LONDON BOROUGH OF CAMDEN	WARDS: All
REPORT TITLE Review of Camden Medium Term Financial Strategy (CS/2019/12)	
REPORT OF Cabinet Member for Finance and Transformation	
FOR SUBMISSION TO Resources and Corporate Performance Scrutiny Committee Children Schools and Families Scrutiny Committee Culture and Environment Scrutiny Committee Cabinet	**DATE** 15 July 2019 15 July 2019 16 July 2019 17 July 2019

SUMMARY OF REPORT

This report provides an update on:

- The outlook for council funding and spending, which is very uncertain in the medium-term
- The progress of the council's new Medium Term Finance Strategy
- 2018/19 revenue outturn and proposed allocations to reserves
- 2018/19 capital outturn and the shape of the revised capital programme following a review of expenditure and income profiles
- Recommended delay in the implementation of resident parking fees
- Key risks associated with the current and projected financial position and service provision

Local Government Act 1972 – Access to Information

The following resources have been used in the preparation of this report and are available online via the web address: www.camden.gov.uk/MTFS:

- 2018/19 Outturn Report: July 2019

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RECOMMENDATIONS

The Scrutiny Committees are asked to consider the report and make any comments to the Cabinet.

Cabinet is recommended to:

(a) Note the continued challenging and uncertain funding outlook for councils, and the forecast medium-term deficit projections set out in sections 2.2 to 2.9.

(b) Note the position of the Housing Revenue Account as presented in section 2.15-2.16.

(c) Agree the revised Capital Programme, funding and capital receipts targets summarised and presented from section 2.17 of the report, and Appendices A and B.

(d) Having regard to the Equality Impact Assessment at Annex G1 and taking into account the result of engagement process at Annex G2, agree to the transitional period for implementation of the increases in resident parking fees agreed by Cabinet in February 2019 as detailed in paragraphs 3.37 to 3.39 and Appendix D (including its annexes) and to the timetable for implementation of the 19/20 fees as set out in paragraph 10.2

(e) Note the 2018/19 revenue and capital outturn positions set out in section 3.

(f) Agree the allocations to and movements in earmarked reserves and the allocation of the final 2018/19 underspend as set out in sections 3.4 to 3.5 and Appendix C, for inclusion in the Statement of Accounts.

(g) Note the risks outlined in section 5 of the report.

Agreed by: **Executive Director Corporate Services**

Date: 3 July 2019

1.0 CONTEXT AND BACKGROUND

1.1 Camden's Medium Term Financial Strategy (MTFS) for 2019/20 to 2021/22 sets out our response to the financial challenge we expect to face over the three-year period and ensures that the council has the resources in place to achieve the Camden 2025 vision of a borough where everyone contributes to achieving a safe, fair, creative and active community.

1.2 In December 2018 the council forecast a growing budget deficit over the three years to 2021/22 of £35m to £40m, from a combination of rising demand and cost pressures coupled with government funding reductions. In order to address this Cabinet considered and approved a programme of savings and investments designed to ensure the council can continue to operate on a sustainable and sound financial footing.

1.3 The proposals were developed using outcomes-based budgeting, and involved a detailed, evidenced-based examination of how the council can best use the reduced resources available. By continuing to focus on what we know works well: investing in early intervention and prevention; continuing to innovate; and focusing on value for money, the strategy laid the framework for the council to achieve its key outcomes and deliver on Our Camden Plan.

1.4 Cabinet receives regular financial updates throughout the year to allow both Cabinet and residents to understand the financial position of the council, and to ensure that the council makes the most of its investments and helps deliver Our Camden Plan priorities and the Camden 2025 vision.

2.0 PROPOSAL AND REASONS

2.1 This report provides an update on a number of financial matters:

- The outlook for council funding and spending, which remains very uncertain in the medium term
- An update on the progress of the council's new Medium Term Finance Strategy
- 2018/19 revenue outturn and proposed allocations to reserves
- 2018/19 capital outturn and the shape of the revised capital programme following a review of expenditure and income profiles.
- Key risks associated with the current and projected financial position and service provision.

Economic Environment and Medium-Term Financial Outlook

2.2 Uncertainty around the economy and future funding for local authorities, both in terms of quantum of funding, its distribution and business rates growth, is making it difficult for councils to plan in the medium term. The council is now in the final year of a four year settlement which has seen annual reductions in core funding up to 2019/20.

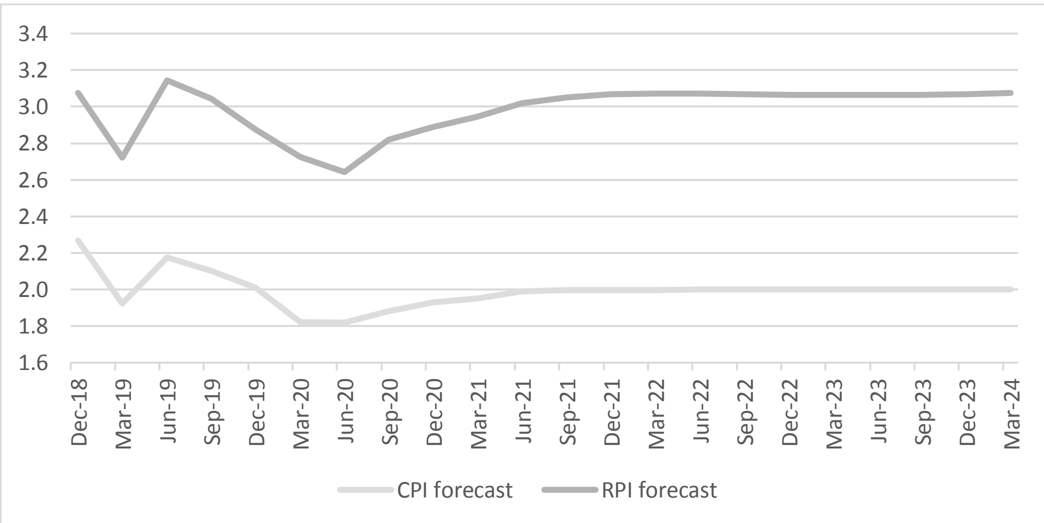
2.3 Between 2010/11 and 2018/19, central government funding to local authorities has halved. Camden's like-for-like funding has reduced by £118m, whilst overall costs such as those arising from supporting an ageing population and inflationary impacts have increased. However, despite already saving £169m since 2010/11 through two successful Medium Term Financial Strategy (MTFS) savings programmes, the council has had to agree a further MTFS savings programme to 2021/22 in order to help reduce an expected budget gap.

2.4 With such reductions in resources and uncertainty of future government funding the council has had to think radically to ensure it can achieve its Camden Plan priorities. The council's experience is that reducing budgets across the board is not an effective way to meet that level of cuts and therefore the council took a planned, longer-term approach.

2.5 In our current modelling assumptions it is projected that our funding from government will remain flat for the two years after 2019/20, however providing for inflation and anticipated growth and demand pressures led the council to forecast a budget gap of between £35m and £40m by 2021/22.

2.6 The latest Office for Budget Responsibility forecast on inflation, published in April 2019, predicts that the Consumer Price Index (CPI) will remain close to the government's 2% target in the medium term, returning to target from a low of 1.8% in the first half of 2020. The Retail Price Index (RPI) is expected to continue at around 1% higher than CPI, trending towards 3.1% in 2021 and beyond.

Chart 1 – UK Inflation Forecast



2.7 Table 1 below provides details of the council's inflation assumptions used as part of its financial forecast, these are in line with forecast CPI of 2.0%. The council remains committed to paying London Living Wage (LLW) on all its contracts, to improve the quality of services and the daily lives of those who work for Camden and its supplier organisations. As such, inflation on contracts remains at the slightly higher 2.5%, to acknowledge that LLW rates increase at a higher rate than CPI. These assumptions are unchanged from July 2018 when projecting the council's £35m to £40m budget deficit.

Table 1 – Council inflation assumptions

		Inflation (%)	
		2020/21	2021/22 onwards
Expenditure	Employees	2.0%	2.0%
	Premises	2.0%	2.0%
	Transport Related Expenditure	2.0%	2.0%
	Supplies And Services	2.0%	2.0%
	Contracts	2.5%	2.5%
Income	Fees & Charges	2.0%	2.0%
	Sales	2.0%	2.0%
	Rents	2.0%	2.0%
	Retail Price Index	2.8%	3.1%
	Consumer Price Index	1.9%	2.0%

2.8 The council's medium term financial outlook is also going to be significantly impacted by announcements on funding from government, including updates on the anticipated 2019 Spending Review, the Fair Funding Review and changes to the Business Rates Retention model. There have been no announcements on changes to funding since Camden projected its £35m to £40m budget deficit from which an updated outlook could be derived, and so the council maintains this forecast as its projected medium term deficit, before mitigations from its MTFS. Further information on the risks around government funding is provided in section 5.

2.9 In addition to the financial outlook, there are likely to be additional funding requirements and pressures resulting from new policy decisions and emerging issues, over and above the 3 year planned MTFS programme of work. These will each need to be considered on their merits; and in light of, and the impact on, the financial position of the council.

Medium Term Financial Strategy 2019/22 Update

2.10 In December 2018 and February 2019 Cabinet agreed an innovative financial strategy programme to close the funding gap by focussing our increasingly limited resources on the delivery of our Camden Plan outcomes. Instead of annual, arbitrary, reductions to budgets across the board, the council took a planned, longer-term approach to achieving the required budget reductions by focusing on the things that contribute most to key outcomes. This outcome based budgeting process resulted in over 100 projects set to deliver a net £28.4m saving to the General Fund by 2021/22.

2.11 As detailed elsewhere in this report there is a degree of uncertainty around the exact level of funding gap that the council will face over the medium term due to a delay in the government completing its 'fair funding' review. Any shortfall between the budget savings agreed and the eventual actual budget gap is planned to be met from one-off additional income that is expected to be received as a result of the council taking part in a London wide Business Rates pilot scheme.

2.12 Progress against the projects is reviewed bi-monthly by both Directorate Management Teams and the Corporate Management Team. The monitoring includes progress reports on individual projects and an overall status rating for each project based on a risks to the delivery of both the project outcomes and the delivery of an associated budget savings. Officers are also currently reviewing and planning to ensure the correct level of support and skills are available to the council to ensure the delivery of the full three years of the MTFS.

2.13 2019/20 represents the first year of the new three year Medium Term Financial Strategy. The majority of projects are already in the implementation stage with seventeen of the sixty-five projects programmed to deliver savings in 2019/20 already complete.

2.14 It is recognised that the MTFS is some way short from balancing the overall forecast £35m to £40m deficit position. As is part of our usual financial procedures, we will continue to stress test our balance sheet and scrutinise all our spending and budget allocation decisions, including inflation and other technical adjustments. At this early stage in the programme the strategy is on track and the council remains in a strong position to balance its budget over the medium-term.

Housing Revenue Account MTFS Update

2.15 Since 2016/17 government legislation has mandated annual rent reductions of 1% across the entire social housing stock resulting in a revenue budget gap of £17.9m by 2019/20. In response to the reduction in resources as a result of enforced rent decreases the council developed a HRA Medium Term Finance Strategy to deliver savings and increases in commercial income across the estate in order to ensure the HRA remains financial strong. 2019/20 is the final year of the current HRA MTFS and will require the council to deliver £5.2m of budgeted savings.

2.16 The council will have new options for rent setting from April 2020, with a limit on any rent increase of inflation (CPI) plus 1%. The government have announced that this limit on rent increases will last until 2025. Raising rents from April 2020 onwards could potentially raise £3.8m per year in additional rental income based on an expected CPI inflation rate of 2%. The medium term outlook for the HRA is likely to continue to be challenging and any income from rent increases could be used to meet existing and new pressures. Specifically the council continues to make significant invest in high standards of resident safety across the housing stock. In addition, the requirements of the legislation leading from the Hackitt Review are likely to require additional investment to ensure the council complies with any new regulatory and inspection requirements.

Review of the Capital Programme 2019/20

2.17 Capital expenditure refers to investment in assets in which the benefit will be felt over more than one year. The council has an extensive capital programme, totalling £1.2bn that spans multiple years, reflecting the strategic nature of the investment. The current capital programme is reviewed annually to align remaining budgets and spend with strategic priorities.

2.18 The review of the Capital Programme is an opportunity to update future spending plans in the light of the outturn position of the previous year, schemes' progress, and revised cost estimates on major projects in the context of the latest economic projections. It also adds new projects to the programme where resources are available or new funding has been secured.

2.19 The council's investment plans consist of maintaining and enhancing its assets, including schools, roads and council housing, as well as a number of large self-contained programmes such as the Fire Assessment works, the Better Homes programme, the Homes for Older People Strategy and the Community and investments to help deliver MTFS savings.

2.20 The revised Capital Programme stands at £1,264m for the years to 2027/28 – an increase of £121m on the current approved programme. A summary of the annual changes is presented in Table 2 below. Further detail on the outturn for 2018/19 is presented in section 3 of this report, and the proposed capital expenditure budgets and funding are presented in **Appendix A**.

Table 2: Summary of revision to Capital Programme

	2018/19 Actual	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 to 27/28	Total
	£000	£000	£000	£000	£000	£000	£000
Total Revised Budget	168,049	231,244	264,366	210,806	179,726	209,670	1,263,861
Last Approved Budget	248,710	261,951	183,596	144,025	98,030	207,003	1,143,315
CHANGE in £000	-80,661	-30,707	80,770	66,781	81,696	2,667	120,546
Change in %	**-32%**	**-12%**	**44%**	**46%**	**83%**	**1%**	**11%**

2.21 While the 2018/19 expenditure slipped by 32% and the 2019/20 budget shows a 12% decrease against the currently approved programme, there is a substantial increase forecasted for the following three years in expectation of implementation of large scale projects.

2.22 New projects that will help the council to deliver on some of Our Camden Plan priorities as well as achieve the MTFS savings targets have been added to the capital programme following relevant approvals. These include:

- Purchase of 12 Compressed Natural Gas vehicle for Special Education Needs transport to replace the existing leased, diesel fuelled ones. In addition to savings on running costs the strategy will also avoid the liability of Ultra-Low Emission Zone charges and minimise the impact on the environment helping the council to meet its green objectives (£1.92m).
- The delivery of a new Construction and Skills Centre in North Gower Street (£11.2m). Refurbishment and remodelling of our existing building to create employment, community and public open space.
- Temporary Accommodation Strategy to fund the purchase of ex-Right to Buy properties and bring them back into council use to support homeless families and reduce the council's reliance on expensive private sector rented properties (£27.6m).
- Remodelling of the Chester Road and Camden Road hostels to create family units in order to provide appropriate accommodation for families who are temporarily homeless (£16.2m).

- Health and Safety and Fire Prevention works following the Hackitt Review

2.23 Detail of the £121m increase in total funding underpinning the delivery of the programme can be found in **Appendix B**, which includes £26.9m from new grants and contributions, such as the addition of £10m GLA infrastructure grant for Abbey Road phase 2; new HRA borrowing of £63.7m, taking advantage of the lifting of the borrowing cap to deliver on council's priorities; and increased use of General Fund reserves and capital receipts.

Revised Capital Receipts Targets

2.24 The council is proactively managing the cash-flow challenges of a programme that includes large capital receipts by ensuring the programming of capital expenditure is periodically reviewed, and a level of contingency and flexibility in built into the programme to ensure it remains affordable. In addition, where market conditions for sales are unfavourable, the council has developed plans for alternative uses of some assets in the medium term that are in line with Camden Plan objectives and will create additional income streams to support the capital programme.

2.25 The capital receipts targets for 2018/19 were £146m. The actual receipts generated were £59.5m below target, of which £50.2m were within the General Fund due to delays in completion of two large disposals at Liddell Road and Branch Hill. The delays in completing the sale of these properties were due to a combination of decisions taken to retain some of the space to support employment in the borough and additional time taken to ensure the due diligence. There were delays to the sales of private residential units delivered through the CIP Estate Regeneration programme as a consequence of a slow-down in the housing market and economic uncertainties. Where this has occurred the council has developed plans to retain some of the assets in the medium term and use them to provide high quality private rented homes and to generate additional income streams to support the capital programme. Right to Buy sales have also seen a considerable reduction in numbers and income, demonstrating the unpredictability of this demand-led income.

2.26 The table below presents the revised capital receipts targets highlighting the changes between years and in total forecast.

Table 3: Summary of revision to capital receipts targets

SUMMARY:	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £001	TOTAL £000
General Fund												
Current Approved :	50,400	22,265	19,640	37,629	27,615	2,990	0	7,920	0	0	0	168,459
Review 2019	209	39,841	35,900	30,526	20,607	2,990	6,000	18,969	0	0	0	**155,042**
Change	*-50,191*	*17,576*	*16,260*	*-7,103*	*-7,008*	*0*	*6,000*	*11,049*	*0*	*0*	*0*	***-13,417***
Housing Revenue Account												
Current Approved:	96,040	71,848	51,662	29,588	101,721	77,140	34,022	37,692	120,014	0	0	619,726
Review 2019	86,736	33,253	43,330	32,244	39,316	75,339	78,506	65,237	29,086	36,771	72,673	**592,491**
Change	*-9,304*	*-38,595*	*-8,331*	*2,657*	*-62,405*	*-1,801*	*44,484*	*27,545*	*-90,928*	*36,771*	*72,673*	***-27,235***
TOTAL												
Total Target	146,440	94,113	71,302	67,217	129,336	80,130	34,022	45,612	120,014	0	0	788,185

TOTAL Capital Review 2019	**86,945**	**73,094**	**79,230**	**62,770**	**59,923**	**78,329**	**84,506**	**84,206**	**29,086**	**36,771**	**72,673**	**747,533**
Change/slippage	*-59,495*	*-21,019*	*7,929*	*-4,446*	*-69,413*	*-1,801*	*50,484*	*38,594*	*-90,928*	*36,771*	*72,673*	***-40,652***

2.27 For the ten years to 2028/29 the forecast for total capital receipts is £747.5m, which is £40.7m less than the previously approved target. The reduction is the result of revised sales price estimates due to stagnated and uncertain property market.

2.28 It is proposed that £515m of income generated through capital receipts be utilised through that period to fund capital expenditure. This represent 41% of the total capital programme up to 2029. This shows how dependent the current programme is on capital receipts funding and highlights the risk that should receipts slip this will present immediate funding pressure and alternative resources or borrowing may need to be considered.

HRA Borrowing

2.29 In 2018 the government abolished the legal borrowing limits for local authorities in respect of HRA borrowing. This has granted the council increased borrowing powers within the Housing Revenue Account (HRA). However in the current economic climate there is an upward pressure on construction costs. There is also a slowing down of the housing market which is putting pressure on the council's funding plans which are partly predicated on the use of capital receipts from sales to finance spend and repay borrowing already undertaken. The pressures in the HRA capital programme mean that it is prudent to not enter into significant additional borrowing, but to retain the capacity to enter into further prudential borrowing as a contingency against any pressures on the capital programme.

2.30 The table below shows the revised HRA borrowing requirement to fund new HRA projects and bridge the funding gap caused by accelerated spend in the next three years, including vital resident safety work, alongside reduced and delayed capital receipts.

Table 4: HRA Capital Financing Requirement

Financial year	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
HRA CFR Revised	**478.9**	**492.9**	**524.2**	**534.9**	**583.7**	**559.5**	**510.5**	**486.3**	**484.9**

2.31 All borrowing that the council enters into must comply with the prudential code for borrowing to ensure that all borrowing remains prudent and affordable and in line with the council's treasury management policies.

2.32 Much of the new borrowing will be funded from a combination of increases in income as a result of the purchase of new HRA assets and from an increase in service charges to fund the upgrade of the CCTV network.

Capital Strategy 2020 - 2025

2.33 The council's current General Fund capital programme comes to the end of its five year cycle at the end of March 19/20. There is now the need to agree new investment along with the governance process for agreeing capital investment priorities, ensuring the capital programme delivers the outcomes set out in Camden 2025 and Our Camden Plan.

2.34 The capital programme has delivered significant achievements over the past five years in the face of considerable challenges in a context of economic and social change, with ever decreasing resources from government grants. The next five years will be even more challenging due to further decreasing resources. More than ever, delivering for our communities and residents and achieving the ambitions of Our Camden Plan will require careful consideration of priorities and the need to ensure maximum benefits are derived from limited resources.

2.35 Proportionately, the non-CIP General Fund programme accounts for 20% of our capital investment. The General Fund capital programme underpins the delivery of a wide range of key outcomes for the council, including highways maintenance, street lighting, parks, ICT, essential health and safety condition works for schools, and corporate and commercial property. Investments are a combination of essential works to maintain the usability of our current assets, works to enhance existing assets, and creating new assets to ensure effective and efficient service delivery.

2.36 A process is being put in place over the coming months to identify available resources and estimates of capital need, to prioritise spending demand and prepare proposals for the next five-year cycle of General Fund investment to ensure that we deliver on our legal obligations, keep our assets and highways fit for purpose, to help generate on-going savings and deliver on the council's priorities.

Resident Parking Permit Fees

2.37 In February 2019, Cabinet approved an increase in the price of resident permits for 2019/20 to contribute to meeting the objectives set out in the Camden Transport Strategy, Clean Air Action Plan, Our Camden Plan and other related policies. All the increases, to each resident parking permit tariff band level, were approved for implementation from April 2019, except for those relating to electric vehicle permits. For electric vehicle permits, these were proposed to be applied over a period of two financial years.

2.38 To ensure that all views are taken into consideration and in line with the approach taken for previous permit reviews, an engagement exercise relating to the changes was undertaken with residents in March 2019. A relatively high percentage of those who responded to that engagement exercise expressed concerns over the impact of implementing these measures on particular groups including those on lower incomes, families with young children, those who need their vehicles for work and those who are retired.

2.39 A number of mitigations to these concerns are outlined in Appendix D and Annex G1 and Annex G2. However, as set out in detail in Appendix D and its supporting annexes, it is Officer's view, in response to comments received, that it is appropriate to provide a transitional period for implementation, allowing residents a longer period of time to adapt to the changes but whilst still delivering the full policy outcomes. It is therefore recommended that the increases approved in February 2019 are introduced in two stages, with 50% of the proposed increases for each tariff band level introduced over the remainder of 2019/20, and the remaining 50% of the increases introduced in 2020/21 (as opposed to all of the proposed increases being introduced in one financial year i.e. 2019/20). This is summarised in Appendix D in Table 1. The approach of a phased implementation over 2 years is also consistent with that taken for previous permit reviews where permit price increases for those significantly affected by changes was phased in over 2 years.

2.40 The Equality Impact Assessment (EIA) relating to the change in parking permit fees is contained in Annex G1. The EIA concluded that there is no potential for discrimination.

3.0 2018/19 FINANCIAL OUTTURN

3.1 The council has completed the closing of the financial year to 31 March 2019 and has prepared its statement of account for audit. The following summary updates on the outturn position for 2018/19.

General Fund outturn and allocation of surplus

3.2 In 2018/19, the final General Fund revenue outturn after recommended transfers to reserves shows an underspend of £(0.363)m as presented in Table 5 below, which is 0.2% of the final budget. Although specific Public Health budgets underspent by £0.575m the council has embedded public health outcomes in services across the council and expenditure relating to these outcomes has accrued across services in the other directorates.

Table 5 – 2018/19 General Fund Revenue Outturn

	Full Year Budget £m	Outturn £m	Final Outturn Variance £m
Directorates:			
Supporting People	198.506	197.076	**(1.430)**
Supporting Communities	69.065	72.796	**3.731**
Corporate Services	(9.065)	(7.908)	**1.157**
Public Health	23.168	22.593	**(0.575)**
Cross-Cutting Budgets:			
Financing and Interest	4.181	2.121	**(2.060)**
Government Grants	(57.347)	(57.466)	**(0.119)**
Pensions	15.975	15.699	**(0.276)**
HRA share of corporate support costs	0.496	0	**(0.496)**
Other Items	(18.537)	(18.832)	**(0.295)**
	226.442	**226.079**	**(0.363)**

3.3 After taking into account largely anticipated transfers to reserves, which are set out by type and nature in **Appendix C**, there are a number of departments with notable year-end variances. At the Directorate level, overspends across Supporting Communities and Corporate Services have been offset by underspends in Supporting People and Public Health, and a number of cross cutting budget underspends.

3.4 It is proposed that the final year-end surplus of £(0.363)m is allocated to the council's General Balances, which are maintained at around 3% of total council expenditure.

Earmarked Reserves

3.5 The council holds one-off balances in specific earmarked reserves, funds which are committed to finance known or predicted future costs, or to manage corporate and medium term risks. The 2018/19 opening balances on earmarked reserves totalled £86.4m. With proposed transfers to reserves as set out in Table 6 below, there will be a net movement out of earmarked reserves of £(2.3)m during 2018/19, and a total balance of £84.1m as at 31 March 2019. Further detail regarding reserve balances and movement is provided in **Appendix C.**

Table 6 - Summary of 2018/19 changes to earmarked reserves

Earmarked Reserves	Actual Reserves 31/03/18	Movement Out of Reserves	Transfer Into Reserves	2018/19 Outturn Adjustments	Reserves 31/03/19
	£m	£m	£m	£m	£m
To Support Key Revenue Outcomes	24.951	(6.261)	6.371	7.488	32.549
To Support the Council's Remodelling Programmes	10.393	(4.214)	0.266	7.270	13.715
Ongoing Capital Activity and Asset Management	28.827	(12.815)	6.606	5.429	28.047
Mitigation of Future Corporate Risk	22.242	(10.012)	-	(2.489)	9.741
Support the Mayors Charity	-	-	-	0.022	0.022
Total Earmarked Reserves	**86.413**	**(33.302)**	**13.243**	**17.720**	**84.074**

3.6 The most significant individual earmarked reserve balances include the £24.5m Multi Year Budget Reserve, which carries a number of specific one off balances such as from grant income received in advance of planned spend; the Future Capital Schemes reserve, with £19.7m available to be used for Capital schemes; and the £10.7m Workforce Remodelling / Cost of Change reserve which is to support the delivery of the new MTFS programme through one-off programme investment.

3.7 Reserves are a vital part of prudent financial management in local authorities including their ongoing ability to meet the balanced budget requirement. As part of the authorities approach to prudent financial management all reserves will be regularly reviewed. These reserve balances will reduce as funds are drawn down in future years to support the delivery of those projects.

3.8 The most significant proposed 2018/19 outturn adjustments to reserves include a proposed transfer of additional income received from Business Rates pooling to the Multi Year Budget Reserve, which allows for the delay in ascertaining the actual benefit derived and provides some temporary flexibility in balancing the budget for 2020/21. Also a number of transfers are proposed to increase the Cost of Change reserve balance to the support of the council's Remodelling Programmes, which will be utilised to support investment requirements to enable delivery of the MTFS programme. The reduction from Mitigations of Future Corporate Risk stem from the repurposing of the Contingency Reserve to Future Capital Schemes and a reduction in the required balance of the Self Insurance Reserve following advice from our actuary.

3.9 The council also holds one-off money for the specific purposes detailed below. These totalled £61.2m at the start of 2018/19, increasing by £2.1m during 2018/19, including the proposed £0.363m transfer of underspend to General Balances. The Housing Revenue Account (HRA) reserve was significantly reduced in 2017/18, due to the Chalcots evacuation and other related costs. For 18/19 there is a £2.255m transfer back into the reserve resulting from the 2018/19 underspend position within the HRA. Table 7 summarises the movement and presents a closing balance of £63.3m.

Table 7 – Summary of movements to other reserves and general balances

General Reserves	Actual Reserves 31/03/18 £m	Reserves Adjustment 2018/19 £m	Reserves 31/03/19 £m
General Balances	13.620	0.363	13.983
Housing Revenue Account	31.110	2.255	33.365
Schools Balances	16.459	(0.496)	15.963
Total General Reserves	**61.189**	**2.122**	**63.311**

Capital Outturn 2018/19

3.10 The capital programme budget in 2018/19 was £248m with the bulk of this in Property (£111m) and Development (£98m).The programme underspent by £80.6m, this was largely due to an underspend of £55.7m across Property Services relating primarily to additional time taken on due diligence, resident consultation and testing relating to the replacement cladding and associated resident safety work at the Chalcots and other parts of the housing stock..

Table 8 – Summary of 2018/19 Capital Outturn

	2018/19 Budget £m	2018/19 Outturn £m	2018/19 Outturn Variance £m
Community Services	0.725	0.078	(0.647)
Development	98.304	87.327	(10.977)
ICT Corporate Services	2.924	2.256	(0.668)
Place Management	13.440	10.404	(3.036)
Property Management	110.887	55.164	(55.723)

Regeneration & Planning	22.430	12.820	(9.610)
Directorate Total	**248.710**	**168.049**	**(80.661)**

Capital Receipts and Disposals Programme

3.11 The council had budgeted for General Fund receipts of £50.4m and Housing Revenue Account receipts of £96m during 2018/19, and these underachieved by £50.2m and £9.7m respectively. The General Fund programme slippage was largely due to two major projects – Branch Hill and Liddell Road – which are now expected to deliver in 2019/20.

Table 9 –2018/19 Capital Receipts

	2018/19 Target Receipts £m	2018/19 Final Receipts £m	2018/19 Outturn Variance £m
General Fund	(50.400)	(0.209)	50.191
HRA	(96.040)	(86.379)	9.661
Total Receipts	**(146.440)**	**(86.588)**	**59.852**

4.0 OPTIONS APPRAISAL

4.1 The report proposes the allocation of 2018/19 year end revenue balances to reserves. Cabinet could make allocations to other reserves to finance alternative future spend, however, if different allocations were made, this would impact upon funding of the council’s strategic priorities.

4.2 The report also presents information on the capital outturn position and provides an update on spending profiles following the capital review. Cabinet could choose to make adjustments to spending profiles or choose alternative priorities for capital expenditure.

4.3 Options for the resident parking permit fees are contained section 3 of Appendix D.

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

Government Funding

5.1 In 2017 the government began a series of consultation exercises as part of a ‘Fair Funding review’, which is intended to lead to a new funding structure for Local Authorities from 1 April 2020. Camden, along with a number of other local authorities, is calling for a simpler, more transparent and responsive funding structure which takes account of changing demands on local government services, and provides certainty over the longer term. It is clear that Camden would lose out as a result of proposed changes to the local government funding model, in common with other urban areas across England where poverty is most acute. Recent research by the University of Liverpool suggests that the council will receive £103 less per resident every year under the proposals. There is, however, a wider point to make regarding the scope of these measures. In Camden's view, they represent a missed opportunity to innovate. In addition, regardless of the methodology used to allocate, funding to local authorities is too low and led. This reduction in funding, as a result of austerity measures, has meant that authorities are at breaking point.

5.2 Camden has responded to government's consultations, working with London Councils, Central London Forward and the LGA to highlight the disproportionate impact of Fair Funding on urban areas where levels of deprivation are greatest.

5.3 In our submission to the government's consultation[1], the council highlighted the need to properly consider the challenges and costs which local authorities face. In arguing for greater powers to tackle these issues ourselves, whether through reform of the business rates system, or the introduction of an Overnight Stay Levy designed to mitigate the effects of mass tourism, our consistent emphasis has been on the need for councils to be given greater freedoms to develop local policy solutions, building flexibilities into the system that enable us to make best use of our resources.

5.4 We are now commissioning a strategically-focussed academic partner to work with us to apply rigour and independence to strengthen our view. Analysis will focus on the opportunity to fund the public sector to maximise the impact we can have, based on the opportunity of people and place, focussing on prevention and early intervention to ensure that the services we provide on behalf of our communities are tailored to the needs and ambitions of our citizens, whilst also creating added value for the economy as a whole. Part of the council's lobbying efforts have focused on asking government to increase the overall funding to local government.

5.5 Linked to the fair funding review, the government are simultaneously carrying out a review of the Business Rates Retention (BRR) system, whereby councils retain an element of the business rates collected to receive their calculated baseline funding, based on its level of need as per the national funding formula.

5.6 Under current arrangements, retained income from business rates over and above this baseline, derived through growth in the local economy, is kept by the local authority, subject to payment of a levy to central government. One of the considerations of the review of the BRR system is a reset of the business rates baseline. For Camden this would mean that additional income that it has retained from growth over base, due to economic regeneration in the borough in recent years, would instead form part of the national funding formula. Plans to rebase in April 2020 have been in place since 2013/14, although it seems increasingly likely that this will now be deferred. As this method of distributing funding across local authorities is only one element of the total funding settlement calculation, the impact of changes to the BRR system and a baseline reset cannot be evaluated in isolation from the Fair Funding review.

[1] **Written evidence submitted by London Borough of Camden [FSR 115]**

Brexit

5.7 There is ongoing uncertainty around Brexit increasing import costs. For context, should we increase contract budgets by an additional 1% in each year of 2019/20, 20/21 and 2021/22, above the 2.5% planned for each year, it would result in an increase in the deficit for 2021/22 of £6.1m.

5.8 In addition further potential delays to Brexit and the details of any exit arrangements between the UK and the European Union may result in changes to public finances which would mean the government reviewing departmental budget allocations, with the possibility of this having a knock-on effect on local government funding. At present it is very difficult to predict how the, as yet undecided, timing and details of Brexit will affect the funding available to Camden.

Impact of the council's Medium Term Financial Strategy

5.9 The council is at the beginning of a new three year MTFS to achieve the required savings and ensure resources are in place to deliver the ambitions of Our Camden Plan and Camden 2025.

5.10 There is an inherent risk in delivering a significant savings programme in that some of the projects may not deliver the level of savings identified. This can be for a variety of reasons such as additional pressure on a service due to changes in demographics and the wider economic climate, unforeseen consequences of project changes, delays in the implementation of new delivery solutions and changes in legal and regulatory frameworks affecting specific services.

5.11 While the current MTFS will require the council to deliver challenging savings, additional investment in assets and services will also be required to ensure the council is in a strong position to deliver the ambitions of Our Camden Plan and Camden 2025 and to meet any new policy and regulatory challenges. The ongoing reduction in resources from central government and corresponding need to make budgetary savings will limit the level of resources the council has available to invest. The council has robust governance arrangements in place to ensure that its limited resources are targeted to meet key objectives.

Risks in Capital Strategy

5.12 The capital programme underpins the delivery of a wide range of key outcomes for the council, including the delivery of new homes and other community assets, highways maintenance, street lighting, parks, ICT, essential health and safety condition works for schools, and corporate and commercial property. Investments are a combination of essential works to maintain the usability of our current assets, works to enhance our existing assets, and creating new assets to ensure effective and efficient service delivery.

5.13 Ongoing pressure on revenue budgets as a result of significant cuts in government funding means there are fewer resources available from annual revenue budgets to allocate to capital investment, while capital grants from government are also reducing. In addition, the council's ability to fund investment from the sale of under-utilised assets will naturally diminish as many assets appropriate for sale have now been sold to fund reinvestment in the capital programme over the previous five years, while there has also been a significant change of internal emphasis towards retaining assets where appropriate as a mechanism to drive revenue generation as part of the council's medium term financial strategy including the neighbourhoods approach. The likely need to deliver a programme of works that delivers ensures we deliver any enhanced safety requirements in line with legislation emanating from the Hackitt Review could add further pressures.

5.14 The council's capital programme is heavily funded from capital receipts with £516m expected to be utilised over the next ten years. A slowing property market and economic uncertainty means that there is always a risk that the forecast capital receipts will not be received as planned. The council has robust programme governance arrangements in place to monitor capital receipts and take mitigating action to ensure that the council receives best consideration for the sale of any assets, such as delaying sales of some assets until market conditions are favourable. In the medium term these assets are utilised to create additional income streams to support the capital programme and mitigate against the effect of a delay in capital receipts.

5.15 The council has an ambitious capital programme designed to help deliver a number of Camden 2025 outcomes. The council is committed to continue to develop new business cases for major capital developments to support its ambitions, and ensure the best use of council land and assets to support balanced communities and build affordable housing. These plans are possible through the council's policy of developing robust business cases that are self-financing through both the sale of some existing and new assets and maximising the level of funding available from central government and other agencies. In addition, the council continues to manage the risks inherent in any large capital programme through its monitoring and governance arrangements.

5.16 A reduction in the value of capital receipts in the medium term may require the council to delay some capital expenditure plans to fit with the available resources.

Impact of Welfare Changes

5.17 Universal Credit full service was introduced across Camden on 5 December 2018 for all new claims and it is anticipated that 100 people a week will make a claim. Whilst pensioners and those in temporary/supported housing will remain on legacy benefits for the foreseeable future, it is anticipated that over 18,500 residents will transfer to Universal Credit over the next 4-5 years through either making a new claim or through the government's 'managed migration' of existing claimants, expected to take place between 2020 and 2023.

5.18 Our analysis has identified that over 4,450 households may be worse off under the UC calculation and new claimants need to wait for the first payment, potentially leading to increased hardship and risk of homelessness. There is also a risk for the council as a landlord as 9,500 council tenants are expected to transfer to the new benefit, 2,600 of which may be worse off. A support model has been set up to support residents make and sustain their claim with early intervention taking place for key, high risk households. Camden is committed to ensuring that no council tenant is evicted if they get into rent arrears as a result of government delays in UC payments.

Risks in Adult Social Care

5.19 Adult Social Care continues to operate in a challenging financial environment. The council has already delivered significant savings programmes in Adult Social Care, the most recent of which was the £16.8m delivered between 2015/16 and 2018/19, which increases the challenge of delivering further savings from 2019/20.

5.20 The national funding arrangements for social care remain volatile as the government continues its approach of one-off or short term funding solutions. Although the government has recently released a 10 Year Forward Plan for the NHS, which includes some funding guarantees, the Adult Social Care Green paper continues to be delayed, which makes longer term financial planning difficult.

5.21 The majority of direct care funded by the council is delivered by external providers who also under financial strain. In particular, the legislatively required increases in employer's pension contributions together with the financial impact of the council's commitment to the London Living Wage (which increased by 3.4% in 2017/18 and 4.6% in 2018/19), and the Ethical Care Charter for homecare workers will have a significant impact on social care costs as approximately 80% of externally purchased care is pay related. This of course has to be seen in the context of the benefits of these policy decisions, including fair employment practice, greater stability in the social care workforce, and decent employment opportunities for Camden residents.

5.22 Adult Social Care is also facing demographic pressures from increasing numbers of older adults with multiple long term conditions. Learning disability services are also experiencing significant demographic pressures from a combination of increasing numbers of young people with complex needs transitioning into the service, and improvements in longevity.

5.23 Although the 10 Year Forward Plan for the NHS has some guarantees of funding for the NHS, the local NHS system is under increasing financial strain, which is being addressed locally through the North Central London Sustainability and Transformation Plan. However pressures and changes in the NHS system, particularly the requirement to avoid people being admitted to hospital and to avoid discharge delays, have the potential to cause significant costs in the social care sector.

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

5.24 The council's approach to transformation and early investment and prevention has enabled the management of the children's social care budget within the available resources.

5.25 In common with other education authorities, Camden is experiencing costs pressures on its Dedicated Schools Grant High Needs Block (DSG HNB). The DSG HNB pays for educational services for children and young people with special educational needs (SEN). The HNB is experiencing cost pressures from a combination of demographic and cost inflation. However, the most significant pressure has been caused by the implementation of the Children and Families Act 2014, which extended local authority responsibilities for SEN services to support young people to age 25, but without adding resources into the system. The council's careful management of its HNB had resulted in the creation of a HNB reserve within the DSG reserve. However current forecasts indicate that the HNB reserve will be extinguished during 2019/20 and the HNB will fall into deficit. The SEN pressures are not unique to Camden and so we are working with London Councils as part of a national lobbying arrangement to put pressure on the DfE to increase funding for SEN. The DfE released some additional funds in December 2018, but this was insufficient to meet in-year pressures.

5.26 We are seeking to mitigate SEN cost pressures by working with Camden schools to deliver additional resource provision for children with autism in the borough so that we can reduce expensive out-of-borough placements, as well as a review of external high cost placements.

Schools Funding Pressures

5.27 Although the September 2017 announcement on the national funding formula reversed the earlier proposals that would have seen a cash reduction of almost 3% in funding for Camden schools, the final increase was only 0.5% for both 2018/19 and 2019/20. With inflation of around 2 - 3% this has meant a real terms reduction in spending power. It may be a number of years before Camden schools benefit from any further cash increases because their national formula funding calculations are effectively protected at baseline funding levels in nearly all cases.

5.28 Funding levels beyond 2019/20 have not yet been announced and are still expected after the next government comprehensive spending review.

5.29 Pressures on schools budgets are expected to come from the 2018/19 teachers pay award (with 1% still not being funded by the teachers' pay award grant), GLPC support staff pay spine assimilation, increased pension back funding contribution and other savings on services and support provided by the council to schools. If these pressures are not contained within the annual increase in Dedicated Schools Grant (DSG) which is currently 0.5% they will represents is a real terms reduction.

5.30 In July 2018 the government also confirmed that it will now be extending the 'soft' formula under which funding calculated per schools under the national formula is aggregated and distributed to councils, before issuing funding directly to 2021/22.

5.31 In December 2018 the government confirmed the High Needs funding for 2019/20 which included the 0.5% announced in September 2017. The Education Secretary Damian Hinds also announced an additional £350m of funding for children with special educational needs and disabilities (SEND) for 2018/19 and 2019/20. This included a £100m Specialist Provision Capital fund to create more specialist places in mainstream schools. The remaining revenue additional High Needs funding of £250m was to be distributed as £125m per year for 2018/19 and 2019/20. For Camden this resulted in additional funding of £0.534m in 2018/19, and a similar amount expected for 2019/20. However, further pressures on the High Needs budgets are expected due to the extension of responsibility for high needs to include young adults up to age 25 and the commensurate costs from the growing numbers continuing with Educational Health Care plans from school to college. In addition, the rise in children and young people placed in high cost independent provision is expected to continue in 2019/20. There is still no further commitment on High Needs funding beyond 2019/20.

5.32 The Education and Skills Funding Agency (ESFA) continue to indicated that Dedicated Schools Grant (DSG) spending plans beyond 2019/20 will be set in the next government Spending Review.

Risks relating to Resident Parking Permits

5.33 Risks associated with the recommendation for resident parking permit fees are contained in section four of Appendix D.

6.0 LINKS TO OUR CAMDEN PLAN

6.1 The new outcomes-based Financial Strategy is planned to allow the organisation to maximise the deployment of its increasingly limited resources towards the achievement of Our Camden Plan outcomes.

6.2 We will continue to use this approach of implementing savings and deciding investment priorities to ensure our limited resources are used in line with Our Camden Plan.

7.0 CONSULTATION/ENGAGEMENT

7.1 A consultation on the change in resident parking permit fees has been carried out. The results on that consultation are detailed in Annex H.

8.0 LEGAL IMPLICATIONS

8.1 Cabinet Members must take into account in coming to any decision the council's equality duties. In summary these legal obligations require the council, when exercising its functions, to have 'due regard' to the need to 1. Eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act; 2 to advance equality of opportunity between people who share a relevant protected characteristic and those who do not; 3. Foster good relations between people who share a relevant protected characteristic and those who do not (which involves tackling prejudice and promoting understanding). Under the Duty the relevant protected characteristics are: Age, Disability, Gender reassignment, Pregnancy and maternity, Race, Religion, Sex, Sexual orientation. In respect of the first aim only i.e. reducing discrimination, etc. the protected characteristic of marriage and civil partnership is also relevant.

8.2 In this case the attached EIA in respect of the resident parking permit fees concludes that there is no potential for discrimination and all appropriate opportunities to advance equality and foster good relations have been taken.

8.3 Members need to also carefully consider the results of the engagement process and take it into account within their overall consideration of the recommendations.

8.4 Other comments of the Borough Solicitor are included within this report

9.0 RESOURCE IMPLICATIONS

9.1 Section 2.37 to 2.39 detail a recommended transitional period for the implementation of resident parking fees.

9.2 The proposed changes in tariffs are designed to contribute to achieving the objectives of the Camden Transport Strategy, the draft updated Camden Transport Strategy and the draft Clean Air Action Plan. Any changes in income received by the Council as a result of changes in the level of tariffs will be incidental to the main aim of the changes which is to discourage inessential car ownership and use.

9.3 If the new fees had been implemented from April 2019 it is estimated that additional income of approximately £2m would have been received by the council. The actual amount of additional income is difficult to predict as the increase in charges is designed to change behaviour which will lead to lower levels of income being received by the council over the medium term. Any actual additional income received in the short term can be used to close the council's funding gap.

9.4 The inclusion of a transitional period for implementing the resident parking fees means that estimated additional income of £0.75m will be received in 2019/20. The expected level of parking income is reviewed each year as part of the council's budget setting process to take into account any changes in behaviour that will effect parking income with council spending plans adjusted accordingly.

9.5 Other comments of the Executive Director Corporate Services are included within this report.

10.0 TIMETABLE FOR IMPLEMTATION

10.1 Implementation of proposals will occur as outlined in the body of the report, with reserve allocations being agreed in line with timescales for the Statement of Accounts.

10.2 Parking permit prices, if approved for implementation, a notice of variation will be issued by publishing the amendments to the permit prices in local newspapers and sending an email with a copy of the report to all permit holders on 12 August 2019. This is to inform anyone likely to be affected of what the tariff structure and prices will be by giving them notice of at least 21 days before the changes are due to come into force (in accordance with the requirements of Section 46a of the Road Traffic Regulation Act 1984). Following this, the changes will be implemented from Friday 23 August 2019.

11.0 APPENDICES

11.1 Further information is provided in the attached appendices:

Appendix A: Further Detail on Capital Programme
Appendix B: Changes to the Capital Programme and Funding
Appendix C: Reserve Allocations
Appendix D: Resident Parking Permits Update Report and Supporting Annexes

REPORT ENDS

APPENDIX A – FURTHER DETAIL ON CAPITAL PROGRAMME

The table below shows the proposed departmental budgets and total capital funding for each year.

Proposed Departmental Capital Budgets

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 to 2027/28 £000	Total £000
Community Services	79	3039	1,787	420	126	0	**5,451**
Development - CIP & Major Projects	87,328	86,243	117,026	102,365	83,684	102,675	**579,321**
ICT	2,256	1,468	0	0	0	0	**3,724**
Place Management	10,402	14,091	4,576	2,889	1,612	6,007	**39,577**
Property Management	55,163	98,386	133,332	104,932	94,104	100,702	**586,619**
Regen & Planning	12,821	28,017	7,645	200	200	286	**49,169**
Total Capital Expenditure	**168,049**	**231,244**	**264,366**	**210,806**	**179,726**	**209,670**	**1,263,861**

Total Capital Funding

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 to 2027/28 £000	Total £000
Government Grants	6,011	5,865	3,877	856	0	0	**16,609**
GLA/TfL grants	15,111	32,395	30,426	27,555	30,250	5,464	**141,201**
Section 106 contributions	18,053	28,255	19,514	18,241	14,121	16,145	**114,329**
Community Infrastructure Levy	5,618	6,407	0	1,555	0	0	**13,580**
Other Grants & Contributions	1,498	6,664	7,031	1,328	46	0	**16,567**
Prudential borrowing	34,891	31,259	68,467	25,215	12,020	23,895	**195,747**
Councils Reserves	49,135	41,462	39,282	38,554	38,240	43,924	**250,597**
Capital receipts	37,732	78,937	95,769	97,502	85,049	120,242	**515,231**
Total Capital Funding	**168,049**	**231,244**	**264,366**	**210,806**	**179,726**	**209,670**	**1,263,861**

APPENDIX B – CHANGES TO THE CAPITAL PROGRAMME AND FUNDING

The following table presents a breakdown of the changes to Total Capital Funding

Analysis of Changes in Capital Funding

	Revised Funding £000	Change £000	
Government grants:			
- Dept. for Education grants	10,252	370	Increase in Devolved Formula Capital for Schools
- National Health Service grants & Public Health	5,555	2,249	Disabled Facilities Grant at £0.75m pa
- other government grants	802	0	
GLA - housing grants	123,414	10,000	GLA Infrastructure grant for Abbey
GLA -Transport for London grants	17,787	811	Increase in TfL funding
Lottery grants	304	166	Heritage Lottery grant towards Alexandra park
Other Grants	11,407	9,176	HS2 mitigation measures grant, LCR and GLL contributions
Community Infrastructure Levy	13,580	210	Local CIL – projects delivered internally
Section 106 contributions	114,329	3,112	Addition of new AHF and highways S106 contributions
Other contributions	4,856	849	Other minor contributions
Sub-total External Funding	302,286	26,943	
HRA:			
- Major Repairs Reserve	192,074	222	Small increase towards M&E works
- Leaseholders' capital contributions	27,000	0	
Sub-total HRA	219,074	222	
Corporate Resources			
Revenue contributions - General Fund	31,523	5,097	Increase investment to help deliver MTFS savings
Prudential Borrowing - HRA	148,168	63,720	Increase in borrowing will fund temporary accommodation strategy, estate based CCTV, fire safety works, Better Homes
Prudential Borrowing - GF	47,579	0	
HRA Capital Receipts	366,185	27,363	Increase in need for funding across a number of CIP developments
GF Capital Receipts	149,046	(2,799)	Reduction in Holmes Rd. depot
Sub-total Corporate Resources	742,501	93,381	
TOTAL RESOURCES	**1,263,861**	**120,546**	

APPENDIX C – RESERVES ALLOCATIONS

There have been a number of requests for transfers to earmarked reserves from the year-end underspend that are recommended for approval.

Requests were made on the basis that the transfer supported the council's priorities and where the investment would make an effective return.

The following table presents the proposed reserve allocations by Directorate and type.

Year End Requested Allocations to Reserves 2018/19

	Funds held on behalf of other organisations £000	Grants Unspent / Received in Advance £000	On-going Projects £000	Total Allocations £000
Supporting People	3,115	-	4,948	8,063
Supporting Communities	21	-	961	982
Corporate Services	22	-	-	22
Public Health	-	-	-	0
Cross-Cutting Budgets	-	4,415	2,336	6,751
Council Funding	-	1,902	-	1,902
	3,158	**6,317**	**8,245**	**17,720**

Cross-cutting budgets include financing & interest costs, government grants, pensions and other items. The underspend and proposed reserve transfer is primarily due to additional retained business rate income derived from the London pilot pool, as well as some specific government grants for future use. The majority of this has been moved to the Multi Year Budget reserve to be drawn down as planned during budget setting 19/20. There is also an element which was redistributed to the Cost of Change reserve to aid in future delivery of the savings programme.

The remaining year-end surplus of £(0.363)m will be allocated to the General Balances.

Proposed Allocation of 2018/19 Surplus Resources

The impact of these adjustments to individual reserve balances is detailed in the following table alongside the net in year movements for each reserve.

Proposed Allocations of 2018/19 Surplus Resources

Reserves	Actual Reserve 31/03/18 £000	Total Planned Usage £000	Forecast Reserves 31/03/19 £000	Proposed Movement to Reserve £000	Proposed Reserve Balance 31/03/19 £000
Reserves to support key revenue budget outcomes					
Dedicated Schools Grant	4,319	(1,739)	2,580	1,999	4,579
Multi Year Budget Reserve	17,114	(0,992)	16,122	8,946	24,452
Education Commission	948	-	948	-	948
Supporting People Specific Reserves	2,570	-	2,570	-	2,570
	24,951	**(2,731)**	**22,220**	**10,945**	**32,549**
Reserves to support the councils service remodelling programme					
Workforce Remodelling/Cost of Change	6,292	(2,578)	3,714	2,336	10,748
Camden Plan	4,101	(1,134)	2,967	-	2,967
	10,393	**(3,712)**	**6,681**	**2,336**	**13,715**
Reserves to support on-going capital activity and asset management					
Future Capital Schemes	20,829	(6,084)	14,745	3,500	19,745
Commercial and other property	776	-	776	-	776
Haverstock PFI Funding Reserve	1,629	(130)	1,499	-	1,499
Schools PFI Equalisation Reserve	1,851	(167)	2,018	-	2,018
Building Schools for the Future	464	-	464	-	464
Accommodation Strategy	3,278	(150)	3,128	417	3,545
	28,827	**(6,197)**	**22,630**	**3,917**	**28,047**
Reserves to mitigate future corporate risk					
Self-Insurance Reserve	5,477	(977)	4,500	-	4,500
Contingency Reserve	1,512	(1,512)	-	-	-
Business Rates Safety Net	15,253	(10,012)	5,241	-	5,241
	22,242	**(12,501)**	**9,741**	**-**	**9,741**
Reserves to support the Mayors charity					
Mayor's Charity Reserve	-	-	-	22	22
Total Earmarked Reserves	**86,413**	**(25,141)**	**61,272**	**17,220**	**84,074**
General Balances	13,620	-	-	363	13,983
Housing Revenue Account Balance	31,110	-	-	2,255	33,365
Schools Balances	16,459	-	-	(0,496)	15,963
Total General Reserves	**61,189**	**-**	**-**	**2,122**	**63,311**

APPENDIX D: RESIDENT PARKING PERMITS UPDATE REPORT

1. CONTEXT AND BACKGROUND

Proposals approved by Cabinet in February 2019 and notification of charges

1.1 A review of the existing residents parking permits and tariffs was undertaken in 2018. That review found that the existing charging structure and pricing levels for residents parking permits do not sufficiently contribute to meeting the Council's transport and environmental objectives and are therefore not suitably addressing the various challenges faced.

1.2 As a result, and following authorisation from the then Cabinet Member for Improving Camden's Environment (now Cabinet Member for a Sustainable Camden) in January 2019, proposed amendments to the residents permit tariff structure, and revised charges formed part of the Cabinet Revenue Estimates and Council Tax papers approved by Cabinet on 20th February 2019. A rationale for the changes was included as Appendix D to those papers.

1.3 The table in Annex A of this report sets out the charges that were approved by Cabinet for 2019/20 financial year and the table in Annex B sets out the other options that were considered in developing these charges ahead of the proposals going to Cabinet in February 2019.

1.4 Under Section 46a of the Road Traffic Regulation Act 1984, local authorities are required to issue a notice of variation when changing parking charges for the purpose of informing anyone likely to be affected by giving notice of at least 21 days before the change is due to come into force.

1.5 There is no legal requirement to consult when amending parking permit prices. However, to ensure that all views are considered, for transparency and in line with the approach taken with previous parking permit reviews, the notice of variation has been treated as an opportunity for residents to raise any concerns or comments prior to implementation. In doing so any responses would be noted and comments/objections considered prior to implementation.

1.6 This report therefore (i) summarises and provides links to supporting information on the rationale for the proposed resident parking permit price amendments, (ii) provides details on the responses to the resulting notification of variation process identified above, that took place between 7th March 2019 and 29th March 2019 and (iii) recommends a way forward.

1.7 For information, a summary of the existing resident parking permit tariff structure and other related information is contained in Annex C.

2. PROPOSAL AND REASONS

2.1 Detailed reasons for why a review was deemed necessary, including links to the relevant Strategies and Plans supporting this review, are set out in Annex D.

2.2 The proposals are split between two areas as set out below (i) proposed amendments to the tariff structure, (ii) proposed amendments to the first vehicle permit tariff charges and additional vehicles as well as the implementation of these amendments.

2.3 The proposed amended tariff structure and charging levels were developed in response to a changing policy context that necessitates a significant amendment in resident parking permit tariff charges to: (i) reduce the number of residents vehicles owned and (therefore) used by residents in the Borough; (ii) in doing so, to facilitate further mode shift to sustainable forms of travel; and (iii) incentivise and encourage the uptake of less polluting vehicles for those with an essential need to own and use a car.

a) Proposed amendments to the Tariff structure

2.4 Following the opportunity for residents to respond to the notice of variation set out in sections 1.4 to 1.6, it is proposed that the amendments to the Tariff structure are implemented as signed off by Cabinet in February 2019. This entails splitting existing Tariff 1 band (for vehicles registered after 1 March 2001 for which carbon emission data is available) in two, with Tariff 1a introduced which covers up to carbon emissions of 120g/km (a band level that is comparable with other Boroughs). Tariff 1b covers the emissions range of 121g/km – 150g/km. This proposal (and pricing attached to each Tariff band, as below) is expected to encourage a further shift to lower emission vehicles in Camden.

2.5 This proposal was developed after a review of available data showed that across the UK, there has been a substantial shift in recent years in the percentage of vehicles on the market with emissions at the lower end of the carbon emissions range. Between 2007 and 2017, the percentage of all cars registered for the first time in the 0-110 g/km range increased from 2.3% to 35.9% (DfT, 2017). The current Camden tariff band structure – with one tariff band (Tariff 1) covering up to 150 g/km of CO2 emissions – has been in place since 2007 and does not sufficiently reflect the above change. Benchmarking suggests most other Boroughs have already reflected that change by tightening the Tariff 1 band.

b) Proposals for the first vehicle carbon emission based resident permit pricing, additional vehicles and their implementation

2.6 Following the opportunity for residents to respond to the notice of variation set out in sections 1.4 to 1.6, it is proposed that the resident permit for electric vehicles (EVs) is charged and implemented as signed off by Cabinet in February 2019. Under this, the electric vehicle permit price is increased by 29.7% and implemented over a period of 2 financial years (the remainder of 2019/20 and 2020/21).

2.7 For the remaining tariffs (1a, 1b, 2, 3 and 4) and additional vehicles, it is proposed that permit prices remain at the levels signed off by Cabinet but are implemented over the remainder of 2019/20, and 2020/21. This means that only half of the increase in permit price would be applied to anyone renewing or applying for a new permit for the remainder of 2019/20, and the full increase would be applicable from April 2020. Under this approach, the pricing levels for these tariffs would be as set out in Table 1 below.

Table 1: Proposed Tariff Structure and Charges for the remainder of 2019/20, and 2020/21 financial years

Tariff Band/ CO2 Level		Existing Charges - 2018/19 Financial Year		Proposed Charges					
				2019/20 Financial Year			2020/21 Financial Year		
Tariff Band/ Permit	CO2 emiss-ions (g/km)	Permit Price	Diesel Sur-charge	Permit Price	Diesel Sur-charge	% increase from 2018/19 permit prices	Permit Price	Diesel Sur-charge	% increase from 2018/19 permit prices
Electric		£31.28	n/a	£35.94	N/A	14.90%	£40.57	N/A	29.70%
1a*	Up to 120	£100.44	£21.60	£115.36	£24.80	14.90%	£130.28	£28.01	29.70%
1b*	Up to 150 (current); 120-150 (pro-posed – 19/20 onwards)			£135.74	£29.18	35.15%	£171.03	£36.77	70.30%
2	151-185	£130.28	£28.02	£176.08	£37.86	35.15%	£221.87	£47.70	70.30%
3	186-225	£171.03	£36.77	£231.15	£49.70	35.15%	£291.26	£62.62	70.30%
4	Over 225	£296.14	£63.67	£385.57	£82.90	30.20%	£475	£102.13	60.40%
Registering additional 2nd vehicle		£59.12		£79.90		35.15%	£100.68		70.30%
Registering additional 3rd vehicle		£88.38		£119.45		35.15%	£150.51		70.30%

2.8 For information, the rationale for the proposed levels of charging is as summarised below:

- An increase of 29.7% is proposed for electric vehicles as – although they emit no tailpipe emissions – they do contribute to congestion, demands on kerbside space, have a potential impact on road safety and contribute to air pollution (principally through brake, tyre and road wear – all of which generate fine Particulate Matter pollution, for which there is no safe level). The proposals also ensure that the permit price for an electric vehicle is not cheaper than storing a bicycle in an on-street bike hangar in Camden (currently £30 - £36). The (joint) lowest percentage increase is proposed for this vehicle type to reflect Camden's commitment to encourage their uptake where there is essential need for car ownership.

- A 2020/21 permit price of £130.28 is proposed for tariff 1a (and half of the increase to that amount - £115.36 - applied to anyone renewing or applying for a permit in the remainder of 2019/20). This permit price has also had the lowest proposed percentage increase, to encourage its uptake where there is essential need for a car. This permit price is also proposed because at this charging level (for current tariff 2), there has been a decline of 28.4% in the uptake of tariff 2 permits (based on equivalent monthly permits – see Table 2 in Annex C).

- A 2020/21 permit price of £171.03 is proposed to for tariff 1b to encourage a switch away from this tariff towards Tariff 1a and Electric Vehicles (and half of the increase to that amount - £135.74 - applied to anyone renewing or applying for a permit in the remainder of 2019/20).. This charging level is considered appropriate to achieve this because at a similar charging level for current tariff 3, there has been a decline of 42.2% in the uptake of tariff 3 permits (based on equivalent monthly permits – see Table 2 in Annex C).

- A 2020/21 permit price of £291.26 is proposed for tariff 3 (and half of the increase to that amount - £231.15 - applied to anyone renewing or applying for a permit in the remainder of 2019/20) to maintain the current differential between tariff 3 and tariff 2, and therefore to avoid inadvertently encouraging the uptake of higher tariff vehicles. In addition to this, at similar charging levels, there has been a decline of 49.3% in the uptake of current tariff 4 permits (based on equivalent monthly permits – see Table 2 in Annex C).

- For tariff 4, a 2020/21 price of £475 (and half the increase to that amount - £385.57 - applied to anyone renewing or applying for a permit in the remainder of 2019/20) is proposed to continue to discourage the uptake of tariff 4 vehicles. It is recognised that under the proposals, this results in a lower percentage increase than that for tariff 1b, 2 and 3 is proposed for tariff 4. This is because to apply a similar increase for tariff 4 would create a disproportionately high charge for Tariff 4. It was therefore recommended to adjust the percentage increase to match the highest charging benchmarked Borough (Islington) for that Tariff band at the time when the proposals were submitted to Cabinet.

- The prices of £100.68 and £150.51 are proposed for adding the second and third vehicles to a permit respectively to discourage multiple vehicle ownership (and half of the increase to those amounts - £79.90 and £119.45 respectively - applied for anyone renewing or adding a second or third permit in the remainder of 2019/20).

2.9 In relation to implementation, it should be noted that the option of implementing over 2 years was considered when the proposals were under review in 2018, but was not proposed to Cabinet in February 2019 (except for the electric vehicle permit tariff band) because (i) implementation over two years could slow the shift to more sustainable travel and meeting the other objectives to be addressed through this policy and (ii) because of extensive existing assessments and mitigations to the impacts of the increased charges as set out in the Cabinet (and this) report, including in the Equalities Impact Assessment prepared ahead Cabinet approval.

2.10 However, following consideration of the comments received during the engagement exercise where a relatively high percentage of those who responded expressed concerns over the impact of implementing these measures on those on lower incomes, families with young children, those who need their vehicles for work and those who are retired, it is officer's view that it is appropriate to provide a transitional period for implementation, allowing residents a longer period of time to adapt to the changes but whilst still delivering the full policy outcomes noted in this report. It is therefore recommended that the increases are introduced over the remainder of 2019/20 and 2020/21 financial years rather than 1 financial year, as set out in Table 1 above (as compared to the original proposals approved by Cabinet as shown in Annex A).The approach of a phased approach of implementation is also consistent with that taken for previous permit reviews where permit price increases for those significantly affected by changes was phased over 2 years.

3. OPTIONS APPRAISAL

3.1 In addition to the proposal set out in Section 2 above, the options set out below have also been considered, and rejected, for the reasons outlined below.

Option 1: Implement the proposals as approved by Cabinet in February 2019

3.2 Under this option, the proposed increases to residents' permits would be implemented in one financial year (except for electric vehicle permits). While this option would reflect the need to rapidly revise prices to match the significantly changed policy and background context set out in section 1 and Annex D, Officers have noted the concerns expressed by some respondents to the engagement exercise, that introducing in one financial year would reduce the time available to residents to adapt to the proposed changes. Implementing in one financial year is therefore not recommended.

Option 2: Implement an amended system based on proposals from respondents received during the notification of variation of charges

3.3 Examples of proposed changes made by respondents to the notification of variation of charges under this option include offering discounts for certain residents, basing the charges solely on use rather than ownership, applying higher increases for additional vehicles and not applying any price increases to electric vehicles. These and the reasons as to why they are considered unsuitable are considered in Annex H.

Option 3: Do nothing

3.4 Under this, the council would maintain the current charging system. However, this is not considered viable because the current levels of charging would not sufficiently contribute to meeting the council's transport and environmental objectives.

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

4.1 There is a concern and risk that the proposed charging levels may impact particularly on car owners in Camden from more deprived socioeconomic groups, who may be less able to either (i) afford to pay the increased charges and/or (ii) switch to vehicles in the lower priced tariff band levels. This has been explored in detail in the report (Annex G_2) and a summary of the mitigations is outlined below:

i) The vast majority of households in Camden – two-thirds of all households – do not currently own a vehicle and will therefore be unaffected by the increased charges. The proportion of houses in the borough without access to a private car is projected to increase as part of the Camden Transport Strategy, so even fewer households will be affected moving forwards.

ii) Of those households that do own vehicles, in general terms our data suggests that those areas in the borough with the highest levels of deprivation are likely to be less affected by these changes than those in the areas of least deprivation. This is because areas with the least deprivation have greater overall levels of car ownership (resident parking permits issued) than areas with the most deprivation, as set out in Annex G_2.

iii) Data from the 2011 Census supports these findings in terms of the relationship between mean annual household income in each area, and car ownership levels in Camden. This is shown in Figure 1, on page 10. The data provides the mean annual household income within each Lower Layer Super Output Area (LSOA) in the Borough in comparison to car ownership data within each LSOA. This shows, for example, that the LSOA areas with the lowest 20% mean annual household income have the lowest levels of car ownership (with over 70% of households having no cars). Conversely the LSOA area with the highest 10% mean annual household income has the highest level of car ownership (with under 20% of households having no car).

iv) These findings broadly reflect wider national survey information. The Office for National Statistics (ONS) published data in January 2019 showing household car ownership by income group at a national level (insufficient survey data was available to analyse at a Borough level). In the lowest 10% income group (by household), just one-third of such households own one or more vehicles (with two-thirds owning no vehicle at all). Conversely in the top 10% income group, 93% of households own one or more vehicles.

v) In addition, as per current data set out in Table 1 in Annex C, a significant majority - 80% of permits issued in Camden at present - are for (current Tariffs) EVs, Tariff 1 or Tariff 2. Even under the new charges, a resident's parking permit across all of those tariffs will be less than £250 a year (excluding the diesel surcharge - £270 with the diesel surcharge if a Tariff 2 vehicle). This is the equivalent of less than £1 a day (and in the case of new Tariff 1a, about 50p a day) assuming a Controlled Parking Zone (CPZ) hours of control of Monday to Friday (which is typical in most areas of Camden). This is not deemed to be an unreasonable equivalent daily charge to park in areas of high demand for kerbside space in Camden, given its geographical context entirely within zone 1 and 2 of the capital.

vi) 52% of all permits issued are for Tariff 1 (to split between Tariff 1a and Tariff 1b), and those purchasing such permits would therefore pay a maximum of £171.03 per annum plus a diesel surcharge of £36.77 (if applicable).

vii) For Tariffs 3 and 4, areas of Camden with higher volumes of permits in these two upper tariff bands are more closely associated with less deprived areas of the Borough. Fewer households in more deprived areas of the Borough would therefore be affected by the changes to these two Tariff bands (see Annex G_2 for graphical depictions of this information).

viii) There is national evidence suggesting that an increasing proportion of new vehicles for personal ownership are bought via leasing arrangements, rather than outright purchasing. As a result, there is an increased opportunity for those individuals to amend their vehicle type in a relatively short timeframe at the end of the (often, short term) lease period. Camden-specific data is not available, but if the national trends are replicated locally (as would be expected) then residents with those deals will be able to transition to the lower tariff band levels/charges at the end of existing lease periods, if continuing to wish to own a vehicle at that point.

ix) The Council has been making significant progress to roll out electric vehicle charging points (EVCPs) across the Borough, helping enable uptake of the lowest tariff price as shown in Table 1 in Annex C. By the end of March 2019 there were almost 150 EVCPs throughout Camden, incorporating a mixture of rapid, standard and lamp-column facilities, as shown in the diagram in Annex I. In addition our Electric Vehicle Charging Point Action Plan, a daughter document of the new Camden Transport Strategy, sets out our ambitions for further minimum levels of charging points provided each year, to secure comprehensive Borough-wide provision.

x) As part of the Mayor of London's Ultra Low Emission Zone, launched on 1st April 2019 in the congestion charging area, a car scrappage fund has been set up to provide funding for low income Londoners to switch to cleaner vehicles. Camden residents taking advantage of this scheme will also likely be able to switch to lower Tariff band charging levels under our current resident permit structure.

4.2 It is also the case that residents living in areas of high deprivation in Camden (which, as established above are also those least likely to own a vehicle) are likely to be affected by poorer air quality than more affluent parts of the borough. Those areas therefore stand to benefit from revisions to policies (including parking charges) which contribute to air quality improvements by reducing car ownership, car use and lower emissions vehicles. 70,000 Camden residents currently live in areas which are among the top 30% most deprived areas, which are also in the top 30% in terms of average NO2 concentrations in London.

4.3 There is a possibility of Camden's charges, even at the proposed revised levels, being insufficient in supporting the Council's stretching transport and air quality targets, including the commitment to meet World Health Organisation (WHO) emissions targets. However, this is mitigated by the council's approach of regularly reviewing the parking fees and charges (at least every 2 years) to ensure that they continue to meet policy objectives as set out in the new Camden Transport Strategy (and Clean Air Action Plan). While it is acknowledged that parking permit forms only part of the cost of owning and running a car, it is also appropriate that the Council introduces policies and charges at the aspects where it has control and influence.

4.4 An additional risk is that some residents (as expressed in the comments received to the notification of variation of charges) may feel that they cannot undertake some journeys other than by private car. In turn this is seen by some to necessitate car ownership. However, multiple alternatives to private car ownership exist in the Borough, as set out below:

i. Camden is an area with very high levels of public transport accessibility (PTAL). In general terms (see Annex G_2), areas with higher levels of deprivation correspond with areas of particularly high PTAL, providing significant opportunities for switching from private vehicles

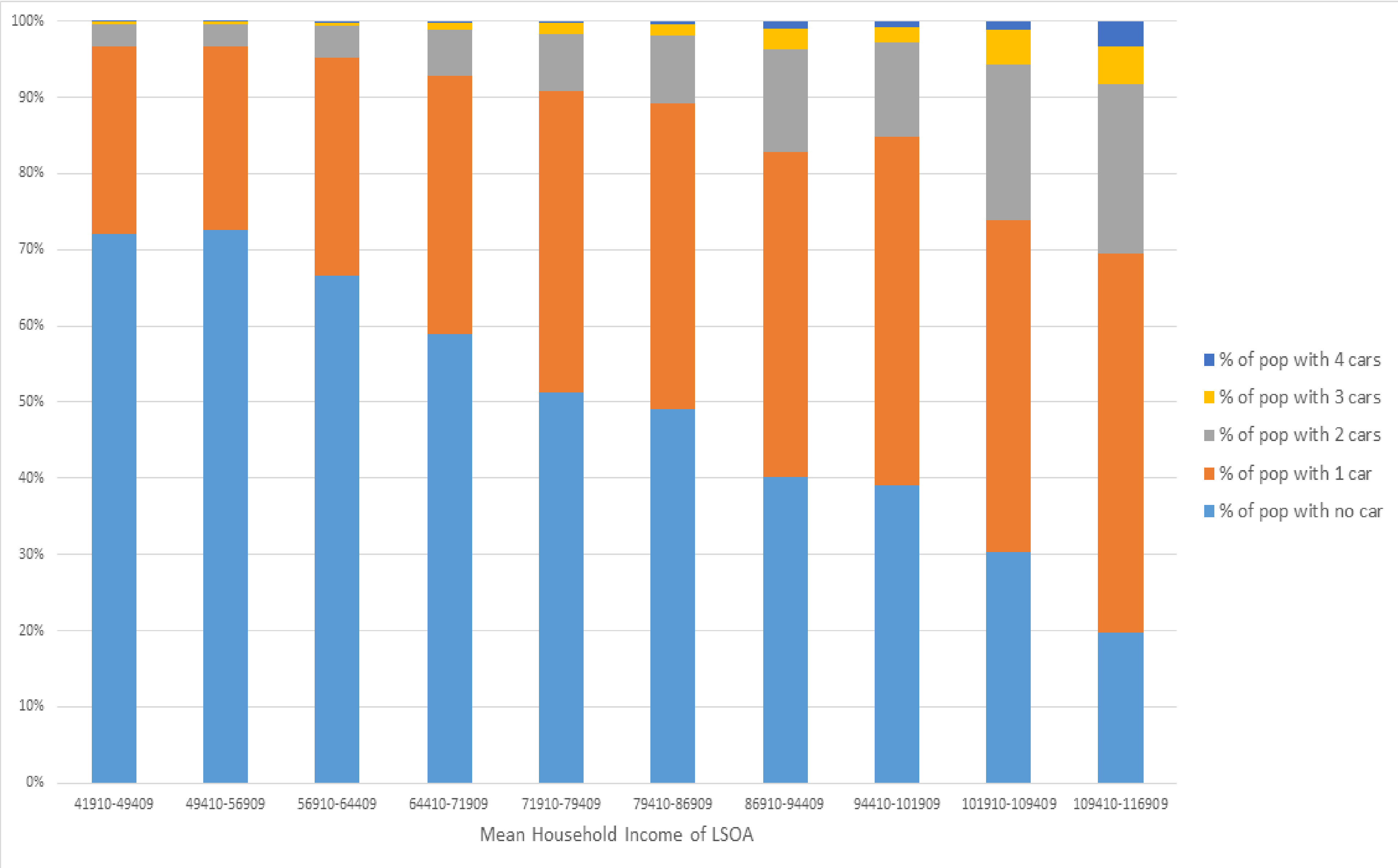
ii. For occasional, essential journeys where a car is needed, the borough has a very dense network of car club bays – around 200 spread across Camden – and taxis/private hire vehicles remain an option for some

iii. The Council has recently implemented a 'permit scrappage' scheme whereby any resident who does not renew or gives up their resident parking permit is entitled to a 2 year free membership of either car club operator in the Borough. This is set to continue as part of the new Camden Transport Strategy (measure 2f).

iv. Walking already accounts for 42% of all Camden residents journeys (2017/18 data) and proposals have been set out to deliver improvements for pedestrians, as set out in the Camden Transport Strategy, to increase this to half of all residents journeys by 2041

v. Camden residents mode share by bicycle is projected to quadruple to 15% of all residents trips by 2041, delivering measures within an ambitious Cycling Action Plan as part of the Camden Transport Strategy. This includes further provision of high quality infrastructure and continued roll out of Santander and 'free floating' cycle hire options providing high quality alternatives to car ownership and use

Figure 1: Lower Layer Super Output Area Mean Household Annual Income Levels in Camden – Car Ownership Level



4.5 There is a risk of the proposed increase in charges driving up the number of crossover applications. However, the ability for these to be implemented will be limited for the following reasons:

- The council has a policy of resisting crossover applications under the car free development scheme and in the new Camden Transport Strategy;

- 75% of Camden has designated Conservation area status and therefore crossovers would not be permitted development;

- For the areas where crossovers are permitted development, the kerbside space is most likely already assigned to alternative uses.

For these reasons, the numbers of crossover applications approved for residents per year are also currently very low and is unlikely to increase as part of these changes. However this will be continually monitored if these changes are approved.

4.6 The impact of the recommended amendments set out in this report will be carefully monitored and analysed, specifically in terms of changes in permits for each Tariff band level, and overall resident permits issued each year. These will be reported as part of the Camden Transport Strategy targets on an annual basis, as well as the wider targets related to this area in the CTS in terms of total car ownership, car use and traffic levels in the Borough, and emissions levels from road transport sources in Camden (which these proposals will contribute to as part of a wider package of measures set out in CTS and Clean Air Action Plan).

4.7 As committed to within the CTS, we will, under Measure 2c, review residents, visitor and all other renewable parking permit charges at least every two years. This will help ensure that the proposed tariff charges and structure continue to contribute towards our CTS (and Clean Air Action Plan, and other related strategy) objectives.

4.8 Finally, concerns regarding these new charges were raised by some residents who provided comments and feedback to the notification of variation of charges (as set out in Section 6 and Annex H) which were sent to all permit holders by email in March 2019 and published in the Camden New Journal and Ham & High on 7 March 2019. The Council has noted all of the comments made and these are addressed in Annex H. Two particular concerns have led to changes in the implementation process as follows:

(i) The concern expressed by some residents that the notification of new charges was being advertised in March 2019 and then implemented immediately thereafter from 1st April 2019. As set out in this report, we will in fact not be implementing the charges until approval is granted on 25th July 2019, which has provided sufficient time to fully consider the comments received during this process.

(ii) The concern expressed by some residents about the time available to adjust to the increased charges. Noting this concern, we are now recommending implementation of the new charges over the remainder of 2019/20 and 2020/21 financial years, rather than 1 financial year, for the reason sets out in this report.

5. LINKS TO OUR CAMDEN PLAN

5.1 The proposals will assist in reducing car ownership (and use) and incentivise the use of sustainable travel modes. This meets the objective of Our Camden Plan, of:

- **Clean, vibrant and sustainable places** by playing a part in improving air quality, one of London's biggest challenges.
- **Healthy, independent lives** by making it easier to take part in physical activity such as walking and cycling

6. CONSULTATION/ENGAGEMENT

6.1 Under Section 46a of the Road Traffic Regulation Act 1984, local authorities are required to issue a notice of variation when changing parking charges for the purpose of informing anyone likely to be affected by giving notice of at least 21 days before the change is due to come into force. While there was no legal requirement to consult, to ensure that any views are considered and in line with the approach taken for previous permit reviews, the notice of variation has been treated as an opportunity for residents to raise any concerns or comments prior to any decision being made. In doing so any responses would be noted and objections considered prior to a final decision on implementation of the changes being made.

6.2 In addition to publishing a notice of variation in the Camden New Journal and the Ham & High outlining the proposed changes, to publicise the proposed changes and encourage response, notification of the proposed changes was provided in the following ways:

(i) on the Camden website ;

(ii) Sending an email to all permit holders whose email addresses are held by the Council.

6.3 Regarding the email sent to residents, it was sent to 28,822 addresses. The delivery report received at 11:10am on 8/03/19 stated that 98% of the emails were delivered successfully and 1% (218 emails) were pending and 1% (242 emails) bounced back.

6.4 Table 2 below gives an approximate number of responses received as well as how many stated they were in favour of and against the proposals. It should be noted that some respondents did not state that they supported the proposals but stated that they 'do not object to them. To avoid misrepresenting their views, they have not been included under those supporting the proposals, but a separate line is included in Table 2 below.

Table 2: Responses received and opinions expressed

View of Resident	Number of responses (percentage of total responses)
Support the proposals	40 (6.9%)
Object to the proposals	460 (79.3)%
Does not object to the proposals	23 (4.0%)
Does not specify whether they support or object to the proposals	57 (9.8%)
Total	580 (100%)

6.5 The key themes in the comments / responses received were:

- A request for the rationale for the proposals;
- Impact of the proposals on various groups;
- The level of the proposed increases;
- Request for discounted permit prices for a number of cases;
- The basis of proposals;
- The ability of the proposals to meet Camden's policy objectives;
- Process and timescales for changes;
- Various points relating to electric vehicles;
- The need for a private car in Camden;
- Revenue from the proposals and its spend.

6.6 These and officer responses to them are explored in Annex H and action has been taken as detailed in paragraph 4.11 of the report above.

7. TIMETABLE FOR IMPLEMENTATION

7.1 If approved for implementation, a notice of variation will be issued by publishing the amendments to the permit prices in local newspapers and sending an email with a copy of the report to all permit holders on 12 August 2019. This is to inform anyone likely to be affected of what the tariff structure and prices will be by giving them notice of at least 21 days before the changes are due to come into force (in accordance with the requirements of Section 46a of the Road Traffic Regulation Act 1984). Following this, the changes will be implemented from Friday 23 August 2019.

8. APPENDICES

Annex A – Level of charging approved by Cabinet in February 2019
Annex B – Other Options Considered prior to submitting the proposals to Cabinet in February 2019
Annex C – Existing resident parking permit tariff structure and other related information
Annex D - Why a review is necessary
Annex E – Benchmarking including Camden's proposed charges
Annex F – How the proposed changes compare to the highest benchmarked Boroughs
Annex G_1 – Equality Impact Assessments
Annex G_2 – Additional Impact Assessment
Annex H – Comments and Considerations Report
Annex I – Electric Vehicle Charging Point provision in Camden (March 2019)