflect the council's capital programme; and
- The Strategy has been updated to reflect the latest forecasts for interest rates. Base rate is expected to remain at 0.5% for much of 2012/13, and therefore the assumptions in the budget strategy for interest receipts remain the same.
- The council is required to pay £103m to central government on 31<sup>st</sup> March 2012 to exit the HRA subsidy system. This will be funded from a combination of borrowing and internal balances.

9.11.2 Cabinet are asked to note the Treasury Management Strategy as set out in **Appendix 5** which will go to Council for approval.

## 9.12 Housing Revenue Account

### Introduction

9.12.1 The Local Government & Housing Act 1989 requires the Housing Revenue Account (HRA) to be maintained as a ring-fenced account and prescribed the debits and credits for it. Any surpluses generated from the HRA can be used to support the account when it fails to break even and for any one year a budget can be set such that there is a drawing on balances, but it is not permissible for an overall HRA budget deficit to be set. It is for the Council to determine what level of balances should be maintained. The quarter 3 monitoring position indicated that at 31 March 2011 the HRA balances were £4.2m, and forecast to be £6.1m at 31 March 2012.

### HRA self financing

9.12.2 From April 2012 the government is proposing to end the current housing subsidy system. This is based on provisions within the Localism Act.

9.12.3 Under the current system the council has had to make an annual payment to government (£12.2m in 2010/11) based on a notional calculation of our annual HRA surplus. From April 2012 councils will operate on a self financing basis, retaining all their rental income, ending the system of annual redistribution. The department for Communities and Local Government (CLG) has calculated the level of debt that it believes each council's HRA can bear. This calculation is largely based on the existing subsidy system, calculating notional costs and income associated with the management and maintenance of the stock over the next 30 years, discounting this back to a value in today's terms, which represents the level of debt considered affordable. Where the level of debt calculated using this methodology is higher than current housing debt, the council must make a one off payment at the end of March 2012. For Barnet, this figure is £102.6m.

9.12.4 The determination gives the following results for Barnet

<b>Key Outputs from the CLG model</b>	
Self financing implementation assumed	<b>April 2012</b>
Opening housing stock	<b>10,719</b>
Combined percentage uplift to allowances including allowance for disabled facilities grant	<b>16.98%</b>
Opening Debt Allocation (Valuation) (£'000)	<b>240,043</b>
Subsidy Capital Finance Requirement (£'000)	<b>137,462</b>
Debt taken on at settlement date (£'000)	<b>103,580</b>
Average debt per dwelling (£)	<b>22,395</b>

9.12.5 The calculation leaves the council in a more favourable position than under the existing subsidy system, due largely to an uplift in cost allowances of almost 17%. Crucially it gives the council an ability to set long term plans for the management and maintenance of its stock in a way that has not been possible under the existing annual redistributive system.



- 9.12.6 The council's ability to take on additional HRA debt is capped at the opening settlement level of £240.0m. The council's actual HRA debt is lower than the level assumed in the subsidy system. Therefore our starting debt in April 2012, following payment of the self financing settlement of £102.6m will be £201.3m. This leaves the council with £38.7m "headroom" which could be used to increase borrowing to finance additional housing projects.
- 9.12.7 Under the self financing proposals the government reserves the right to re-open the settlement in future, for example if there are major changes in government social housing policy.
- 9.12.8 The HRA business plan has been developed to reflect the self financing arrangements. The financial model sets out the income and expenditure relating the HRA over the next 30 years and allows the council to manage the debt finance. Details can be found in **Appendix 3**.

### **HRA Summary & Working Balance**

- 9.12.9 Total expenditure for 2012/13 is estimated at £58.7m, including charges for financing HRA debt under the self financing proposals and a contribution to the Major Repairs Reserve of £7.6m to fund new capital expenditure. The proposed average rent increase of 7.41% is estimated to raise an additional £3.3m after the effect of forecast reduction in property numbers is taken into account. Efficiency savings made by Barnet Homes have resulted in a reduction in the management fee of £0.35m for 2011/12 and £0.50m for 2012/13.
- 9.12.10 The HRA for 2012/13 shows a contribution to balances of £1.8m, after a contribution to Major Repairs Reserve of £7.6m. The estimated balance as at 31 March 2013 is £7.9m.

### **9.13 Robustness of the budget and assurance from Chief Financial Officer**

- 9.13.1 The Chief Finance Officer is required under section 25 of the Local Government Finance Act 2003 to report to the Council on the robustness of the estimates and the adequacy of reserves. The council's reserves and balances policy has been updated and is presented for approval at **Appendix 6**.

#### **Robustness of estimates**

- 9.13.2 The financial planning process for 2012/13 is the second year where planning has been undertaken in light of the spending review of autumn 2010. This has posed a significant challenge for all authorities to balance budgets with significant reductions in government support. Barnet Council has been committed to developing a 3 year rolling plan to deal with these challenges and this report sets this out.

- 9.13.3 The financial planning process has been managed at officer level through a cross-council finance and business planning group. This group has overseen the process for financial planning, including medium-term resource projections, the strategic context for the borough, the quantification of new pressures on resources, and the identification of potential budget savings. In recognition of the scale of the challenge facing the council, the One Barnet transformation programme has been a key element of the process and has been fully integrated into financial planning.
- 9.13.4 Budget monitoring during 2011/12 has highlighted projected overspending in the Environment, Planning and Regeneration Directorate. This is due to a number of factors which have been set out in monitoring reports to the Cabinet Resources Committee. For the most part, these represent the crystallisation of normal business financial risks, but, in addition to this, underlying issues within the budget of the Directorate have emerged. Firstly, previous reductions in staffing budgets have not been implemented in full, leading to a mismatch between the number of purportedly funded posts and actual budgets. Secondly, assumed fee levels have not been aligned correctly with levels of chargeable work. It has therefore been necessary to allocate an additional on-going sum of £0.75m to the Directorate budget to ensure that it reflects agreed levels of service activity. The interim Director of Environment, Planning and Regeneration has confirmed that this will allow a robust budget to be set.
- 9.13.5 Extensive consultation has taken place in respect of the budget proposals in general, and also in respect of specific planned changes. Consultation feedback has been taken into consideration as final proposals to the Council have been formulated.
- 9.13.6 At Member level, the Budget and Performance Scrutiny Committee has considered the financial planning process and made recommendations to the Cabinet. The Cabinet has given extensive informal and formal consideration to the financial planning process, including at formal meetings in July and November 2011.

9.13.7 In the view of the Chief Finance Officer, the proposed budget for 2012/13 is robust.

### **Adequacy of reserves**

- 9.13.8 The council's reserves and balances policy is set out at **Appendix 6**. The extreme constraint on the council's financial resources means that the core budget process is only able to reflect unavoidable increases in council expenditure. The council must, however, retain its ability to respond to the most urgent corporate priorities which do not come within this category. The policy therefore now contains provision for a service development reserve.

The policy sets out principles for the consideration of the level of general reserves. These principles have been addressed as follows:

- Strategic financial context: this report sets out the severe financial constraint under which the council is operating. The Autumn Statement has confirmed that significant further real-terms reductions in public expenditure will be necessary in the two years following the current spending review period. The government has also introduced referendums for 'excessive' council tax increases, and has set a benchmark of 3.5% for this. For the housing revenue account, the government has confirmed that the removal of the subsidy system will go ahead, increasing the autonomy and risk profile of managing council stock. The council's general fund budget plans propose expenditure reductions of £43.1m over the next three years, with planned council tax increases below the government's threshold in years two and three, and appropriate levels of contingency provision. The HRA budget plans are based on a prudent thirty-year business plan which shows reducing levels of debt;
- Governance arrangements: the annual governance statement for 2010/11 indicated that a robust governance framework is in place consistent with the six principles of the CIPFA/SOLACE framework. The key improvement areas identified for 2011/12 are being progressed satisfactorily;
- Robustness of the budget process: the above paragraph concludes that the budget-setting process has been robust;
- Effectiveness of risk management: risk management processes have continued to improve during 2011/12. The corporate risk register is attached at appendix 10, and service and corporate risks have been taken into account in budget-setting and in considering the adequacy of reserves;
- Effectiveness of budget management: the council has robust arrangements for managing budgets and performance. Close attention will continue to be paid to the implementation of agreed savings, with regular reporting to the Cabinet Resources Committee.

9.13.9 Having considered the application of the above principles, the Chief Finance Officer recommends:

- General fund general reserves of a minimum of £15m; and
- Housing revenue account general reserves of a minimum of £3m, increasing to a target minimum level of £5m over the medium term in recognition of planned increased local autonomy.

9.13.10 The latest position in respect of general reserves is as follows:

<b>General reserve</b>	<b>Mar-11</b>	<b>2011/12</b>	<b>Mar-12</b>	<b>2012/13</b>	<b>Mar-13</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
General fund	15.8	(0.8)	15.0	0.0	15.0
Housing revenue account	4.2	1.9	6.1	1.8	7.9

9.13.11 For specific reserves, the key issues are as follows:

- The favourable outcome of the Icelandic banks litigation means that the risk of non-priority status for local authority deposit-holders no longer pertains. Against this, however, the risks associated with the financial environment have significantly increased. The UK economy will not grow at the rate anticipated when the spending review 2010 was conducted, and the prospects are significantly threatened by the potential impact of problems in the eurozone. There is therefore a significant risk that government planned spending on local authorities could be further reduced. The risk reserve, reflecting all financial risks, will therefore be maintained at a level of £15m;
- The key council mitigation of financial risk in the One Barnet transformation programme. The costs of delivering the programme are funded from the transformation reserve and the reserve has been set at a level to enable a further round of projects;
- The temporary service reserve has been set at a level which balances resource constraint against the need to retain the capacity to respond to corporate priorities.

9.13.12 For specific reserves, the Chief Finance Officer has considered matters relevant to each reserve and advises the following planned levels:

Specific reserves	Mar-11	2011/12	Mar-12	Additions 2012/13	Mar-13
	£m	£m	£m	£m	£m
Risk	13.2	3.9	17.1	(2.1)	15.0
Transformation	9.4	(5.9)	3.5	5.1	8.6
PFI	3.6	(0.4)	3.2	0.0	3.2
Temporary Service development reserve	0.0	0.0	0.0	5.1	5.1
Infrastructure	0.0	1.5	1.5	3.0	4.5
Service Reserves	14.3	(10.3)	4.0	0.0	4.0
<b>Council total</b>	<b>40.5</b>	<b>(11.2)</b>	<b>29.3</b>	<b>11.1</b>	<b>40.4</b>
Schools reserves	14.7	2.8	17.5	0.0	17.5
<b>Total</b>	<b>55.2</b>	<b>(8.4)</b>	<b>46.8</b>	<b>11.1</b>	<b>57.9</b>

9.13.13 The council's arrangements for ensuring financial resilience have been assessed by external auditors during 2011/12 and have been found to be robust. This report was presented to the audit committee in December 2011.

## 10. LIST OF BACKGROUND PAPERS

10.1 None.

<b>Medium Term Financial Plan</b>	<b>2011/2012</b>	<b>2011/2012</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
	<b>Budget</b>	<b>Actual</b>				
<b>Budget brought forward</b>			<b>290,875</b>	<b>291,998</b>	<b>284,100</b>	
<b>Statutory/cost drivers</b>						
Inflation (pay )			873	1,198	1,210	
Inflation (non-pay)			3,007	3,057	3,057	
NLWA levy			(700)	2,229	1,804	
Capital financing costs			2,250	2,250	2,250	
<b>Statutory/cost drivers sub-total</b>			<b>5,430</b>	<b>8,734</b>	<b>8,321</b>	
<b>Central Expenses</b>						
CT Base - Long Term Empty Discounts				1,000		
Contingency (includes provision for Council Tax Benefit reduction)			1,331	1,775	4,721	
Concessionary Fares			605	1,000	1,000	
Full year effect of 2010/11 savings			(59)	(17)		
<b>Central Expenses sub-total</b>			<b>1,877</b>	<b>3,758</b>	<b>5,721</b>	
<b>Balances to/(from) reserves</b>						
Specific reserves contribution 2011/12	3,996	6,546	(6,546)			
Specific reserves contribution 2012/13			11,141	(11,141)		
Specific reserves contribution 2013/14				3,641	(3,641)	
<b>Reserves sub-total</b>			<b>4,595</b>	<b>(7,500)</b>	<b>(3,641)</b>	
<b>Total expenditure</b>	<b>288,325</b>	<b>290,875</b>	<b>302,777</b>	<b>296,990</b>	<b>294,501</b>	
<b>New Formula grant funding</b>						
New Formula Grant	99,505	99,505	90,635	89,291	82,872	
<b>New Formula grant sub-total</b>	<b>99,505</b>	<b>99,505</b>	<b>90,635</b>	<b>89,291</b>	<b>82,872</b>	
<b>Council Tax</b>						
Council tax	155,466	155,466	159,386	163,337	167,420	
Council Tax grant 11/12 Freeze	3,849	3,886	3,886	3,886	3,886	
Proposed Council Tax grant 12/13 Freeze			3,887			
<b>Core grants</b>						
Early intervention grant	13,171	13,229	14,499	12,540	12,214	
Homelessness grant	700	700	700	625	609	
PFI credit	2,235	2,235	2,235	2,235	2,235	
HB and CT Admin	2,960	2,960	2,813	2,643	2,574	
Learning disabilities	10,439	10,439	10,694	9,543	9,295	
New Homes Bonus		1,518	3,000	TBC	TBC	
Additional grant income (notified after Budget set in March 2011)		937	263			
<b>Other funding sub-total</b>	<b>188,820</b>	<b>191,370</b>	<b>201,363</b>	<b>194,809</b>	<b>198,233</b>	
<b>Total Income from grant and Council Tax</b>	<b>288,325</b>	<b>290,875</b>	<b>291,998</b>	<b>284,100</b>	<b>281,105</b>	
<b>Budget Gap before savings</b>	<b>(0)</b>	<b>(0)</b>	<b>10,779</b>	<b>12,890</b>	<b>13,396</b>	<b>37,065</b>
<b>Savings (proposed November budget report)</b>			<b>(13,301)</b>	<b>(14,440)</b>	<b>(15,340)</b>	<b>(43,081)</b>
<b>Agreed Pressures (March budget report)</b>			<b>800</b>	<b>800</b>	<b>0</b>	<b>1,600</b>
<b>Proposed Pressures (November budget report)</b>			<b>1,722</b>	<b>750</b>	<b>1,944</b>	<b>4,416</b>
<b>Budget Gap after savings</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## REVENUE BUDGET 2012/13

	2011/2012		2012/2013
	Original Estimate £	Current Estimate £	Original Estimate £
<b><u>Council Services</u></b>			
Adult Social Services	98,865,964	99,592,485	95,815,485
Central Expenses	62,912,470	54,958,470	63,143,470
Chief Executives' Services	10,558,297	11,338,151	9,621,150
Children's Service (net of Dedicated Schools Grant)	57,410,200	57,471,355	57,569,355
Commercial Services	14,633,180	16,249,180	14,363,180
Corporate Governance	5,938,680	6,055,680	5,858,680
Deputy Chief Executive	13,295,270	13,567,270	12,014,270
Environment Planning and Regeneration	26,638,230	31,130,950	29,367,950
Highways - Special Parking Account	(5,922,720)	(6,033,970)	(6,895,970)
<b>Total Service Expenditure</b>	<b>284,329,571</b>	<b>284,329,571</b>	<b>280,857,570</b>

# REVENUE BUDGET 2012/13

Appendix 2

	2011/2012		2012/2013
	Original Estimate £	Current Estimate £	Original Estimate £
<b>Total Service Expenditure</b>	<b>284,329,571</b>	<b>284,329,571</b>	<b>280,857,570</b>
Contribution to / (from) Specific Reserves	3,996,192	6,546,192	11,140,180
Contribution to / (from) Balances			
<b>NET EXPENDITURE</b>	<b>288,325,763</b>	<b>290,875,763</b>	<b>291,997,750</b>
Other Grants	(33,354,200)	(35,904,200)	(41,977,000)
<b>BUDGET REQUIREMENT</b>	<b>254,971,563</b>	<b>254,971,563</b>	<b>250,020,750</b>
Formula Grant	(99,505,391)	(99,505,391)	(90,635,000)
Collection Fund Adjustments		0	
<b>BARNET'S ELEMENT OF COUNCIL TAX REQUIREMENT</b>	<b>155,466,172</b>	<b>155,466,172</b>	<b>159,385,750</b>
Greater London Authority - Precept	43,268,532	43,268,532	43,915,556
<b>COUNCIL TAX REQUIREMENT</b>	<b>198,734,704</b>	<b>198,734,704</b>	<b>203,301,306</b>
Components of the Council Tax (Band D)	2011/2012	2012/2013	Increase
	£	£	
Mayors Office for Policing and Crime	225.31	233.46	3.62%
London Fire & Emergency Planning Authority	52.53	41.83	(20.37%)
Mayor, Administration, Transport for London, Olympic Games and Boroughs' Collection Fund balances.	31.98	31.43	(1.72%)
<b>Greater London Authority</b>	<b>309.82</b>	<b>306.72</b>	<b>(1.00%)</b>
<b>London Borough of Barnet</b>	<b>1,113.20</b>	<b>1,113.20</b>	<b>0.00%</b>
<b>Total</b>	<b>1,423.02</b>	<b>1,419.92</b>	<b>(0.22%)</b>



# REVENUE BUDGET 2012/13

## COUNCIL TAX SUMMARY

Council Tax Bands (based on property values @ 1 April 1991)	2011/12	2012/2013	Tax Yield
	£	£	£
[Up to £40,000]	948.68	946.61	1,688,601
[Over £40,000 & up to £52,000]	1,106.79	1,104.38	8,338,102
[Over £52,000 & up to £68,000]	1,264.91	1,262.15	28,666,115
[Over £68,000 & up to £88,000]	<u>1,423.02</u>	<u>1,419.92</u>	39,127,032
[Over £88,000 & up to £120,000]	1,739.25	1,735.46	46,216,098
[Over £120,000 & up to £160,000]	2,055.47	2,051.00	35,350,072
[Over £160,000 & up to £320,000]	2,371.70	2,366.53	33,741,701
[Over £320,000]	2,846.04	2,839.84	10,173,585
			203,301,306

## COUNCIL TAXBASE

	2011/12	2012/2013	
Council Taxbase	Band D Equivalents	Band D Equivalents	Income
Total properties (per Valuation List)	161,644	162,698	231,018,146
Exemptions	(4,439)	(3,816)	(5,418,415)
Disabled reductions	(121)	(117)	(166,131)
Discounts (10%, 25% & 50%)	(13,687)	(12,776)	(18,140,898)
Adjustments	(1,775)	(717)	(1,018,083)
Aggregate Relevant Amounts	141,622	145,272	206,274,619
Non-Collection (1.5% both years)	(2,125)	(2,178)	(3,092,586)
Contributions in lieu from MoD	160	84	119,273
	139,657	143,178	203,301,306

## 2012/13 Budget Summary and Forward Plan

Adult Social Services		2012/13	2013/14	2014/15
		£	£	£
Base Budget		98,865,964	95,815,485	92,671,485
Virements		726,521		
		<b>99,592,485</b>	<b>95,815,485</b>	<b>92,671,485</b>
<b>Efficiencies</b>				
Transport	To rationalise the transport costs across adults day care transport through merging routes and making better use of vehicles.	(55,000)		
E-recruitment	Savings will be generated in the service through use of the new electronic recruitment system.	(10,000)		
Social Work	Implementation of a 'New Social Work Model', which increases use of support planning outside of the Council and promotes people's own management of their own care arrangements through direct payments.		(450,000)	(250,000)
Commissioning & Transformation	Integrating similar functions across health and social care commissioning to reduce management costs and support joined up services.		(40,000)	
Integration across Council	Integrating similar functions across health and social care teams and provision to reduce management costs and deliver joined up services.		(300,000)	
Social Work - Long Term Conditions	Closer working with the NHS on long term conditions.	(40,000)	(40,000)	
Supporting People	Efficiencies through changing the way that the older people's supported housing service is delivered.	(150,000)		
Younger Adults - All Groups	Greater community and family involvement in supporting disabled people to lead ordinary lives.	(615,000)	(465,000)	
Learning & Development	Greater efficiencies in commissioning and provision of training and development opportunities for Adult Social Care.	(20,000)	(30,000)	
Strategic Commissioning and Supply Management	Reductions in back office transactional functions (Supply Management) through new ways of working.	(63,000)	(63,000)	
Transformation and Resources	Reductions in back office transactional functions (Financial Assessments) through new ways of working.	(16,000)	(16,000)	
Transformation and Resources	Reductions in back office transactional functions (Business Systems and Business Support) through new ways of working.	(91,000)	(110,000)	
Across Services	Reduction of Strategic Commissioning capacity as service users directly commission services through direct payments.			(318,000)

## 2012/13 Budget Summary and Forward Plan

Adult Social Services		2012/13	2013/14	2014/15
		£	£	£
All Services	Sharing services with other Local Authorities and therefore reducing management costs.		(300,000)	
Across Services	Efficiencies through joint procurement with the NHS for Continuing Health Care.	(200,000)		
Agatha House/ Supported Living Service	Reduction in management costs across the Barnet Supported Living Service and Agatha House through deregistration enabling integration into the supported living service.	(25,000)		
Community Mental Health Network	Rationalising facilities costs through the disposal of the Network site on Station Road.	(30,000)		
Equipment and Adaptations	Implementing a retail model for small pieces of equipment & adaptations service to reduce delivery and collection costs and give people more choice.	(100,000)		
Home & Community Support / Enablement	Retendering of electronic call monitoring service for vulnerable adults.	(30,000)		
Younger Adults - Learning Disabilities	Implementation of a national costing model for all Supported Living placements.	(200,000)	(100,000)	
Cross-Cutting Savings	Implementation of a national costing model for all younger adults residential care placements.	(670,000)	(168,000)	
Meals at Home	Re-tendering of Meals at Home contract.	(10,000)		
Cross-Cutting Savings	Working with providers to contain inflationary pressures.	(600,000)	(600,000)	
Older Adults - Residential & Nursing Provision	Reduction of 30 block residential beds to reflect falling admission rates into residential care and better use of the contract.	(300,000)	(700,000)	
Younger Adults: Physical Disabilities	Ensuring that Direct Payments promote independence.	(20,000)	(20,000)	
Younger Adults: Mental health	Enabling people to move from residential care into a home of their own with support.	(150,000)	(150,000)	
Older Adults and Younger Adults (all groups)	Additional savings related to Home & Community Support & Enablement services.	(130,000)		
Younger Adults: Learning Disabilities	A widespread revision of our Learning Disabilities service, including: - full integration of health and social care teams; - minimising the number of people placed outside of the borough; - implementing a new transport policy;			(1,900,000)

## 2012/13 Budget Summary and Forward Plan

Adult Social Services		2012/13	2013/14	2014/15
		£	£	£
Older Adults and Younger Adults (all groups)	Increased use of Telecare, Aids and Equipment to support the enablement process; provide a safe alternative to face to face support and support people to move from residential care back into the community.			(739,000)
Younger Adults: Physical and Sensory Impairments	Reduce spot purchasing of residential and nursing placements for people with physical or sensory impairments through better use of existing contracts and increased support in the home.			(200,000)
Older Adults	Development of a fracture service follow up, reducing home care placements resulting from hip and spine fractures.			(71,000)
Older Adults	Reduce short term use of residential placements while people are having their home adapted, or are being rehoused, following release from hospital.			(39,000)
Older Adults and Younger Adults (all groups)	Revision of our provision of equipment, in line with new retail model, following end of current contract.			(120,000)
Older Adults and Younger Adults (all groups)	Innovative use of housing options to reduce levels of social care need, taking advantage of changes to the HRA.			(200,000)
Younger Adults: Mental Health	Achievement of lower unit costs from specialist Mental Health providers.			(290,000)
Older Adults and Younger Adults (all groups)	Smarter procurement, delivered through better use of data, improved contracts, lean approach to care sourcing and improved scrutiny of areas of high spend.			(200,000)
Older Adults and Younger Adults (all groups)	Introduction of 'adult placement' and 'shared lives' schemes into the borough, decreasing need for residential care.			(330,000)
Older Adults and Younger Adults (all groups)	Concessionary Travel savings through centralised assessment and implementation of transport policy.			(241,000)
Younger Adults: Mental Health	Rebalancing the Section 75 agreement with Barnet, Enfield and Harringey Mental Health Trust to ensure that we are receiving value for money for our contribution of staffing resources.			(180,000)
Older Adults	A review of cases to ensure that we are no longer providing services to meet outcomes which have been achieved or needs which have been resolved.			(20,000)
Older Adults and Younger Adults (all groups)	Greater use of direct payments for home care packages to deliver better value for money.			(54,000)
Older Adults and Younger Adults (all groups)	Reviewing people's homes for potential adaptation to avoid admission into residential care.			(400,000)

## 2012/13 Budget Summary and Forward Plan

Adult Social Services		2012/13	2013/14	2014/15
		£	£	£
Younger Adults: Learning Disabilities	Introduction of 'key ring' schemes to the borough to reduce housing related support spend for people with a learning disability.			(125,000)
		<b>(3,525,000)</b>	<b>(3,552,000)</b>	<b>(5,677,000)</b>
<b>Service Reductions</b>				
Supporting People	Annual savings levied on supporting people contracts.	(210,000)	(210,000)	
Supporting People	Reduction of the contract value for Generic Floating Support (flexible support to allow people to live independently in their own accomodation)	(132,000)	(132,000)	
Third Sector	Delivering efficiencies and reducing costs through the voluntary sector working together.	(550,000)		
Younger Adults - Mental Health -	Better use of Mental health day opportunities.	(8,000)		
Drugs & Alcohol Service	Greater use of non residential rehab placements for people with substance misuse.	(20,000)	(10,000)	
		<b>(920,000)</b>	<b>(352,000)</b>	<b>0</b>
<b>Income</b>				
Revenue Income Optimisation	Make all community services chargeable through implementation of a new fairer contributions policy based on ability to pay.	(212,000)	(40,000)	
Transport	Charge higher rate Disability Living Allowance (mobility element) recipients for transport we provide them.			(27,000)
		<b>(212,000)</b>	<b>(40,000)</b>	<b>(27,000)</b>
<b>Pressures</b>				
	Demographics pressures due to increase in those with social care needs especially those with Learning Disabilities and Older Adults including dementia.	800,000	800,000	1,194,000
		<b>800,000</b>	<b>800,000</b>	<b>1,194,000</b>
<b>Invest to Save</b>				
To achieve Saving.	Investment in a Social Workers and a Nurse to move clients back to the Borough.	80,000		
		<b>80,000</b>	<b>0</b>	<b>0</b>
<b>Budget</b>		<b>95,815,485</b>	<b>92,671,485</b>	<b>88,161,485</b>

<b>Adults Social Services</b>
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<b>Cost Centre</b>			<b>Original Estimate 2011/12</b>	<b>Current Estimate 2011/12</b>	<b>Original Estimate 2012/13</b>
Older Adults & Physical Disabilities	Care Service Delivery	Access	2,062,476	1,746,710	1,746,710
		Barnet Independent Living Services	498,571	499,871	494,351
		Complex Planning & Ongoing Support	2,265,754	2,242,459	2,202,459
		Direct Payments	5,219,327	6,214,277	6,088,277
		Divisional Management & Support	522,144	563,100	563,100
		Enablement and Rehabilitation	846,690	870,170	870,170
		Externally Purchased Services	31,657,324	31,841,808	30,491,178
		Other Services	410,192	376,192	370,192
		<b>Older Adults &amp; Physical Disabilities Total</b>			<b>43,482,478</b>
Learning Disabilities	Care Service Delivery	Assessment & Care Management	963,747	1,008,747	1,088,747
		Direct Payments	1,238,480	1,807,020	1,807,020
		Externally Purchased Services	27,702,919	27,111,575	26,337,725
		In House Services	4,721,169	4,738,939	4,674,479
<b>Learning Disabilities Total</b>			<b>34,626,315</b>	<b>34,666,281</b>	<b>33,907,971</b>
Mental Health	Care Service Delivery	Assessment & Care Management	299,061	299,061	289,061
		Direct Payments	171,405	147,405	147,405
		Externally Purchased Services	3,585,383	4,162,733	4,018,193
		Mental Health Trust Partnership	2,136,649	2,132,989	2,106,649
		Other Services	573,141	570,801	553,141
<b>Mental Health Total</b>			<b>6,765,639</b>	<b>7,312,989</b>	<b>7,114,449</b>
Strategic Commissioning, Supply Management & Transformation & Resources	Strategic Commissioning, Supply Management & Transformation & Resources	Business Improvement	1,202,474	1,224,474	1,133,474
		Campus Re-provisioning	886,867	886,867	886,867
		Customer Financial Affairs	466,596	661,466	604,466
		Divisional Management & Support	608,202	707,877	707,297
		Strategic Commissioning	3,214,418	3,490,798	2,981,568
		Supply Management	1,617,699	1,055,159	973,159
		Supporting People	5,373,048	4,439,569	3,947,569
		Training & Workforce Development	219,428	219,428	199,428
		Transformation	402,800	572,990	532,800
		<b>Strategic Commissioning, Supply Management &amp; Transformation &amp; Resources Total</b>			<b>13,991,532</b>
<b>Grand Total</b>			<b>98,865,964</b>	<b>99,592,485</b>	<b>95,815,485</b>

<b>Adults Social Services</b>
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<b>Subjective Analysis</b>	<b>Original Estimate 2011/12</b>	<b>Current Estimate 2011/12</b>	<b>Original Estimate 2012/13</b>
* Employee Related	19,199,450	19,213,545	18,843,185
* Premises Related	270,125	243,125	270,125
* Transport Related	1,206,101	1,206,101	1,151,101
* Supplies and Services	12,216,184	11,698,700	10,935,520
* Third Party Payments	74,067,471	76,885,411	73,325,961
* Transfer Payments	5,247,222	5,188,222	5,168,222
* Capital Financing Costs	(98,935)	(98,935)	(98,935)
** Expenditure Total	112,107,618	114,336,169	109,595,179
* Other Grants, Reimbursements & Contribs	(3,492,274)	(4,560,764)	(3,490,774)
* Customer & Client Receipts	(9,749,380)	(10,182,920)	(10,288,920)
** Income Total	(13,241,654)	(14,743,684)	(13,779,694)
*** <b>Total</b>	<b>98,865,964</b>	<b>99,592,485</b>	<b>95,815,485</b>

## 2012/13 Budget Summary and Forward Plan

Central Expenses		2012/13	2013/14	2014/15
		£	£	£
Base Budget		62,912,470	63,143,470	63,126,470
Virements		(7,076,000)		
		<b>55,836,470</b>	<b>63,143,470</b>	<b>63,126,470</b>
<b>Full Year Effects</b>				
Contingency	2010/11 Invest to save - Pericles Systems	(59,000)	(17,000)	
		<b>(59,000)</b>	<b>(17,000)</b>	<b>0</b>
<b>Pressures</b>				
Levies	North London Waste Authority Levy. Decrease in levy due to use of NWLA reserves	(700,000)		
Contingency	General Provision for inflation	3,880,000		
Contingency	Provision for a reduction in the council tax benefit subsidy due to the changes in the benefit scheme	1,331,000		
Capital Financing	Increase in capital financing costs resulting from capital programme commitments.	2,250,000		
Levies	Increase in concessionary fares levy due to the increase in the cost of travel by TFL	605,000		
		<b>7,366,000</b>	<b>0</b>	<b>0</b>
<b>Budget</b>		<b>63,143,470</b>	<b>63,126,470</b>	<b>63,126,470</b>



<b>Central Expenses</b>
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Cost Centre	Original Estimate 2011/12	Current Estimate 2011/12	Original Estimate 2012/13
Corporate Subscriptions	314,220	314,220	314,220
Levies	27,926,050	27,926,050	27,831,050
Central Contingency	9,199,190	3,245,190	9,275,190
Rate Relief	433,300	433,300	433,300
Capital Financing	17,218,670	17,218,670	19,468,670
Early Retirement(NT)	4,820,380	2,820,380	2,820,380
Corporate Fees & Charges	798,940	798,940	798,940
Car Leasing	2,210	2,210	2,210
Early Retirement Costs Teachers	2,183,340	2,183,340	2,183,340
Miscellaneous Finance	16,170	16,170	16,170
<b>* Total</b>	<b>62,912,470</b>	<b>54,958,470</b>	<b>63,143,470</b>

Subjective Analysis	Original Estimate 2011/12	Current Estimate 2011/12	Original Estimate 2012/13
* Employee Related	5,739,680	3,739,680	3,739,680
* Premises Related	829,490	829,490	829,490
* Transport Related	2,210	2,210	2,210
* Supplies and Services	1,736,140	1,736,140	1,736,140
* Third Party Payments	28,091,880	28,091,880	27,996,880
* Transfer Payments	431,180	431,180	431,180
* Capital Charges	0	0	0
* Capital Financing Costs	27,224,100	21,270,100	29,550,100
* Secondary Recharges	0	0	0
** Expenditure Total	64,054,680	56,100,680	64,285,680
* Government Grants	0	0	0
* Other Grants, Reimbursements & Contribs	(18,130)	(18,130)	(18,130)
* Customer & Client Receipts	176,040	176,040	176,040
* Interest	(1,300,120)	(1,300,120)	(1,300,120)
** Income Total	(1,142,210)	(1,142,210)	(1,142,210)
<b>*** Total</b>	<b>62,912,470</b>	<b>54,958,470</b>	<b>63,143,470</b>

## Revenue Budget 2012/13

<b>CENTRAL EXPENSES</b>			
<b>Levies</b>	<b>Original Estimate 2011/12</b>	<b>Current Estimate 2011/12</b>	<b>Original Estimate 2012/13</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<u>Other Establishments - Third part Payments</u>			
Thames 21	5,520	5,520	0
Probation Service - Justices of the Peace	850	850	0
Environment Agency	280,730	280,730	280,730
Lea Valley Regional Park	428,350	428,350	428,350
London Pension Funds	787,000	787,000	787,000
Traffic Control Signals Unit	437,760	437,760	479,400
Concessionary Fares	14,362,280	14,362,280	14,967,280
	<b>16,302,490</b>	<b>16,302,490</b>	<b>16,942,760</b>
<u>Joint Authorities - Third Party Payments</u>			
North London Waste Authority	10,247,080	10,247,080	9,458,800
Coroners Court	230,990	230,990	284,000
	<b>10,478,070</b>	<b>10,478,070</b>	<b>9,742,800</b>
<u>Other Local Authorities - Third Party</u>			
London Boroughs Grants	1,145,490	1,145,490	1,145,490
<b>Total Levies</b>	<b>27,926,050</b>	<b>27,926,050</b>	<b>27,831,050</b>

## 2012/13 Budget Summary and Forward Plan

Chief Executive Services		2012/13	2013/14	2014/15
		£	£	£
Base Budget		10,558,296	9,621,150	8,826,150
Virements		690,854		
		<b>11,249,150</b>	<b>9,621,150</b>	<b>8,826,150</b>
<b>Efficiencies</b>				
Customer Service Transformation	Customer Service Organisation Programme - consolidation of telephone contact staff and technology into a single service and encouraging significant increase in use of the web for customer contact.	(220,000)		
Customer Service Transformation	Saving from re-engineering customer-facing services as part of Customer Service Transformation programme.	(260,000)		
Customer Services	Reduction in security at Burnt Oak.	(20,000)		
Customer Service Transformation	Consolidation of management roles as a result of customer service consolidation and subsequent procurement.	(120,000)		
Libraries	Implementation of RFID self-service in all sites (for book loans and issues).	(60,000)	(60,000)	
Libraries	Implementation of volunteering programme.		(130,000)	
Libraries	Shared services partnership. To consider options to work with another local authority, including a review of the home and mobile library service, schools library service, and provision of online resources.	(25,000)	(25,000)	
Libraries	Shared services partnership phase two - review options to share services between local authorities.		(250,000)	
Libraries	Delivery of library strategy - cessation of LBB run library within Hampstead Garden Suburb.	(85,000)		
Libraries	Delivery of library strategy - creation of Grahame Park library as a link library.			(75,000)
Libraries	Delivery of library strategy - creation of Child's Hill library as a link library.		(60,000)	
Libraries	Creation of new landmark library in Arts Depot.	(100,000)	(100,000)	
Strategy Team	Reorganisation of performance and business management functions	(125,000)		
Customer services	Reduction in external advertising.			
Registration & Nationality Team	Staff saving from relocation of registry office.	(50,000)		
E-recruitment	Savings will be generated in the service through use of the new electronic recruitment system.	(1,000)		

## 2012/13 Budget Summary and Forward Plan

Chief Executive Services		2012/13	2013/14	2014/15
		£	£	£
Strategy Team - Web Manager	Web Manager left in Aug 11 - will not replace	(30,000)		
Policy Team	Supplies and services.	(2,000)		
Strategy Team - performance unit subscriptions	Cut annual subscription to CIPFA.	(8,000)		
Third sector commissioning	Recharge from London Levy reduction to support reprofile of library strategy implementation following consultation and to make time for community bids to be fully considered. To be reimbursed in 2013/14.	(199,000)	200,000	
Across Service	Senior Management Restructure.	(100,000)	(200,000)	(270,000)
		<b>(1,405,000)</b>	<b>(625,000)</b>	<b>(345,000)</b>
<b>Service Reductions</b>				
Libraries	Achieving savings from withdrawal of Museums funding which took effect 1 April 2011.	(60,000)	(20,000)	
Third sector commissioning	Reduction in funding for the Arts preventative programme.	(8,000)	(8,000)	
Third sector commissioning	Reduce Community Barnet core funding.	(7,000)	(10,000)	
Third sector commissioning	Refocus community advice services to greater target need.	(64,000)	(57,000)	
		<b>(139,000)</b>	<b>(95,000)</b>	<b>0</b>
<b>Income</b>				
Revenue Income Optimisation	Implementation of Revenue Income Optimisation project.	(30,000)	(30,000)	
Revenue Income Optimisation	Development of Settlement Checking Service (i.e. indefinite leave to remain).	(4,000)		
Registration & Nationality Team	Increase wedding income.	(10,000)		
Libraries	Increasing use of community rooms and partners sharing library buildings.	(20,000)	(25,000)	
Libraries	Increasing fees and charges, using vending machines, selling merchandise.	(20,000)	(20,000)	
		<b>(84,000)</b>	<b>(75,000)</b>	<b>0</b>
<b>Budget</b>		<b>9,621,150</b>	<b>8,826,150</b>	<b>8,481,150</b>

<b>Chief Executive Services</b>
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<b>Cost Centre</b>	<b>Original Estimate 2011/12</b>	<b>Current Estimate 2011/12</b>	<b>Original Estimate 2012/13</b>
**** Assistant Chief Executive	2,854,561	3,125,241	2,681,241
**** Customer Services, Libraries and Registration	7,051,515	7,610,689	6,387,689
**** Strategic Directors'	652,220	602,220	552,220
***** <b>Total</b>	<b>10,558,296</b>	<b>11,338,150</b>	<b>9,621,150</b>

<b>Subjective Analysis</b>	<b>Original Estimate 2011/12</b>	<b>Current Estimate 2011/12</b>	<b>Original Estimate 2012/13</b>
* Employee Related	8,385,612	8,898,246	7,684,476
* Premises Related	1,022,070	1,024,070	955,860
* Transport Related	183,290	184,550	183,560
* Supplies and Services	2,541,004	2,904,484	2,445,674
* Capital Financing Costs	(15,000)	(15,000)	(15,000)
* Secondary Recharges	(247,620)	(247,620)	(247,620)
** Expenditure Total	11,869,356	12,748,730	11,006,950
* Other Grants, Reimbursements & Contribs	(64,370)	(152,870)	(64,370)
* Customer & Client Receipts	(1,246,690)	(1,257,710)	(1,321,430)
** Income Total	(1,311,060)	(1,410,580)	(1,385,800)
*** <b>Total</b>	<b>10,558,296</b>	<b>11,338,150</b>	<b>9,621,150</b>

## 2012/13 Budget Summary and Forward Plan

Children's Services		2012/13	2013/14	2014/15
		£	£	£
Base Budget		57,410,200	57,569,355	53,766,355
Virements		61,155		
		<b>57,471,355</b>	<b>57,569,355</b>	<b>53,766,355</b>
<b>Efficiencies</b>				
Transport	Transport for pupils with Special Educational Need.	(27,000)		
E-recruitment	Savings will be generated in the service through use of the new electronic recruitment system.	(20,000)		
Early Intervention & Prevention	Invest in early intervention and prevention services to save on the use of high end, high cost acute services.		(2,180,000)	
Workforce development, communications, performance and administration	Restructure and reduce workforce development, communications, performance and administration support functions.	(100,000)	(100,000)	(100,000)
Pupil Referral Units	Reshape provision for children excluded from school.		(250,000)	
Schools and Learning (1)	Reshape support for the school improvement service.	(37,000)	(13,000)	
Children's Social Care	Reduce social care learning and development budget.			(50,000)
Early Intervention & Prevention	Achieve efficiencies within the Family Support service by reducing management capacity when the service is fully established.			(300,000)
High cost services for children in care and children with Special Educational Need (transport)	Achieve efficiencies within placements and transport costs for children in care and children with Special Educational Need through improved commissioning and re-modelling of placement and transport provision.			(1,400,000)
Complex needs (including special educational needs)	Achieve efficiencies through delegating funding to families via personalised budgets.			(80,000)
Disabled Children's Service	Reduce costs through effective early intervention and prevention services to save on the use of high end, high cost acute services.		(280,000)	
Service Management	Achieve efficiencies through jointly procuring, commissioning and/or delivering services with other public sector providers or other organisations.			(300,000)
		<b>(184,000)</b>	<b>(2,823,000)</b>	<b>(2,230,000)</b>

## 2012/13 Budget Summary and Forward Plan

Children's Services		2012/13	2013/14	2014/15
		£	£	£
<b>Service Reductions</b>				
Youth Offer (a)	Further reduce financial support for youth related services, activities and commissioning budgets.	(500,000)		
Youth Offer (b)	Further reductions in youth services in 2013/14, retaining capacity to deliver only statutory provision.		(958,000)	
Behavioural and High Incidence support and educational psychology	Reduce educational psychology service to further focus on the delivery of statutory responsibilities only, reducing individual work with children, training and support for schools and teachers.		(233,000)	
Child and Adolescent Mental Health Service	Reduce contribution to Child and Adolescent Mental Health commissioning budget for treatments and interventions for children experiencing poor emotional and mental health.	(100,000)		
Schools and Learning; 14-19 curriculum	Further reshape/reduce of 14-19 curriculum team.		(90,000)	
Substance misuse	Cease commissioning of services for supporting and preventing substance misuse.		(150,000)	
Children's Social Care (a)	Reduce support for Children in Care provided to support their educational achievement and to promote good health and healthy lifestyles.	(100,000)		
Children's Social Care (b)	Review and reduce adoption allowances for new children placed for adoption. Review and reduce clothing and holiday expenses for children coming into care.	(110,000)		
Children's Social Care (c)	Cease specialist social work services for children and young people with emotional and mental health needs.		(249,000)	
Children's centres	Further reconfigure childrens' centre services.			(500,000)
Commissioned services for vulnerable children and families	Reduce commissioning budgets for short breaks and respite care, domestic violence services, early intervention and prevention services and youth homelessness.			(800,000)
Schools and Learning (2)	Reduce school challenge and support service.			(120,000)
Schools and Learning (3)	Reduce the education welfare service for primary aged children (dependent on schools converting to Academy status and no longer requiring the service).			(200,000)
		<b>(810,000)</b>	<b>(1,680,000)</b>	<b>(1,620,000)</b>

## 2012/13 Budget Summary and Forward Plan

Children's Services		2012/13	2013/14	2014/15
		£	£	£
<b>Income</b>				
Increase fees and charges	Increase existing fees and charges across children's service.	(50,000)	(50,000)	(50,000)
		<b>(50,000)</b>	<b>(50,000)</b>	<b>(50,000)</b>
<b>Pressures</b>				
Demand led statutory and targeted services (e.g. children in care, child protection, disabled children, youth offending, family support)	Placement costs for individual children, commissioned services to providing targeted services for vulnerable children.	750,000	750,000	750,000
Early education for 2 year olds	Statutory provision of free entitlement to free early education to 2 year olds	392,000		
		<b>1,142,000</b>	<b>750,000</b>	<b>750,000</b>
<b>Budget</b>		<b>57,569,355</b>	<b>53,766,355</b>	<b>50,616,355</b>



Children's Service - General Fund			
Profit center	2011/12 Original Estimate	2011/12 Current Estimate	2012/13 Original Estimate
*** Children's Service Management Team	793,190	797,860	778,120
**** <b>Children's Service Management</b>	<b>793,190</b>	<b>797,860</b>	<b>778,120</b>
*** Children's Social Care Management	2,784,170	2,402,659	2,684,870
*** Children In Care	19,879,860	20,463,604	20,919,938
*** Children In Need	4,189,060	4,231,737	4,113,580
**** <b>Children's Social Care</b>	<b>26,853,090</b>	<b>27,098,000</b>	<b>27,718,388</b>
*** Schools & Learning Management	996,790	1,173,070	1,131,220
*** 14 - 19 Education	427,670	230,830	230,830
*** Admissions	140,830	140,830	140,830
*** Schools & Early Years	280,900	163,640	163,640
*** Schools Attendance	607,920	362,190	362,190
*** Other Services to Schools	(31,020)	9,930	(17,118)
**** <b>Schools &amp; Learning</b>	<b>2,423,090</b>	<b>2,080,490</b>	<b>2,011,592</b>
*** Partnerships & Safeguarding Management	2,047,050	955,050	855,050
*** Safeguarding	1,085,890	1,122,218	1,084,160
*** EIPS	9,168,875	8,887,616	9,284,586
*** Intergrated Youth & Play Service	3,886,915	5,089,445	4,511,705
*** Access to Learning	407,000	735,250	735,250
*** Complex Needs	8,937,200	8,938,950	8,903,260
**** <b>Partnerships &amp; Safeguarding 25,532,930</b>		<b>25,728,529</b>	<b>25,374,011</b>
*** Policy, Performance & Planning Management	17,730	32,540	19,840
*** Children's Service Finance	257,310	289,080	229,450
*** Performance, Communications, Strategy & Planning	918,720	738,555	761,575
*** Schools Catering	(208,330)	(208,330)	(223,452)
*** Workforce Development	989,240	1,017,240	1,002,440
**** <b>Policy Performance &amp; Planning</b>	<b>1,974,670</b>	<b>1,869,085</b>	<b>1,789,853</b>
***** <b>Total Children's Service General Fund</b>	<b>57,576,970</b>	<b>57,573,964</b>	<b>57,671,964</b>

<b>Children's Service - Schools Budget</b>			
<b>Profit center</b>	<b>2011/12 Original Estimate</b>	<b>2011/12 Current Estimate</b>	<b>2012/13 Original Estimate</b>
*** Children's Service Management Team	171,580	171,580	171,580
<b>**** Children's Service Management DSG</b>	<b>171,580</b>	<b>171,580</b>	<b>171,580</b>
*** Children in Care DSG	395,900	426,900	395,900
<b>**** Children's Social Care DSG</b>	<b>395,900</b>	<b>426,900</b>	<b>395,900</b>
*** Admissions DSG	436,590	476,590	436,590
*** Schools & Early Years DSG	406,450	406,450	406,450
*** Schools Forum DSG	34,680	34,680	34,680
*** Short Stay Schools DSG	1,513,650	1,681,490	1,681,490
*** Schools & Learning Management DSG	337,830	589,260	594,110
<b>**** Schools &amp; Learning DSG</b>	<b>2,729,200</b>	<b>3,188,470</b>	<b>3,153,320</b>
*** EIP DSG	6,181,080	6,315,522	6,181,078
*** Access to Learning DSG	685,900	351,940	351,940
*** Complex Needs DSG	11,677,380	13,006,935	12,614,838
<b>**** Partnerships &amp; Safeguarding DSG</b>	<b>18,544,360</b>	<b>19,674,397</b>	<b>19,147,856</b>
*** Children's Service Finance DSG	1,483,700	1,705,670	1,841,731
*** Performance, Communications, Strategy & Planning DSG	223,960	224,390	179,560
<b>**** Policy Performance &amp; Planning DSG</b>	<b>1,707,660</b>	<b>1,930,060</b>	<b>2,021,291</b>
<b>**** Schools Funding DSG</b>	<b>225,240,440</b>	<b>194,540,551</b>	<b>168,264,960</b>
<b>**** Dedicated Schools Grant DSG</b>	<b>(248,955,910)</b>	<b>(220,034,567)</b>	<b>(193,257,516)</b>
<b>**** Total Schools Budget</b>	<b>(166,770)</b>	<b>(102,609)</b>	<b>(102,609)</b>
<b>***** Total Children's Service</b>	<b>57,410,200</b>	<b>57,471,355</b>	<b>57,569,355</b>

## Notes:

"Dedicated Schools Grant" is a grant paid to a local authority by the Secretary of State under section 14 of the 2002Act. The grant will be paid as a ring fenced specific grant and must be used in support of the Schools Budget.

The amounts per pupil underpinning the overall grant allocation are set by government each year in advance but the pupil numbers are estimated as at January. the actual grant will be notified in June, based on the actual pupil level school census.

The school library service is also funded from the schools budget and this is incorporated in the Chief Executive's budget along with additional insurance budget which are held within central expenses.

DSG figure shown is an estimate based on pupil numbers at the November census. It is also shown net of recoupment for academies anticipated to convert in 2012/13.

<b>Childrens Services - General Fund</b>
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Subjective Analysis	Original Estimate 2011/12	Current Estimate 2011/12	Original Estimate 2012/13
* Employee Related	31,176,550	33,360,274	32,154,671
* Premises Related	655,880	554,240	524,830
* Transport Related	3,904,340	3,932,723	3,905,663
* Supplies and Services	12,342,740	10,983,232	10,859,138
* Third Party Payments	17,544,360	17,454,189	17,246,809
* Transfer Payments	4,247,080	3,451,036	4,380,250
* Secondary Recharges	303,190	303,190	303,190
** Expenditure Total	70,174,140	70,038,884	69,374,551
* Government Grants	(819,350)	(1,685,320)	(1,043,010)
* Other Grants, Reimbursements & Contribs	(1,059,220)	(1,075,042)	(906,072)
* Customer & Client Receipts	(10,718,600)	(9,704,558)	(9,753,505)
** Income Total	(12,597,170)	(12,464,920)	(11,702,587)
*** Total	57,576,970	57,573,964	57,671,964

<b>Childrens Services - Schools Budget</b>
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Subjective Analysis	Original Estimate 2011/12	Current Estimate 2011/12	Original Estimate 2012/13
* Employee Related	6,953,060	7,827,488	6,675,208
* Premises Related	39,800	24,780	38,560
* Transport Related	477,580	490,740	490,790
* Supplies and Services	745,380	1,136,572	1,368,508
* Third Party Payments	18,446,880	19,420,748	19,442,560
* Transfer Payments	249,412,800	214,943,757	224,311,676
** Expenditure Total	276,075,500	243,844,085	252,327,302
* Government Grants	(274,517,780)	(242,312,804)	(250,780,861)
* Other Grants, Reimbursements & Contribs	(1,690,570)	(1,626,390)	(1,626,390)
* Customer & Client Receipts	(33,920)	(7,500)	(22,660)
** Income Total	(276,242,270)	(243,946,694)	(252,429,911)
*** Total	(166,770)	(102,609)	(102,609)

***** Total Children's Service	57,410,200	57,471,355	57,569,355
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## 2012/13 Budget Summary and Forward Plan

Commercial Services		2012/13	2013/14	2014/15
		£	£	£
Base Budget		14,633,180	14,363,180	13,144,180
Virements		1,721,000		
		<b>16,354,180</b>	<b>14,363,180</b>	<b>13,144,180</b>
<b>Efficiencies</b>				
IS - New Support Organisation	Alternative Service delivery model savings (IS savings from NSCSO business case Jan 2013-).	(278,000)	(502,000)	(81,000)
IS	Further review of contracts and supplier costs on consolidation (IS).	(20,000)		
IS	IS Transformation - contract renegotiation.	(20,000)		
IS	IS Transformation - IS restructure (excludes NSCSO consolidation; includes libraries staff consolidation).	(175,000)		
IS	IS Transformation - Reduced contract costs	(150,000)		
IS	IS Transformation - Reduced supplier costs.	(95,000)		
IS	IS Transformation - Reduced software licensing costs.	(76,000)		
IS	IS Training budget reduction.	(50,000)		
E-recruitment	Savings will be generated in the service through use of the new electronic recruitment system.	(2,000)		
Procurement	Review of Council contracts.	(440,000)		
Procurement - New Support Organisation	Transactional Procurement transformation.	(28,000)	(84,000)	
Estates - New Support Organisation	Transformation of the Estates Service.	(146,000)	(393,000)	
Estates	Reduction in costs of maintaining properties pending sale.	(120,000)	(120,000)	
Estates - FM	Stepped reduction in the number of Custodians.	(50,000)	(50,000)	(50,000)
Estates - Mill Hill depot	Savings in Facilities Management and Security from relocation of depot.	(10,000)	(60,000)	(10,000)
Estates - Property Services	Property Services - increased charging to services and projects	(10,000)	(10,000)	
Estates- Public offices	Public Offices Accommodation review.			(1,100,000)
Estates- Print & document centre	Establishment reduction plus change in service delivery.	(54,000)		

## 2012/13 Budget Summary and Forward Plan

<b>Commercial Services</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Estates- Property services and Facilities management Establishment reduction.	(97,000)		
	<b>(1,821,000)</b>	<b>(1,219,000)</b>	<b>(1,241,000)</b>
<b>Income</b>			
Estates - Public offices Office consolidation	(170,000)		
	<b>(170,000)</b>	<b>0</b>	<b>0</b>
<b>Budget</b>	<b>14,363,180</b>	<b>13,144,180</b>	<b>11,903,180</b>

<b>Commercial Services</b>
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<b>Cost Centre</b>	<b>Original Estimate 2011/12</b>	<b>Current Estimate 2011/12</b>	<b>Original Estimate 2012/13</b>
*** Commercial Management Team	0	436,000	436,000
*** Commercial Assurance	413,220	210,730	(257,270)
*** Information Systems	7,059,250	7,176,250	6,310,250
*** Corporate Programmes	85,880	315,990	371,400
*** Estates	7,074,830	8,110,210	7,502,800
<b>**** Total</b>	<b>14,633,180</b>	<b>16,249,180</b>	<b>14,363,180</b>

<b>Subjective Analysis</b>	<b>Original Estimate 2011/12</b>	<b>Current Estimate 2011/12</b>	<b>Original Estimate 2012/13</b>
* Employee Related	5,978,090	6,918,340	6,466,820
* Premises Related	8,618,490	9,157,240	9,035,760
* Transport Related	44,590	44,590	44,590
* Supplies and Services	6,506,320	6,643,320	5,950,320
* Secondary Recharges	(2,088,380)	(2,088,380)	(2,088,380)
** Expenditure Total	19,059,110	20,675,110	19,409,110
* Customer & Client Receipts	(4,425,930)	(4,425,930)	(5,045,930)
** Income Total	(4,425,930)	(4,425,930)	(5,045,930)
<b>*** Total</b>	<b>14,633,180</b>	<b>16,249,180</b>	<b>14,363,180</b>

## 2012/13 Budget Summary and Forward Plan

Corporate Governance		2012/13	2013/14	2014/15
		£	£	£
Base Budget		5,938,680	5,858,680	5,669,680
Virements		80,000		
		<b>6,018,680</b>	<b>5,858,680</b>	<b>5,669,680</b>
<b>Efficiencies</b>				
E-recruitment	Savings will be generated in the service through use of the new electronic recruitment system.	(1,000)		
Crime and Anti Fraud Team (CAFT)	Reorganisation.	(9,000)	(9,000)	
Legal Services/ Governance	Reduction in expenditure.		(30,000)	
Cross-directorate	Expenditure reduction.	(10,000)	(10,000)	
Cross-directorate	Rationalisation.		(40,000)	
Governance	Savings in Members allowances & a reduction in Member development budget.			(20,000)
CAFT	Reduction of supplies and services.			(20,000)
		<b>(20,000)</b>	<b>(89,000)</b>	<b>(40,000)</b>
<b>Service Reductions</b>				
Governance	Reorganisation.	(50,000)	(50,000)	
Legal Services	Rationalisation.	(90,000)	(50,000)	(50,000)
Governance	Printing and couriers.			(50,000)
Governance	Deletion of Political Assistants.			(88,000)
		<b>(140,000)</b>	<b>(100,000)</b>	<b>(188,000)</b>
<b>Budget</b>		<b>5,858,680</b>	<b>5,669,680</b>	<b>5,441,680</b>

<b>Corporate Governance</b>
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<b>Cost Centre</b>	<b>Original Estimate 2011/12</b>	<b>Current Estimate 2011/12</b>	<b>Original Estimate 2012/13</b>
*** Leader's Office	10,190	10,190	10,190
*** Performance and OD Team	180,090	250,468	229,468
*** Legal Services	1,850,200	1,920,822	1,750,167
*** Democratic Srvices	2,294,780	2,312,780	2,245,015
*** Operational Governance	1,332,510	1,302,510	1,318,330
*** Corporate Governance Directors	278,630	266,630	315,630
Insurance	(7,720)	(7,720)	(10,120)
<b>**** Total</b>	<b>5,938,680</b>	<b>6,055,680</b>	<b>5,858,680</b>

<b>Subjective Analysis</b>	<b>Original Estimate 2011/12</b>	<b>Current Estimate 2011/12</b>	<b>Original Estimate 2012/13</b>
* Employee Related	5,802,120	5,869,663	5,719,663
* Premises Related	10,200	9,200	9,200
* Transport Related	10,650	11,650	11,650
* Supplies and Services	1,149,730	1,206,127	1,159,127
* Third Party Payments	250	250	250
* Secondary Recharges	(375,650)	(375,650)	(375,650)
** Expenditure Total	6,597,300	6,721,240	6,524,240
* Other Grants, Reimbursements & Contribs	(31,190)	(28,030)	(28,030)
* Customer & Client Receipts	(607,770)	(617,870)	(617,870)
* Recharges	(19,660)	(19,660)	(19,660)
** Income Total	(658,620)	(665,560)	(665,560)
<b>*** Total</b>	<b>5,938,680</b>	<b>6,055,680</b>	<b>5,858,680</b>



## 2012/13 Budget Summary and Forward Plan

Appendix 2

Deputy Chief Executive Services		2012/13	2013/14	2014/15
		£	£	£
Base Budget		13,295,270	12,014,270	11,471,270
Virements		(228,000)		
		<b>13,067,270</b>	<b>12,014,270</b>	<b>11,471,270</b>
<b><u>Efficiencies</u></b>				
New Support Organisation	Alternative service delivery provision - Revenues and Benefits.			(200,000)
New Support Organisation	Alternative service delivery provision - Finance.		(234,000)	(224,000)
New Support Organisation	Alternative service delivery provision - Human Resources: - People @ Work Contract to be amended to 'pay as you go', services to pay. - Review Traded Services to charge for adhoc work with non buy-back schools.	(29,000)	(72,000)	(28,000)
New Support Organisation	- 1no FTE in H&S to be charged to Childrens Services	(40,000)		
Human Resources	Do not fill vacant O&D Specialist & Analyst Roles - posts are currently vacant.	(81,000)		
Financial Services	Vacancies.	(67,000)		
Revenues and Benefits	R&B restructure for 2012/13.	(35,000)		
Revenues and Benefits	R&B restructure for 2012/13 Reductions in staffing budget as a result of assorted initiatives re customer self service and other strategic proposals for new service delivery.	(265,000)		
Financial Services	Vacancies.	(209,000)	(83,000)	
Strategic Finance	Strategic Finance restructure for 2012/13.	(72,000)		
		<b>(798,000)</b>	<b>(389,000)</b>	<b>(452,000)</b>
<b><u>Service Reductions</u></b>				
Human Resources	HR efficiency savings.		(300,000)	
Human Resources	Trade Union	(43,000)		(80,000)
		<b>(43,000)</b>	<b>(300,000)</b>	<b>(80,000)</b>
<b><u>Income</u></b>				
Strategic Finance	Income recovery - VAT Fleming.	37,000	300,000	
Strategic Finance	Increased income from deposits.	(249,000)	(154,000)	
		<b>(212,000)</b>	<b>146,000</b>	<b>0</b>
<b>Budget</b>		<b>12,014,270</b>	<b>11,471,270</b>	<b>10,939,270</b>

<b>Deputy Chief Executive</b>
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<b>Cost Centre</b>	<b>Original Estimate 2011/12</b>	<b>Current Estimate 2011/12</b>	<b>Original Estimate 2012/13</b>
*** Finance Directorate	3,917,430	4,116,430	3,556,430
*** Human Resources	2,091,130	2,141,130	1,948,130
*** Revenues	7,286,710	7,309,710	6,509,710
**** <b>Total</b>	<b>13,295,270</b>	<b>13,567,270</b>	<b>12,014,270</b>

<b>Subjective Analysis</b>	<b>Original Estimate 2011/12</b>	<b>Current Estimate 2011/12</b>	<b>Original Estimate 2012/13</b>
* Employee Related	15,927,772	15,821,200	14,549,200
* Premises Related	5,980	3,770	3,770
* Transport Related	85,660	64,580	64,580
* Supplies and Services	319,700	251,800	211,800
* Transfer Payments	212,500,000	212,500,000	212,500,000
* Secondary Recharges	(323,690)	(284,070)	(284,070)
** Expenditure Total	228,515,422	228,357,280	227,045,280
* Government Grants	(211,523,950)	(211,523,950)	(211,523,950)
* Other Grants, Reimbursements & Contribs	(1,517,890)	(1,117,190)	(1,117,190)
* Customer & Client Receipts	(2,178,312)	(2,148,870)	(2,177,870)
* Interest	0	0	(212,000)
** Income Total	(215,220,152)	(214,790,010)	(215,031,010)
*** <b>Total</b>	<b>13,295,270</b>	<b>13,567,270</b>	<b>12,014,270</b>

## 2012/13 Budget Summary and Forward Plan

Environment, Planning and Regeneration		2012/13	2013/14	2014/15
		£	£	£
Base Budget		26,638,230	29,367,950	26,649,950
Virements		4,135,720		
		<b>30,773,950</b>	<b>29,367,950</b>	<b>26,649,950</b>
<b>Efficiencies</b>				
E-recruitment	Savings will be generated in the service through use of the new electronic recruitment system.	(18,000)		
Greenspaces	Efficiencies from changed working practices which includes reducing park-keeping services.	(194,000)		
Waste & Sustainability	Efficiencies within Waste and Sustainability service; full year effect of monitoring officer post.	(11,000)		
Highways	Efficiencies within Traffic and Development by reduction of one vacant full time equivalent post.	(24,000)		
Community Protection Group	Savings from shared service including de-layering of management responsibilities.	(80,000)	(37,000)	
Development and Regulatory Services	Savings resulting from alternative service provision.		(1,530,000)	(1,255,000)
Housing	Housing Needs Options for alternative service provision/rationalisation of service following implementation of allocations policy.	(400,000)		
Performance / Business Support	Saving from combining functions following merging of planning and environment directorates.	(25,000)		
Streetscene	Savings resulting from alternative service provision.		(657,000)	(1,211,000)
Planning	Savings resulting from reduction in management function in Area Planning.	(27,000)		
Leisure	Savings following Leisure Services Review.			(967,000)
		<b>(779,000)</b>	<b>(2,224,000)</b>	<b>(3,433,000)</b>
<b>Service Reductions</b>				
Greenspaces	Reduction in planned development works in parks.	(100,000)		
Highways	Reprofiling the new column installation programme for street lighting and investing the saving in new technology to include energy measures which will reduce energy consumption.	(200,000)	(200,000)	
Streetscene	Consolidation of night-time functions into day time operations	(175,000)	(225,000)	
Streetscene	Stopping or charging for clinical waste collection service.	(57,000)		
		<b>(532,000)</b>	<b>(425,000)</b>	<b>0</b>

## 2012/13 Budget Summary and Forward Plan

Environment, Planning and Regeneration		2012/13	2013/14	2014/15
		£	£	£
<b>Income</b>				
Revenue Income Optimisation	Charging for parking in the boroughs 7 remaining free car parks.	(6,000)	(7,000)	
Greenspaces	Charging for events in parks.	(30,000)		
	<b>Alternative Service Provision</b>			
Parking (Off-street)	From April 2012 the entire parking service will be provided by an external contractor with consequential savings.	(59,000)	(62,000)	(65,000)
EPR	Fees & charges.	(260,000)		
Regeneration	Surplus made on rents received through buy backs. Additional income through better management of void properties.	(40,000)		
Highways	Introduction of Fixed Penalty Notices for streetworks contraventions.	(200,000)		
		<b>(595,000)</b>	<b>(69,000)</b>	<b>(65,000)</b>
<b>Pressures</b>				
Across Service	Leasing costs for new Green waste vehicles. Carriageways & Footpaths. Planned Maintenance Cross-overs	500,000		
		<b>500,000</b>	<b>0</b>	<b>0</b>
<b>Budget</b>		<b>29,367,950</b>	<b>26,649,950</b>	<b>23,151,950</b>

<b>Environment Planning and Regeneration (General Fund)</b>
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Cost Centre	Original Estimate 2011/12	Current Estimate 2011/12	Original Estimate 2012/13
** Management & Administration	72,658	563,472	1,311,302
*** Management&Administration	72,658	563,472	1,311,302
** Highways	(993,083)	(868,234)	648,286
** Highways Implementation	2,108,852	2,128,488	1,657,648
** Highways Inspection & Enforcement	(561,022)	(656,802)	(626,802)
** Street Lighting	5,319,701	6,012,858	5,800,208
** Highways Maintenance	283,330	187,017	477,017
** Car Parks	(1,163,760)	(1,348,300)	(1,917,710)
*** Highways	4,994,018	5,455,027	6,038,647
** Community Safety	387,920	355,270	211,260
** Community Protection	1,222,790	1,191,140	1,228,510
** Transport	(66,300)	(65,300)	(165,300)
** Recycling/Waste Strategy	3,373,160	3,498,160	3,383,350
** Parks & Greenspaces Development	4,957,800	5,009,352	5,019,342
** Refuse & Cleaning	10,043,140	9,764,795	9,472,775
** Trade Waste	(1,999,876)	(1,997,996)	(2,114,996)
** Leisure	1,053,100	1,553,200	862,870
*** Street Scene, Greenspaces, Leisure & Community Protection	18,971,734	19,308,621	17,897,811
*** Land Charges	(960,490)	(903,490)	(963,840)
*** Housing General Fund	1,613,490	4,109,949	3,623,097
*** Strategic Development	16,340	41,340	(224,590)
** Planning & Environmental Protection - Management&Administration	506,620	461,805	473,805
** Planning	1,051,025	1,351,681	1,112,663
** Building Control	(319,715)	(74,820)	(664,810)
** Environment Health& Trading Standard	692,550	817,365	763,865
*** Planning & Environmental Protection	1,930,480	2,556,031	1,685,523
***** Total	<b>26,638,230</b>	<b>31,130,950</b>	<b>29,367,950</b>

Subjective Analysis	Original Estimate 2011/12	Current Estimate 2011/12	Original Estimate 2012/13
* Employee Related	29,652,488	29,490,662	29,951,584
* Premises Related	3,107,610	2,733,135	2,692,515
* Transport Related	10,387,359	10,005,266	10,112,306
* Supplies and Services	10,260,259	17,437,201	16,276,819
* Third Party Payments	5,344,780	6,925,780	6,149,610
* Capital Charges	6,323,310	6,034,560	6,895,970
* Secondary Recharges	(3,021,014)	(6,493,834)	(5,887,574)
** Expenditure Total	62,054,792	66,132,770	66,191,230
* Government Grants	(384,804)	(384,734)	(384,734)
* Other Grants, Reimbursements & Contribs	(620,852)	(579,527)	(752,377)
* Customer & Client Receipts	(34,309,636)	(34,010,750)	(35,659,360)
* Interest	(101,270)	(26,809)	(26,809)
** Income Total	(35,416,562)	(35,001,820)	(36,823,280)
*** Total	<b>26,638,230</b>	<b>31,130,950</b>	<b>29,367,950</b>

## 2012/13 Budget Summary and Forward Plan

Special Parking Account		2012/13	2013/14	2014/15
		£	£	£
Base Budget		(5,922,720)	(6,895,970)	(7,374,970)
Virements		(111,250)		
		<b>(6,033,970)</b>	<b>(6,895,970)</b>	<b>(7,374,970)</b>
<b>Efficiencies</b>				
Alternative Parking delivery	Alternative Service Provision From April 2012 the entire parking service will be provided by an external contractor with consequential savings, including creation of client side from existing pool of staff ( 4 posts).	(312,000)	(349,000)	108,000
Parking	<b>Cashless Parking</b> The move to "pay by phone" parking will enable savings in the maintenance of the existing pay and display infrastructure.	(460,000)		
		<b>(772,000)</b>	<b>(349,000)</b>	<b>108,000</b>
<b>Income</b>				
Parking	Permits for Essential Users	(50,000)		
Traffic Management	<b>Moving Traffic Violations</b> The Council could take up available powers to enforce against contraventions such as banned turns and the obstruction of yellow box junctions.	(40,000)	(130,000)	
		<b>(90,000)</b>	<b>(130,000)</b>	<b>0</b>
<b>Budget</b>		<b>(6,895,970)</b>	<b>(7,374,970)</b>	<b>(7,266,970)</b>

## Revenue Budget 2012/2013

### Special Parking Account

	2011/2012	2011/2012	2012/2013
	Original Estimate	Current Estimate	Original Estimate
	£	£	£
<b>Income</b>			
Penalty Charge Notices	(6,132,500)	(6,135,270)	(6,334,735)
Permits	(2,942,000)	(2,540,240)	(2,200,000)
Pay & Display	(2,416,510)	(2,815,500)	(2,956,275)
CCTV Bus lanes	(900,000)	(900,000)	(1,065,000)
<b>Total Income</b>	(12,391,010)	(12,391,010)	(12,556,010)
Operating Expenditure	6,068,290	6,357,040	5,660,040
Net Operating Surplus	(6,322,720)	(6,033,970)	(6,895,970)
Add Capital Expenditure / Debt Charge	400,000		
Net Expenditure in Year	(5,922,720)	(6,033,970)	(6,895,970)
Balance brought forward	0	0	0
Appropriation to General Fund	5,922,720	6,033,970	6,895,970
Balance Carried Forward	0	0	0

The SPA is a ringfenced statutory account covering the estimated impact of implementing On-Street Parking and Penalty Charge Notice enforcement, as required by the Road Traffic Act 1991.

Council on 4 November 1997 noted that the provision of further off-street parking places was unnecessary for the time being and that there was no further demand on the ringfenced account in respect of further off-street parking. Accordingly, part of the surplus arising from the SPA is used to substitute for existing relevant works.

The net projected surplus on the SPA is available for implementation of parking schemes and as a general support for public transport improvement projects that fall within the criteria set out in the Highways Act 1980.

<b>HOUSING REVENUE ACCOUNT</b>		
	2011/12	2012/13
	Original Budget	Original Budget
	£	£
<b>Income</b>		
Dwelling rents	(48,577,504)	(51,887,260)
Non-dwelling rents	(1,408,559)	(1,622,982)
Tenants Charges for services and facilities	(4,110,200)	(4,119,040)
Leaseholder Charges for Services and Facilities	(2,799,681)	(2,872,967)
<b>Total Income</b>	<b>(56,895,944)</b>	<b>(60,502,249)</b>
<b>Expenditure</b>		
Repairs and Maintenance	8,300,000	8,050,000
Supervision and management		
General	15,137,710	14,587,510
Special	6,589,000	6,756,617
Rents, Rates, taxes and other charges	121,500	121,500
Negative housing revenue account subsidy payable	10,887,097	0
Depreciation and impairment of fixed assets	9,315,504	12,866,805
Contribution to Major Repairs Reserve	0	7,625,356
Debt Management Costs	4,376,660	8,254,911
Increase in bad debt provision	350,000	450,000
<b>Total Expenditure</b>	<b>55,077,471</b>	<b>58,712,699</b>
<b>Net Cost of HRA Services</b>	<b>(1,818,473)</b>	<b>(1,789,550)</b>
Interest and investment income	(40,000)	(80,000)
<b>(Surplus) or deficit for the year on HRA services</b>	<b>(1,858,473)</b>	<b>(1,869,550)</b>

## Introduction

The Local Government & Housing Act 1989 requires the Housing Revenue Account (HRA) to be maintained as a ring-fenced account and prescribed the debits and credits for it. Any surpluses generated from the HRA can be used to support the account when it fails to break even and for any one year a budget can be set such that there is a drawing on balances, but it is not permissible for an overall HRA budget deficit to be set. It is for the Council to determine what level of balances should be maintained. The quarter 3 monitoring position indicated that at 31 March 2011 the HRA balances were £4.2m, and forecast to be £6.1m at 31 March 2012.

The principal items of expenditure within the HRA are management and maintenance costs, together with charges for capital expenditure (depreciation, interest and voluntary additional contributions to fund capital expenditure). This is substantially met by rent and service charge income from dwellings, garages and commercial premises.



## HRA self financing

From April 2012 the government is proposing to end the current housing subsidy system. This is based on provisions within the Localism Act.

Under the current system the Council has had to make an annual payment to government (£12.2m in 2010/11) based on a notional calculation of our annual HRA surplus. From April 2012 Councils will operate on a self financing basis, retaining all their rental income, ending the system of annual redistribution. The department for Communities and Local Government (CLG) has calculated the level of debt that it believes each Council's HRA can bear. This calculation is largely based on the existing subsidy system, calculating notional costs and income associated with the management and maintenance of the stock over the next 30 years, discounting this back to a value in today's terms, which represents the level of debt considered affordable. Where the level of debt calculated using this methodology is higher than current housing debt, the Council must make a one off payment at the end of March 2012. For Barnet, this figure is £102.6m.

The determination gives the following results for Barnet

<b>Key Outputs from the CLG model</b>	
Self financing implementation assumed	<b>April 2012</b>
Opening housing stock	<b>10,719</b>
Combined percentage uplift to allowances including allowance for disabled facilities grant	<b>16.98%</b>
Opening Debt Allocation (Valuation) (£'000)	<b>240,043</b>
Subsidy Capital Finance Requirement (£'000)	<b>137,462</b>
Debt taken on at settlement date (£'000)	<b>102,580</b>
Average debt per dwelling (£)	<b>22,395</b>

The calculation leaves the Council in a more favourable position than under the existing subsidy system, due largely to an uplift in cost allowances of almost 17%. Crucially it gives the Council an ability to set long term plans for the management and maintenance of its stock in a way that has not been possible under the existing annual redistributive system.

The Council's ability to take on additional HRA debt is capped at the opening settlement level of £240.0m.

The Council's actual HRA debt is lower than the level assumed in the subsidy system. Therefore our starting debt in April 2012, following payment of the self financing settlement of £102.6m will be £201.3m. This leaves the Council with £38.7m "headroom" which could be used to increase borrowing to finance additional housing projects.

Under the self financing proposals the government reserves the right to re-open the settlement in future, for example if there are major changes in government social housing policy.

### **Right to Buy**

CLG had originally indicated that Right to Buy receipts would continue to be pooled, with 75% paid to central government as is currently the case. The debt settlement makes assumptions about the level of Right to Buy in order to reflect the lost income from these units in a lower debt settlement figure. Recent announcements on proposals to change Right to Buy policy may impact on future levels of Right to Buy sales. CLG consultation has recently closed on this issue and we are awaiting further guidance on the pooling of additional Right to Buy sales as a result of this policy change.

### **Demolitions**

The debt settlement calculation takes into account 1,168 demolitions planned in Barnet over the next five years. The debt is reduced to take into account lost income from these units. CLG will reserve the right to revisit the debt settlement level if these demolitions do not take place as planned. This leaves the Council with a risk of additional debt payments in future if demolitions are delayed, or alternative plans agreed.

### **Rent policy**

The debt settlement calculation is based on existing social housing rent policy. This moves current rents to target rents over the next four years with annual increases limited RPI + 0.5% + £2. Once actual rents meet target rents, they are increased each year by RPI + 0.5%.

RPI is based on the figure for the September of the preceding year. This means that for April 2012 the rent increase is based on RPI of 5.6%. The impact on the rent increase for Barnet is set out below.

### **HRA business plan**

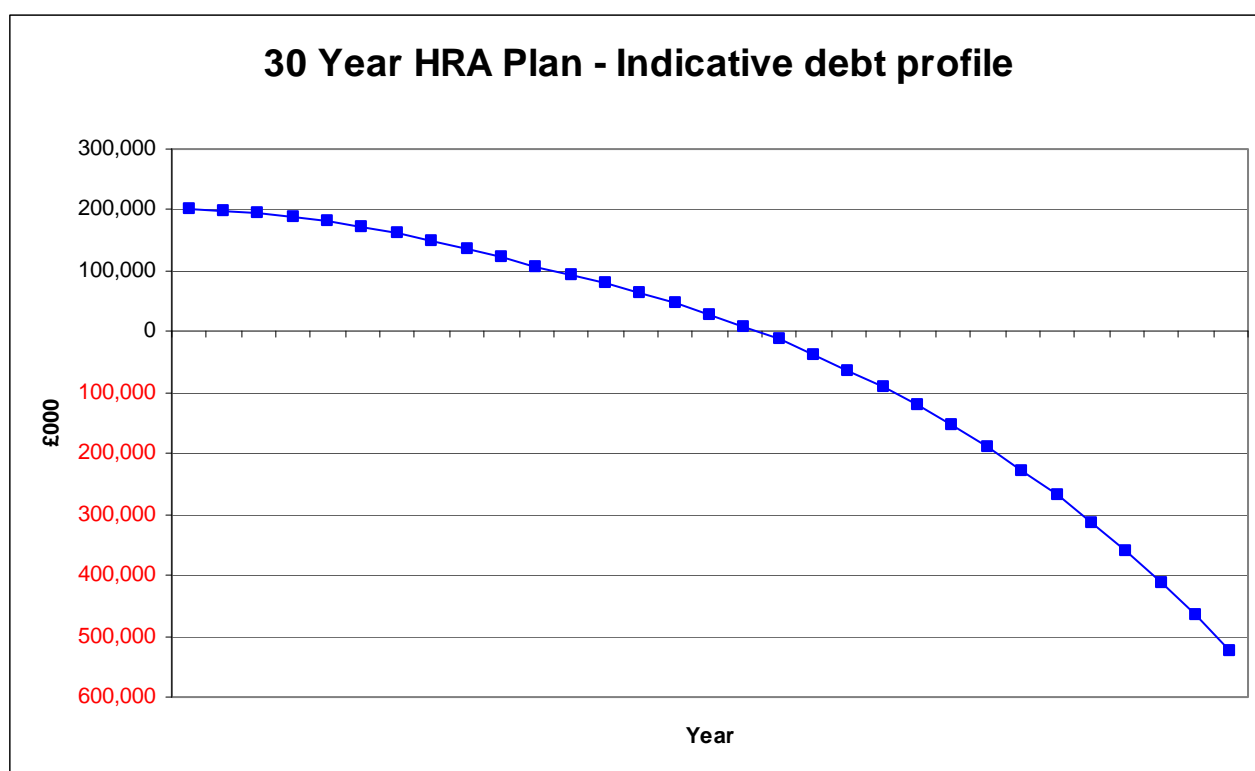
The HRA business plan has been developed to reflect the self financing arrangements. The financial model sets out the income and expenditure relating the HRA over the next 30 years and allows the Council to manage the debt finance.

Key assumptions in the model include:

- An interest rate on debt of 4.1%
- Base inflation on expenditure of 3.5%
- Existing convergence policy on rent setting continues – and thereafter rent increases at 0.5% above inflation p.a. (i.e. 4%)
- Service charges increase at 0.5% above inflation p.a. (i.e. 4%)
- Level of right to buys have not been adjusted up for possible future increases in the discount offered, as firm information in this area is currently unavailable.
- Average of £15m of spend (in today's value) on capital works per annum (net of leaseholders contribution)
- Repairs spend set at the current level (with efficiencies from the new contractors included)
- Barnet Homes' management fee is reduced by £1.5m over the first 5 years from it's current level via the delivery of efficiencies

The HRA business plan model assumes that a voluntary charge is made and that any HRA surpluses that are not used to fund capital expenditure in year, are used to repay HRA debt. Based on this assumption, the starting HRA debt of £201.3m is repaid by year 17 (2028/29) as shown in Chart 1.

**Chart 1:**  
**Debt repaid in year 17**



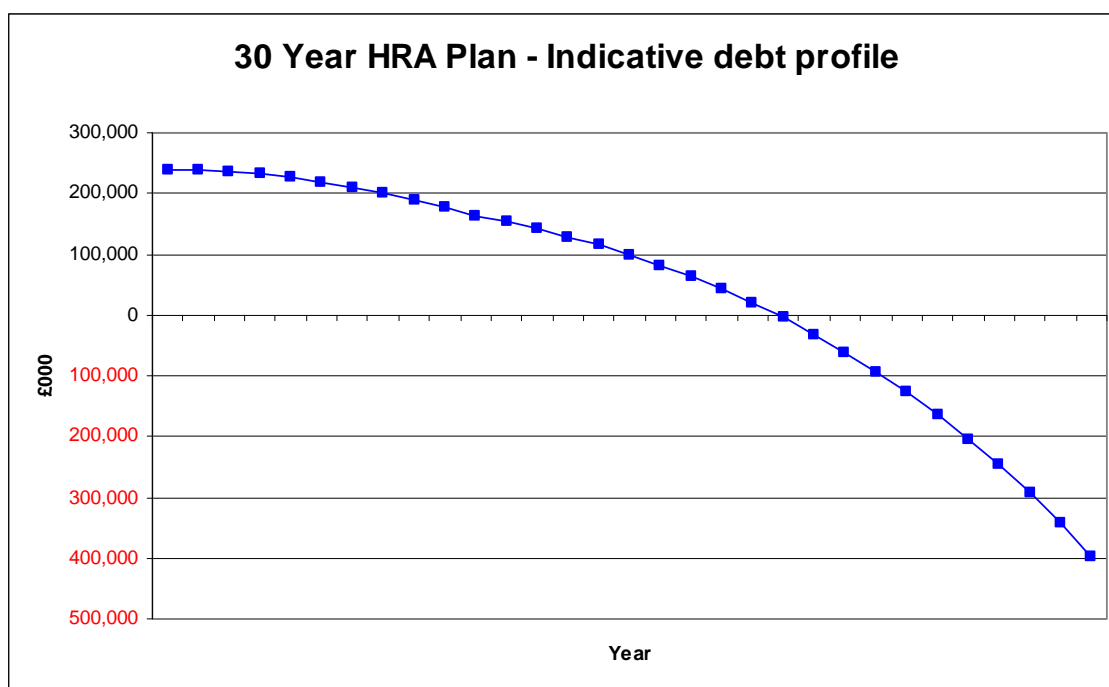
Assumptions: HRA debt £201.3m including Self-Financing Settlement of £102.6m

The business plan also assumes that the “headroom” of £38.7m may be used to improve services or provide new and improved housing. Use of these resources will focus on the following principles:

1. Accelerating regeneration – linked to findings of the regeneration review;
2. Addressing adult services and other client groups’ priorities in terms of housing services and supply;
3. Exploring Barnet Homes’ capacity for development of additional housing on HRA land; and
4. Additional services (e.g. Family Intervention Project, support for the Council’s tenancy strategy).

Options appraisals to produce proposals for decision will be developed for consideration by Cabinet from April 2012. Assuming full use of the headroom the starting HRA debt of £240.0m is repaid by year 20 (2031/32) as shown in Chart 2.

**Chart 2:  
Debt repaid in year 20**



Assumptions: Borrow up to Debt Cap £240.0m including Self-financing Settlement of £102.6m plus £38.7m headroom

### Rent increase 2012/13

The rent increase has been established according to RPI inflation at September 2011, which was 5.6%, combined with a factor for convergence.

The increase to any individual property is limited to inflation plus 0.5% plus £2 per week (on a 52 week basis) The application of the rent convergence formula combined with rent limitation has resulted in an average rent increase of 7.35% for Barnet tenants. Should rents be increased by less, this would lead to a reduction in service provision and a reduction in the ability of the new HRA business plan to meet the capital expenditure requirements of the stock.

It is proposed that rents for the Council's hostels be increased in accordance with the general rent increase. Rents for the Council's shared ownership schemes will also be raised in line with the general rent increase. It is also recommended that rents on garages be increased by 7.35%.

### Service Charges

Service charges for tenants were introduced in 2003/04 for specific services (mainly caretaking), and it is proposed that these be raised by 6.1%. Charges for these services will not generally recover the full cost of their provision. The proposed increase is in line with the rent increase, excluding convergence factor (RPI of 5.6% plus 0.5%). Weekly charges are as follows:-

	Current	Proposed
	11/12	12/13
<b>Grounds maintenance</b>	<b>£0.59</b>	<b>£0.63</b>
<b>Lighting</b>	<b>£0.91</b>	<b>£0.97</b>
<b>Caretaking</b>	<b>£5.72</b>	<b>£6.07</b>
<b>Caretaking+</b>	<b>£7.39</b>	<b>£7.84</b>
<b>Quarterly caretaking</b>	<b>£1.15</b>	<b>£1.22</b>

The communal digital TV service charge for all tenants of all flats and maisonettes will be £0.76 as agreed at Council 1 March 2011.

Following a review by Barnet Homes around tenant affordability, gas consumption and cost, we propose the following changes to the weekly gas charges for dwellings linked to the communal boiler house on the Grahame Park estate:-

- 1 bedroom dwellings – an 18.5% decrease from £13.53 to £11.03
- 2 bedroom dwellings – a 6.5% increase from £14.36 to £15.29
- 3 bedroom dwellings – a 15.0% increase from £14.36 to £16.51

It is proposed that heating charges excluding Grahame Park should increase by 6.1%.

### **HRA Summary & Working Balance**

Total expenditure for 2012/13 is estimated at £58.7m, including charges for financing HRA debt under the self financing proposals and a contribution to the Major Repairs Reserve of £7.6m. The proposed average rent increase of 7.35% is estimated to raise an additional £3.3m after the effect of forecast reduction in property numbers is taken into account. Efficiency savings made by Barnet Homes have resulted in a reduction in the management fee of £0.35m for 2011/12 and £0.50m for 2012/13.

The HRA for 2012/13 shows a contribution to balances of £1.8m, after a contribution to the Major Repairs Reserve of £7.6m. The estimated HRA balance as at 31 March 2013 is £7.9m.

### **Capital programme**

The investment standard within the capital programme will maintain the Council's stock outside of the regeneration estates to the Decent Homes standard. It also makes some allowances for resident priorities for future investment. On the regeneration estates the investment proposed will maintain the stock to a safe standard until it is demolished. This will not meet the decent homes criteria given the time limited life of the housing stock there.

Stock condition expenditure estimates are based on Barnet Homes' assessment of the investment needs of the stock, gathered from regular

surveys undertaken by them over the last few years, and recorded on their asset management system.

As stock condition expenditure is the largest element of expenditure in the HRA business plan, the largest risk to the plan is the accuracy of these estimates. Barnet Homes has commissioned an external validation of stock condition expenditure and the results of this should be available by mid February.

Barnet Homes is also preparing an asset management strategy that will set out a framework for investment decisions going forward, based on an objective assessment of the financial performance of assets. This will allow us to identify financially unviable assets and consider alternative options for them to improve the value for money of our investment programme.

Based on the existing information available, the level of capital programme proposed is affordable throughout the 30 years of the business plan.

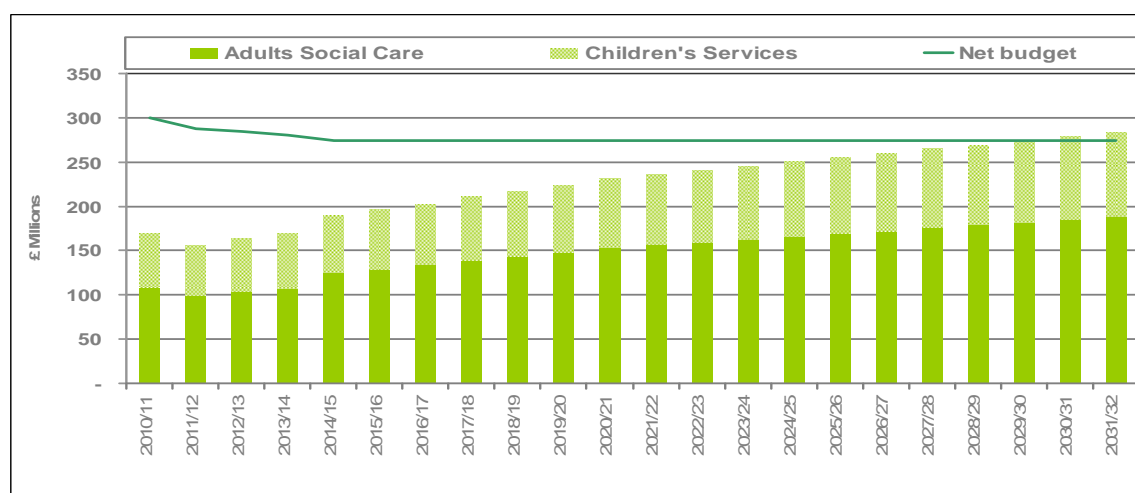
## Capital Strategy

### 1. Strategic Context

Barnet Council is ambitious about the impact that capital investment plans will have on the borough over the next 10 to 20 years. This capital strategy sets out how these plans will deliver against these ambitions.

The Council, alongside most public sector organisations, is facing unprecedented challenges in planning for the delivery of services over the coming years. An increasing population in Barnet is creating additional demand for services. Customer expectations continue to increase and technological advances change the way that we communicate with customers and the way people want us to communicate with them. Alongside this, the Government's plan to cut public spending by £81 billion by 2015 will have a big impact on councils across the country. For Barnet, this translates into a 26% cut to government grant funding over 4 years. Tough choices are required.

These challenges make the status quo unaffordable. The graph below shows that, with our current delivery models and projected demographics, we would **only be able to fund Adult Social Care and Children's services by 2028/9**, with only £43m to spend on other services by 2020. Barnet currently spends £132m on other services (waste, libraries, street cleansing and support services). Population increase, inflation and social care changes increase total budgets by 48% over 10 years (4.8% per annum).



Even if we make **3% efficiency per annum for 10 years**, there will still not be enough to fund existing frontline services. Increasing Council tax to address these issues is not viable. Our 2011/12 to 2014/15 budgets include savings that equate to a **30% increase in Council Tax**.

This situation is exacerbated by significant demographic change. By 2016, the number of 5-9 year olds will increase by 23% and the number of people aged over 90 will increase by 17%.

Alongside the revenue budget challenge that the graph above shows, the result of this is that we also face an **infrastructure funding gap of more than £100m**.

## 2. Strategic response

There are a number of ways that the Council is responding to the challenges of increased population, increasing customer expectations and declining resources:

- The Council's overall response is the **One Barnet programme**, which is transforming the way that services are delivered, challenging existing delivery models, and changing the way that the Council interacts with citizens;
- This picture of changing demographics is used to inform **investment in services**. The Council's budget strategy directs resources into **Adults and Children's Social Care** services over the next 3 years to meet the demands of increasing client groups in these services;
- This analysis is also used to inform the Council's capital investment plans. **The infrastructure gap of £100m** can be reduced by delivering regeneration plans, working with other agencies to lever in investment into Barnet, and ensuring that internal capital budgets are used as effectively as possible.

The changing structure of local government finance provides opportunities to meet these challenges, despite the significant reductions in government grant support for the foreseeable future. For example, the recent **localism bill** provides for greater autonomy for Councils around **business rates** and **housing revenue account funding**. Funding sources that were previously collected by central government will increasingly be collected locally, with the risks and rewards associated with this sitting with local authorities.

A growing borough is likely to see increases in business rate growth, so there are opportunities for Barnet from localisation of business rates. The challenge for the Council is to ensure that it can stimulate business growth and turn these opportunities into reality.

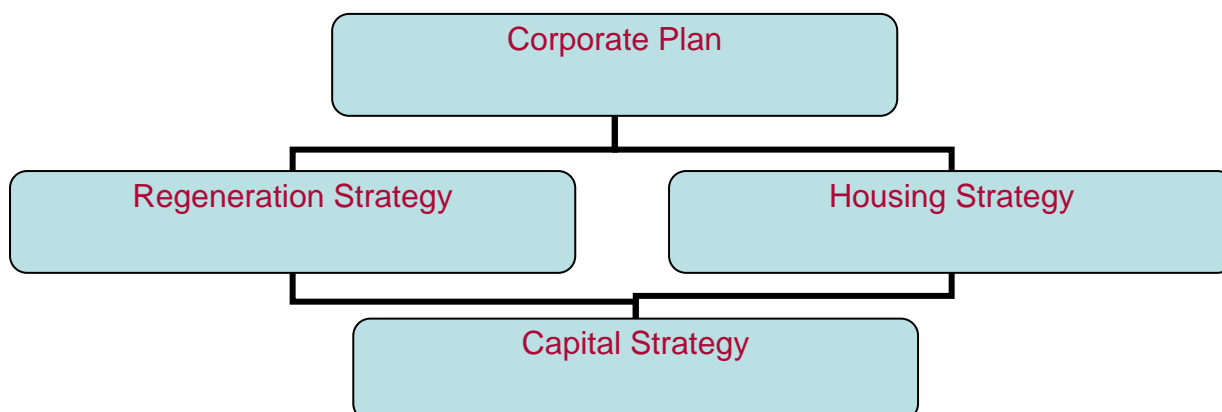
The Housing Revenue Account settlement that comes into place on 1<sup>st</sup> April 2012 will see the Council benefiting financially from greater resources available both for the provision of housing services and also for investment in housing stock.

## 3. Aligning capital investment with Barnet's priorities

The Capital Strategy sits within the context of other key Council strategies, which support significant planned growth for the borough over the next 15



years, drawing out themes relevant to capital investment and ensuring that these objectives have the resources to enable them to be delivered.



The Corporate Plan includes three overarching themes: ***Better Services with less money; Sharing opportunities, sharing responsibilities; and A successful London suburb.*** The council's strategic objectives sit below these themes. Objectives are set out below:

***Better services with less money***

- Safeguarding vulnerable children and adults
- Investing in early intervention and prevention to reduce the number of children and families experiencing complex problems
- An efficient council, with services designed to meet the changing needs of residents

***Sharing opportunities, sharing responsibilities***

- Ensuring a positive experience of care and support for carers
- Improving health and well being
- Promoting greater independence for residents using social care services, offering greater personalisation and enhanced quality of life
- Ensuring every school is a good school, and targeting support at young people at risk of not fulfilling their potential

***A successful London suburb***

- Working with our partners and residents to keep Barnet safe
- Keeping Barnet clean and green
- Keeping Barnet moving through efficient management of roads and pavements network
- Conserve and regenerate - achieving sustainable growth and providing affordable housing

The corporate plan objectives are developed further in the Regeneration and Housing Strategies – as follows:

The **Regeneration Strategy** supports the Council's corporate priorities with the following strategic objectives:

- Enhance Barnet as a Successful London Suburb through delivery of quality new places and neighbourhoods in the areas of the borough in greatest need of investment and renewal
- Deliver sustainable housing growth and infrastructure, and improve the condition and sustainability of the existing housing stock
- Ensure residents in all areas of the borough can share in Barnet's success while taking responsibility for the well-being of their families and their communities
- Promote economic growth by encouraging new business growth while supporting local businesses and town centres
- Help residents to access the right skills to meet employer needs and take advantage of new job opportunities

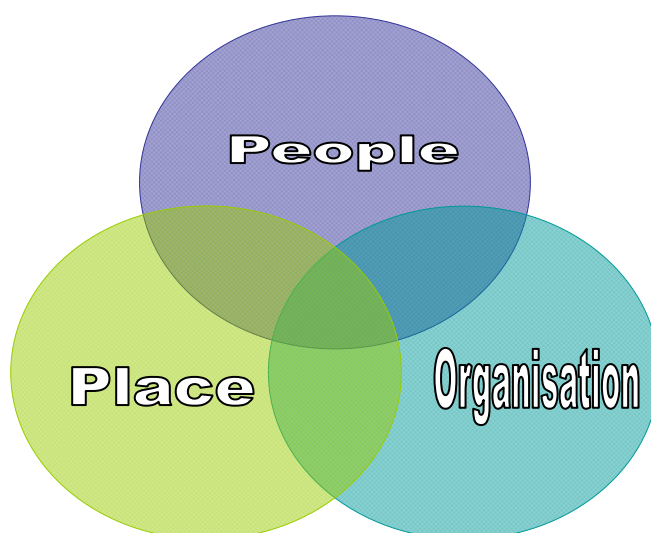
The **Housing Strategy** supports the Council's corporate priorities with the following strategic objectives:

- Increasing housing supply
- Improving the condition and sustainability of the existing housing stock
- Promoting mixed communities
- Maximising the options for home ownership
- Housing related support options that maximise the independence of residents
- Excellent value services that exceed residents expectations

The capital strategy sets out how our capital investment plans are pulled together to ensure the delivery of the strategies as set out above.

#### **4. Capital investment themes**

The overall themes for the capital strategy are built around organisation, people and place.



**People** – the most important stakeholders for Barnet Council are local residents. The capital strategy focuses on capital investment plans that make a real difference to people. The most significant priorities are:

- Investment in provision of **additional school places** (primary and secondary) **and education facilities** (such as the PRU and special schools);
- Investment in **disabled facilities adaptations** to support older people to live at home and maintain their independence.

**Place** – the capital strategy must underpin the regeneration strategy and deliver its aspirations for Barnet as a place. The most significant priorities within this are:

- Investment in **roads and pavements**; and
- Investment in **infrastructure** to support the delivery of regeneration projects.

The **Infrastructure Delivery Plan (IDP)** responds to demographic change in Barnet up to 2026 and drives the Council's prioritisation of investment in infrastructure. The population is expected to increase by 14% in the next 15 years. The IDP sets out the infrastructure required to support this growth. The high level of projected growth within a number of specific areas has strongly

influenced how and where infrastructure such as open spaces, schools, leisure facilities and health centres is to be delivered.

The IDP sets out the funded capital infrastructure projects across Barnet, and where these are delivered by Barnet Council, these are reflected in the Council's capital programme. The IDP also sets out unfunded infrastructure projects. The Community Infrastructure Levy is one source of funding designed to support these unfunded schemes.

Consideration will be given to using HRA funding (both existing capital funding), on strategic interventions to enable schemes to progress in accordance with the **regeneration strategy**.

**Organisation** - alongside this, some funding needs to be set aside for essential projects to enable the council to fulfil its statutory duties and this is reflected in the programme. The most significant priorities within this are:

- **Health and safety works** on Council owned buildings;
- **Drainage** works;
- Investment in **equipment** to support services.

Inevitably, there are more capital projects across Barnet (roads, pavements, schools, regeneration, housing and improvements to existing assets) than there is funding available to deliver them. As a result, the Council needs to prioritise capital projects. In November 2011, Cabinet agreed a process of prioritisation of capital projects which would consider the following:

- Statutory and legal obligations;
- 'Fit' with the council's strategic objectives;
- Consideration of value for money in development of proposals; and
- Deliverability

As a result of prioritisation, additional investment has been allocated to the capital programme as part of this budget process as follows:

Scheme	Additional investment £m
Urgent New Primary Places – Permanent	£24.0
Urgent New Primary Places – Temporary	£2.8
Secondary School Places – Permanent	£10.0
Disabled Facilities Grants	£6.85

Drainage schemes	£0.6
Pavements	£5.0
Carriageway	£6.0
Oak Lodge Special School	£3.0
Pupil Referral Unit	£3.0
Implementation of Library Strategy	£3.0
CCTV (Invest to Save)	£0.05
Empty Properties	£3.00
Strategic Performance Management System	£0.1
Park Infrastructure	£0.7
Customer Access Centre	£3.0
Asset Management Strategy	£5.0

## 5. Funding the capital strategy

Capital investment plans are funded from a range of sources, resources generated internally, and those levered in from external organisations.

These funding streams are as follows:

- Developer Contributions through Section 106;
- Community Infrastructure Levy
- New Homes Bonus
- Government Grant Funding
- Prudential Borrowing
- Capital Receipts
- Housing Revenue Account Funding
- Tax incremental financing

**Developer contributions** through s106 funding is ringfenced to specific regeneration projects where delivery of particular items of infrastructure is necessary to manage future impacts of the development and is allocated to these within the programme.

The Council is intending to set a **Community Infrastructure Levy (CIL)** from April 2013. This will be applied to all new development and is not ring fenced to individual schemes. The funding generated from this source will be added

to the capital programme and allocated to the delivery of specific infrastructure projects.

Cabinet have taken the decision to earmark the **New Homes Bonus** (NHB) to fund infrastructure projects and this will be allocated as such in the capital programme. The level of NHB allocated to Barnet is dependent on the number of new homes that are delivered in the borough in each year. The total estimated funding available through NHB over the period to 2016 is over £30m.

**Government grant** funding remains available to fund specific projects, usually this funding is ringfenced. The most significant elements are funding from the Department for Education in respect of new school places (estimated to be £34.6m in total over the period to 2017), and funding from Transport for London in respect of highways projects (approximately £11.1m per annum).

Capital investment plans can be supported by prudential borrowing. Borrowing plans need to be prudent, affordable and sustainable, and these criteria are tested by applying prudential indicators as set out in the Council's annual budget report. Barnet Council currently spends £665 per head on borrowing. This compares to the average across London of £1,504 per head. The Council's budget strategy allows provision for additional prudential borrowing on an annual basis to fund high priority capital projects. Revenue provision allows for additional project of approximately **£10m per annum** and will ensure that the overall spend per head on borrowing **will not exceed the London average over the 5 year period of the current capital programme**. This funding is not ringfenced, and can be allocated to Council priorities, principally investment in additional school places and education, and investment in road and pavement improvements.

	Total borrowing levels (£m)	Borrowing per head of population (£)
Average across London	347.4	1,504
Barnet	219.4	665

The budget strategy also includes a target of £40m of **capital receipts** over the period 2011-14 to support the capital programme. Again this funding is not ringfenced, so can be allocated to Council priorities, principally investment in additional school places and education, and investment in road and pavement improvements.

The Council also has funding available for capital projects through the **Housing Revenue Account** (HRA). This includes annual funding to support improvements to Council housing stock, and also includes the additional headroom available for investment in housing assets through the HRA reform that comes into place on 1<sup>st</sup> April 2012.

As part of the Treasury autumn statement in November 2011, the government announced its intention to consider a select number of **tax incremental financing** (TIF) plans from local areas. These plans involve ring-fencing the

future business rate growth from major regeneration schemes which can be used to finance infrastructure associated with these schemes. The Council is currently developing a TIF proposal in respect of Brent Cross Cricklewood.

## **6. Governance of the capital programme**

### **a) 5 year rolling programme**

This capital strategy takes the Council from an annual process of allocating capital budgets, to a 5 year rolling programme.

This provides the organisation with greater certainty in delivery of capital projects and will ensure that resources are managed more effectively and that they deliver better outcomes for people, place and the organisation.

### **b) Appraisal and funding decisions**

Final investment decisions will be taken only once a full business case has been approved through the investment appraisal board. Approval will be based on the following criteria:

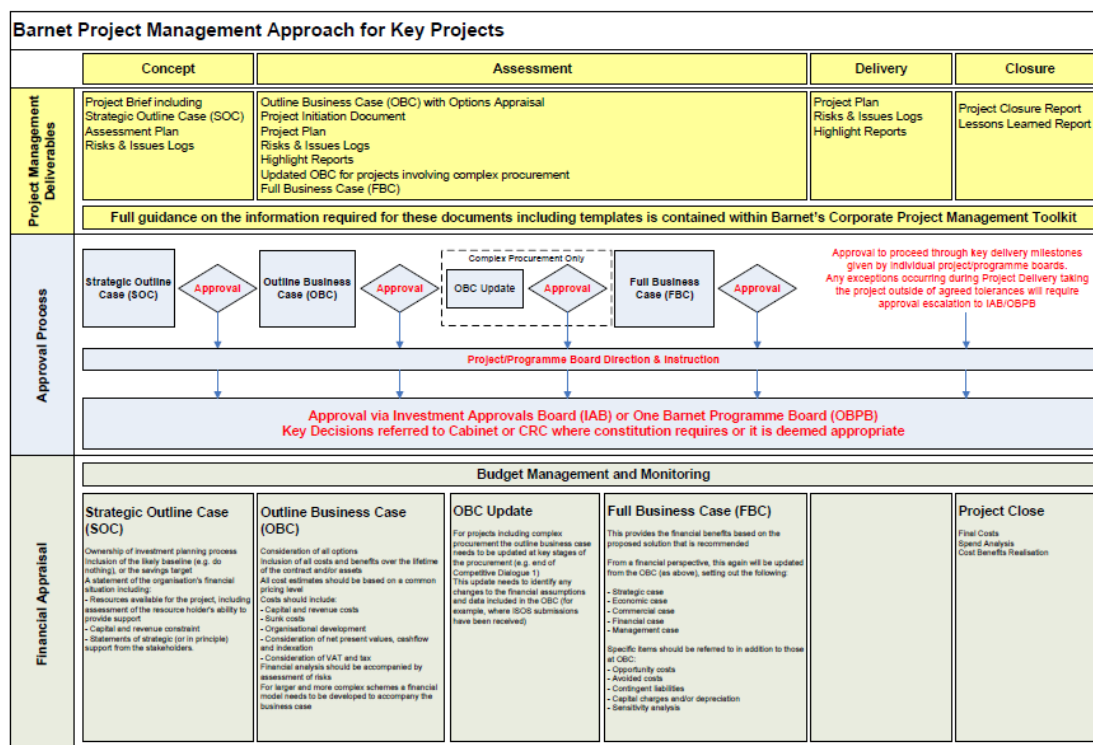
1. The investment is necessary to deliver corporate objectives.
2. The project or programme has been justified as the best way of delivering corporate priorities following proper options appraisal taking into account the costs and benefits of a project over its whole life cycle.
3. No suitable alternative funding source is available.
4. Full project funding is in place or confirmation received that the proposal will be supported by other funders.
5. The project complies with current environmental / energy efficiency standards.
6. The project has undergone Equalities Impact Assessment.

The Investment Appraisal Board meets on a regular basis to ensure that these criteria are met before capital projects become live in the capital programme.

### **c) Governance**

Governance should not be unnecessarily bureaucratic, but must put the right controls in place to manage a multi-million pound portfolio of projects. An effective and proportionate governance structure enables the Council to make timely and responsive decisions, based on sound business cases. It follows principles of risk management, escalations and of regular reporting.

The Council follows the project management approach as set out in the diagram below:



**d) Monitoring the strategy**

**Financial monitoring:** will be undertaken monthly with quarterly reporting to Cabinet during the development and delivery phases.

**Monitoring of delivery:** this is undertaken through the Investment Appraisal Board at the gateway review stages



## CAPITAL PROGRAMME - 2011-12 TO 2016-17

SERVICE	Programme										2011/12 Funding					2012/13 Funding					2013/14 Funding					Total 2013/14
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total 2011/12	Grants	RCCO/MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total 2012/13	Grants	RCCO/MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total 2013/14	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Adult Social Services	1,198	1,299	541				3,038	1,198				1,198	1,247				52		1,299	489			52		541	
Central Expenses	1,000	1,588	1,000	1,000	1,000	1,000	6,588		1,000			1,000					1,588		1,588				1,000		1,000	
Children's Service	22,310	45,267	28,009	18,500	13,300	9,000	136,386	10,531	3,406	4,812		23,310	25,017			26	11,369	8,865	45,267	10,377		6,500	632	10,500	28,009	
Corporate Governance	2	29					31		2			2					29		29							
Commercial	3,008	16,558	2,000	1,000	1,000	1,000	24,566		2,019			3,008					14,955	1,603	16,558				1,000		2,000	
Chief Executive Service	1,329	3,643	2,500				7,472		579			1,329					3,543	100	3,643				2,500		2,500	
Deputy Chief Executive Services	547						547					547					512									
Environment, Planning and Regeneration	18,367	17,322	10,240	5,579	5,070	5,070	61,648	8,364	200	1,087		18,367	7,418	125	962		6,082	3,124	17,322	2,323			5,242		10,240	
<b>Sub total - General Fund</b>	<b>47,761</b>	<b>85,706</b>	<b>44,290</b>	<b>26,079</b>	<b>20,370</b>	<b>16,070</b>	<b>240,276</b>	<b>20,093</b>	<b>10,381</b>	<b>5,899</b>	<b>11,154</b>	<b>47,761</b>	<b>33,662</b>	<b>125</b>	<b>568</b>	<b>37,618</b>	<b>13,692</b>	<b>13,692</b>	<b>85,706</b>	<b>13,169</b>	<b>6,500</b>	<b>10,226</b>	<b>14,175</b>	<b>44,290</b>		
Housing Revenue Account	21,563	21,521	19,465	21,288	18,922	19,428	122,197	5,750	100	1,000		21,563		20,608	739		175		21,522		18,778	677			19,465	
<b>Total - all services</b>	<b>69,344</b>	<b>107,227</b>	<b>63,745</b>	<b>47,367</b>	<b>39,292</b>	<b>35,498</b>	<b>362,473</b>	<b>25,843</b>	<b>10,481</b>	<b>6,899</b>	<b>11,154</b>	<b>69,344</b>	<b>33,662</b>	<b>20,733</b>	<b>1,327</b>	<b>37,793</b>	<b>13,692</b>	<b>13,692</b>	<b>107,227</b>	<b>13,169</b>	<b>18,778</b>	<b>7,177</b>	<b>10,426</b>	<b>14,175</b>	<b>63,745</b>	

## CAPITAL PROGRAMME - 2011-12 TO 2016-17

SERVICE	2014/15 Funding					2015/16 Funding					2016/17 Funding					Total Funding								
	Grants	RCCO/ MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total 2014/15	Grants	RCCO/ MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total 2015/16	Grants	RCCO/ MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total 2016/17	Grants	RCCO/ MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adult Social Services													2,934									104		3,038
Central Expenses				1,000		1,000			1,000													6,588		6,588
Children's Service	5,400		2,500		10,600	18,500	5,400			7,900	13,300										13,838	45,026		136,366
Corporate Governance																						31		31
Commercial						1,000				1,000												17,974	6,952	24,966
Chief Executive Service																						6,622	850	7,472
Deputy Chief Executive Services																						512		547
Environment/Planning and Regeneration	870			509	4,200	5,579	870			4,200	5,070										1,649	14,706	24,253	61,648
<b>Sub total - General Fund</b>	<b>6,270</b>		<b>2,500</b>	<b>1,509</b>	<b>15,800</b>	<b>26,079</b>	<b>6,270</b>		<b>1,000</b>	<b>13,100</b>	<b>20,370</b>	<b>6,270</b>				<b>1,000</b>					<b>15,487</b>	<b>61,834</b>	<b>76,721</b>	<b>240,276</b>
Housing Revenue Account		<b>20,548</b>	<b>740</b>			<b>21,288</b>					<b>18,922</b>			<b>18,752</b>	<b>676</b>						<b>4,480</b>	<b>275</b>		<b>122,197</b>
<b>Total - all services</b>	<b>6,270</b>	<b>20,548</b>	<b>3,240</b>	<b>1,509</b>	<b>15,800</b>	<b>47,367</b>	<b>6,270</b>	<b>18,264</b>	<b>1,000</b>	<b>13,100</b>	<b>39,292</b>	<b>6,270</b>	<b>18,752</b>	<b>111,683</b>	<b>676</b>	<b>1,000</b>				<b>19,977</b>	<b>112,043</b>	<b>62,268</b>	<b>76,721</b>	<b>382,473</b>

CAPITAL PROGRAMME 2011-12 TO 2016-17										TOTAL CAPITAL FUNDING				
Adult Social Services	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/ MIRA	Other (incl. S106)	Capital Receipts	Borrowing	Total	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
AS04	16						16	16					16	
AS05	280						280	280					280	
AS06	19						19	19					19	
	72						72	72					72	
	742						742	742					742	
		758					758	758					758	
IT04	69	541	541				1,151	1,047			104		1,151	
	1,198	1,299	541				3,038	2,934			104		3,038	

CAPITAL PROGRAMME 2011-12 TO 2016-17											TOTAL CAPITAL FUNDING				
Central Expenses	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/ MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
CE01 Capitalised Redundancies	1,000	1,588	1,000	1,000	1,000	1,000	6,588				6,588		6,588		
	1,000	1,588	1,000	1,000	1,000	1,000	6,588				6,588		6,588		

Children's Services	CAPITAL PROGRAMME 2011-12 TO 2016-17										TOTAL CAPITAL FUNDING				
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
ED01	<u>Schools Access Initiatives</u>														
	41						41					41	41		
	2010-11 Programme														
ED12	<u>Modernisation - Primary &amp; Secondary</u>														
	380						380	55				325	380		
	Modernisation Prim & Sec 2008-09														
	75						75					75	75		
	Modernisation Prim & Sec 2009-10														
	984						984	293				691	984		
	Modernisation Prim & Sec 2010-11														
	3,700	3,142	4,109				10,951	10,946				5	10,951		
	Modernisation Prim & Sec														
ED13	<u>Urgent Primary Places - Temporary</u>														
	3,100	3,254	1,600	1,000	800	1,000	10,754	5,073				2,709	10,754		
	Urgent Primary Places - Permanent														
ED13	<u>Urgent Primary Places - Permanent</u>														
	1,840	1,400					3,240	1,005				50	3,240		
	Broadfields														
	2,000	2,000	6,500	2,500			11,000	2,000					11,000		
	Mill Hill East														
	10,550	3,975					15,875	10,793					15,875		
	Orion Primary School / Blessed Dominic														
	2,000	2,000	500				2,500						2,500		
	Moss Hall Infants and Juniors														
	1,500	1,500	500				2,000						2,000		
	Brunswick Park														
	1,500	3,000	2,000				5,000	5,000					5,000		
	Mencrah Foundation														
	85	6,310	1,825	8,000	10,000	6,000	32,220	10,728				20,575	32,220		
	St Mary's and St John's														
	Unallocated														
ED23	<u>Primary Schools Capital Investment Programme</u>														
	116	1,100					1,216						1,216		
	Wave 1 - Whittings Hill														
	150	123					273	3					273		
	Wave 1 - Broadfields														
	500	442					942						942		
	Wave 1 - Northway/Fairway														

Appendix 4

Children's Services	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total
ED27 Primary Capital Programme	4,555	1,142					5,697	62		3,977	500	1,158	5,697
Oak Lodge Special School		1,500	1,500	1,500			3,000					3,000	3,000
Pupil Referral unit		1,000	2,000				3,000					3,000	3,000
ED16 Early Years & Children's Centres	194						194	194					194
ED21 Major School Rebuild Hyde School Rebuild & Childrens Centre	173						173					173	173
ED22 Major School Rebuild Parkfield School	121						121					121	121
ED25 East Barnet & Project Faraday	1,032	562					1,594	70		1,100		424	1,594
General Schools Organisations				3,700	2,500	2,000	8,200	5,000				3,200	8,200
Christ's College		2,500	500				3,000	3,000					3,000
Copthall		1,500	1,500				3,000	3,000					3,000
Compton		2,000	1,000	1,800			4,800	3,000				1,800	4,800
ED63 Extended Schools	209						209	209					209
ED64 Targeted Capital 14-19 SEN	1,505	242					1,747	150			1,382	215	1,747
ED68 Aiming High for Disabled Children	231						231	231					231

Appendix 4

Children's Services	2011-12		2012-13		2013-14		2014-15		2015-16		2016-17		Total	Grants	RCCO/MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000							
ED72 TCF - Kitchen & Dining	1,523												1,523	938		511	50	24	1,523
ED30 Youth Equipment and Development Fund	375												375	375					375
ED99 Outstanding commitments on completed schemes	71												71				71		71
	<b>22,310</b>		<b>45,267</b>	<b>28,009</b>	<b>18,500</b>	<b>13,300</b>	<b>9,000</b>	<b>136,386</b>	<b>62,125</b>	<b>13,838</b>	<b>15,397</b>	<b>45,026</b>	<b>136,386</b>						<b>136,386</b>

CAPITAL PROGRAMME 2011-12 TO 2016-17										TOTAL CAPITAL FUNDING					
Corporate Governance	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/MRA	Other (Incl. S106)	Capital Receipts	Borrowing	Total		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
LP04 Emergency Response Command Centre	2	29					31				31		31		
	<b>2</b>	<b>29</b>					<b>31</b>				<b>31</b>		<b>31</b>		



CAPITAL PROGRAMME 2011-12 TO 2016-17											TOTAL CAPITAL FUNDING				
Commercial	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
<b>IS PROJECTS</b>															
Corporate IM Platform	960	1,328					2,288				2,063	225	2,288		
IT14 Shared Service Centre	85						85				85		85		
IT15 SWIFT	75						75				75		75		
IT16 Education Management Information System	44						44				44		44		
IS Refresh	300	2,066	1,000				3,366				3,366		3,366		
<b>ESTATES</b>															
HD42 Arts Depot Lift		82					82				82		82		
HD19 Cartwright Memorial, St Mary's Church	32						32					32	32		
HE01 North London Business Park - relocation of staff	39						39					39	39		
HE08 Energy Efficiency Measures	40						40				40		40		
HE09 Accommodation Strategy															
Office Consolidation	648	5					653				148	505	653		
HTH Committee room refurbishment	5						5				5		5		
HE11 Friary House	13						13					13	13		

CAPITAL PROGRAMME 2011-12 TO 2016-17											TOTAL CAPITAL FUNDING				
Commercial	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/ MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
IT12 Air Conditioning Building 4	105						105				105		105		
HE13 Depot Relocation	247	11,704					11,951				11,951		11,951		
Asset Management System		1,000	1,000	1,000	1,000	1,000	5,000					5,000	5,000		
<b>OTHER</b>															
IT10 Modernising the Way We Work	405	373					778					778	778		
IT13 Project & Programme Management Software	10						10				10		10		
	<b>3,008</b>	<b>16,558</b>	<b>2,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>24,566</b>				<b>17,974</b>	<b>6,592</b>	<b>24,566</b>		

CAPITAL PROGRAMME 2011-12 TO 2016-17										TOTAL CAPITAL FUNDING				
Chief Executives	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
HD41							20				20		20	
Land & Assets Programme														
Plantech Implementation programme	20													
GIS	11	43					54				54		54	
ED28							35				35		35	
Libraries Strategy														
Implementation of Libraries Strategy		1,500	1,500				3,000				3,000		3,000	
IT09							48				48		48	
Customer Relationship Management (CRM)														
IT01							1,215				465	750	1,215	
Customer Services Transformation														
Strategic Performance Management Information System		100					100					100	100	
Customer access Centre		2,000	1,000				3,000				3,000		3,000	
	1,329	3,643	2,500				7,472				6,622	850	7,472	

CAPITAL PROGRAMME 2011-12 TO 2016-17										TOTAL CAPITAL FUNDING				
Deputy Chief Executives	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/MRA	Other (Incl. S106)	Capital Receipts	Borrowing	Total	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
DCE Pericles	547						547		35		512		547	
	547						547		35		512		547	

CAPITAL PROGRAMME 2011-12 TO 2016-17										TOTAL CAPITAL FUNDING				
Environment, Planning & Regeneration	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>ENVIRONMENT</b>														
<b>CCTV</b>														
<u>EN12</u> CCTV in Town Centres Programme	62						62				62		62	
2004/05 & 2005/06 programme														
2007/09 programme	22						22				22		22	
<u>LP04</u> CCTV Installation		377	100				477				427	50	477	
<b>GREENSPACES &amp; LEISURE</b>														
<u>LD51</u> Dollis Valley Greenway	379						379	332		47			379	
<u>EN14</u> Improvements to six of the Boroughs parks	72						72			72			72	
Old Court House - public toilets	40						40			40			40	
<u>New</u> Princes & Edgwarebury Parks		125					125		125				125	
<u>EN16</u> Finchley Lido - Major roof repairs	180						180				142	38	180	
Park Infrastructure		300	100	100	100	100	700					700	700	
<b>WASTE</b>														
<u>EN65</u> Waste	94	1,453	1,453				3,000				3,000		3,000	

CAPITAL PROGRAMME 2011-12 TO 2016-17										TOTAL CAPITAL FUNDING				
Environment, Planning & Regeneration	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/ MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>HIGHWAYS</b>														
<b>HIGHWAYS TfL - LOCAL IMPLEMENTATION PLAN</b>														
<u>HD01</u> Structural Maintenance of Bridges	5						5	5					5	
<u>HD45</u> Road Maintenance	74						74	74					74	
<u>HD46</u> Corridors	1,491						1,491	1,491					1,491	
<u>HD55</u> Cycling on Greenways	30						30	30					30	
<u>HD49</u> Local Transport Funding	100					100	200	200					200	
<u>HD6Z</u> Enabling Works	24						24	24					24	
<u>HD53</u> Principle Road maintenance	653					944	1,597	1,597					1,597	
<u>HD54</u> Corridors, Neighbourhoods and Supporting Measures	3,948					3,729	7,677	7,677					7,677	
<b>HIGHWAYS non-TfL</b>														
<b>CARRIAGEWAYS &amp; FOOTWAYS</b>														
<u>HD10</u> Footway Reconstruction	242					21	263			239		24	263	
	16						16			16			16	
<u>HD35</u> Highways Investment Programme	303						303			42		261	303	

CAPITAL PROGRAMME 2011-12 TO 2016-17										TOTAL CAPITAL FUNDING				
Environment, Planning & Regeneration	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/ MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<u>HD38</u> Carriageway and Footways	72						72				29	43	72	
Capitalisation of planned maintenance	1,500						1,500					1,500	1,500	
<u>HD52</u> Carriageway and Footway	2,000	2,000	2,000	2,000	2,000	2,000	12,000			4,000		8,000	12,000	
Pavements		1,000	1,000	1,000	1,000	1,000	5,000					5,000	5,000	
<u>HD50</u> Pothole Elimination Programme	395						395	395					395	
<b>TRAFFIC MANAGEMENT</b>														
<u>HD14</u> Traffic Management	41						136			136			136	
<b>PARKING</b>														
<u>HD07</u> Road Traffic Act - Controlled Parking Zones	278						278			29			278	
Parking	800						1,000			1,000			1,000	
<b>OTHER</b>														
<u>HD33</u> Colindale Development Area														
Reconstruction of Railway Bridges	1,354						1,354					1,102	1,354	
A41 Aerodrome Road junction improvement works	24	290					314			314			314	

CAPITAL PROGRAMME 2011-12 TO 2016-17										TOTAL CAPITAL FUNDING				
Environment, Planning & Regeneration	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Controlled Parking Zones	7	28					35			35			35	
Aerodrome Road - additional pedestrian facilities	21	11					32			32			32	
Colindale Station interchange	29	15					44			44			44	
New scheme to be approved (Public Transportation Improvements)	10	95					105			105			105	
Colindale CPZ Parking Review Feasibility Study- Colindale Hospital	2	8					10			10			9	
<u>HD33</u> CDA- Colindale Hospital	7						7			7			7	
<u>HD38</u> GAF 3 Funding of Transport Projects	262						262	262					262	
<u>HD39</u> Travel Plan Implementation	43						43			10		33	43	
Drainage Schemes		300	300				600					600	600	
Outstanding Transport Commitments on completed schemes	4						4				4		4	
<b>HOUSING GENERAL FUND:</b>														
<u>HS17</u> GF Regeneration		1,324	1,324				2,648				2,399	249	2,648	
Mill Hill East	1,065	554					1,619				466	1,153	1,619	
Outer London Fund	299						299	299					299	
Outer London Fund - Cricklewood		754	1,014				1,768	1,769					1,768	
Outer London Fund - Edgware		266	191				457	457					457	
Outer London Fund - North Finchley		755	247				1,002	1,002					1,002	
<u>HS27</u> Disabled Facilities Grant - Mandatory	1,924	1,370	1,370	1,370	1,370	1,370	8,774	5,100	200		974	2,500	8,774	



CAPITAL PROGRAMME 2011-12 TO 2016-17										TOTAL CAPITAL FUNDING				
Environment, Planning & Regeneration	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/ MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Disabled Facilities Grant - Discretionary	119						119				119		119	
Hendon Cemetery & Crematorium Enhancement	187	509	540	509			1,745				1,745		1,745	
<u>HS36</u> Hostel Refurbishment Programme	149	100					249				249		249	
<u>EN11</u> Environmental Officer - capitalisation of salary	40						40				40		40	
Empty Properties		600	600	600	600	600	3,000					3,000	3,000	
	18,367	17,322	10,240	5,579	5,070	5,070	61,648	20,714	325	1,648	14,706	24,253	61,648	

Appendix 4

Housing Revenue Account	CAPITAL PROGRAMME 2011-12 TO 2016-17							TOTAL CAPITAL FUNDING					
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/MRA	Other (Incl. S106)	Capital Receipts	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
HS26 Cash incentives	400	400	414	428	443	459	2,545		2,545				2,545
HS28 Housing Management System		291					291		116		175		291
Major Works (excl Granv Rd)	4,990	5,702	7,794	8,790	8,359	9,538	45,173		43,391	1,782			45,173
Granville Road	8,287	284					8,571	5,750	2,590	231			8,571
Regeneration	1,263	8,646	5,795	5,616	3,190	2,366	26,876		25,783	1,093			26,876
Misc - Repairs	1,990	1,870	1,613	1,816	1,746	2,410	11,444		10,898	546			11,444
M&E/ GAS	2,424	2,983	2,510	3,314	3,815	3,180	18,236		17,397	839			18,236
Voids and Lettings	2,029	1,335	1,330	1,323	1,369	1,475	8,861		8,861				8,861

Appendix 4

Housing Revenue Account	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Grants	RCCO/MRA	Other (incl. S106)	Capital Receipts	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
GF Hostels	100						100				100		100
Procurement and mobilisation	100						100		100				100
	21,583	21,521	19,455	21,288	18,922	19,428	122,197	5,750	111,661	4,491	275		122,197

**London Borough of Barnet  
Treasury Management Strategy Statement  
and Investment Strategy revised 2011/12  
2012/13 to 2014/15**

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- 2. Balance Sheet and Treasury Position**
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**Annexes**

- A. Current and Projected Portfolio Position**
- B. Prudential Indicators**
- C. Economic And Interest Rate Forecast**
- D. Sovereign and Counterparty List**

## 1. **Background**

- 1.1. The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement (TMSS) and Prudential Indicators on an annual basis. The TMSS also incorporates the Investment Strategy as required under the CLG's Investment Guidance.
- 1.2. As per the requirements of the Prudential Code the Authority adopted the CIPFA Treasury Management Code on 3 January 2003 and incorporates the changes from the revised CIPFA Code of Practice (2011) into its treasury policies, procedures and practices.
- 1.3. CIPFA has defined Treasury Management as:
 

*"the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*
- 1.4. The Council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk are integral element to treasury management activities and include credit and counterparty risk, liquidity risk, market or interest rate risk, refinancing risk and legal and regulatory risk.
- 1.5. The strategy takes into account the impact of the Council's revenue budget and capital programme on the balance sheet position, the current and projected treasury position (Annex A), the Prudential Indicators (Annex B) and the outlook for interest rates (Annex C).
- 1.6. The purpose of this Treasury Management Strategy Statement is to approve:
  - Revisions to Treasury Management Strategy and Prudential Indicators for 2011-12;
  - Treasury Management Strategy for 2012-13;
  - Annual Investment Strategy for 2012-13;
  - Prudential Indicators for 2012-13, 2013-14 and 2014-15 (NB: the Authorised Limit is a statutory limit); and
  - MRP Statement.
- 1.7. All treasury activity will comply with relevant statute, guidance and accounting standards.

- 1.8. The main revision to the Treasury Management Strategy is to recommend adjust minimum long term credit ratings from 'A+' or equivalent to 'A-' or equivalent specifically for UK banking institutions which are considered of 'global systemic importance to the financial system' but have down graded credit ratings below the current required 'A+'. This would allow new investment with the main UK clearing banks which have been removed from the current counterparty list. Investment would continue to be subject to an operational overlay to manage credit risk. There would be limits to investment duration and the counterparty list would be restricted to the key UK banks and subject to regular review. Full details are set out in Annex D.
- 1.9. The other main adjustments are to prudential indicators to reflect changes to the Prudential Code following the introduction of the Self Financing Housing changes and the additional HRA borrowing requirement.

## 2. Balance Sheet and Treasury Position

- 2.1. The underlying need to borrow for capital purposes, as measured by the Capital Financing Requirement (CFR), together with Usable Reserves, are the core drivers of treasury management activity. The estimates, based on the current Revenue Budget and Capital Programmes, are:

**Table 1 Balance Sheet Summary Analysis:**

	<b>31/03/2012 Estimate £000</b>	<b>31/03/2013 Estimate £000</b>	<b>31/03/2014 Estimate £000</b>	<b>31/03/2015 Estimate £000</b>
General Fund CFR	177,790	191,482	205,657	221,457
HRA CFR **	201,339	201,339	201,339	201,339
<b>Total CFR</b>	<b>379,129</b>	<b>392,821</b>	<b>406,996</b>	<b>422,796</b>
<b>Less:</b>				
Existing Profile of Borrowing and Other Long Term Liabilities	(322,650)	(322,419)	(322,157)	(321,862)
<b>Cumulative Maximum Additional External Borrowing Requirement</b>	<b>56,479</b>	<b>70,402</b>	<b>84,839</b>	<b>100,934</b>
Usable Reserves	(107,049)	(107,049)	(107,049)	(107,049)
<b>Cumulative Net Borrowing Requirement/(Investments)</b>	<b>(50,570)</b>	<b>(36,647)</b>	<b>(22,210)</b>	<b>(6,115)</b>

\*\* this figure reflects the HRA debt increase on account of Housing Reform of £102.580m.

- 2.2. The Council's level of physical debt and investments is linked to these components of the Balance Sheet. The current portfolio position is set out at **Annex A**. Market conditions, interest rate expectations and credit risk considerations will influence the Council's strategy in determining the borrowing and investment activity against the underlying Balance Sheet position. The Council will ensure that net physical external borrowing (i.e. net of investments) will not exceed the CFR other than for short term cash flow requirements. A full list of Prudential Indicators is set out in **Annex B**.

## Financing costs

- 2.3. The estimate for interest payments in 2012/13 is £12.75m (including £4.10m for HRA self-financing) and for interest receipts is £1.09m.
- 2.4. The Council is able to borrow funds in excess of the current level of its CFR up to the projected level in 2014/15. The Authority is likely to only borrow in advance of need if it felt the benefits of borrowing at interest rates now compared to where they are expected to be in the future, outweighs the current cost and risks associated with investing the proceeds until the borrowing was actually required. Given current interest rates, this situation is very unlikely in 2012/13.
- 2.5. The Council has an integrated treasury management strategy and manages its treasury positioning accordance with its approved strategy and practice. Overall borrowing will arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.
- 2.6. The Council's balance of actual gross borrowing plus other long-term liabilities is shown in Annex A. This is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit. Please note the both the Operational Boundary and Authorised Limit calculations include the additional HRA borrowing of £103.248 million
- 2.7. The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) and is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

<b>Authorised Limit for External Debt</b>	<b>2011/12 Revised £000</b>	<b>2012/13 Estimate £000</b>	<b>2013/14 Estimate £000</b>	<b>2014/15 Estimate £000</b>
Borrowing	427,878	432,547	439,001	444,965
Other Long-term Liabilities	32,902	32,671	32,409	32,114
<b>Total</b>	<b>460,780</b>	<b>465,218</b>	<b>471,410</b>	<b>477,079</b>

- 2.8. The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

<b>Operational Boundary for External Debt</b>	<b>2011/12 Revised £000</b>	<b>2012/13 Estimate £000</b>	<b>2013/14 Estimate £000</b>	<b>2014/15 Estimate £000</b>
Borrowing	427,878	432,547	439,001	444,965
Other Long-term Liabilities	17,902	17,671	17,409	17,114
<b>Total</b>	<b>445,780</b>	<b>450,218</b>	<b>456,410</b>	<b>462,079</b>

## Reforms to the Council Housing Subsidy System

2.9. The reforms involve a removal of the housing subsidy system by offering a one of reallocation of debt the settlement of the reallocation is scheduled to take place on 28<sup>th</sup> March 2012 and will result in the Council having an increase in debt to fund the settlement of £102.580 million. Revisions to the prudential indicators have been made from 2011-2012 to reflect the increase in borrowing to reflect the self-financing settlement.

### 3. Outlook For Interest Rates

3.1. The economic interest rate outlook provided by the Council's treasury advisor, Arlingclose Ltd, is attached at Annex C. The Council will reappraise its strategy from time to time and, if needs be, realign it with evolving market conditions and expectations for future interest rates

### 4. Borrowing Strategy

4.1 Treasury management and borrowing strategies in particular continue to be influenced not only by the absolute level of borrowing rates but also the relationship between short and long term interest rates. The interest rate forecast provided in Annex C indicates that an acute difference between short and longer term interest rates is expected to continue. This difference creates a "cost of carry" for any new longer term borrowing where the proceeds are temporarily held as investments because of the difference between what is paid on the borrowing and what is earned on the investment. Whilst the cost of carry can be assumed to be a reasonably short-term issue since borrowing is often for longer dated periods (anything up to 50 years) it cannot be ignored against a backdrop of uncertainty and affordability constraints in the Authority's wider financial position. This position means that it is favourable, where possible, for the Council to use internal balances, rather than take on new debt, in the short term.

4.2 As indicated in Table 1, the Authority has a gross borrowing requirement of £70.4 million in 2012/13 but has sufficient balances and reserves to avoid the need for external borrowing and is able to minimise borrowing costs and reduce overall treasury risk by reducing the level of its external balances.

4.3 The Authority will adopt a flexible approach to future borrowing and debt rescheduling in consultation with its treasury management advisers, Arlingclose Ltd. The following issues will be considered prior to undertaking any external borrowing:

- Affordability;
- Maturity profile of existing debt;
- Interest rate and refinancing risk;
- Borrowing source.



### **Sources of Borrowing and Portfolio implications**

4.4 In conjunction with advice from its treasury advisor, Arlingclose Ltd, the Authority will keep under review the following borrowing sources:

- PWLB
- Local authorities
- Commercial banks
- European Investment Bank
- Money markets
- Capital markets (stock issues, commercial paper and bills)
- Structured finance
- Leasing

4.5 The cost of carry has resulted in an increased reliance upon shorter dated and variable rate borrowing. This type of borrowing injects volatility into the debt portfolio in terms of interest rate risk but is counterbalanced by its affordability and alignment of borrowing costs with investment returns. The Authority's potential for exposure to shorter dated and variable rate borrowing is kept under regular review by reference to the difference or spread between variable rate and longer term borrowing costs.

### **Debt Rescheduling**

4.6 The Council has £62.5m loans which are LOBO loans (Lender's Options Borrower's Option) of which £5m of loans are currently in or will be in their call period in 2012/13. In the event that the lender exercises the option to change the rate or terms of the loan, the Council will consider the terms being provided and repayment of the loan without penalty. The Council may utilise cash resources for repayment or may consider replacing the loan(s) by borrowing from the PWLB. The default response will however be early repayment without penalty.

4.7 The Council is not expected to borrow in advance of need in 2012/13.

4.8 The rationale for rescheduling would be one or more of the following:

- Savings in interest costs with minimal risk
- Balancing the volatility profile (i.e. the ratio of fixed to variable rate debt) of the debt portfolio
- Amending the profile of maturing debt to reduce any inherent refinancing risks.

4.9 Any borrowing and rescheduling activity will be done under delegated authority and reported to the Cabinet Resources Committee.

## 5 Investment Policy and Strategy

5.1 The Council sets an Annual Investment Strategy (AIS) in accordance with best practice and to comply with CLG Guidance on Local Government Investments.

5.2 The Council's investment priorities are:

- Security of the invested capital;
- Liquidity of the invested capital;
- An optimum yield which is commensurate with security and liquidity

5.3 Credit markets remain in a state of distress as a result of the excessive and poor performing debt within the financial markets. In some instances, Greece and Italy being the most notable examples, the extent and implications of the debt it has built up have led to a sovereign debt crisis and a banking crisis with the outcome still largely unknown. It is against this backdrop of uncertainty that the Authority's investment strategy is framed.

5.4 Investments are categorised as "Specified" or "Non-Specified" within the investment guidance issued by the CLG. Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the "high credit quality" as determined by the Authority and are not deemed capital expenditure investments under Statute. Non specified investments are, effectively, everything else.

5.5 The types of investments that may be used by the Authority and whether they are specified or non-specified are set out in the table below:

**Table 2: Specified and Non-Specified Investments**

Investment	Specified	Non-Specified
Term deposits with banks and building societies	✓	✓
Term deposits with other UK local authorities	✓	✓
Certificates of deposit with banks and building societies	✓	✓
Gilts	✓	✓
Treasury Bills (T-Bills)	✓	x
Bonds issued by Multilateral Development Banks	✓	✓
Local Authority Bills	✓	x
Commercial Paper	✓	x
Corporate Bonds	✓	✓
AAA rated Money Market Funds	✓	x
Other Money Market and Collective Investment Schemes	✓	✓
Debt Management Account Deposit Facility	✓	x

- 5.6 A number of changes have been implemented to investment strategy for 2012/13 in response to changes in the CLG Guidance and evolving conditions in financial markets. This results in the inclusion of corporate bonds which the CLG have indicated will become an eligible non-capital investment from 1<sup>st</sup> April 2012. However, the principal amendments are in relation to the individual institutions with which the Authority is prepared to lend its funds.
- 5.7 The Authority and its advisors, Arlingclose Ltd, select countries and financial institutions after analysis and ongoing monitoring of:
- Published credit ratings for financial institutions
  - Credit Default Swaps (where quoted)
  - Economic fundamentals (for example Net Debt as a percentage of GDP)
  - Sovereign support mechanisms
  - Share Prices
  - Corporate developments, news, articles, markets sentiment and momentum
- 5.8 Any institution can be suspended or removed should any of the factors identified above give rise to concern.
- 5.9 It is recommended to adjust minimum long term credit ratings from 'A+' or equivalent to 'A-' or equivalent specifically for UK banking institutions which are considered of 'global systemic importance to the financial system' but have down graded credit ratings below the current required 'A+'. This would allow new investment with the main UK clearing banks which have been removed from the current counterparty list. Investment would continue to be subject to an operational overlay to manage credit risk. Investment duration would be short and the counterparty list would be restricted to the key UK banks and subject to regular review.
- 5.10 The countries and institutions that would currently meet the proposed criteria for term deposits, Certificates of Deposit (CDs) and call accounts are included in **Annex D**.
- 5.11 It remains the Authority's policy to make exceptions to counterparty policy established around credit ratings, but this is conditional and directional. What this means is that an institution that meets criteria may be suspended, but institutions not meeting criteria will not be added.
- 5.12 The duration limit for deposits is set at a maximum 364 days.
- 5.13 The Council banks with the Cooperative Bank. At the current time, it *does not* meet the minimum credit criteria equivalent) long term. *Despite the credit rating being* below the Authority's minimum criteria, the Co-operative Bank will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

## 6 Annual Investment Strategy

- 6.1 With short term interest rates low for even longer, an investment strategy will typically result in a lengthening of investment periods, where cash flow permits, in order to lock in higher rates of acceptable risk adjusted returns. The problem in the current environment is finding an investment counterparty providing acceptable levels of counterparty risk.
- 6.2 In order to diversify an investment portfolio largely invested in cash, investments will be placed with a range of approved investment counterparties in order to achieve a diversified portfolio of prudent counterparties, investment periods and rates of return. Maximum investment levels with each counterparty will be set to ensure prudent diversification is achieved.
- 6.3 Money market funds (MMFs) will be used provide good diversification the Council will also seek to diversify any exposure by using more than one MMF. The Authority will also restrict its exposure to MMF's with lower levels of funds under management and will not exceed 0.5% of the net asset value of the MMF.

## 7 Use of Financial Instruments for the Management of Risks

- 7.1 Currently, Local Authorities' legal power to use derivative instruments remains unclear. The General Power of Competence enshrined in the Localism Bill is not sufficiently explicit. Consequently, the authority does not intend to use derivatives.
- 7.2 Should this position change, the Council may seek to develop a detailed and robust risk management framework governing the use of derivatives, but this change in strategy will require full Council approval.

## 8 Balanced Budget Requirement

- 8.1 The Council complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget

## 9 2012/13 MRP Statement

- 9.1 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.
- 9.2 The four MRP options available are:
- Option 1: Regulatory Method
  - Option 2: CFR Method
  - Option 3: Asset Life Method
  - Option 4: Depreciation Method
- NB This does not preclude other prudent methods*

9.3 The four MRP options MRP in 2012/13: Options 1 and 2 may be used only for supported non –HRA capital expenditure funded from borrowing. Methods of making prudent provision for self financed expenditure include Options 3 and 4 (which may also be used for supported non HRA capital expenditure if the Council chooses). There is no requirement to Charge MRP in respect of HRA capital expenditure funded for borrowing (Barnet policy).

9.4 The MRP Statement will be submitted to Council before the start of the 2012/13 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Council at that time.

9.5 The Council will apply Option 2 in respect of supported capital expenditure and Option 3 in respect of unsupported capital expenditure.

9.6 MRP in respect of leases brought on Balance Sheet under the IFRS-based Code of Practice will match the annual principal repayment for the associated deferred liability.

## **10 Monitoring and Reporting on the Treasury Outturn and Prudential Indicators**

Treasury activity is monitored and reported internally to Deputy Chief Executive. The Prudential Indicators will be monitored through the year and reported as under:

The Deputy Chief Executive will report to the Cabinet Resources Committee on treasury management activity / performance and Performance Indicators as follows:

- (a) Quarterly against the strategy approved for the year.
- (b) The Council will produce an outturn report on its treasury activity no later than 30<sup>th</sup> September after the financial year end.
- (c) The Budget Performance Overview and Scrutiny Committee will be responsible for the scrutiny of treasury management activity and practices.

## **11 Other Items**

### **Training**

CIPFA's Code of Practice requires the Deputy Chief Executive to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

### **Investment Consultants**

The CLG's Guidance on local government investments recommend that the Investment Strategy should state:

- Whether and, if so, how the authority uses external contractors offering information, advice or assistance relating to investment and
- How the quality of any such service is controlled.

Following a tender process, the Council appointed Arlingclose as their Treasury Investment Consultants from effect 1 August 2010. Arlingclose provide advice, information and assistance with investments, borrowing, debt restructure, market conditions and compliance with legislation. The services provided by Arlingclose are reviewed on an informal basis during quarterly meetings with officers.

## ANNEX A

## EXISTING PORTFOLIO PROJECTED FORWARD

	<b>Current Portfolio £000</b>	<b>31 Mar 12 Estimate £000</b>	<b>31 Mar 13 Estimate £000</b>	<b>31 Mar 14 Estimate £000</b>	<b>31 Mar 15 Estimate £000</b>
<b>External Borrowing:</b>					
Fixed Rate – PWLB	139,000	241,580	241,580	241,580	241,580
Fixed Rate – Market	62,500				
Variable Rate – PWLB	201,500				
Variable Rate – Market		62,500	62,500	62,500	62,500
<b>Total External Borrowing</b>	<b>201,500</b>	<b>304,080</b>	<b>304,080</b>	<b>304,080</b>	<b>304,080</b>
<b>IFRS Long Term Liabilities:</b>	<b>17,902</b>	<b>17,902</b>	<b>17,671</b>	<b>17,409</b>	<b>17,114</b>
- PFI					
- Operating Leases					
<b>Total Gross External Debt</b>	<b>219,402</b>	<b>321,982</b>	<b>321,751</b>	<b>321,498</b>	<b>321,194</b>
<b>Investments:</b>					
<i>Managed in-house</i>					
- Short-term monies (Deposits/ monies on call /MMFs)	(180,000)	(160,000)	(146,000)	(132,000)	(116,000)
- Long-term investments (maturities over 12 months)					
<b>Total Investments</b>	<b>(180,000)</b>	<b>(160,000)</b>	<b>(146,000)</b>	<b>(132,000)</b>	<b>(116,000)</b>
<b>Net Borrowing Position/ (Net Investment position)</b>	<b>39,402</b>	<b>161,982</b>	<b>175,751</b>	<b>189,489</b>	<b>205,194</b>

## PRUDENTIAL INDICATORS

**Prudential Indicators**

1 There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code", when setting and reviewing their Prudential Indicators.

**Net Borrowing and the Capital Financing Requirement;**

2 This is key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council should ensure that the net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two years. The DCE reports that the authority had no difficulty meeting this requirement in 2011/12, nor is there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

**Estimates of Capital Expenditure:**

3 It is a requirement of the Prudential Code that that the Council ensures that capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

<b>Capital Expenditure</b>	<b>2011/12 Revised £000</b>	<b>2012/13 Estimate £000</b>	<b>2013/14 Estimate £000</b>	<b>2014/15 Estimate £000</b>
Non-HRA	47,760	85,705	44,290	26,079
HRA	21,583	21,521	19,455	21,288
<b>Total</b>	<b>69,343</b>	<b>107,226</b>	<b>63,745</b>	<b>47,367</b>

4 Capital expenditure is expected to be financed as follows

<b>Capital Financing</b>	<b>2011/12 Revised £000</b>	<b>2012/13 Estimate £000</b>	<b>2013/14 Estimate £000</b>	<b>2014/15 Estimate £000</b>
Capital receipts	10,480	37,793	11,103	1,509
Government Grants	25,842	33,682	13,189	6,270
Major Repairs Allowance	14,733	20,608	18,778	20,548
Revenue contributions	7,134	1,451	6,500	3,240
<b>Total Financing</b>	<b>58,189</b>	<b>93,534</b>	<b>49,570</b>	<b>31,567</b>
Supported borrowing				
Unsupported borrowing	11,154	13,692	14,175	15,800
<b>Total Funding</b>	<b>11,154</b>	<b>13,692</b>	<b>14,175</b>	<b>15,800</b>
<b>Total Financing and Funding</b>	<b>69,343</b>	<b>107,226</b>	<b>63,745</b>	<b>47,367</b>

### Incremental Impact of Capital Investment Decisions

5 As an indicator of affordability the table below shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2011/12 Revised £</b>	<b>2012/13 Estimate £</b>	<b>2013/14 Estimate £</b>	<b>2014/15 Estimate £</b>
Increase in Band D Council Tax	13.68	24.54	12.68	7.47
Increase in Average Weekly Housing Rents	0	0	0	0

### Financing costs

6 The estimate for interest payments in 2012/13 is £12.78m and for interest receipts is £1.09m. The ratio of financing costs to the Council's net revenue stream<sup>1</sup> is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The ratio is based on costs net of investment income.

<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>2011/12 Revised %</b>	<b>2012/13 Estimate %</b>	<b>2013/14 Estimate %</b>	<b>2014/15 Estimate %</b>
Non-HRA	2.14	3.08	3.30	3.58
HRA	13.59	15.06	14.86	14.83

7. The following Prudential Indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments. The Council's existing level of fixed interest rate exposure is 100% and variable rate exposure is 0%.

	<b>2011/12 Revised %</b>	<b>2012/13 Estimate %</b>	<b>2013/14 Estimate %</b>	<b>2014/15 Estimate %</b>
<b>Upper Limit for Fixed Interest Rate Exposure</b>	100%	100%	100%	100%
<b>Upper Limit for Variable Interest Rate Exposure</b>	30%	30%	30%	30%

<sup>1</sup> The Capital Financing Requirement measures the Council's underlying need to borrow for capital purposes.



8. The Council will also limit and monitor large concentrations of fixed rate debt needing to be replaced. Limits in the following table are intended to control excessive exposures to volatility in interest rates when refinancing maturing debt.

<b>Maturity structure of fixed rate borrowing</b>	<b>Existing level (or Benchmark level) at 31/03/12 %</b>	<b>Lower Limit for 2012/13 %</b>	<b>Upper Limit for 2012/13 %</b>
under 12 months	0.0	0	50
12 months and within 24 months	0.0	0	50
24 months and within 5 years	0.0	0	75
5 years and within 10 years	1.0	0	75
10 years and within 20 years	0.0	0	100
20 years and within 30 years	25.8	0	100
30 years and within 40 years	33.3	0	100
40 years and within 50 years	3.7	0	100
50 years and above	36.2	0	100

#### **Gross and Net Debt**

9. The purpose of this new treasury indicator is to highlight a situation where the Council is planning to borrow in advance of need

<b>Gross and Net Debt</b>	<b>2011/12 Revised £000</b>	<b>2012/13 Estimate £000</b>	<b>2013/14 Estimate £000</b>	<b>2014/15 Estimate £000</b>
Outstanding Borrowing (at nominal value)	201,500	304,080	304,080	304,080
Other Long-term Liabilities (at nominal value)	17,902	17,671	17,409	17,114
<b>Gross Debt</b>	<b>219,402</b>	<b>321,751</b>	<b>321,489</b>	<b>321,194</b>
Less: Investments	(160,000)	(146,000)	(132,000)	(116,000)
<b>Net Debt</b>	<b>59,402</b>	<b>175,751</b>	<b>189,489</b>	<b>205,194</b>

#### **Actual External Debt:**

10 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

<b>Actual External Debt as at 31/03/2011</b>	<b>£000</b>
Borrowing	202,500
Other Long-term Liabilities	18,244
<b>Total</b>	<b>220,744</b>

11 The Council has placed an upper limit for principal sums invested for over 364 days, as required by the Prudential Code. This limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

<b>Upper Limit for total principal sums invested over 364 days</b>	<b>2011/12 Revised £000</b>	<b>2012/13 Estimate £000</b>	<b>2013/14 Estimate £000</b>	<b>2014/15 Estimate £000</b>
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### **HRA Limit on Indebtedness**

12 This is a new indicator required by the revised Prudential Code, issued in November 2011:

<b>HRA Limit On Indebtedness</b>	<b>2011/12 Revised £000</b>	<b>2012/13 Estimate £000</b>	<b>2013/14 Estimate £000</b>	<b>2014/15 Estimate £000</b>
<b>HRA CFR</b>	<b>201,339</b>	<b>201,339</b>	<b>201,339</b>	<b>201,339</b>
<b>HRA Debt Cap (as prescribed by CLG) *</b>	<b>240,043</b>	<b>240,043</b>	<b>240,043</b>	<b>240,043</b>
<b>Difference</b>	<b>(38,704)</b>	<b>(38,704)</b>	<b>(38,704)</b>	<b>(38,704)</b>

## ANNEX C

**Economic & Interest Rate Forecast (Sections 3,4 and 5)**

	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
<b>Official Bank Rate</b>													
Upside risk						0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk													
<b>1-yr LIBID</b>													
Upside risk	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.75	1.75	1.75	1.75	1.75	1.80	1.85	1.95	2.00	2.10	2.20	2.30	2.40
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
<b>5-yr gilt</b>													
Upside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.25	1.30	1.35	1.40	1.50	1.60	1.70	1.80	2.00	2.10	2.30	2.40	2.50
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
<b>10-yr gilt</b>													
Upside risk	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	2.20	2.30	2.40	2.45	2.50	2.55	2.60	2.70	2.75	2.80	2.85	2.90	3.00
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
<b>20-yr gilt</b>													
Upside risk	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	3.00	3.05	3.05	3.10	3.20	3.25	3.30	3.35	3.40	3.45	3.50	3.60	3.75
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
<b>50-yr gilt</b>													
Upside risk	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	3.25	3.40	3.50	3.60	3.70	3.80	3.90	4.00	4.00	4.00	4.10	4.20	4.25
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

- The UK's status as a safe haven remains for now and keeps Gilt yields suppressed.
- Conventional monetary policy has become largely redundant; the Bank of England and the US Federal Reserve have signalled their respective official interest rates will be on hold through to the end of 2012. It could be 2016 before official interest rates rise.
- The Bank of England's Monetary Policy Committee has returned to unconventional monetary policy and embarked on a further round of Quantitative Easing. There will be more to come.

**Underlying Assumptions:**

- Stress in financial markets continues to build. Rates within Interbank markets (where banks fund the majority of their day to day operations) continue to climb. This dynamic was a feature of the banking crisis that occurred in 2008 and whilst the authorities have flooded the markets with liquidity still provides a key barometer of rising risk within markets.
- The MPC's decision to embark on a further £75 billion of QE – which the Minutes showed was unanimously supported – is likely to be expanded in the coming months as some members of the MPC had voted for £100bn of QE.

- Inflation moderated back to 5% from what is considered to be its peak of 5.2% reached in October. The Bank of England expects domestic inflation to subside markedly in 2012 as the twin effects of the VAT increase and surge in oil prices fall out of the twelve month series.
- Economic growth meanwhile remains largely illusive not helped by the considerable uncertainty and expansion of risks presented by the crisis in the Eurozone. Even if a credible and effective policy is implemented, the scale of the problems means that there is likely to be a prolonged period of subdued growth within the euro area. A failure to meet the challenges would almost certainly have significant implications for the global economy.
- Recent data and surveys suggest that the UK economy has lost the admittedly fragile momentum since the summer. Business and consumer surveys point to continued weakness in coming months and the situation in the euro area is likely to further undermine confidence and lead to tighter credit conditions for households and firms.
- Against this uncertain backdrop the ability of the economy (government, companies and individual consumers) to accommodate an increase in the cost of money through higher interest rates – in the absence of a deterioration in the high credit standing that the UK enjoys – remains unlikely. In fact, this is highly unlikely.

## Sovereign and Counterparty List

ANNEX D

For credit rated counterparties, the minimum criteria will be the lowest equivalent short-term and long-term ratings assigned by Fitch, Moody's and Standard & Poor's (where assigned).

*Long-term minimum: A-(Fitch); A- (Moody's); A3 (S&P)*

*Short-term minimum: F1 (Fitch); P-1 (Moody's); A-1 (S&P)*

The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.

New specified investments will be made within the following limits:

<b>Instrument</b>	<b>Country/ Domicile</b>	<b>Counterparty</b>	<b>Maximum Counterparty Limits £m</b>
Term Deposits	UK	DMADF, DMO	No limit
Term Deposits/Call Accounts	UK	Other UK Local Authorities	No limit
Term Deposits/Call Accounts	UK*	Counterparties rated at least A- Long Term and F1 Short Term (or equivalent)	
Term Deposits/Call Accounts	Non-UK*	Counterparties rated at least A+ Long Term and F1 Short Term (or equivalent) in select countries with a Sovereign Rating of at least AA+	
Gilts	UK	DMO	No limit
T-Bills	UK	DMO	No limit
Bonds issued by multilateral development banks		(For example, European Investment Bank/Council of Europe, Inter American Development Bank)	
AAA-rated Money Market Funds	UK/Ireland/ Luxembourg domiciled	CNAV MMF's VNAV MMF's (where there is greater than 12 month history of a consistent £1 Net Asset Value)	15% of total LBB investment cash outstanding for each MMF.
Other MMF's and CIS	UK/Ireland/ Luxembourg domiciled	Pooled funds which meet the definition of a Collective Investment Scheme per SI 2004 No 534 and subsequent amendments	15% of total LBB investment cash outstanding for each MMF.

*NB Any existing deposits outside of the current criteria will be reinvested with the above criteria on maturity.*

**For Non-UK Banks** - a maximum exposure of £40million per country will apply to limit the risk of over-exposure to any one country.

**Money Market Funds** – investments will be diversified amongst at least two or more funds and subject to investment limits of 15% of the total LBB investment cash outstanding per MMF fund and no more than 0.5% of the total value of the MMF's funds under management.

**Group Limits** - For institutions within a banking group, a £37.5 million total limit will be applied (1.5 times the individual limit of a single bank within that group).

**Duration** – No investment over 364 days and duration subject to operational overlay advice.

Instrument	Country/ Domicile	Counterparty	Maximum Counterpart y Limit £m	Maximum Group Limit (if applicable) £m
Term Deposits/Call Accounts	UK	Bank of Scotland (Lloyds Banking Group)	£25,000,000	£37,500,000
Term Deposits/Call Accounts	UK	Lloyds TSB (Lloyds Banking Group)	£25,000,000	£37,500,000
Term Deposits/Call Accounts	UK	Barclays Bank Plc	£25,000,000	
Term Deposits/Call Accounts	UK	Clydesdale Bank (National Australia Bank Group)	£25,000,000	£37,500,000
Term Deposits/Call Accounts	UK	HSBC Bank Plc	£25,000,000	
Term Deposits/Call Accounts	UK	Nationwide Building Society	£25,000,000	
Term Deposits/Call Accounts	UK	NatWest (RBS Group)	£25,000,000	£37,500,000
Term Deposits/Call Accounts	UK	Royal Bank of Scotland (RBS Group)	£25,000,000	£37,500,000
Term Deposits/Call Accounts	Australia	Australia and NZ Banking Group	£25,000,000	
Term Deposits/Call Accounts	Australia	Commonwealth Bank of Australia	£25,000,000	
Term Deposits/Call Accounts	Australia	National Australia Bank Ltd (National Australia Bank Group)	£25,000,000	£37,500,000

<b>Instrument</b>	<b>Country/ Domicile</b>	<b>Counterparty</b>	<b>Maximum Counterpart y Limit £m</b>	<b>Maximum Group Limit (if applicable) £m</b>
Term Deposits/Call Accounts	Australia	Westpac Banking Corp	£25,000,000	
Term Deposits/Call Accounts	Canada	Bank of Montreal	£25,000,000	
Term Deposits/Call Accounts	Canada	Bank of Nova Scotia	£25,000,000	
Term Deposits/Call Accounts	Canada	Canadian Imperial Bank of Commerce	£25,000,000	
Term Deposits/Call Accounts	Canada	Royal Bank of Canada	£25,000,000	
Term Deposits/Call Accounts	Canada	Toronto-Dominion Bank	£25,000,000	

*Please note this list could change if, for example, a counterparty/country is upgraded, and meets our other creditworthiness tools. Alternatively if a counterparty is downgraded, this list may be shortened.*

## **Reserves and balances policy**

### **Background**

This policy sets out the Council's approach to reserves and balances. The policy has regard to LAAP Bulletin 77 'Local Authority Reserves and Balances', issued in November 2008.

In reviewing medium-term financial plans and preparing annual budgets, the Council will consider the establishment and maintenance of reserves for both the general fund and the housing revenue account. The nature and level of reserves will be determined formally by the Council, informed by the judgement and advice of the Chief Finance Officer (CFO).

### **Types of reserve**

The Council will maintain the following reserves:

- general reserve: to manage the impact of uneven cash flows and unexpected events or emergencies;
- specific reserves: sums set aside to meet known or predicted specific requirements.

Specific reserves will be maintained as follows:

- risk reserve: to manage litigation and other corporate risks not otherwise recognised;
- transformation reserve: to fund the transformation programme to change, protect and improve Council services;
- service development reserve: to enable the Council to respond to the most urgent corporate priorities;
- infrastructure reserve: to fund infrastructure necessary to enable development across the borough;
- PFI reserve: to manage the profile of grants and payments in respect of PFI projects;
- financing reserve: to enable the effective management of the medium-term financial strategy;
- schools reserve: balances in respect of delegated school budgets;
- service reserves: funds set aside for specific purposes in respect of individual Council services; and
- capital receipts reserve: capital receipts not yet applied to capital expenditure.

The Council also maintain a number of other reserves that arise out of the interaction between legislation and proper accounting practices. These reserves, which are not resource-backed, will be specified in the annual Statement of Accounts.



## **Principles to assess the adequacy of reserves**

The CFO will advise the Council on the adequacy of reserves. In considering the general reserve, the CFO will have regard to:

- the strategic financial context within which the Council will be operating through the medium-term;
- the overall effectiveness of governance arrangements and the system of internal control;
- the robustness of the financial planning and budget-setting process;
- the effectiveness of the risk management process and the potential impact of risks identified;
- the effectiveness of the budget monitoring and management process.

Having had regard to these matters, the CFO will advise the Council on the monetary value of the required general reserve.

In considering specific reserves, the CFO will have regard to matters relevant in respect of each reserve, and will advise the Council accordingly.

## **Use of reserves**

The use of reserves will be determined formally by the Cabinet Resources Committee, informed by the advice of the CFO.

## Long Term Financial Plan - summary

### 1. Introduction

The Council, alongside most public sector organisations, is facing unprecedented challenges in planning for the delivery of services over the coming years. An increasing population in Barnet is creating additional demand for services. Customer expectations continue to increase and technological advances change the way that we communicate with customers and the way people want us to communicate with them. Alongside this, the Government's plan to cut public spending by £81 billion by 2015 will have a big impact on councils across the country. For Barnet, this translates into a 26% cut to government grant funding over 4 years.

There are local solutions to these challenges that are being pursued in terms of considering alternative models of delivery for services, and by putting in place measures to manage increases in demand for services.

There are also national solutions that may assist the Council in meeting these challenges. The way that local government is funded is changing, with the housing revenue account subsidy system being scrapped in April 2012, with business rates expected to be redistributed from April 2013 and with new funding sources available like the New Homes Bonus. The government has also indicated that it will fund an element of successful family intervention projects.

All of these factors mean that it is increasingly important for the Council to take a longer term view of how it plans and manages its finances.

Early identification of increases in demand for services and intervention to reduce this demand is fundamental to the next stage of the Council's One Barnet programme.

Business rates could go up in the future which would be of benefit to the bottom line, but these can go down as well as up, so the Council needs to be sure of the levers in place to manage this new income stream effectively.

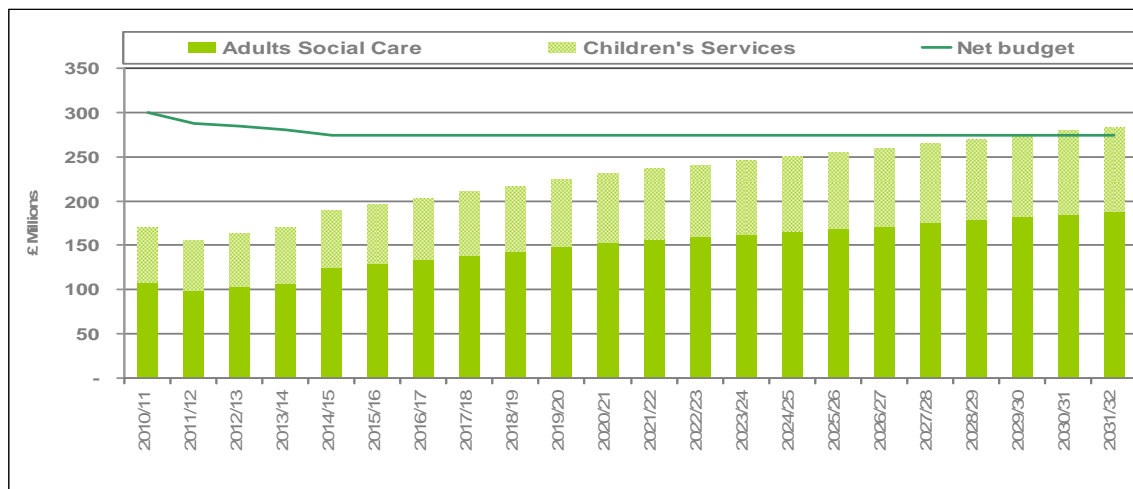
Sensible investment in regeneration and infrastructure now will reduce the longer term costs to the Council in the provision of public services, as well as improving the lives of those people living in these areas.

This document starts to develop the principles of a longer term financial plan.

### 2. Strategic context

The graph below shows that, with our current delivery models and projected demographics, we would **only be able to fund Adult Social Care and Children's services by 2028/9**, with only £43m to spend on other services by 2020. Barnet currently spends £132m on other services (waste, libraries,

street cleansing, support services). Population increase, inflation and social care changes increase total budgets by 48% over 10 years (4.8% per annum).



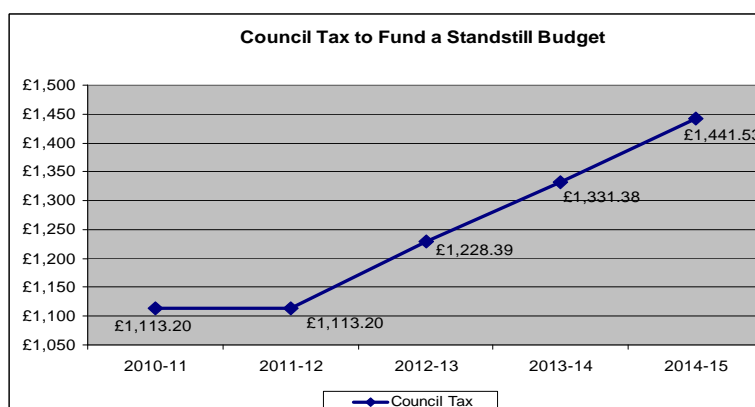
Even if we make **3% efficiency per annum for 10 years**, there will still not be enough to fund existing frontline services. Increasing Council tax to address these issues is not viable. Our 2011/12 to 2014/15 budgets include savings that equate to a **30% increase in Council Tax**.

This table represents the financial challenge to the organisation over the next 10 to 20 years on the revenue budget. What this does not highlight is the additional capital investment costs that the Council needs to fund. Based on analysis from the Council's **infrastructure delivery plan (IDP)**, there is an unfunded infrastructure cost of over £100m.

### 3. Current MTFs and savings plans

The total budget gap over the next 3 years is £34m. On top of this, the Council has agreed additional funding for demographic pressures in Adults Social Care of £1.6m. Amendments have been made to the budget model for corporate pressures (principally around concessionary fares and Council Tax benefit localisation) of £3.1m. Further service pressures (mainly around increasing demographic pressures) total £4.4m meaning that the budget report recommends savings of £43.1m to meet the budget gap.

This gap assumes 2.5% increase in Council Tax per annum in 2013/14 and 20314/15. To fund a “standstill” budget (i.e. no change and no savings), Council Tax would increase by **30%** by 2014. The graph below sets this out:



While demographic factors are important, the budget gap set out above is mainly driven by the **reduction in government support** to local government as set out in the spending review (2010).

The cuts for 2011/12 and 2012/13 are confirmed for Barnet as 10% and 6% respectively. The cuts for 2013/14 and 2014/15 have not yet been announced, but are currently modelled as per the spending review, updated for the Treasury autumn statement.

Given the continued slow performance of the UK economy and the knock on effect this has on the government's finances, it is likely that local government funding for 2013/14 and 2014/15 will be cut even further than set out in the spending review. This represents the greatest financial risk to the Council at the current point in time.

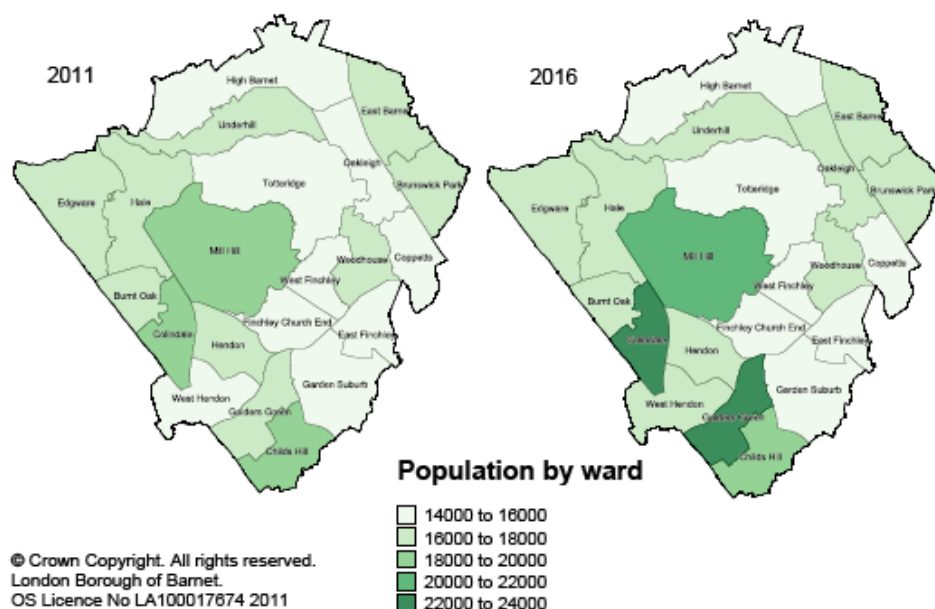
### 3. Demographic changes

Barnet is a growing borough, and this section sets out details of this growth and where it is distributed.

The Barnet population is projected to grow by 5.5% over next five years – an increase of **19,400**.

The greatest growth will be concentrated in Colindale (+10,900), Golders Green (+7,300), Mill Hill (+2,000) and West Hendon (+1,900); that is to say, the **regeneration areas**.

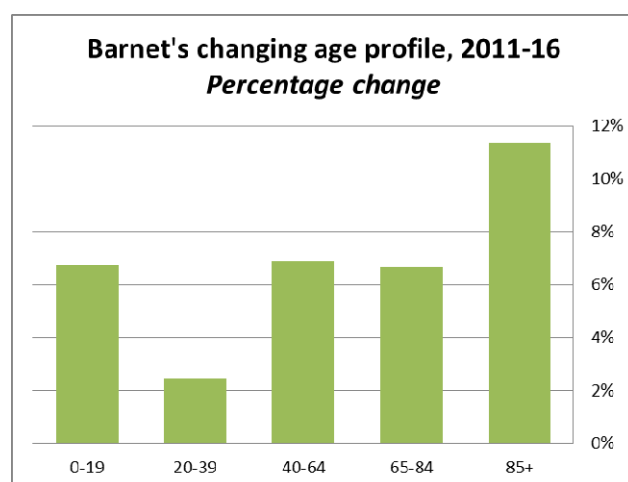
### Total population by ward, 2011 and 2016



#### 4. Rising demand for social care

The Council spends more than half of its budget on Adults and Children's services, and it is in these areas that demographic changes are most significant. The following statistics give a picture of how these changes are developing, and how they impact on services:

- The number of residents over 65 with **serious physical disabilities** is forecast to rise by twice the average rate of growth;
- Between July and September 2010, Barnet's **Children Protection Service** received almost twice the number of referrals and initial assessments, and processed six and half times as many core assessments as during that same quarter in 2006;
- Referrals into the **Adults Safeguarding Team** are increasing steadily, from 289 in 2007/08 to 420 in 2009/10;
- Concentrated population growth among **children** and **older adults** will place significant demands on health and social care services;
- Improved **survival rates** means that there will be more residents with **complex needs**, such as **learning disabilities; and**
- **Dementia** is a particular issue that we can expect to see increase in prevalence as more people live into old age.

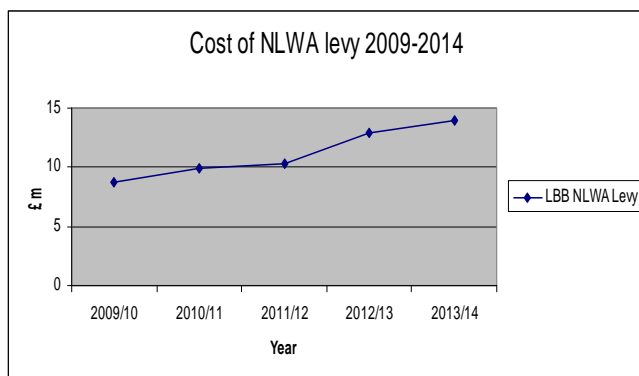


#### 5. Rising demand is not restricted to social care

If rising population is felt most acutely in Adults and Children's services, pressure on services is not limited to these areas.

The North London Waste Authority levy is projected to increase **from just over £8m to £14m over 4 years** from 9/10 to 13/14. This trend set to

continue between 2015 to 2020, with **Landfill tax** and **increasing waste** both contributing factors.



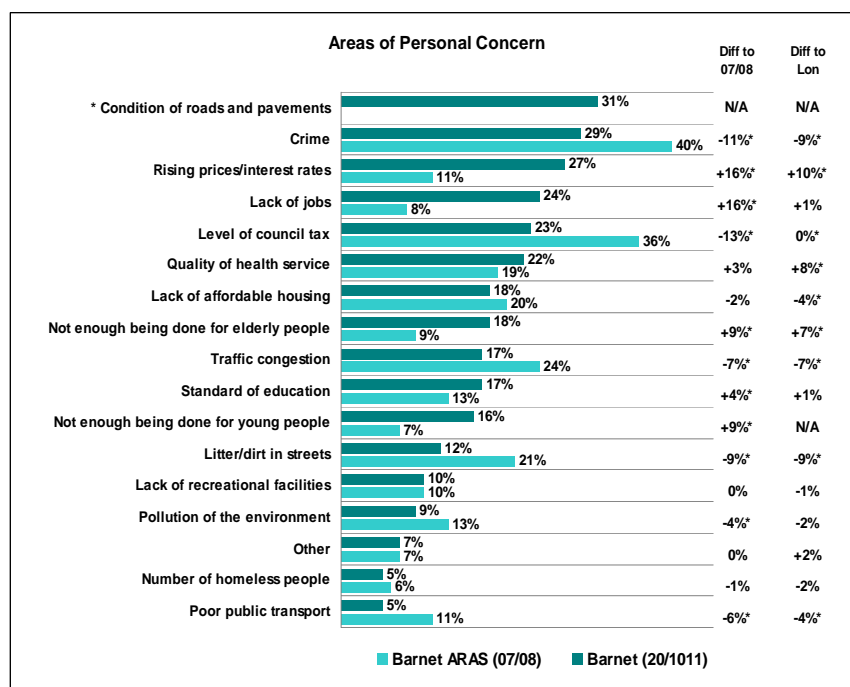
The cost of **concessionary fares** is picked up by local authorities, despite fares being set by Transport for London. These costs have increased by over £0.6m for Barnet in 2012/13.

The government has announced proposals to localise **Council Tax benefit** (meaning that funding these costs will be met by Councils rather than the Department for Work and Pensions), and cut the funding available by 10% in 2013/14. This represents a reduction in funding of more than £3m for Barnet in 2013/14.

## 6. Residents' survey

The challenge for Councils across the country and for growing boroughs such as Barnet in particular, is that while demographic changes impact significantly on Adults and Children's services, those services that the public use and value most are services such as waste collection, street cleansing, highways and libraries.

This table shows the most recent residents survey for Barnet:



The Council's corporate plan and medium term financial plan is designed to ensure that resources are allocated to services and projects that are important to residents. However, the challenges of rising population, increasing customer expectations and reducing government funding make this increasingly challenging.

## 7. Implementing a longer term financial plan to address these challenges

This document draws together the key principles of a longer term financial plan to overcome the challenges as set out. This includes local solutions that the Council can drive directly, and national solutions that the Council can look to take advantage of.

### Local solutions

The Council's overall response is the **One Barnet programme**, which is transforming the way that services are delivered, challenging existing delivery models, and changing the way that the Council interacts with citizens.

The programme cost is £9.2m. The base budget savings against the programme total over £16m by 2014/15 and are fundamental to the achievement of the Council's financial strategy. Additional projects are currently being scoped which are set out in section 9.8 of the main report.

The Council is investing in **early intervention** and **family intervention** to reduce the cost of social care over the medium to long term. £1m of additional ongoing investment has been added to the Children's budget to support this. Additional funding has been secured from partner organisations for the community budget, and we expect that this will be supplemented by central government funding provided the Council can deliver against the relevant success criteria.

The Council is also considering the use of HRA resources to interventions that will enable **regeneration projects** to progress more quickly. This could have additional benefits in terms of economic development, increasing the housing supply and delivery against the Council's infrastructure gap.

The core capital programme is prioritised to respond to demographic changes to channel available resources into essential investment in additional **school places**, and also into improvements in **roads and pavements**.

### **National solutions**

The government has provided additional funding in the form of the New Homes Bonus since 2011/12. The Council has earmarked this funding (which will total over £30m over the next 6 years) to meet infrastructure requirements. The Council will set a community infrastructure levy on the 1<sup>st</sup> April 2012 which will supplement funding available to meet growing infrastructure needs.

The Council will take advantage of the **Housing Revenue Account** reforms from 2012/13 to improve housing in the borough with a particular focus on ensuring the delivery of regeneration projects.

**Business rate localisation** provides perhaps the most significant opportunity for the Council to maximise the resources needed to fund services in a growing borough. Details of the new system of business rate redistribution are still being finalised by the government, so it is not possible to model the potential impact at this stage.

However, the changes will require the Council to manage its finances in a very different way. At the moment, the Council has relative certainty over income (through government grant) and tends to focus on the control of cost in its financial management. In the future, the Council will increasingly need to operate in the same way as a business, investing in measures that will increase economic development and business rates to maximise income as well as controlling cost.

When details of the new system are developed, a more comprehensive longer term plan will be developed which will incorporate modelling of future business rates in Barnet.

Finally, as part of the Treasury autumn statement, the government announced plans for a limited roll out of **Tax Incremental Financing** (TIF) schemes. This involves ring-fencing future business rate growth (potentially over a 25 year period) to fund essential infrastructure requirements in the short term which have a positive impact on economic development in the longer term. The most obvious application of such a scheme is the regeneration proposals for Brent Cross Cricklewood.



## Adults Social Care and Health Fees and Charges 2012/13

Service	Charges	Charges
	2012/13	2011/12
	£	£
<b>Residential and Nursing Care (1)</b>		
Standard Charge persons aged 60+	119.20*	114.75
Standard Charge persons aged 25-59	77.85*	73.75
Standard Charge persons aged 18-25	63.10*	59.7
<b>Respite Care (All client groups) (2)</b>		
Residential Respite (per week)	83.95	79.55
<b>Meals at Home (3)</b>		
Standard meal (per meal)	4.15	3.99
<b>Other Community Support Services (4) **</b>		
See the Fairer Contributions Policy at <a href="http://www.barnet.gov.uk/fairer-contributions-policy-2011-12.pdf">http://www.barnet.gov.uk/fairer-contributions-policy-2011-12.pdf</a>	Up to full cost	Up to full cost
<b>Clients' access to files</b>		
Statutory charge	15	15

\* Figures represent latest government announcements

\*\* This includes homecare, day care, supported living, direct payments and other services provided in the community by the Council

## Children's Services Fees and Charges

Table 1 School Meals

School Meal Charges	Charges 2011/12	Proposed charges 2012/13
Primary school meal	£2.05	£2.10
Kosher school meal	£2.15	£2.20
Free school meal (charge to school)	£2.05	£2.10
Free Kosher school meal (charge to school)	£2.15	£2.20

Table 2 Music Services

	Charges 2011/12	Proposed Charges 2012/13
Instrumental Lessons	£37.00 per hour (from April 2011)	£37.00-£37.50 per hour (from April 2012)
Attendance at Music Centres	£99 per term (from Sept 2011)	£95.00-£97.50 per term (from Sept 2012)
Hire of instrument	£85 per year (from Sept 2011)	£85.00-£88.00 per year (from Sept 2012)

Table 3a) Proposed Children's Centre fees 2012/13 – Wingfield

Wingfield	Age 2 (£5.75 hourly rate)				Age 3-5 (£5.50 hourly rate)			
	Current Fee (£)	Proposed fee (£)	Difference (£)	% change	Current Fee (£)	Proposed fee (£)	Difference (£)	% change
Full day	49.00	51.40	+2.40	+4.9%	48.00	49.50	+1.50	+3.1%
Core day	40.86	40.91	+0.05	+0.1%	39.18	39.23	+0.05	+0.1%
Breakfast club	4.31	4.31	-	-	4.13	4.13	-	-
Morning session	17.25	17.25	-	-	16.50	16.50	-	-
Lunch	6.36	6.41	+0.05	+0.8%	6.18	6.23	+0.05	+0.8%
Afternoon session	17.25	17.25	-	-	16.50	16.50	-	-
Additional afternoon	5.75	5.75	-	-	5.50	5.50	-	-
Tea Club	14.38	15.05	+0.67	+4.7%	13.75	14.40	+0.65	+4.7%

Table 3b) Proposed Children's Centre fees 2012/13 – Newstead

Newstead	Age 2 (£6.00 hourly rate)				Age 3-5 (£5.75 hourly rate)			
	Current Fee (£)	Proposed fee (£)	Difference (£)	% change	Current Fee (£)	Proposed fee (£)	Difference (£)	% change
Full day	50.00	52.45	2.45	+4.9%	49.00	51.40	+2.40	+4.9%
Core Day	44.05	44.10	+0.05	+0.1%	42.30	42.35	+0.05	+0.1%
Breakfast club	4.50	4.50	-	-	4.31	4.31	-	-
Morning session	18.00	18.00	-	-	17.25	17.25	-	-
Afternoon session	18.00	18.00	-	-	17.25	17.25	-	-
Tea Club	14.60	15.30	+0.70	+4.8%	14.00	14.65	+0.65	+4.6%

Table 4 Youth Service Accommodation and Play Service

	<b>Charges 2011/12</b>	<b>Proposed Charges 2012/13</b>
After School Club Greentop Centre	£5.00 per session	Up to £5.20 per session
Holiday Play Scheme Greentop Centre	£17.50 per day or	£18.00 per day or
First Child	£85.00 per week	£87.00 per week
Siblings	£14.00 per day or £65.00 per week	£14.50 per day or £67.50 per week
Child assessed 'in need'	Free provision made where this is specified as part of child's care package or a referral by a professional	Free provision made where this is specified as part of child's care package or a referral by a professional
Hire of the Greentop Centre	£13.50 per hour for partners agencies or in-house departments (In line with Youth & Connexion charges)	No change
	£27.00 per hour for private use (In line with Youth & Connexion charges)	No change
Hire of Youth Centre Premises	£27.00 per hour for private, commercial and occasional use	No change
	£20.30 per hour for partner agencies or youth work providers	No change
	£13.50 per hour for voluntary sector providers	No change

Table 5a) Social care charges - contact

	Charges 2011/12	Proposed Charges 2012/13
<b>Marketing contact sessions to neighbouring authorities</b>		
Room hire	£28.90 per hour ( weekdays) £43.50 per hour (weekends)	No change
Contact supervisor (min time period 3 hours)	£23.20 per hour (weekdays) £34.70 per hour (weekends)	No change
Transport	47p per mile	No change

Table 5b) Social Care Charges – Means tested parental contributions towards the care costs of children in care (Section 20 only)

	Charges 2011/12	Proposed charges 2012/13
Families in receipt of benefits	No charge	No charge
Weekly contribution	Weekly net income less £60 per person, per household, then 20% of remaining amount for 1 <sup>st</sup> child, then 10% for any other children thereafter.	No change

Table 6 Multi agency training programmes

	Duration of course	Charge 2011/12	Group	Proposed charges 2012/13
1	Half day courses	£20 per participant	Participants based in Barnet	No change
2	Full day courses	£35 per participant	Participants based in Barnet	No change
3	Half day courses	£35 per participant	Participants from other local authority areas	No change
4	Full day courses	£50 per participant	Participants from other local authority areas	No change
5	Cancellations for training made within less than 5 full working days of the training date will be chargeable at the full rate.			No change
6	Non-attendance at courses will be charged at £50 per participant.			No change

**Environment, Planning and Regeneration Fees &  
Charges 2012/2013 (above inflation and new)**

SERVICE	Subject to VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS
<b>Planning</b>					
<b>Policy Publications</b>					
Adopted Unitary Development Plan 2006	N		£97.00	£102.00	
CD of Adopted Unitary Development Plan 2006 (for residents only)	N	Each	£75.00	£79.00	Publications used by private companies
Planning Briefs & Supplementary Planning Guidance	N	Each	£25.00	£26.50	
<b>Development Control Publications</b>	N	Each	£35.00	£37.00	
Tree Preservation Order Full Document	N	Each	£45.00	£60.00	Costs are based on market rate charges for the service provided
Tree Preservation Order Extract	N	Each	£25.00	£33.00	
<b>All Planning Services</b>					
<b>Photocopying per copy</b>					
A3	N	Each	£1.00	£1.50	
A4	N	Each	£0.50	£1.00	
<b>Reproduction of maps/drawings (Historic Applications)</b>					
A3	N	Each	£1.00	£1.50	
A4	N	Each	£0.50	£1.00	Costs amended to bring in line with Building Control, true delivery of service including administration time and maintenance and hire of multifunctional devices
<b>Postage</b>					
A5	N	Each	£1.50	£2.00	
A4 package	N	Each	£5.50	£6.00	
A4	N	Each	£3.50	£4.00	
Faxed Information - per A4 page in addition to relevant charge	N	Each	£5.00	£6.00	
<b>Other Planning Costs</b>					
<b>Planning Advice Charges (Pre-Application Advice)</b>					
Category A + (Complex - 150+ residential units or 4000m <sup>2</sup> + of commercial floor space)	Y	Initial meeting		£9,000.00	
Category A (Complex - 100+ residential units or 4000m <sup>2</sup> + of commercial floor space)	Y	Initial meeting	£5,000.00	£7,000.00	
Category B (Complex - 25+ residential units or 2000m <sup>2</sup> + of commercial floor space)	Y	Initial meeting	£4,000.00	£5,000.00	
Category C (Major - 10-24 residential units or 1000m <sup>2</sup> -2000m <sup>2</sup> commercial floor space)	Y	Initial meeting	£1,875.00	£2,500.00	Costs are based on market rate charges for the service provided. The service is not mandatory, therefore developers have a choice of whether to have pre-application meetings although it is recommended
Category D + (Minor - 5-9 residential units, 100m <sup>2</sup> -999m <sup>2</sup> commercial floor space or creation of one residential unit where there are complex heritage issues)	Y	Initial meeting	£750.00	£1,500.00	
Category D (Minor - 2-4 residential units, 100m <sup>2</sup> -999m <sup>2</sup> commercial floor space or creation of one residential unit where there are complex heritage issues)	Y	Written Advice	£750.00	£800.00	
<b>Rates For Officers Giving Specialist Advice &amp; Charges for Subsequent Meetings</b>					
Specialist Advice (Conservation & Design, Highways)	Y	Per hour	£160.00	£250.00	Costs are based on market rate charges for the service provided
<b>Environmental Health</b>					
<b>Works in Default - Admin Fee</b>					
30% on building costs plus surveyors/architects fees or 45% on building costs where work supervised by Barnet Council - Minimum charge			£114.00	£120.00	*
<b>Contaminated Land Enquiries</b>					
Specialist Advice (Scientific Services)		Per hour		£187.00	New charge
<b>Housing Reports</b>					
Inspection of dwellings to meet visa requirements			£145.00	£153.00	*
<b>Housing Act 2004</b>					
Service of a Prohibition Order		Each	£356.00	£374.00	*
Service of an Emergency Prohibition Order		Each	£356.00	£374.00	*
Service of a Demolition Order		Each	Hourly rate	Hourly rate	

SERVICE	Subject to VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS
Taking Emergency Remedial Action		Plus the cost of the work	£356.00	£374.00	*
Service of an Improvement Notice		Each	£425.00	£447.00	*
Service of a Suspended Improvement Notice		Each	£471.00	£495.00	*
Service of a Suspended Prohibition Order		Each	£402.00	£423.00	*
Add on fee to notice/order cost if electrical certificate is obtained		Each		£190.00	
Add on fee to notice/order cost if a gas certificate is obtained		Each		£150.00	
Add on fee to notice/order cost if a structural engineers report is obtained		Each		£500.00	New charges. The amount is based on the average cost of completing these tests. Until now the Council has paid for these investigations but legally, if a notice is served, based on these we can charge.
Copying grant files and postage		Each	£35.00	£37.00	*
Copying enforcement files and postage		Each	£35.00	£37.00	*
<b>HMO Licensing</b>					
New Licence fee		Per dwelling	£209.00	£220.00	*
Assisted Licence fee		Per dwelling	£262.00	£276.00	*
Renewal Fee (where no change in conditions or licence holder or manager, otherwise fee charged as for new application)		Per dwelling	£188.00	£198.00	*
Variation of licence. Material change to the licence such as new facilities installed and licence can be varied for a greater number of occupiers		Per request	£75	£79.00	*
<b>Pest Control</b>					
Cockroaches			£115.00	£125.00	8.69% - increased bait costs
Bed Bugs for a 2 bedroom property			£112.00	£120.00	7.14% - increased chemical costs
Bed Bugs (per additional bedroom)			£28.00	£30.00	7.14% - increase chemical costs
Fleas			£115.00	£122.00	6.1% - increased chemical costs
Exotic Ants			£140.00	£160.00	14.2% - increased bait costs
<b>Health and Safety at Work Courses</b>					
Per person		Each	£79.00	£83.00	*
Registered Charities		Each	£67.50	£71.00	*
Council Services		Each	£56.50	£59.50	*
<b>General Licensing FeesNote: The fees set for animal licensing are influenced by those of the Corporation of London whose vets inspect these premises</b>					
Animal Boarding Establishments - Home based "sitting" services (ABE Act 1963)					
Renewal (where inspection required)		Each	£116.00	£122.00	*
Animal Boarding Establishments (Animal Boarding Establishments Act 1963)					Legislation allows cost recovery only. 2% added to cover accommodation and energy cost rises
New licence		Each	£449.00	£474.00	Increased vets charges plus 2%
Renewal licence		Each	£371.00	£394.00	Increased vets charges plus 2%
Breeding establishments for dogs (Breeding of Dogs Act 1973)					
New		Each	£401.00	£451.00	Increased vets charges plus 2%
Renewal		Each	£345.00	£393.00	Increased vets charges plus 2%
Dangerous wild animals (Dangerous Wild Animals Act 1976)					Legislation allows cost recovery only
New		Each	£483.00	£514.00	Increased vets charges plus 2%
Renewal		Each	£371.00	£399.00	Increased vets charges plus 2%
Performing Animals (Performing Animals (Regulations) Act 1925)					
Registration		Each	£128.00	£144.00	Increased vets charges plus 2%
Certificate		Each	£16.00	£17.00	*
Reduced fee pet shop licence limiting trading to no more than 2 weeks per year (New)		Each	£44.00	£62.00	Increased vets charges plus 2%
Specialist Advice (Scientific Services)		Per hour		£250.00	New Charge
Riding Establishments (Riding Establishments Acts 1964-70)					
Renewal licence		Each	£547.00	£575.00	*
Environmental Health Officer hourly rate for advice, including site visit if required		Each	£178.00	£187.00	*

SERVICE	Subject to VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS
<b>Pet Shops (Pet Animals Act 1951)</b>					
New licence		Each	£462.00	£486.00	Increased vets charges plus 2%
Renewal licence		Each	£413.00	£436.00	Increased vets charges plus 2%
<b>Copy of entry/entries in Register of Food Premises</b>					
Per category of premises			£293.00	£308.00	*
<b>Cemetery and Crematorium</b>					
<b>Interment Fees (all classes of private interments)</b>					
Burial of Ashes in to a private grave with movement of memorial/landing (at minimum depth)				£410.00	This is actually an established service already provided and is for NON RESIDENTS of LBB. Up to now we have charged one single fee regardless of the level and type of work involved in preparing the grave and the higher figure of £499 has put people off from selecting this type of ashes disposal, especially where only the excavation of the grave is required. Service, including scale of charge has been evaluated after consideration of fees and charges and services provided by other cems and crematoriums/market sector.
Burial of Ashes in to a private grave without movement of memorial/landing (at minimum depth)				£350.00	
Additional charge for each additional full size coffin depth (up to maximum of 4)		Each	£146.00	£154.00	*
Burial of ashes in to a private grave without movement of memorial/landing (at minimum depth)		Each	£262.00	£276.00	*
<b>Interment Fees (public interments)</b>					
Persons over 10 years of age		Each	£225.00	£237.00	*
<b>Interment Fees (all classes of private interments)</b>					
Children under 10 years of age including those still born (single depth)		Each	£607.00	£638.00	*
Additional charge for each additional coffin depth (up to maximum of 4)		Each	£307.00	£323.00	*
Persons over 10 years of age (single depth)		Each	£494.00	£519.00	*
Children under 10 years of age including those still born (single depth)		Each	£295.00	£310.00	*
<b>Interment Fees (public interments)</b>					
Persons over 10 years of age		Each	£429.00	£451.00	*
Children under 10 years of age		Each	£151.00	£159.00	*
Stillborn children		Each	£92.00	£97.00	*
<b>A. Burials for LBB Residents:</b>					
Additional charge for Mausoleum spaces			£589.00	£619.00	*
<b>B. Burials for Non-LBB Residents:</b>					
Additional charge for Mausoleum spaces			£589.00	£619.00	*
<b>C. General Burial Fees</b>					
Grave Lease Extension Resident 'A' class per year (minimum of 5 years)		Each		£43.00	
Grave Lease Extension Resident 'B' class per year (minimum of 5 years)		Each		£21.00	
Grave Lease Extension Non Resident 'A' Class per year (minimum of 5 years)		Each		£83.00	
Grave Lease Extension Non Resident 'B' Class per year (minimum of 5 years)		Each		£44.00	The maximum period of grave ownership permitted by legislation (Local Authorities Cemetery Order 1977) is 100 years. We are regularly asked what happens to the grave or the deceased when the lease on ownership expires and if they can buy more time (extend). This provides an opportunity for owners of graves to extend the lease and for the Council to maintain contact with owners, ensuring their contact details are up to date. The fee is calculated on the basis of the current fee for a similar grave leased for a 100 years, divided by 100 (per year). Lease extension is common within the service sector. Legislation is restricted to local authority burial grounds and not churchyards, closed or otherwise, maintained on behalf of the Church of England by the Council. Any operational intentions or changes to existing operations relating to Church of England burial grounds requires agreement (faculty from the relevant Dioceses).
Additional charge per Weekend Burial.		Each	£189.00	£199.00	*
Removing and replacing Memorials for the purpose of enabling further interment		Each	£236.00	£248.00	*
Additional charge for interment of casket - A Class grave only		Each	£247.00	£260.00	*



SERVICE	Subject to VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS
<b>D. Erecting new monuments, grave stones and tablets for the right to erect or place on private graves (including first inscription)</b>					
a. Headstone with kerbs		Each	£263.50	£277.00	*
b. Headstone only		Each	£204.00	£215.00	*
c. Conversion of existing Headstone to include kerbs		Each	£86.00	£91.00	*
e. Renovation or additional inscription		Each	£86.00	£91.00	*
For the right to erect, or place a memorial on a common grave		Each	£113.00	£119.00	*
<b>E. Annual Planting and General Attention of Private Graves (per single grave space)</b>					
Memorial Seat, 6ft, inclusive of plaque up to 60 letters maximum inscription, (no ongoing care)		Each	£805.00	£1,010.00	Charge to include maintenance, which was previously not charged for. The charge is the same as park benches.
Evergreen shrubs only		Each	£172.00	£181.00	*
Turf only		Each	£123.50	£130.00	*
Seasonal Bedding		Each	£263.00	£277.00	*
Wooden cross including brass plaque		Each	£134.50	£142.00	*
Main drive flower bed		Each	£687.00	£722.00	*
Memorial Seat, 6ft, inclusive of plaque up to 60 letters maximum inscription, (no ongoing care)		Each	£805.00	£846.00	*
<b>F. Transfer of Grave Ownership</b>					
Combination of the above		Each	£150.00	£158.00	*
<b>G. Cremation Fees</b>					
Adult Cremations weekday between 09:00-09:30		Each	£289.00	£304.00	*
Children over 1 month - 10 years		Each	£53.00	£56.00	*
Persons over 10 years weekday		Each	£502.50	£528.00	*
Persons over 10 years weekend		Each	£602.50	£633.00	*
Public Health Cremations		Each	£123.50	£130.00	*
Environmental Surcharge		Each	£56.50	£59.50	*
<b>H. Memorials</b>					
Placing additional urn in same niche		Each	£113.00	£119.00	*
Leather Panel Scheme (10 year lease) (Max 60 letters)		Each	£123.50	£130.00	*
Entry in Book of Remembrance consisting of 2 lines		Each	£113.00	£119.00	*
Entry in Book of Remembrance consisting of 5 lines		Each	£161.50	£170.00	*
Book of Remembrance copy 2 lines		Each	£54.00	£57.00	*
Book of Remembrance copy 5 lines		Each	£86.00	£91.00	*
Armorial bearing or badges (these may be engraved in the Book of Remembrance only if accompanied by an inscription of at least 5 lines)		Each	£225.50	£237.00	*
<b>I. Urns and Caskets</b>					
Hendon Oak with inscribed plaque		Each		£65.00	Service introduced to provide convenience to the bereaved, reducing likelihood of removing ashes from crematorium, contacting funeral director to purchase casket and return for burial at later date. Fee charged is in line with market rates.
Double Oak with inscribed plaque		Each		£90.00	
Traditional Oak with inscribed plaque		Each		£75.00	
Hendon Ornate Oak with inscribed plaque		Each		£80.00	
Hendon Metal Urn for transport		Each		£60.00	We currently provide this service but do not charge a fee. The fee is in line with market rates.
Hendon Aluminium Urn - Green, Red or Silver		Each		£40.00	Product is environmentally friendly compared to existing Poly Urns which do not biodegrade in the ground.
Biodegradable Urn		Each		£60.00	
Sealing of Hendon Metal Urn or Casket for transport including Overseas Certificate		Each		£100.00	Many overseas/international carriers (Airlines etc), require ashes to be secured/sealed before transport and this is a fee paying service provided by many crematoria and is in line with market rates
Sealing and Overseas Certificate only (container provided by applicant)		Each		£40.00	As above but some families have their own casket or Urn they wish to be used.

SERVICE	Subject to VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS
<b>J. Ashes</b>					
Strewing of Ashes when returned to Hendon after 12 month of cremation		Each		£100.00	Where ashes are returned to Hendon after a year, it is common for crematoria to charge a fee. The fee is in line with market rates.
Strewing of Ashes when cremated elsewhere		Each		£135.00	Hendon crematorium has been completing this service but has not recorded this as part of its scale of charge. This addresses the omission.
Long-term storage of Ashes per month		Each		£25.00	Some families cannot decide how to commemorate their loved one. Hendon crematorium has a number of ashes in storage stored free of charge. It is common practice to charge for this service as it does incur costs (storage space) and to recognise responsibility for their safe keeping. Fee in line with market sector.
Long-term storage of Ashes per year		Each		£250.00	
<b>K. Chapel Hire and Organist Fees</b>					
Fee for Organ Music and Services of Organist		Each	£51.50	£56.00	8.64% to reflect increase in costs
Use of Chapel plus Organist for additional ½ hour Service		Each	£151.00	£161.00	6.62% to reflect increase in costs
<b>Housing</b>					
<b>Leasehold management charges</b>					
Pre-assignment express enquiries (within 5 days)			£290.00	£305.00	*
Investigation into leasehold accounts and production of statements going back more than one financial year (outside statutory period), per hour.			£35.00	£37.00	*
Legal Costs for Debt Recovery - Costs on Service of S146			£155.00	£164.00	*
<b>Rechargeable works</b>					
Removal of furniture, rubbish, etc, from void properties			Actual costs plus £22 admin fee	Actual costs plus £27.00 admin fee	Reflects additional administration costs
<b>Community Centres</b>					
Rooms Accommodating					
Up to 25 people weekdays		Per hour	£19.00	£20.00	*
Up to 25 people weekends		Per hour	£28.00	£29.50	*
26-50 people weekdays		Per hour	£29.00	£30.50	*
26-50 people weekends		Per hour	£35.00	£37.00	*
151 –200 people weekdays		Per hour	£34.00	£35.75	*
All hirers of letting rooms must maintain adequate public liability insurance. Proof of such insurance cover must be provided to the council prior to the booking being accepted. Alternatively cover will be provided by the council, at a premium of 5.25% of the letting fee that includes the necessary insurance premium tax.					
<b>The following discounts apply:</b>					
Scale 1	No Discount				
Scale 2	25% Discount for Recreational users including religious meetings, art, drama, dance and sport				
Scale 3	50% Discount for Education and Health users and councillors surgeries				
Scale 4	70% Discount for Tenant & Leaseholder meetings and youth organisations				
<b>Regeneration</b>					
Regeneration and Development Manager		Per Hour		£66.15	New post

SERVICE	Subject to VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS
<b>Street Naming and Numbering</b>					
Application for naming and numbering of a property	N	Per property	£65.00	£85.00	In line with outcome of benchmarking with other London Boroughs
Application for naming a road (Authority choice of name)	N			£300.00	
Application for naming a road (Applicants choice of name adhering to SNN Policy, with Fire Brigade approval)	N			£450.00	
Naming or renaming of house or block of flats (Authority choice of name)	N			£120.00	
Naming or renaming of house or block of flats (Applicants choice of name, adhering to SNN Policy, with Fire Brigade approval)	N			£200.00	
Naming or renaming of commercial premises (Authority choice of name)	N			£175.00	
Naming or renaming of commercial premises (Applicants choice of name, adhering to SNN Policy, with Fire Brigade approval)	N			£250.00	
Enforcement of street naming and numbering (where an application hasn't been made)	N		£80	£150	
<b>Building Control</b>					
<b>Building Control Publications</b>					
Completion certificates ordered with a building notice	Y		£30.00	£35.00	Customers have a choice of making a full plans application where the completion certificate is included in the price. This is a competitive market rate fee.
<b>Demolition</b>					
Cost recovery, in accordance with The London Local Authority Act 2004				£250.00	New charge. There is provision under S10 of the London Local Authority Act 2004 that authorises Local Authorities to recover any costs reasonably incurred in administering demolitions under the Building Act 1984. This is a service we have not previously charged for but now propose a charge of £250 per application. I have benchmarked the charge against other London Authorities. The range for those that charge is between £100 and £400 with some scope to charge more for complex ones. We receive very few complex ones (none in the last three years) so have proposed a mid range set fee. Demolition applications should not take more than 3 hours of surveyors' time to check, our cost per hour last year for surveyors was £79.63.
<b>Table A Jan 2012</b>					
<b>Use this table for certain domestic work where the cost of works is less than £150,000 (excluding VAT)</b>					
		<b>Full Plans</b>			<b>Regularisation and Reversions</b>
		<b>Deposit Charge</b>	<b>Inspection Charge</b>	<b>Building Notice Deposit Charge</b>	
	<40m2	218.40	327.60	546.00	709.80
	40-60m2	268.80	403.20	672.00	873.60
	Each additional 40m2	50.40	75.60	126.00	163.80
<b>Extensions, loft conversions and ancillary accommodation</b>	Basements, as above but <b>add on</b>	134.40	201.60	336.00	436.80
	Detached garage/carport/conservatory as above rates but <b>deduct</b>	48.00	72.00	120.00	156.00
	Ancillary insulated detached e.g. store/gym/playroom; as above	218.40	327.60	546.00	709.80
	Garage/conservatory to habitable use	134.40	201.60	336.00	436.80

SERVICE	Subject to VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS
Other works	New bathroom or w/c compartment	100.80	151.20	252.00	327.60
	Reroofing: per dwelling immediately below roof	100.80	151.20	252.00	327.60
	Structural opening	100.80	151.20	252.00	327.60
	Removal of chimney breast	100.80	151.20	252.00	327.60
	Electrical wiring 12 or < circuits (Typical 4 bed house)	100.80	151.20	252.00	327.60
	Conversion of building into one dwelling	252.00	378.00	630.00	819.00
	Conversion of flat or building into two dwellings	252.00	378.00	630.00	819.00
	Each additional dwelling	100.80	151.20	252.00	327.60
	New dwelling < 300m2	336.00	504.00	840.00	1,092.00
	Each additional dwelling	100.80	151.20	252.00	327.60
<b>Table B Jan 2012</b>					
<b>All other works (excluding VAT)</b>					
Estimated Cost of works			<b>Building Notice</b>		Building Control New Charging Scheme: The previous charging scheme was introduced last year following a government review of charging. Its aim was as far as practical to ensure that the user pays for the service provided. To this end we adopted a scheme with many set charges. This has proved overly complex and difficult to apply which has caused confusion to users of the service and a significant increase in the level of enquiry to us. It is proposed we adopt a much more streamlined scheme with fewer set charges and reintroduce the more familiar charge based on the estimated cost of building works. For complex and high value works above £150,000, or when requested, we will assess the fees for individual projects.
			<b>Inspection Charge</b>		
			<b>Deposit Charge</b>		
				<b>Regularisation &amp; Reversions.</b>	
	£0 - £500	140.00	Nil	182.00	
	£500 - £5,000	230.00	Nil	299.00	
	£5,001 - £6,000	99.20	148.80	322.40	
	£6,001 - £7,000	106.40	159.60	345.80	
	£7,001 - £8,000	113.60	170.40	369.20	
	£8,001 - £9,000	120.40	180.60	391.30	
	£9,001 - £10,000	127.20	190.80	413.40	
	£10,001 - £11,000	134.00	201.00	435.50	
£11,001 - £12,000	140.80	211.20	457.60		
£12,001 - £13,000	147.20	220.80	478.40		
				Although a new scheme, the proposed increases in are in line with inflation. Charges based on the estimated cost of works have broadly been based on our old 2009/2010 scale of charges plus inflation. There is an element within them to include rounding and to smooth out the incremental increases.	
				Regularisation applications are for works that have been carried out without a valid application and so are in breach of the Building Regulations. There is supposed to be a financial penalty for this type of application however VAT is not payable on these (it is on other applications) and there is little financial incentive to submit applications on time from non registered applicants, it is therefore proposed to increase the financial penalty from 20% to 30%.	

SERVICE	Subject to VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS
£13,001 - £14,000	153.60	230.40	384.00	499.20	
£14,001 - £15,000	160.00	240.00	400.00	520.00	
£15,001 - £16,000	166.40	249.60	416.00	540.80	
£16,001 - £17,000	172.80	259.20	432.00	561.60	
£17,001 - £18,000	179.20	268.80	448.00	582.40	
£18,001 - £19,000	185.60	278.40	464.00	603.20	
£19,001 - £20,000	192.00	288.00	480.00	624.00	
<b>Estimated cost over £20,000.00 - 1st January 2012</b>					
20,001 30,000	<b>£192.00</b> Add £4.80 + vat per £1,000 or part thereof up to £30,000	<b>£288.00</b> Add £7.20 + vat per £1,000 or part thereof up to £30,000	<b>£480.00</b> Add £12.00 per £1,000 or part thereof up to £30,000	<b>£624.00</b> Add £15.60 per £1,000 or part thereof up to £30,000	
30,001 - 100,000	<b>£240.00</b> Add £4.00 + vat per £1,000 or part thereof up to £100,000	<b>£360.00</b> Add £6.00 + vat per £1,000 or part thereof up to £100,000	<b>£600.00</b> Add £10.00 per £1,000 or part thereof up to £100,000	<b>£780.00</b> Add £13.00 per £1,000 or part thereof up to £100,000	
100,001 - 150,000	<b>£520.00</b> Add £1.88 + vat per £1,000 or part thereof up to £150,000	<b>£780.00</b> Add £2.82 + vat per £1,000 or part thereof up to £150,000	<b>£1300.00</b> Add £4.70 per £1,000 or part thereof up to £1500,000	<b>£1690.00</b> Add £6.11 per £1,000 or part thereof up to £150,000	
More than £150,000	By assessment	By assessment	By assessment	By assessment	
<b>Building Control Publications</b>					
Postage					
A4	N		£3.50	<b>£4.00</b>	
A5	N		£1.25	<b>£2.00</b>	
Faxed Information - per A4 page in addition to relevant charge	N		£4.00	<b>£6.00</b>	Costs amended to bring in line with Planning, true delivery of service including administration time and maintenance and hire of multifunctional devices
<b>Highways</b>					
Consideration of a request to construct a vehicle crossover, where works are arranged by the authority via the highways term contractor	N	Each	£100.00	<b>£125.00</b>	Charge includes time taken to process the application with site visit, marking out site, calculating costs and preparing and posting a quotation, including recording all details on the data base. The increase above inflation is to ensure that time taken is fully recovered.
Deposit related to an application for a licence to erect or retain on or over a highway any scaffolding or other structure	N	Each	£350.00	<b>£500.00</b>	Minimum deposit, however sum is calculated based on area and hence likely damage and estimated reinstatement costs
Deposit related to an application to erect a hoarding or fence and site inspections to monitor compliance	N	Each	£350.00	<b>£500.00</b>	Minimum deposit, however sum is calculated based on area and hence likely damage and estimated reinstatement costs
Deposit in relation to a request to construct works, cellars, cranes, portacabins, temporary crossovers, vaults or pavement lights under or on a street	N	Each	£350.00	<b>£500.00</b>	Minimum deposit, however sum is calculated based on area and hence likely damage and estimated reinstatement costs
Deposit in relation to an application to temporarily deposit materials in a street or to make an excavation in it and the undertaking of site inspections to monitor compliance	N	Each	£350.00	<b>£500.00</b>	Minimum deposit, however sum is calculated based on area and hence likely damage and estimated reinstatement costs
Vehicle Crossover Legal Agreement	N	Each	£150.00	<b>£175.00</b>	Cost includes recovery of costs incurred relating to the processing of the application and scheduling agreement for Legal. Legal costs in preparing for signing agreements and Local Land charges.
Vehicle Crossover White Line - Process Application	N	Each	£100.00	<b>£125.00</b>	Charge includes time taken to process the application with site visit, marking out site, calculating costs and preparing and posting a quotation, including recording all details on the data base. The increase above inflation is to ensure that time taken is fully recovered.
Vehicle Crossover White Line Installation	N	Each	£105.00	<b>£150.00</b>	Charge includes for up to 5 metres - Each additional metre is charged at £20. Increase above inflation to ensure full recovery of time taken to process.
Private Street Name Plate - Supply and Installation	N	Each		£250.00	New Charge - only applicable when the council is requested to install. This is not mandatory.
Consideration of an application each skip on the highway	N	Each	£40 for 2 weeks £65 for 4 weeks	£25 per Week	Minimum of two weeks will apply
Renewal for expired skip licence	N	Each	£40.00	£25 per week	Minimum of two weeks will apply
Private Street Name Plate - Quote and Specification Fee	N	Each	£125.00	£250.00	This charge includes officer time, plus site visit cost, transport, administration and postage

SERVICE	Subject to VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS
<b>Rechargeable Works</b>					
Provide and place new salt bin, incl salt	N	Item	£246.00	£350.00	Increase above inflation to recover full cost to purchase and deliver to site.
Replace damaged salt bin, incl salt refill	N	Item	£246.00	£350.00	Increase above inflation to recover full cost to purchase and deliver to site.
Salt refill of bin	N	Item	£80.00	£120.00	Above Inflation Increase due to large increase in salt cost due to national shortage
Recover keys from road gully	Y	Item	£161.00	£250.00	Historically this occurs outside of working hours which causes additional cost to the Council
Anything done to temporarily restrict or prohibit traffic in order to facilitate a Special Event or similar whether on or off-street. Includes site meetings, making and advertising temporary traffic orders and erecting street notice. Excludes signs/road markings.	N	Per order	£175.00	£184.00	*
Approval to carry out a traffic count on borough roads	N	Each	£275.00	£289.00	*
London Permit Scheme - Permit Fee - Cat 0, 1,2 and TS roads - Major PAA	N	per permit		£105.00	Charge is as agreed by Department for Transport when approving the London Permitting Scheme LoP's. It should be noted that the Secretary of State can vary the fees downwards at any future point.
London Permit Scheme - Permit Fee - Cat 0, 1,2 and TS roads - Major	N	per permit		£240.00	Charge is as agreed by Department for Transport when approving the London Permitting Scheme LoP's. It should be noted that the Secretary of State can vary the fees downwards at any future point.
London Permit Scheme - Permit Fee - Cat 0, 1,2 and TS roads - Standard	N	per permit		£130.00	Charge is as agreed by Department for Transport when approving the London Permitting Scheme LoP's. It should be noted that the Secretary of State can vary the fees downwards at any future point.
London Permit Scheme - Permit Fee - Cat 0, 1,2 and TS roads - Minor	N	per permit		£65.00	Charge is as agreed by Department for Transport when approving the London Permitting Scheme LoP's. It should be noted that the Secretary of State can vary the fees downwards at any future point.
London Permit Scheme - Permit Fee - Cat 0, 1,2 and TS roads - Immediate	N	per permit		£60.00	Charge is as agreed by Department for Transport when approving the London Permitting Scheme LoP's. It should be noted that the Secretary of State can vary the fees downwards at any future point.
London Permit Scheme - Permit Fee - Cat 0, 1,2 and TS roads - Permit Variation	N	per permit		£45.00	Charge is as agreed by Department for Transport when approving the London Permitting Scheme LoP's. It should be noted that the Secretary of State can vary the fees downwards at any future point.
London Permit Scheme - Permit Fee - Cat 3 and 4 and non TS roads - Major PAA	N	per permit		£75.00	Charge is as agreed by Department for Transport when approving the London Permitting Scheme LoP's. It should be noted that the Secretary of State can vary the fees downwards at any future point.

SERVICE	Subject to VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS
London Permit Scheme - Permit Fee - Cat 3 and 4 and non TS roads - Major	N	per permit		£150.00	Charge is as agreed by Department for Transport when approving the London Permitting Scheme LoP's. It should be noted that the Secretary of State can vary the fees downwards at any future point.
London Permit Scheme - Permit Fee - Cat 3 and 4 and non TS roads - Standard	N	per permit		£75.00	Charge is as agreed by Department for Transport when approving the London Permitting Scheme LoP's. It should be noted that the Secretary of State can vary the fees downwards at any future point.
London Permit Scheme - Permit Fee - Cat 3 and 4 and non TS roads - Minor	N	per permit		£45.00	Charge is as agreed by Department for Transport when approving the London Permitting Scheme LoP's. It should be noted that the Secretary of State can vary the fees downwards at any future point.
London Permit Scheme - Permit Fee - Cat 3 and 4 and non TS roads - Immediate	N	per permit		£40.00	Charge is as agreed by Department for Transport when approving the London Permitting Scheme LoP's. It should be noted that the Secretary of State can vary the fees downwards at any future point.
London Permit Scheme - Permit Fee - Cat 3 and 4 and non TS roads - Permit Variation	N	per permit		£35.00	Charge is as agreed by Department for Transport when approving the London Permitting Scheme LoP's. It should be noted that the Secretary of State can vary the fees downwards at any future point.
Permit Scheme Fixed Penalty Notice for failure to apply for a permit before commencing works	N	Per failure		£500.00	Charge is discounted to £300 if payment is made within 29 days
Permit Scheme Fixed Penalty Notice for failure to comply with a permit condition	N	Per failure		£120.00	Charge is discounted to £80 if payment is made within 29 days
<b>Greenspaces</b>					
Tree survey	N	Half day	£165.00	Proposed charges 12/13 £205.00	Comments Delivery of the service during 2011 has identified that the charge out cost for the service was insufficient and a two tiered charge was appropriate to reflect the costs and demand for the service.
Tree survey	N	Full day	New	£395.00	
<b>Greenspaces - Pitches and lettings</b>					
Bowls casual - per rink	Y	hour	£5.00	£6.00	Increased above inflation - 20%, to reduce subsidy for the provision of this service which is heavily subsidised unlike other sporting activities
Bowls season flat rate (April - Oct)	N	each inc. Pavilion	£101.00	£121.00	
Bowls Pavilion - Winter use (Nov to Mar)	N	each	£28.00	£29.50	*
Cricknet casual adult (inc Pavilion)	Y	game	£108.00	£113.50	*
Cricknet casual junior (inc Pavilion)	Y	game	£55.00	£58.00	*
Cricknet nets adult	Y/N	hour	£6.60	£7.00	*
Cricknet nets junior	Y/N	hour	£3.30	£3.50	*
Football casual adult (inc pavilion)	Y	Game	£87.00	£91.50	*
Netball per hour	Y/N	hour	£12.80	£13.50	*
Tennis per court - Club/group bookings (Over 10 bookings VAT exempt)	Y/N	hour	£4.50	£4.73	*
<b>Greenspaces - Schools</b>					
LBB Netball	N	Per game	N/a	£7.00	New school charge to be made available alongside charges for other sports
Non LBB Netball	Y/N	Per game	N/a	£9.00	
LBB Schools Rounders (inc pavilion)	N	Per game	£19.00	£20.00	*
Non LBB Schools Rugby (inc pavilion)	Y/N	Per game	£26.00	£27.50	*
Pavilion hire for schools or groups such as cubs and scouts	N	Session (max 2 hours)	£14.00	£14.75	*
<b>Greenspaces - Other bookings and services</b>					
Storage room rental small	N	per month	New	£15.00	New charge introduced during season following requests for these facilities. The charge enables the hire of these facilities on a formal basis for a relevant and standardised fee.
Storage room rental large	N	per month	New	£25.00	
Charge for bounced cheques	N	per cheque	New	£50.00	New charge to cover administration costs for additional works generated as a result of non-compliance with procedures.
Admin charge for changing dates etc	N	per change	New	£10.00	
Pavilion with event/sports booking per hour (min charge 2 hrs per day)	N	Hour	£14.00	£14.75	*
Pavilion - without sport booking per hour (min charge 2 hrs per day)	N	Hour	£28.00	£29.50	*
Sports markings - mini soccer pitch, rounders, soft ball or similar (25% discount on additional marking on the same site)	N	Each	£85.00	£89.50	*
Sports markings - 8x100m track similar	N	Each	£85.00	£89.50	*

SERVICE	Subject to VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS
<b>Events</b>					
Community event	N	Day	New	90% discount	Introduction of standard charges for different types of event inline with the events policy. New charge 90% discount on commercial rate for community events
Charity event	N	Day	New	75% discount	New charge 75% discount on commercial rate for charity events - A discount may be applied to the daily rate for Charitable/Community events at the discretion of the Director for Environment Planning and Regeneration
<b>Refuse - Household waste wheeled bins</b>					
Replacement 1100 ltr lid	N	Each		£40.00	New Charge
<b>Refuse - Household waste wheeled bins</b>					
Refurbished 1100 ltr bin (only as replacement not initial purchase)	N	Each		£180.00	New Charge
Delivery Charge for 2nd Hand Bins	N	Each		£15.00	New Charge
<b>Refuse - Collection and disposal of Clinical waste</b>					
Individual user in own home (per bag, sharp or box)	N	Each	Free	Free	
Residential care homes or similar (per bag, sharps or box)	Y	Each	£6.00	£9.00	This is due to an increase in disposal, incineration and administration costs
<b>Refuse - Collection of furniture and rubbish from domestic premises</b>					
Prepaid charge for removal 1 large item of rubbish or furniture	N	each	£19.00	£20.00	*
<b>Refuse Collection - Charging for Green Waste</b>					
Prepaid charge for removal of up to 15 bags	N	Each	£54.00	£57.00	*
<b>Refuse - Removal of graffiti from private and Commercial property</b>					
Charge for each additional square metre	Y	Each	£15.50	£16.50	*
<b>Refuse - Household waste wheeled bins</b>					
Lid for 940 ltr bin	Resident	Charge	£38.00	£40.00	*
Request for additional 240 ltr bin	N	Each	£147.00	£154.50	*
<b>Trade Waste</b>					
Plastic sacks (Trade) first pack of 50	Y	Each	£108.00	£133.00	Amended from £113.50 to £133.00 following the confirmation from North London Waste Authority of the cost of disposal per tonne of waste in 2012/13
Plastic sacks (Trade) first pack of 100	Y	Each	£177.00	£225.00	Amended from £186.00 to £225.00 following the confirmation from North London Waste Authority of the cost of disposal per tonne of waste in 2012/14
240 Litre Bins	N	Each	£207.00	£248.00	Amended from £247.00 to £248.00 the confirmation from North London Waste Authority of the cost of disposal per tonne of waste in 2012/15
360 Litre Bins	N	Each	£254.00	£303.00	Amended from £300.00 to £303.00 following the confirmation from North London Waste Authority of the cost of disposal per tonne of waste in 2012/16
660 Litre Bins	N	Each	£440.00	£484.00	Amended from £480.00 to £484.00 following the confirmation from North London Waste Authority of the cost of disposal per tonne of waste in 2012/17
Chamberlain Bins (940 Litre)	N	Each	£633.00	£695.00	Amended from £689.00 to £695.00 following the confirmation from North London Waste Authority of the cost of disposal per tonne of waste in 2012/18
1100 Litre Bins	N	Each	£710.00	£781.00	Amended from £774.00 to £781.00 following the confirmation from North London Waste Authority of the cost of disposal per tonne of waste in 2012/19
<b>Trade Waste charges for other Council Departments</b>					
charge for single occasion(open skip)	N	Each		£70.00	New Charge
<b>Fete Bins</b>					
Fete Bin	Y	Each		£10	New Charge
<b>Grey Domestic Refuse Sack</b>					
Grey Domestic Refuse Sack	N	50 Bags		£5.00	New Charge



SERVICE	Subject to VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS
<b>Parking Permits</b>					
Resident Permit (first) (if purchased online)	N	Each	N/A	£100.00	The use of online self-service is more efficient and saves the Council money. It is also more convenient for users as they can undertake transactions at their own convenience rather than waiting until the offices are open or having to go to the trouble of sending applications by post. Most permit prices are being increased by 5% to reflect inflation but price of those purchased online is being held to encourage residents to take up this option.
Resident Permit (second) (if purchased online)	N	Each	N/A	£125.00	
Resident Permit (third) (if purchased online)	N	Each	N/A	£150.00	
Essential Service Vouchers (per book of 10)	N	Each	£20.00	£25.00	Essential Service Vouchers are used by Council officers or employees of service partners who need to park in connection with their duties but do not have a statutory exemption. The current unit price of £2.50 is less than the Visitor Voucher charge of £4 for a very similar product and the increase is intended to move it towards that price over time.
Dispensations to park	N	Per Application	N/A	£20.00	Dispensations to park are most often used where we are waiting for a resident to provide the necessary documents to validate an application for a Residents Permit and are time consuming and costly to administer. The charge is not intended to generate significant revenue, only around £1,000 per annum, but to encourage applicants to provide information in a timely manner.
Relaxing enforcement around a special event	N	Each	N/A	Free	From time to time, the Council is asked to relax enforcement in a particular area to allow an event to take place, for example a funeral, or to undertake increased activity for a specific purpose. Marking these as specific services is a step towards evaluating their impact on our operations and will support any decision as to whether charges might be appropriate at some future date.
Increased enforcement around a special event	N	Each	N/A	Free	
Call back to process card payment for services	N	Each	N/A	£20.00	The Council offers a number of ways to pay for parking services, including online and by an Automated Telephone Payment system. Some users, however, choose not to access these systems and a Council Officer has to call them to take a card payment over the telephone. This charge is not intended to generate significant revenue, only around £2,000 per annum, but to encourage customers to use more cost effective methods.
One Hour Parking Voucher	N	Card of four		£8.00	Parking Vouchers are a new product for use by motorists who cannot or choose not to pay by phone and do not wish to walk to a PayPoint outlet. It is about to commence operation as a live pilot with cards for 30 minutes or one hour costing £1 and £2 respectively, although they will be sold in sheets of four to aid distribution and keep down costs. They can be used at any on-street parking location, or in any car park, and cards can be combined up to the maximum permitted stay.
Half Hour Parking Voucher	N	Card of four		£4.00	Parking Vouchers are a new product for use by motorists who cannot or choose not to pay by phone and do not wish to walk to a PayPoint outlet. It is about to commence operation as a live pilot with cards for 30 minutes or one hour costing £1 and £2 respectively, although they will be sold in sheets of four to aid distribution and keep down costs. They can be used at any on-street parking location, or in any car park, and cards can be combined up to the maximum permitted stay.
<b>Waste &amp; Sustainability - Flats Recycling</b>					
Frame for flats recycling bins	N	Each	N/A	£458.00	This is a new charge to be introduced from 1 April 2012. The payment is for a steel frame, including five paving slabs and two padlocks, which enables five wheeled bins for recycling to be locked outside in a secure frame. These frames have previously been provided at no cost, whilst the flats recycling service was being rolled out across the borough. It is now anticipated that the majority of new requests will be from new developments.
<b>Trading Standards and Licensing</b>					
Petrol Pumps					
Multigrade type (price computing) single outlet	N	Each	£116.00	£122.00	*
Other types (price computing) single outlet	N	Each	£116.00	£122.00	*
Container type unsubdivided	N	Each	£79.00	£83.00	*
Other types					
Additional costs involved in testing ancillary equipment which require additional testing on site such as credit card acceptors	N	Per extra officer hour	£86.00	£90.50	*
Measuring equipment for intoxicating liquor					
Not exceeding 150ml	N	Each	£19.00	£20.00	*
Other	N	Each	£35.00	£37.00	*

SERVICE	Subject to VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS
Weights	N	per Officer Hour	£86.00	£90.50	*
Weighing instruments					
Additional costs involved in testing instruments calibrated to weigh	N	Per additional hour	£86.00	£90.50	*
Dipstick measuring system					
2.1 up to and including 7600 L	N	Each	£176.00	£185.00	*
Replacement dipsticks (including examination of compartment)	N	Each	£46.00	£48.50	*
Other weighing or measuring equipment					
For examining, adjusting, testing, stamping, authorising, waiting/downtime (at the cause of the customer) during normal office hours	N	Per Officer Hour	£86.00	£90.50	*
SERVICE	Subject to VAT	UNIT	Charges 2012/2013	Proposed Charges 2013/2014	COMMENTS
Allotments					
Rent - Residents of the Borough per pole	N	Each	£5.90	£12.00	Revised from £14.00 to £12.00. No concessionary discount for over 60's. Charges increased to cover the costs of service delivery and investment into infrastructure.
Rent - Non Residents of the Borough per pole	N	Each	£5.90	£25.00	Revised from £28.00 to £25.00 No concessionary discount for over 60's. Charges increased to cover the costs of service delivery and investment into infrastructure.
Water per pole	N	Each	£1.52	£1.60	*

**Environment, Planning and Regeneration Fees  
& Charges 2012/2013 (At or below inflation)**

SERVICE	VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS (If Applicable)
<b>Planning</b>					
<b>Policy Publications</b>					
(for residents only)	N	Each	£50.00	£52.50	
(for residents only)	N	Each	£40.50	£42.50	
UDP Inspector's Report	N	Each	£80.00	£84.00	
(for residents only)	N	Each	£15.00	£15.75	
<b>Conservation Publications</b>					
Conservation Area Character Appraisals	N	Each (sub areas within the Hampstead Garden Suburb Conservation Area will be charged as a single Appraisal document)	£30.00	£31.50	
(for residents only)	N	Each. Each sub area within the Hampstead Garden Suburb Conservation Area will be charged as a single Appraisal document.	£15.00	£15.75	
Statutory List of Buildings of special architectural or historic interest	N	Each	£40.00	£42.00	
(for residents only)	N	Each	£20.00	£21.00	
Schedule of Building of local or historic interest	N	Each	£30.00	£31.50	
(for residents only)	N	Each	£15.00	£15.75	
Statutory List extracts	N	Each	£20.00	£21.00	
One building per extra copy	N	Each	£15.00	£15.75	
Article 4 Directions per area	N	Each	£30.00	£31.50	
Conservation Area Maps	N	Each	£35.00	£36.75	
(for residents only)	N	Each	£20.00	£21.00	
<b>Development Control Publications</b>					
Copies of Planning Decisions	N	Each	£25.00	£26.25	
Copies of Enforcement Notices	N	Each	£25.00	£26.25	
Weekly list of Planning applications per area by email	N	Each	No Charge	No Charge	
<b>All Planning Services</b>					
<b>Photocopying per copy</b>					
<b>Reproduction of maps/drawings (Historic Applications)</b>					
A1-A0	N	Each	£20.00	£21.00	
A2	N	Each	£15.00	£15.75	
<b>CD copy of applications</b>					
Per CD	N	Each	£30.00	£31.50	
(for residents only)	N	Each	£15.00	£15.75	
<b>Ordnance Survey Extracts</b>					
Price for 4 extracts	Y	4 Copies	£70.00	£73.50	
Additional extracts (requested at the same time)	Y	Each	£15.00	£15.75	
<b>Historic Planning Information</b>					
Price per file	N	Each	£15.00	£15.75	
(for residents only for applications decided before 1 Jan 200) Requests for files may take a month to process as the files are archived off site.	N	Each	£10.00	£10.50	
<b>Correspondence requiring research to answer</b>					

SERVICE	VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS (If Applicable)
Per question per address	N	Per question per address	£65.00	£68.00	
Enforcement Enquiry per question per address	N	Per question per address	£65.00	£68.00	
<b>High Hedge Complaints</b>					
Complaint Investigation	N	Per address	£525.00	£551.00	
(50% discount for specified benefits)	N	Per address	£260.00	£273.00	
<b>Other Planning Costs</b>					
<b>Planning Advice Charges (Pre-Application Advice)</b>					
Category F (Small scale development: Small extensions/ alterations (including advertisements) to commercial or similar premises below the threshold of category D; Small changes of use to such premises below the threshold of category D; Other small scale developments below the threshold of category D	Y	Written Advice	£200.00	£210.00	
Category G (Householder development: Extensions or alterations to a single residential unit)	Y	Written Advice	£110.00	£115.00	
<b>Rates For Officers Giving Specialist Advice &amp; Charges for Subsequent Meetings</b>					
Case Officer up to Principal Planner	Y	Per hour	£200.00	£210.00	
Team Leader/Manager	Y	Per hour	£250.00	£262.50	
Service Heads and Directors	Y	Per hour	£300.00	£315.00	
Business relationship manager	Y	Annual charge	£2,000.00	£2,100.00	
<b>Environmental Health</b>					
<b>Noise Act 1996</b>					
Charges made for the seizure, removal and detention of equipment.					
Storage fee (total)			£140.00	£147.00	
<b>HMO Licensing</b>					
Minor Amendments to Licence e.g. change of owners address		Each change	£20.00	£21.00	
Discount for accredited landlords			10%	10%	
Revocation of licence / no longer licensable / refuse to licence / numbers of occupants reduced by conditions on licence. Once application submitted for specified number of lettings, costs have been incurred in processing application, draft and/or full licence			No refund	No refund	
License holder changing nominated manager (manager has to complete a Fit & Proper Person declaration)		Per request	£60.00	£63.00	
Change in Licence holder is treated as a new application			(see above)	(see above)	
<b>Pest Control</b>					
Rats			£125.00	£128.00	
Mice			£125.00	£128.00	
Wasps			£60.00	£62.00	
Call out fee for advice (refundable against the full cost of treatment)			£21.00	£22.00	
Discount for residents receiving Means Tested Benefits			35% of relevant treatment fee	35% of relevant treatment fee	
<b>Foundation Certificate in Food Hygiene Courses</b>					
Per person		Each	£79.00	£79.00	
Registered Charities		Each	£67.50	£67.50	
Council Services		Each	£56.50	£56.50	
<b>Health and Safety at Work Courses</b>					

SERVICE	VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS (If Applicable)
Foundation Certificate in Food Hygiene Courses examination resit		Each	£31.50	£31.50	
Foundation Certificate in Food Hygiene Course - Update		Each	£50.50	£50.50	
Foundation Certificate in Food Hygiene Group Courses (14 - 20 candidates)		Per session	£1,098.00	£1,098.00	
<b>Copy of entry/entries in Register of Food Premises</b>					
Single entry		Each	£5.75	£6.00	
Full copy of register		Each	£737.00	£774.00	
Unsound Food (Business and Commercial premises) - collection and disposal			Actual cost + 30% admin fee	Actual cost + 30% admin fee	
Food Export Certificates			£63.00	£66.00	
Fresh Fish Inspection			1 ECU Equivalent	1 ECU Equivalent	
Sampling of Private Water Supplies (Private Water Supplies Regulations 1991)			Full analysis plus £78 per sampling visit	Full analysis cost plus £81.50 per sampling visit	
<b>Pollution Prevention and Control Act 1999</b>					
Type of Process					
Application Standard		each	£1,579	£1,579	Statutory fee set by DEFRA
Application Reduced fee		each	£148	£148	Statutory fee set by DEFRA
Application Petrol vapour I&II		each	£246	£246	Statutory fee set by DEFRA
Application Vehicle refinishers		each	£346	£346	Statutory fee set by DEFRA
Application Mobile screening and crushing plant for 1st and 2nd permits		each	£1,579	£1,579	Statutory fee set by DEFRA
Fee operating without a permit		each	£1137 Standard £68 reduced fee	£1137 Standard £68 reduced fee	Statutory fee set by DEFRA
Late payment fee		each	£51	£52	Statutory fee set by DEFRA
Annual subsistence charge					Statutory fee set by DEFRA
Standard		each	Low £739,Med £1111 High risk £1673	Low £739,Med £1111 High risk £1674	Statutory fee set by DEFRA
Reduced fee		each	Low £76,Med £151 High risk £228	Low £76,Med £151 High risk £229	Statutory fee set by DEFRA
Petrol vapour I&II		each	Low £108,Med £216 High risk £327	Low £108,Med £216 High risk £328	Statutory fee set by DEFRA
Vehicle refinishers		each	Low £218,Med £349 High risk £525	Low £218,Med £349 High risk £526	Statutory fee set by DEFRA
Mobile screening and crushing plant for 1st and 2nd permits		each	Low £618,Med £989 High risk £1485	Low £618,Med £989 High risk £1486	Statutory fee set by DEFRA
Standard Transfer and substantial change		each	£162 transfer £1005 substantial change	£162 transfer £1005 substantial change	Statutory fee set by DEFRA
Reduced fee Transfer and substantial change		each	£45 Partial transfer £75 new operator Substantial change £99	£45 Partial transfer £75 new operator Substantial change £100	Statutory fee set by DEFRA
Adopt a tube scheme p/a			£120.00	£126.00	
<b>Contaminated Land Enquiries</b>					
Basic enquiry		Each	£42.00	£44.00	
Inquiry including historical land use data		Each	£94.00	£98.00	
<b>General Licensing Fees Note: The fees set for animal licensing are influenced by those of the Corporation of London whose vets inspect these premises</b>					
Animal Boarding Establishments - Home based "sitting" services (ABE Act 1963)					
New licence		Each	£162.00	£169.00	
Renewal licence		Each	£45.00	£46.00	
Performing Animals (Performing Animals (Regulations) Act 1925)					
Certificate		Each	£16.00	£16.75	
Pet Shops (Pet Animals Act 1951)					

SERVICE	VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS (If Applicable)
Reduced fee pet shop licence limiting trading to no more than 2 weeks per year (Renewal)		Each	£29.00	£30.00	
Zoo (Zoo Licensing Act 1981)		Each	Costs incurred plus administrative on-cost of 30%	Costs incurred plus administrative on-cost of 30%	
Riding Establishments (Riding Establishments Acts 1964-70)					
New licence		Each	£673.00	£706.00	
Licence for Massage and Special Treatments (including cosmetic skin piercing)					
Band A - Low risk and non-invasive treatments, including manicure, pedicure, ear and nose piercing using a single use piercing gun designed for the purpose, and sun beds					
New licence		Each	£208.00	£213.00	
Renewal licence		Each	£172.00	£176.00	
Band B - medium risk non-invasive treatments including some beauty treatments and therapeutic treatments, head, neck and below the knee massage.					
New licence		Each	£281.00	£287.00	
Renewal licence		Each	£253.00	£259.00	
Band C - Higher risk or invasive treatments, including body massage (other than described in Band B), electrolysis, acupuncture, tattooing, saunas and laser/intense pulsed light treatments.					
New licence		Each	£430.00	£439.00	
Renewal licence		Each	£359.00	£367.00	
Transfer and Variation Fee (where a variation takes the licence into a higher band then the full fee pro-rata will be payable)					
Band A		Each	£45.50	£47.00	
Band B		Each	£79.00	£81.00	
Band C		Each	£118.00	£121.00	
Additional licensing fee for Laser Removal of hair and intense pulsed light treatments		Each	£61.00	£63.00	
Administration fee on all aborted licence applications		Each	10 percent	10 percent	
<b>Cemetery and Crematorium</b>					
<b>A. Burials for LBB Residents:</b>					
Class 'A' 7'6" x 3' 6"		Each	£4,099.00	£4,304.00	
Class 'B' 6'6" x 2' 6"		Each	£1,998.00	£2,098.00	
<b>Half size grave for burial of ashes or children under 3 years of age.</b>					
Class 'A'		Each	£1,878.00	£1,972.00	
Class 'B'		Each	£657.00	£900.00	
<b>Interment Fees (public interments)</b>					
Children under 10 years of age		Each	£81.00	£85.00	
Stillborn children		Each	£59.50	£62.50	
<b>B. Burials for Non-LBB Residents:</b>					
Class 'A' 7'6" x 3'6"		Each	£7,846.00	£8,239.00	
Class 'B' 6'6" x 2' 6"		Each	£4,137.00	£4,344.00	
<b>Half size grave for burial of ashes or children under 3 years of age.</b>					
Class 'A'		Each	£3,560.00	£3,738.00	
Class 'B'		Each	£1,710.00	£1,796.00	
<b>Interment Fees (all classes of private interments)</b>					

SERVICE	VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS (If Applicable)
Persons over 10 years of age (single depth)		Each	£1,019.00	£1,070.00	
Burial of Ashes in to a private grave with movement of memorial/landing (at minimum depth)		Each	£499.00	£524.00	
<b>D. Erecting new monuments, grave stones and tablets for the right to erect or place on private graves (including first inscription)</b>					
d. In the form of a Vase, Tablet or Wooden Cross		Each	£70.50	£74.00	
<b>E. Annual Planting and General Attention of Private Graves (per single grave space)</b>					
Turfing or Moulding (No maintenance)		Each	£70.50	£74.00	
<b>F. Transfer of Grave Ownership</b>					
By Probate, Letters of Administration, or Private Statutory Declaration		Each	£60.00	£63.00	
By Assignment, Assent, Hendon Statutory Declaration or Renunciation		Each	£100.00	£105.00	
<b>G. Cremation Fees</b>					
Children still born - 1 month		Each	No Charge	No Charge	
<b>H. Memorials</b>					
Columbarium Niche (35 year lease)		Each	£981.50	£1,031.00	
Lily Pond tablet with inscription (35 year lease)		Each	£815.00	£856.00	
Large commemorative tablet with inscription		Each	£2,252.00	£2,365.00	
Cloister tablet with inscription		Each	£1,657.00	£1,740.00	
Wall tablet in Book of Remembrance Hall with inscription		Each	£714.00	£750.00	
<b>K. Chapel Hire and Organist Fees</b>					
Use of Chapel for additional ½ hour Service		Each	£100.00	£105.00	
<b>Regeneration</b>					
Head of Service		Per hour	£80.00	£84.00	
Principal Project Manager		Per hour	£63.00	£66.15	
Senior Project Manager		Per hour	£56.90	£59.75	
Assistant Project Manager		Per hour	£41.60	£43.68	
Programme & Skills Manager		Per hour	£49.65	£52.13	
Skills Development Coordinator		Per hour	£40.60	£42.63	
Project Support Officer		Per hour	£25.15	£26.41	
<b>Housing</b>					
<b>Leasehold management charges</b>					
Pre-assignment enquiries from leaseholders			£235.00	£245.00	
Admin charge for Deeds of Variation			£105.00	£110.00	
Admin charge for enfranchisement/lease extensions			£235.00	£245.00	
Licences for alteration approvals (where allowed by lease)			£125.00	£130.00	
<b>Rechargeable works</b>					
Reglazing, carpentry and plumbing, etc, due to tenant damage or neglect, etc. Unblocking wastes, resetting electrical trips/mending main fuses where due to faulty tenant appliance			Actual cost plus £26 Admin fee for repeat calls only	Actual Cost plus £27.00 Admin Fee for repeat calls only	
<b>Community Centres</b>					
Rooms Accommodating					
51-100 people weekdays		Per hour	£30.00	£31.50	
51-100 people weekends		Per hour	£40.00	£42.00	
101-150 people weekdays		Per hour	£31.00	£32.50	
101-150 people weekends		Per hour	£41.00	£43.00	

SERVICE	VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS (If Applicable)
152 –200 people weekends		Per hour	£49.00	£51.00	
All hirers of letting rooms must maintain adequate public liability insurance. Proof of such insurance cover must be provided to the council prior to the booking being accepted. Alternatively cover will be provided by the council, at a premium of 5.25% of the letting fee that includes the necessary insurance premium tax.					
<b>The following discounts apply:</b>					
Scale 1	No Discount				
Scale 2	25% Discount for Recreational users including religious meetings, art, drama, dance and sport				
Scale 3	50% Discount for Education and Health users and councillors surgeries				
Scale 4	70% Discount for Tenant & Leaseholder meetings and youth organisations				
<b>Building Control</b>					
<b>Building Control Publications</b>					
Building Regulations - Additional copies of decision notices/completion certificates on full plans applications, building notices and regularisations	N		£85.00	£70.00	
Completion certificates ordered with a building notice			£30.00	£31.50	
<b>Dangerous Structures</b>					
Cost recovery, in accordance with The London Building Acts 1939 . Dangerous Structure			Cost recovery	Cost recovery	
<b>Demolition</b>					
<b>Correspondence requiring research to answer</b>					
per question per address	N		£85.00	£70.00	
<b>Reproduction of maps/drawings</b>					
A1-A0	N		£17.00	£17.85	
A2	N		£12.00	£12.60	
A3	N		£7.50	£7.88	
A4	N		£6.00	£6.30	
<b>Photocopying</b>					
A3	N		£2.85	£2.99	
A4	N		£1.40	£1.47	
<b>Highways</b>					
Unlicensed Skip found on the highway	N	Each	£250.00	£262.50	
Site inspection charge Skips	N	Each	£50.00	£52.50	
Consideration of a request to construct a vehicle crossover, where works are arranged by the authority via the highways term contractor, but in conjunction with the council's planned footway works programme	N	Each	£100.00	£105.00	
Consideration of an application for a licence to erect or retain on or over a highway any scaffolding or other structure	N	Each	£150.00	£157.50	
Consideration of an application to erect a hoarding or fence and site inspections to monitor compliance	N	Each	£150.00	£157.50	
Consideration of a request to construct works, cellars, cranes, portacabins, temporary crossovers, vaults or pavement lights under or on a street	N	Each	£150.00	£157.50	
Consideration of an application to temporarily deposit materials in a street or to make an excavation in it and the undertaking of site inspections to monitor compliance	N	Each	£150.00	£157.50	



SERVICE	VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS (If Applicable)
Vehicle Crossover - Processing and monitoring of Crossover applications and works under possible alternative arrangements where works are arranged by residents rather than the Authority.	N	Each	£350.00	£367.50	Charge includes for an initial site visit on receipt of a crossover application, granting or refusing application, further site visits as required to monitor the works carried out and issuing a completion certificate.
Vehicle Crossover - On occasions where it is necessary for obstructions to be considered for removal in order for a crossover to be constructed such as a tree or lighting column, thereby necessitating a site visit by a tree officer/lighting engineer.	N	Each	£100.00	£105.00	
Rechargeable construction Works - Vehicle Crossovers, Street Lighting, Highway Construction, Sign supply and installation etc.	N	Each	Cost + 40%	Cost + 40%	
Vehicle Crossover White Line Re-marking existing faded lines	N	Each	£100.00	£105.00	Charge includes for up to 5 metres - Each additional metre is charged at £21.
Section 50 Street works licence	N	Per licence	£275.00	£275.00	
Section 50 inspections	N	Per licence	£161.00	£169.00	This is a one off charge for carrying out inspections in accordance with NRSWA 1991.
Memorial seat 6' with inscribed bronze plaque	N	Each Bench	£962.00	£1,010.00	Increase to include the maintenance during the life expectancy of the bench. This would normally be 10 to 15 years.
Works directed under the Highways Act 1980 and the Town & Country Planning Act 1990: Pre-application initial meeting to discuss proposed developments.	N	Each	£500.00	£525.00	
Works directed under the Highways Act 1980 and the Town & Country Planning Act 1990: Pre-approval meeting to discuss the scope of adoptable highway works in connection with new roads within proposed developments	N	Hourly Rate	Up to Snr Eng £110 Above Snr Eng £170	Up to Snr Eng £115.50 Above Snr Eng £178.50	
The alteration of parking layout through Traffic Management Order (TMO) processes. Charge covers the public consultation, advertising and one TMO alteration	Y	Each	£1,700.00	£1,785.00	
Enquiries on Highway matters requiring an official response. To cover all enquiries including GIS, Traffic Management Order, traffic schemes, accident data, rights of way and similar	N	Each	£180.00	£189.00	
Works directed under the Highways Act 1980 and the Town & Country Planning Act 1990: Pre-application advise following initial meeting to discuss proposed developments.	N	Hourly Rate	Up to Snr Eng £110 Above Snr Eng £170	Up to Snr Eng £115.50 Above Snr Eng £178.50	
Section 38, 278 and 106 Highway Work : Technical approval of highway layout & construction details and the supervision of adoptable highway works in connection with new estate roads offered for adoption	N	Each	12%, 15.5% and 20.5%	12%, 15.5% and 20.5%	These works are carried out under Section 38 / 278 of the Highways Act 1980 and / or Section 106 of the Town and Country Planning Act by Agreement. See Note 5. Highest percentage figure used when works cost in under £400,000. Lowest percentage used when works cost £1m to £2m. When works cost over £2m they are subject to individual negotiation

SERVICE	VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS (If Applicable)
Minor Offsite Highways Work : Technical approval of highway layout & construction details and the supervision of highway works on the public highway for minor offsite highways work necessitated by the new development	N	Each	£2,488.00	£2,612.50	
Highway Licences : Processing of Licences under the Highways Act 1980 on new developments (i.e. under Sections 142;177;179;181 etc.)	N	Each	£3,117.00	£3,273.00	
Processing of Stopping Up Order Under Section 247 of Town & Country Planning Act 1990	N	Each	£4,067.00	£4,270.50	
Processing of Stopping Up Order Under the Highways Act 1980	N	Each	£6,391.00	£6,710.50	
Works directed under the Highways Act 1980 and the Town & Country Planning Act 1990: Pre-application advise following initial meeting to discuss proposed developments.	N	Hourly Rate	Up to Snr Eng £110 Above Snr Eng £170	Up to Snr Eng £115.50 Above Snr Eng £178.50	
Processing of Notification for Transport for London approval under TMA 2004	N	Each	£3,117.00	£3,273.00	
<b>Rechargeable Works</b>					
Anything done to restrict or prohibit traffic on a road in order to carry out works on or near the road. Includes making temporary traffic orders, advertising, providing notification of the restrictions and making, erecting, maintaining diversion signs, barriers etc. to implement the road closure and removal thereof	N	Per order	£3,354.00	£3,522.00	Fixed fees for making temporary traffic orders to be charged are £500.00 for activities covered in the Coordination Code of Practice Para 7.3.21 & 22. Includes for maintaining signs for 3 months. Additional charges to apply beyond 3 months. Includes for up to 6 signs - additional charge of £500.00 per sign thereafter.
Anything done to temporarily restrict or prohibit traffic in order to carry out works on or near the road. Includes site meetings, making and advertising temporary traffic orders and erecting street notice. Excludes signs/road markings	N	Per order	£1,625.00	£1,700.00	Fixed fees for making temporary traffic orders to be charged at £350.00 for activities covered in the Coordination Code of Practice Para 7.3.21 & 22.
Consideration of a request to place a traffic sign to indicate the route to specified land or premises and the placing of such a sign	N	Per Sign	£291.00	£305.50	
Provide traffic flow data from automatic traffic counters or previously conducted manual counts	N	Each	£350.00	£367.50	
<b>Greenspaces</b>					
Memorial Tree (Standard 45/65 litre, 12-14cm girth)	N	per item	£325 - £500	£341 - £525	Comments
Memorial Bench (Standard wooden or metal)	N	per item	£780 - £1,685	£819 - £1769.00	
<b>Greenspaces - Pitches and lettings</b>					
Cricket season adult (inc pavilion)	N	Based on a 20 week season	£1,236.00	£1,298.00	
Cricket season junior (inc pavilion)	N	Based on a 20 week season	£618.00	£649.00	
Football casual junior (inc pavilion)	Y	Game	£43.50	£45.50	
Football season adult (inc pavilion)	N	Based on a 30 week season	£1,175.00	£1,234.00	
Football season junior (inc pavilion)	N	Based on a 30 week season	£587.00	£616.50	
Football summer adult	Y	Game	£65.00	£68.00	
Football summer junior	Y	Game	£33.00	£34.50	

SERVICE	VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS (If Applicable)
Gaelic season adult (inc pavilion)	N	Based on a 34 week season	£1,254.00	£1,316.50	
Gaelic season junior (inc pavilion)	N	Based on a 34 week season	£627.50	£659.00	
Rugby casual adult (inc pavilion)	Y	Game	£81.50	£85.50	
Rugby casual child (inc pavilion)	Y	game	£40.50	£42.50	
Rugby season adult (inc pavilion)	N	Based on a 34 week season	£1,449.00	£1,521.50	
Rugby season child (inc pavilion)	N	Based on a 34 week season	£754.00	£792.00	
Tennis per court - Adult	Y	hour	£6.00	£6.30	
Tennis per court - Junior	Y	hour	£3.00	£3.15	
Tennis per court - Adult & Junior	Y	hour	£4.50	£4.73	
Tennis per court - Coaching (Min. 10 bookings)	N	hour	£10.00	£10.50	
Tennis per court - Club/group bookings - OAP/Junior (Over 10 bookings VAT exempt)	Y/N	hour	£2.25	£2.36	
<b>Greenspaces - Schools</b>					
LBB Schools Cricket (inc pavilion)	N	Per game	£31.00	£32.50	
LBB Schools Football (inc pavilion)	N	Per game	£20.00	£21.00	
LBB Schools Rugby (inc pavilion)	N	Per game	£22.00	£23.00	
Non LBB Schools Cricket (inc pavilion)	Y/N	Per game	£33.00	£34.50	
Non LBB Schools Football (inc pavilion)	Y/N	Per game	£24.00	£25.00	
Non LBB Schools Rounders (inc pavilion)	Y/N	Per game	£21.00	£22.00	
Site hire (inc pavilion) for events/sports days etc	N	Per booking	£20.00	£21.00	
<b>Greenspaces - Other bookings and services</b>					
Postage - per set of keys return and or collection	N	Each	£10.00	£10.00	
Sports course bookings (no pavilion) 2hrs max per day	Y/N	Session (max 2 hours)	£20.00	£21.00	
Sports course bookings (no pavilion) over 2hrs per day	Y/N	Day	£50.00	£52.50	
Fitness programmes i.e. exercise classes. Min. 20 session booking	Y	1 hr sessions	£10.00	£10.50	
Sport markings - 200 m track	N	Each	£160.00	£168.00	
Sport markings - 400 m track	N	Each	£270.00	£283.50	
Additional markings (eg relay boxes, markers)	N	Per set	£20.00	£21.00	
Over mark for sports markings	N	Each	£30.00	£31.50	
<b>Events</b>					
Commercial event - Fun Fairs (up to 12 rides) and Private Functions	N	Day	£560.00	£588.00	
Commercial Events - size 1-100	N	Day	£250.00	£262.50	
- Event size 101-1,000	N	Day	£560.00	£588.00	
- Event size 1,001-2,500	N	Day	£750.00	£787.50	
- Event size 2,501-5,000	N	Day	£1,000.00	£1,050.00	
- Event size 5,000 +	N	Day	By Negotiation	By Negotiation	
<b>Refuse - Collection and disposal of dead animals from private dwellings</b>					
Charge for removal	Y	Each	£50.00	£52.50	
<b>Refuse - Removal of graffiti from private and Commercial property</b>					
Charge for 1st square metre	Y	1st Metre	£50.00	£52.50	
<b>Refuse - Collection of furniture and rubbish from domestic premises</b>					
Prepaid charge for removal of up to 15 bags	N	Each	£56.00	£57.00	

SERVICE	VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS (If Applicable)
Electrical items	N	Each	£41.00	£43.00	
<b>Refuse - Household waste wheeled bins</b>					
Request for initial 240 ltr bin	N	Each	£31.00	£32.50	
Request for initial 660 ltr bin per 3 flats	N	Each	£222.00	£233.00	
Request for replacement 240 ltr green waste bin	N	Each	£31.00	£32.50	
Request for additional 240 ltr green waste bin	N	Each	£51.00	£53.50	
Request for additional 660 Litre bin per 3 flats	N	Each	£258.00	£271.00	
Request for initial 720 ltr bin 3/4 flats	N	Each	£357.00	£375.00	
Request for additional 720 ltr bin 3/4 flats	N	Each	£536.00	£563.00	
Request for initial 940 ltr bin per 4 flats	N	Each	£340.00	£357.00	
Request for additional 940 ltr bin per 4 flats	N	Each	£510.00	£535.50	
Request for initial 1100 ltr bin per 5 flats	N	Each	£377.00	£396.00	
Request for additional 1100 ltr bin per 5 flats (always with lid)	N	Each	£626.00	£657.50	
<b>Trade Waste</b>					
Compactor Skip: Annual charge for one collection per week	Y	Each	£7,075.00	£7,429.00	Charge does NOT incl. provision of skips
Charge for single occasion (Compactor Skip)	Y	Each	£177.50	£186.00	Charge does NOT incl. provision of skips
Trade special collections : initial 30 mins	Y	Each	£83.00	£87.00	
Trade special collections : Subsequent 30 mins	Y	Each	£61.00	£64.00	
<b>Trade Waste charges for external clients</b>					
charge for single occasion(open skip)	Y	Each	£222.00	£233.00	
<b>Parking Permits</b>					
Resident Permit (first)	N	Each	£100.00	£105.00	
Resident Permit (second)	N	Each	£125.00	£130.00	
Resident Permit (third)	N	Each	£150.00	£155.00	
Visitor Vouchers	N	Batch	£48.00 per batch of 12	£50.00 per batch of 12	
Amendments to existing permit	N	Per Application	£20.00	£21.00	
Permit refunds	N	Per Application	£20.00	£21.00	
Green residents permit	N	Each	£50.00	£52.50	
Three month temporary permit	N	Each	£240.00	£252.00	
Housing Permit (first)	N	Each	Free	Free	
Housing Permit (second)	N	Each	£40.00	£42.00	
Housing Permit (third)	N	Each	£70.00	£73.00	
Doctors Permit	N	Each	£200.00	£200.00	
Community Permit (first)	N	Each	£100.00	£100.00	
Community Permit (second)	N	Each	£125.00	£125.00	
Community Permit (Third)	N	Each	£150.00	£150.00	
Carers Permit	N	Each	Free	Free	
Designated Disabled Bay Permit	N	Each	Free	Free	
Representative Support Permits	N	Each	Free	Free	
Haizola Permit	N	Each	N/A	Free	
Suspensions	N	Per suspension	£60 per space per day	£63 per space per day	
Business permit - Weekly	N	Each	£25.00	£26.00	
Business permit - Monthly	N	Each	£70.00	£73.50	
Business permit - Annually (Spec Reg)	N	Each	£500.00	£525.00	
Business Permit - Annually (Any Reg)	N	Each	£800.00	£840.00	
Car Parks	Y	Per Visit	Varies	5%	5% increase on each tariff band
<b>Trading Standards and Licensing</b>					
<b>Weights and Measures</b>					
Linear Measure not exceeding 3m for each scale	N	Each	£12.00	£12.50	
Capacity measures (without divisions or sub divisions) (not exceeding 1 L)	N	Each	£12.00	£12.50	
Cubic Ballast measures (other than brim measures)	N	Each	£182.00	£191.00	
<b>Other types</b>					

SERVICE	VAT	UNIT	Charges 2011/2012	Proposed Charges 2012/2013	COMMENTS (If Applicable)
1 meter test	N	Each	£139.00	£146.00	
2 meter tests	N	Each	£230.00	£241.50	
3 meter tests	N	Each	£288.00	£302.50	
4 meter tests	N	Each	£363.00	£381.00	
5 meter tests	N	Each	£438.00	£460.00	
6 meter tests	N	Each	£518.00	£544.00	
7 meter tests	N	Each	£599.00	£629.00	
8 meter tests	N	Each	£673.00	£706.50	
Weighing instruments					
<15kg	N	Each	£44.00	£46.00	
15 - <100kg	N	Each	£59.00	£61.75	
100kg - ,250kg	N	Each	£83.00	£87.00	
250 -< 1 tonne	N	Each	£134.00	£140.50	
1 tonne - < 10 tonne	N	Each	£180.00	£189.00	
10 tonne - < 30 tonne	N	Each	£374.00	£392.50	
30 tonne - < 60 tonne	N	Each	£574.00	£602.50	
Measuring equipment for measuring liquid fuels in excess of 100L dispensed from road tankers					
Meter measuring system					
Wet hose type, based on 2 liquids being used for testing	N	Each	£189.00	£198.50	
Dry hose type, based on 2 liquids being used for testing	N	Each	£204.00	£214.00	
Dipstick measuring system					
> 7600L	N	Each	£173 plus £86 per officer hour	£181.50 plus £90.50 per officer per hour	
Initial dipstick	N	Each	£22.00	£23.00	
Spare dipstick	N	Each	£22.00	£23.00	
Other weighing or measuring equipment					
For examining, adjusting, testing, stamping, authorising, waiting/downtime (at the cause of the customer) outside of office hours	N	Per officer hour	£171.00	£179.50	

## Off Street Car Park Charges 2012/2013

### Most Car Parks

<b>Time Purchased</b>	<b>Existing</b>	<b>Proposed</b>	<b>% Increase</b>
Up to 30 minutes	£1.00	£1.05	5%
Up to 60 minutes	£2.00	£2.10	5%
Up to 90 minutes	£3.00	£3.15	5%
Up to 180 minutes	£4.00	£4.20	5%
Over 90 minutes	£5.00	£5.25	5%

### East Barnet Road Car Park (N&S)

<b>Time Purchased</b>	<b>Existing</b>	<b>Proposed</b>	<b>% Increase</b>
Up to one hour	£0.50	£0.53	6%
Up to two hours	£1.00	£1.05	5%
Up to three hours	£1.50	£1.58	5%
Up to four hours	£2.00	£2.10	5%
Over four hours	£5.00	£5.25	5%

### Watling Avenue Car Park

<b>Time Purchased</b>	<b>Existing</b>	<b>Proposed</b>	<b>% Increase</b>
Up to two hours	£1.00	£1.05	5%
Up to four hours	£1.50	£1.58	5%
Over four hours	£2.00	£2.10	5%



# London Borough of Barnet

## Debt Management Strategy

30 September 2011



## Introduction and objectives

The Council has a statutory and fiduciary responsibility to protect public funds for the benefit of all who live and work in the borough.

This document sets out the Council's policy and procedures in relation to the billing, collection and recovery of monies owed to the Council and is to be adopted across all services within the London Borough of Barnet.

The Council is responsible for the collection of local taxes but also provides a range of chargeable services. Whilst the majority of this income is collected in a timely manner, there are occasions when debtors do not make payments on time. This gives rise to a requirement to actively manage Council debt, and to set out clearly how the Council will enforce payment of monies owed.

Methods for the billing and recovery of statutory debt are defined within the relevant statute. Methods for the billing and recovery of non-statutory debt are designed to comply with best practice.

The Council's objectives in relation to debt are:

- To minimise the amount of debt held at any one time;
- To pursue all debts, ensuring that those with the means to pay actually do so;
- To provide a corporate approach to the billing, recovery and collection of debt that encompasses the following core principles and is proportional, consistent and transparent.

## Core Principles

Responsibility for maximising income to the council for the services it charges for is shared by the Chief Finance Officer and Heads of Services.

The primary objective is to obtain payment in advance of services being provided. Where this is not possible, services should determine their arrangements for allowing credit in consultation with the Income Team, on behalf of the Chief Finance Officer. This document sets out arrangements for doing this.

Services are responsible for controlling the issue of credit in line with pre-determined arrangements and adhering to the arrangements for blocked customers.

Services are responsible for collecting and banking income collected in advance and for raising invoices promptly where credit has been allowed.

Consistent and transparent debt management arrangements will be applied to all sums owed to the council, with the objective of maximising income and cash flow, but taking account of the cost of collection and recovery. Arrangements for dealing with hardship are also addressed by this document.

The Central Income Team is responsible for recovering debts that have been raised by services, for advising them on debts that are uneconomic to pursue and where debts should be written-off, and for maintaining master data (client details, including blocked customer status etc.).

Provision for bad debts will be determined by the Chief Finance Officer, in conjunction with services and the Head of Revenue Services;

This document is not concerned with the Council's policy for charging for services. It is only concerned with the arrangements for collecting income on debts where the Council has made a policy decision on charging for services.

### **Definition of a debtor**

A debtor is any body, (whether an individual or organisation), who has received goods or services from the Council, or is liable for a statutory debt, and who has not yet paid the full amount owed.

To reduce the number of debtors, service providers must attempt to obtain payment in advance or at the point of service delivery wherever possible. Invoices should only be raised where payment in advance for a service is inappropriate.

### **Performance management**

Prompt recovery action is key in managing debt and maximising income. The Council therefore aims to:

- Regularly monitor the level and age of debt.
- Set clear targets for the recovery of debt.
- Have clear written recovery procedures.
- Set priorities for specific areas of debt and assess recovery methods to ensure maximum recovery.
- Regularly review irrecoverable debts for write-off.

### **Monitoring and reporting of debt**

The following table sets out the frequency and type of debt reporting, the responsibilities associated with monitoring debt levels, and responsibilities for monitoring this policy:

Type of Debt	Activity	Report to:	Responsible Officer	Frequency
Sundry	Aged Debt report	All services	Income Manager	Monthly
Sundry	Barnet Major Debtors		Income Manager	Monthly
Revenues, Benefits and NNDR	Ctax Percentage collected in year	CLG	Head of Revenues and Benefits	Yearly
All Debt	Review of Strategy	Chief Finance Officer	Income Manager	Yearly

Performance targets for debt invoicing, collection and debt recovery:

Type of Debt	Activity	Target	Responsible Officer
Sundry	Invoicing	Invoice request to be raised in advance where possible, but no later than 7 days after the supply of the related goods or services.	Income Manager
Sundry	Invoicing	Invoice to be raised within 1 day of the sales order being received.	Income manager
Sundry	Collection	Cheques or cash to be processed within 24 hours of receipt.	Income Manager
Sundry	Collection	Payment suspense items to be cleared within 3 days.	Head of Finance
Sundry	Aged Debt KPI	% of debt over 6 months but less than 1 year to be less than 3% of total debt.**	Income Manager
Sundry	Aged Debt KPI	% of debt over 1 year but less than 2 years to be less than 2% of total debt.**	Income Manager
Sundry	Aged Debt KPI	% of debt over 2 years to be less than 1% of total debt.**	Income Manager
Sundry	Aged Debt KPI	Irrecoverable debt to be written	Income Manager

		off on a yearly basis.	
Sundry	Payment method	To increase the number that pay by direct debit by 5% per annum.	Income Manager
Council Tax	To maximise the level of collection.	That 96% of 2011/12 Council Tax will be collected.	Head of Revenues and Benefits
NNDR	To maximise the level of collection.	That 96% of this years charge will be collected.	Head of Revenues and Benefits
Benefit Overpayments	To maximise the level of collection.	That at least £1m of this years debt will be collected	Head of Revenues and Benefits

\*\* Excludes Adult residential care costs

### Collection and Recovery

Except in the case of an invoice payable by instalments, or as otherwise contractually agreed, the settlement period for all invoices will be within 28 days.

After the settlement period, and where legislation permits, the Council may seek to recover interest and any costs that are legitimately due from the debtor to the Council or its agents.

Recovery action will commence no later than 14 days after the demand has fallen due. Escalations processes up to and including litigation, are to be agreed between the Income Team and the service departments.

The Council will attempt at all times to use the most appropriate and cost-effective method of debt recovery in order to maximise income.

Before enforcement action is taken, the council will utilise, correspondence and telephone contact with the debtor, visits to the debtor's home by designated Council officers, and where cost effective to do so, external collection agents as an alternative means of recovering sundry debts.

Where an external agency is utilised to assist with collection the flow of information between the Council and the agent must be in a secure electronic format.

All statutory methods of enforcement of debts shall be available for use. These include:

- Attachments of Earnings
- Warrants of Execution
- Third Party Orders
- Insolvency
- Possession proceedings

Where legally permissible, the provision of future services to the debtor will be suspended until outstanding debts are settled.

### **Dispute resolution**

In case of a dispute all recovery action will be suspended and the dispute referred back to the originating department for resolution within one week. If no response after 1 week a reminder will be sent to the originating department for instructions. If no response after a further week the debt will be transferred back to the originating department.

A dispute is not resolved unless it meets one of the following conditions:

- The customer is correct and gets full credit
- The customer is partly correct and gets partial credit and agreed charge.
- The customer is incorrect and accepts the charge
- The customer is not correct and does not accept the situation but the service is prepared to pursue the debt

### **Write off procedures**

***3.1 Whilst the Council will make every effort to pursue debts owed by debtors, it recognizes that in some circumstances debt will become irrecoverable.***

Debt may be regarded as uncollectable where:

- The debt is uneconomic to collect i.e. the cost of collection is greater than the value of the debt.
- The debt is time barred, where the statute of limitation applies. Generally this means that if a period of six years has elapsed since the debt was last demanded, the debt cannot be enforced by legal action.
- The debtor cannot be found or communicated with despite all reasonable attempts to trace.
- The debtor is deceased and there is no likely settlement from the estate or next of kin and where there is written confirmation from the Receiver.
- Hardship, where permitted, on the grounds that recovery of the debt is likely to cause the debtor serious financial difficulty.
- Insolvency where there is no likelihood of settlement and written confirmation from the Official Receiver or Administrator.

Good practice dictates that, when all methods of debt recovery have been exhausted, any debts that remain irrecoverable are written off promptly in accordance with the Council's

Constitution and Financial Regulations.

Under the Council's Constitution, the Chief Finance Officer may, subject to that officer being satisfied that all avenues to recover the funds have been investigated, write off bad debts up to the value of £5000.00

Bad debt that is to be written off and is in excess of £5000.00 must be referred to the Cabinet Resources Committee for write off.

**3.2 *The CIPFA Code of Practice on Local Authority Accounting, (The Code) requires the council's statement of accounts to include sufficient provision for bad debts. This provision will be determined by the Chief Finance Officer, in consultation with the Head of Exchequer Services, the Head of Revenue Services and other Services. The External Auditor will subsequently review this provision for appropriateness.***

**3.3 *Generally, the older a debt is, the greater the requirement for a bad debt provision. Provisions are always reviewed as part of closing of the accounts, but should also be reviewed on a regular basis throughout the year, and any likely requirement to increase the provision at the year end should be identified and reported through regular budget monitoring.***

## **Customer Care**

**3.4** The Council will:

Collect debts in an efficient way, taking account of personal circumstances.

Deal with debtors in a professional manner at all times treating individuals consistently and fairly and displaying courtesy and respect in accordance with departmental Customer Care directives

Provide facilities to enable customers to discuss their debts in a confidential environment offering assistance wherever possible.

All debtors seeking help due to financial difficulties will:

- Be invited to provide details of their means by listing their income and expenditure. (Evidence will be requested if necessary)
- If they have other debts owing to the Council then these will also be considered when agreeing a recovery plan.
- Be encouraged to use the money advice services available from the Citizens Advice Bureau and other debt advice providers.

## **Advice and assistance**

The Council will seek to provide information about debt advice and potential statutory

benefits and discounts to those debtors who cannot pay.

Officers will remind debtors of the importance of paying priority debts. Priority debts include Council Tax arrears. Non-payment of Council Tax arrears can result in the seizure of debtors goods, or in the debtor being sent to prison.

Debtors who are in financial difficulty may find it beneficial to obtain specialist advice from one of the following agencies:

### Citizens Advice Bureau

The Citizens Advice Bureau offer advice about simple debt problems, and will be able to refer debtors to a specialist advisor if the debt problem is complicated.

Website: <http://www.citizensadvice.org.uk>

Local branches:

<p>New Barnet Citizens Advice Bureau 30 Station Road New Barnet Barnet Hertfordshire Tel: 0844 826 9336 Email: <a href="mailto:newbarnet@barnetcab.org.uk">newbarnet@barnetcab.org.uk</a></p>	<p>Finchley Citizens Advice Bureau 23 Hendon Lane London N3 1RT Tel: 0844 826 9336 Email: <a href="mailto:finchley@barnetcab.org.uk">finchley@barnetcab.org.uk</a></p>
<p>Grahame Park Citizens Advice Bureau The Concourse Grahame Park London NW9 5XA Tel: 0844 826 9336 Web: <a href="http://www.barnetcab.org.uk">www.barnetcab.org.uk</a></p>	<p>Hendon Citizens Advice Bureau 40-42 Church End Hendon London NW4 4JT Tel: 0844 826 9336 Web: <a href="http://www.barnetcab.org.uk">www.barnetcab.org.uk</a></p>

### **3.5 Money Advice Centres**

Money Advice Centres can also provide help with debt problems. Details of the nearest centres may be found by accessing the DirectGov website: [www.direct.gov.uk](http://www.direct.gov.uk) and following the link to Community Legal Advice or by telephoning the helpline on 0845 345 4345

### National Debtline

The National Debtline provides free debt management information to people living in England and Wales. Debtors can contact National Debtline by calling them on 0808 808 4000 or via their website at [www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)

### Business Debtline

The Business Debtline provides advice for small business in England and Wales. Debtors can contact them by telephone on 0800 197 6026 or via their website: [www.bdl.org.uk](http://www.bdl.org.uk)