

REPORT TO:	CABINET 10 FEBRUARY 2014
AGENDA ITEM:	9.1
SUBJECT:	GENERAL FUND & HRA BUDGET 2014/15
LEAD OFFICER:	RICHARD SIMPSON DIRECTOR OF FINANCE & ASSETS and SECTION 151 OFFICER
CABINET MEMBER:	COUNCILLOR MIKE FISHER, THE LEADER COUNCILLOR STEVE O'CONNELL, CABINET MEMBER FOR FINANCE AND PERFORMANCE MANAGEMENT COUNCILLOR DUDLEY MEAD, DEPUTY LEADER (STATUTORY) (CAPITAL BUDGET AND ASSET MANAGEMENT) AND CABINET MEMBER FOR HOUSING
WARDS:	ALL

CORPORATE PRIORITY/POLICY CONTEXT:

The Council's Financial Strategy underpins the resource allocation for all corporate priorities and policies and in particular, the corporate priority for the delivery of value for money for the residents of the borough of Croydon. This report sets out the detailed proposals for the financial year 2014/15 and the progress in achieving the objectives of the Council's Financial Strategy 2013/17.

The 20 year Capital Strategy 2010/30 sets out how the Council will finance, allocate and manage investment in assets efficiently to achieve the Vision as set out in "We Are Croydon."

The report sets out the capital programme for 2014/17.

FINANCIAL SUMMARY: This report sets out progress in achieving the objectives of the Council's Financial Strategy 2013/17 and the budgeting plans for 2014/15 which will continue to progress the delivery of that strategy.

The report details the revenue and capital budgets for the General Fund for 2014/15, the priorities of the Council's financial investments based on a recommended **no change** in the Croydon element of council tax and Housing Revenue Account (HRA) budget regarding the setting of rents, service charges and the Housing Improvement Programme for 2014/15 based on a recommendation of a 4.9% increase to rent levels for 2014/15.

The report also recommends a council tax efficiency dividend of £25 for 2014/15 and two rent free weeks for tenants in April 2014. The affordability of these one off rebates reflects the focus on strong financial management since 2010 and the ability to use funds built up to manage the council's financial strategy.

FORWARD PLAN KEY DECISION REFERENCE

The recommendations in sections 1.1 and 1.2 are not executive key decisions – the final decisions are recommended to the Full Council at the meeting scheduled for 24th February 2014. The recommendation in section 1.3 (ii) is a key executive decision (reference no. 1276) as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the 5th working day after it is made, unless the decision is referred to the Scrutiny & Strategic Overview Committee by the requisite number of Councillors.

1.0 RECOMMENDATIONS

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below:

1.1 The Cabinet recommend to full Council:

1.2 no **change to Council Tax for 2014/15** for Croydon and a 1.32% decrease to the Greater London Authority (GLA) precept, on behalf of the GLA on the basis of :-

- I. That a council tax efficiency dividend of £25 be made to all households with a liability for 2014/15 of £25 or more on their Council tax account on the 1st April 2014 where the liability is below £25 they will receive an amount equal to that liability
- II. All budget planning assumptions as detailed in the report;
- III. The programme of revenue investment as set out in Appendix A;
- IV. The programme of efficiencies and cuts, as set out in Appendix B;
- V. The capital programme for 2014/15 and capital strategy for 2015/18 as set out in Appendices D & E and the release of the annual highways programme;
- VI. The Council's detailed budget book as set out in Appendix F;
- VII. The overall revenue budgets and council tax levels as set out in Appendices G, H and I
- VIII. The statement on reserves and balances and robustness of estimates from the statutory Section 151 Officer;
- VIII. That with reference to the principles for 2014/15 determined by the Secretary of State under s.s.52ZC(1) of the Local Government Finance Act 1992 (as amended) confirm that in accordance with s.52ZB (1) the Council Tax and GLA precept referred to above are **not excessive** in terms of the most recently issued principles and as such to note that no referendum is required;
- IX. The budget for the Housing Revenue and Capital Accounts for 2014/15 (Appendix K);
- X. The proposed housing investment programme of **£40.504m** (summarised in Appendix M);
- XI. A capital allowance of **£10.000m** as detailed in Section 6 of this report.
- XII. To recommend to the Council the adoption of the Pay Policy statement at Appendix O;

1.3 That Cabinet agree:

- i. That two weeks rent for all Council tenants' be met by the Council in April 2014 unless their liability for rent is otherwise being met;
- ii. Rent increases for all Council tenants for 2014/15, in line with the National formula for social housing rents with the average rent increases from this national formula being **4.9%**;
- iii. That the full cost of services provided to those tenants who receive caretaking, grounds maintenance and bulk refuse collection services are recovered via tenants service charges, this being achieved with a **3.7%** increase for 2014/15;
- iv. Charges to tenants for garage and parking space rents increase by **4.9%** for 2014/15;
- vi. Heating charges for Council tenants to remain unchanged as per Appendix L;

1.4 That Cabinet note:-

- I. That in respect of the Council's public sector equalities duties where the setting of the capital, revenue and HRA budget result in new policies or policy change the relevant service department will carry out an equality impact assessment to secure delivery of that duty including such consultation as may be required.
- II. The progress being made towards balancing the Council's financial position for 2013/14 as at 30th November 2013 and the current projected outturn forecast of £0.859m before the allocation of corporate contingency of £1.000m, as set out in Table 25 of this report and therefore to note a balanced budget position for 2013/14.
- III. That no recommendations were made to the Cabinet from the Scrutiny & Overview Committee meeting of 17th December 2013 in relation to the budget for 2014/15.

2.0 EXECUTIVE SUMMARY

- 2.1 This report sets out the 2014/15 budget for the residents of the borough of Croydon in the context of the Council's Financial Strategy 2013/17. This is the first year of the current strategy period. The budget proposed for 2014/15 is balanced and prudent and continues to build upon the principles of sound financial management and for the longer term strategic financial planning of the Council which was first outlined in the Financial Strategy 2013/17. The budget has been set within the context of the Government's deficit recovery programme which has resulted in significant reductions in local government funding during the current comprehensive spending

review period and will continue into CSR2013. The 2013 Autumn Statement indicates that a continued and sustained level of funding reduction will be targeted at the public sector.

- 2.2 The Council has a duty under the Local Government Finance Act 2003 to set a balanced budget before 11th March 2014. This report supports the enablement of that duty to be fulfilled, subject to agreement of the recommendations in this report by Full Council on the 24th February 2014.
- 2.3 It is recommended that there is no change in council tax for the Croydon element of the charge. The GLA are proposing a 1.32% decrease in their element of the charge and that is due to be agreed by the GLA on the 14th February 2014. The overall headline reduction is 0.27%. The effect of this decrease on Band D is set out in table 1 below.

Table 1 – Local Taxation & GLA Taxation increase (Band D comparison)

Band D	2014/15	Increase/ (Decrease)	Annual Decrease	Weekly Decrease
	£	%	£	£
Croydon	1,171.39	0.00%	0.00	0.00
Greater London Authority	299.00	(1.32%)	(4.00)	(0.08)
Total	1,470.39	(0.27%)	(4.00)	(0.08)

- 2.4 The report also recommends that there is a £25 council tax efficiency dividend given to all households who have a net liability for council tax in 2014/15 who are resident in the borough on the 1st April 2014. Those who have a liability of less than £25 will see a rebate up to the level of that liability. The rebate is being funded from earmarked reserves the details of which are set out later in this report. It is appropriate to fund one-off expenditure from one-off funding sources such as earmarked reserves. The aim of the rebate is to provide much needed support for households and the local economy at a time where economic growth is vital locally. There is a clear rationale for ensuring the rebate only goes to those who have a liability to pay council tax in the financial year 2014/15., in the same way any council tax reduction would. There is also a simplicity to this approach that reduces any administrative burden as the dividend will be applied directly to council tax accounts and bills.
- 2.5 The same impact could be achieved by reducing the council tax. However this would have a long term impact on the Council's future budget gaps which are set out in table 2. This was therefore deemed unaffordable as the means to achieving this dividend are from one off reserves.
- 2.6 Information on the proposed rent increase of 4.9% for Council housing tenants for the financial year 2014/15 is set out within this report. It also seeks approval to increase the unpooled tenant service charges by 3.7% in line with the rent restructuring guidelines and increases in garage and parking space rents by 4.9%. In addition, it is proposed that heating charges are not increased for council tenants.
- 2.7 The report also recommends a 2 week rent free period for tenants in April 2 unless their liability for rent is otherwise being met so will apply based on net rent owed in those weeks. This will be funded from reserves over and above the financial strategy target. The purpose is to support Council tenants in what has been a difficult period and also to give back surpluses that have been built up from the significant

efficiencies that have been delivered within the HRA.

- 2.8 The Public Sector continues to face unprecedented challenges following the global economic crisis and has been in a period of public sector funding austerity since mid-2010. Local Government faces a significant challenge as central government resources lessen, demands for efficiency become ever higher and demands for services that much greater. It is inevitable that tougher choices, than have already been made, will have to be made over the future medium term period. On 26th June 2013 the Chancellor of the Exchequer presented the Coalition Government's Spending Review 2013, covering only 2015/16 but setting a framework for the next Parliament. The review established that the Local Government Resource DEL (Departmental Expenditure Limit) will reduce by an overall 10% over in 2015/16. DCLG's consultation on the 2015/16 Local Government Finance Settlement contained illustrative reductions in councils' funding averaging 13.02% (Croydon's was 13.24%) for existing services. The Government's intention is that councils will share an average of 3% to fund Government initiatives and policies, but as the new funding streams will be predominantly bid-based it is likely that the resulting funding distribution will be uneven. The 2013 Autumn Statement saw this reduction increased by a further 2%, falling mainly in 2014/15, due to the Government's deficit reduction target being delayed as a result of sluggish growth experienced by the economy. Government funding for Croydon will have reduced by 32% during CSR2010, increasing to 45% including CSR2013.
- 2.9 The Cabinet received the 'July Financial Review' report on the 15th July 2013 (Min A92/12) as part of overall budget strategy preparation and baseline financial assumptions which set out a budgetary financial gap for 2014/15 of **£6.254m** and a gap for the next four years (2014/18) of **£62.080m**. Table 2 shows the movement since the July Review in closing the budget gap for 2014/15. The size of the budget gap for the council over the period 2015/18 is significant and results principally from the further reduction expected in government grant but also as a result of expected demand pressure on the services we provide.

Table 2 – Budget Gap Movement

BUDGET GAP	2014/15 (£m)	2015/16 (£m)	2016/17 (£m)	2017/18 (£m)	2014/18 (£m)
Budget Gap - July Review	6.254	26.829	28.997		62.080
Budget Gap - Current	0.000	36.556	34.569	32.962	104.087

- 2.10 On the 17th December 2013 Scrutiny and Strategic Overview Committee met and received a report on budget options for 2014/15 from the Director of Finance and Assets. No recommendations were made for Cabinet.
- 2.11 Table 3 below shows the investment, efficiencies and cuts that are required to balance the budget for 2014/15. Given the significant reduction in grant from government, the required level of savings needed are significant.

Table 3 – Budget Investment and Savings 2014/15

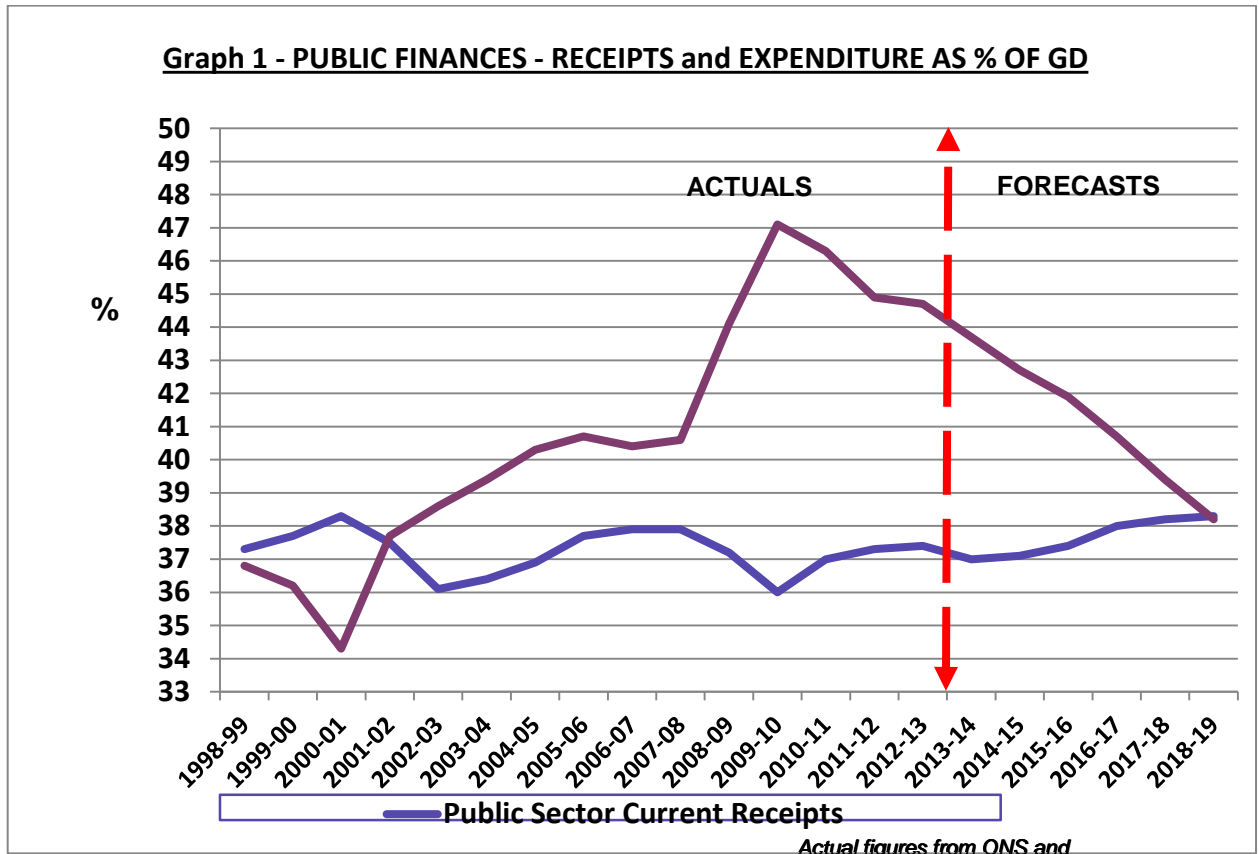
Description	£m	% of Budget Requirement
Investment	6.378	2.31%
Efficiencies	(18.083)	(6.56%)
Income Generation	(1.162)	(0.42%)
Cuts	(2.477)	(0.90%)
TOTAL	(15.344)	(5.56%)

3.0 External Financial Environment

- 3.1 The challenges on public sector funding and thus local government will continue at least into the Council's next financial strategy period and into the next comprehensive spending review period. These remain extremely tough and demanding times for local government, the services the Council provides and the relationships forged with residents. The Council has already identified the strategic pressures that collectively pose a challenge to Local Government and therefore the issues it will have to respond to during this time.
- 3.2 In the 2013 Autumn Statement the Chancellor reiterated the Government's resolve to reduce the fiscal deficit over the coming years which may, according to the OBR's projections, last until 2018/19 when a small Public Sector Finance surplus is forecast;-

"The structural deficit continues to fall year on year, but its level has not been reduced by the upturn in the economy. This confirms that economic growth alone cannot be relied upon to eliminate the deficit, and difficult decisions still need to be made.....Continued high levels of public debt create risks for the government's economic and fiscal objectives, crowd out spending on public services, and limit the ability to absorb the impact of future economic shocks."

The latest figures from HM Treasury illustrate the fiscal challenge facing the country by showing the gap between revenues and expenditure widening since 2001/02 and its planned reduction during the lifetime of the current parliament. Graph 1 shows that as a result of the plans set out in the Autumn Statement, public spending is projected, by the OBR, to fall from around 47% of GDP in 2009/10 to 38.2% of GDP by 2018/19, around the same level as 2002/03. Public sector current receipts are projected to only rise from around 36.0% of GDP to around 38.3% of GDP over the same period.



3.3 Over the last year the GDP annual rate of growth has increased from 0.3% in 2012 to a provisional 1.9% in 2013. The Public Sector Net Debt (PSND), as a percentage of GDP, continues to rise having reached 75.7% in December 2013. Figures for November 2013 show that, after exceeding £1trillion in December 2011, PSND now stands at £1.254tn.

3.4 In his Autumn Statement the Chancellor forecast that GDP annual growth would reach 2.4% by the end of 2014 before rising to 2.7% in 2018 and that PSND would continue to rise to a peak of 80.0% of GDP in 2015/16.

3.5 This provides the backdrop to the budget for which this report and the economic environment that the revised financial strategy will need to guide the organisation through over the coming years.

4.0 Inflation

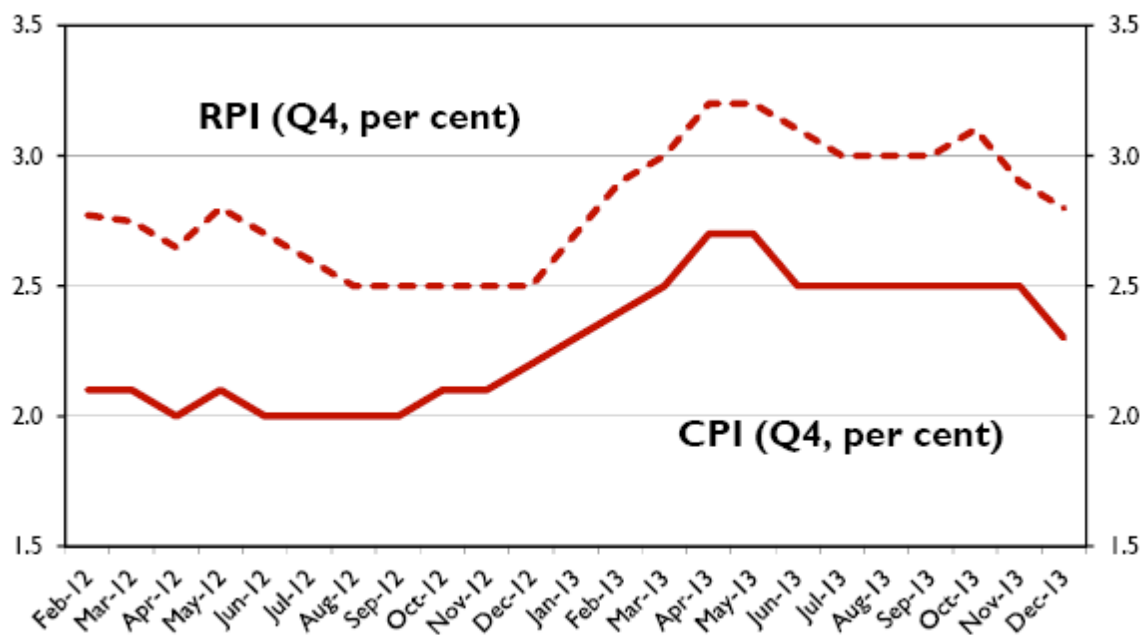
4.1 Inflation figures for December were 2.0% for CPI and 2.7% for RPI. CPI reached a four year low and it is the first time that it, as the Government's principal inflation measure, has been at or below the government-set target of 2% since November 2009. Local Government will continue to face pressures on inflation mainly through pay pressures and existing contracts. The management of these inflationary pressures will be a crucial factor in balancing the future budgets of the Council.

4.2 Future projections of Local Government pay are difficult to make. The Chancellor of the Exchequer, in the CSR2010 assumed a two year freeze on public sector pay from 2011/12 and has since extended public sector pay restraint up until 2015/16 assuming a 1% annual increase. In his 2013 Autumn Statement the Chancellor

stated “the next government will need to continue to reform and take tough decisions on public sector pay and workforce beyond 2015/16”.

- 4.3 In the Autumn Statement inflation is forecast to be 2.3% in 2014 and will not meet the 2.0% target until 2016. The main upward pressures continuing to be from fuel and food prices.
- 4.4 The Treasury publishes a monthly summary of published material reflecting the views of independent forecasting organisations (mainly banks). Over the last year there has been an increasing expectation that both CPI and RPI will fall during 2013 as shown in Graph 2 and their forecasts for Quarter 4 of 2013 and later years are shown in table 4.

Graph 2 – Inflation Forecasts



The months refer to the month in which the forecast was made

Source: ‘Forecast for the UK economy: A comparison of independent forecasts (December 2013)’ - HM Treasury

Table 4 – Q4 Inflation Forecasts 2014 to 2016

	2014		2015		2016	
	CPI	RPI	CPI	RPI	CPI	RPI
Independent Forecasts (HMT)						
Highest	3.3%	4.0%				
Lowest	1.6%	2.3%				
Median	2.4%	3.1%				
OBR (Autumn Statement 2013)	2.3%	2.9%	2.1%	3.3%	2.0%	3.6%

- 4.5 The RPI includes mortgage interest payments council tax and housing depreciation, which are not included in the CPI. Office for Budget Responsibility (OBR’s) RPI forecasts are significantly above their CPI forecasts due to “over 2014, a rise in

housing depreciation (resulting from rising house prices) boosts RPI inflation relative to CPI inflation. From 2015 onwards, market-derived Bank Rate expectations imply that mortgage interest rates will rise, pushing RPI inflation towards 4.0 per cent at the end of the forecast period.”

5.0 Local Government Funding 2014/15 and 2015/16

- 5.1 The 2014/15 provisional Local Government Finance Settlement, announced on 18th December 2013, also included the Illustrative 2015/16 Local Government Finance Settlement.
- 5.2 The 2014/15 provisional finance settlement represents the second year in which the Business Rates Retention (BRR) scheme is the principal form of local government funding. The provisional figures are expected to be confirmed in late January/early February 2014 (within the final settlement announcement).
- 5.3 A local authority's share of the local government spending control total, its Settlement Funding Assessment (SFA) is split between resources received through Revenue Support Grant (RSG) and a Business Rates Retention (Baseline Need) amount.
- 5.4 Under the new system, a settlement funding assessment (SFA) is determined for each local authority. This was determined in 2013/14 in the same way as Formula Grant was determined previously i.e. using the four block model to determine a level of need and then take into account changes in responsibility (specific grants moving in and out of general grant).
- 5.5 However It is important to note that the 2014/15 SFA figure was not altered to reflect changes to key variables/elements that were previously updated annually through Formula Funding, including:
 - Specific indicators within the Relative Needs Formulae
 - Council Taxbase
 - Floors and Scaling
- 5.6 This means that the Formula Funding element has been effectively frozen at 2013/14 levels and that the Government does not plan to update the SFA figure to take any changes to these factors into account until the next 'reset' of business rates retention. The next reset is not expected before 2020/21, at the earliest. Therefore changing need will not be reflected in our grant.

6.0 The Local Government Finance Settlement – The impact on Croydon

- 6.1 Local Government's expenditure control totals for 2014/15 reflect those determined in CSR2010 and as subsequently amended in Budget 2012 and Budget 2013 (an additional 2% reduction over CSR2010). Local Government's expenditure control totals for 2015/16 reflect those determined in CSR2013.
- 6.2 The provisional 2014/15 and the draft 2015/16 Settlements have resulted in reductions in Croydon's SFA of 9.6% (£15.484m) and 13.4% (£19.630m) respectively. This follows year-on-year reductions in Croydon's funding of 11.2% in 2011/12, 8.3% in 2012/13 and 2.9% in 2013/14.

6.3 Table 5 below shows the reductions in Croydon's SFA, with comparable figures for London, within England's declining local government funding control totals.

Table 5 – Reductions in Settlement Funding Assessments (excl. Fire & Police)

COUNCILS	Settlement Funding Assessment 2013/14 £m	Provisional Settlement Funding Assessment 2014/15 £m	Draft Settlement Funding Assessment 2015/16 £m
England <i>annual change %</i>	24,285.069	21,880.580 9.9%	18,813.793 14.0%
Outside London <i>annual change %</i>	18,544.553	16,631.651 10.3%	14,172.299 14.8%
London Boroughs <i>annual change %</i>	4,859.199	4,354.840 10.4%	3,727.060 14.4%
Croydon <i>annual change %</i>	161.913	146.429 9.6%	126.799 13.4%

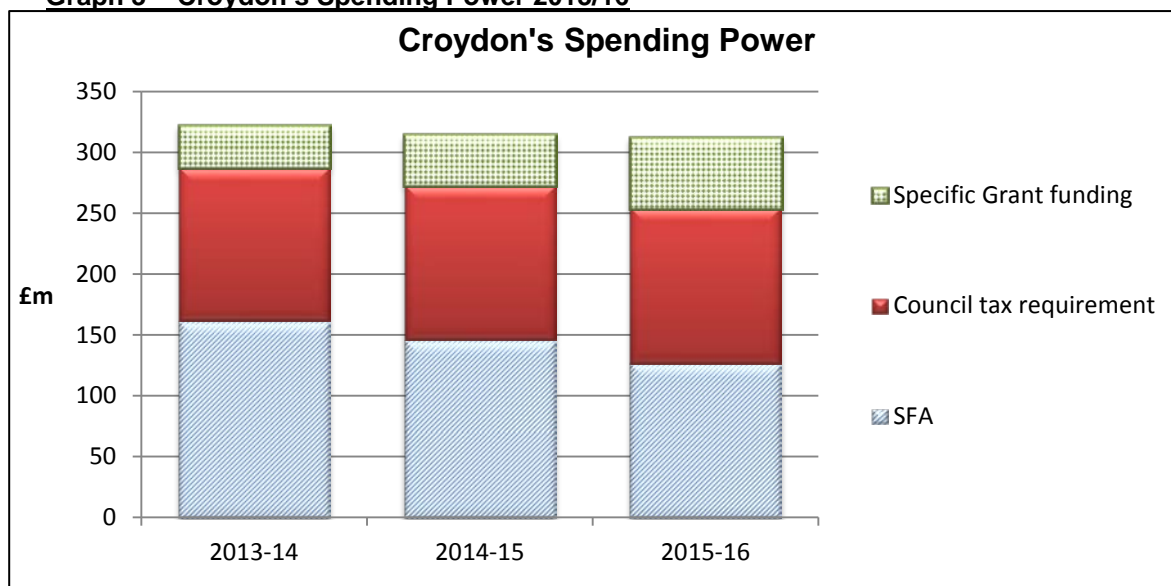
6.4 Based on the revised economic forecasts of the recent Autumn Statement the Chancellor set the Public Expenditure control totals for the first two years of the 2014 Spending Review period (i.e. for 2015/16 and 2016/17) in line with the spending reductions over the previous 2010 Spending Review, that is it will fall during those years by 0.9% a year in real terms *"These are large savings and we will set out in future how resources will be allocated between different areas of government"*. However CSR2013 reflected the differential distributions between government departments as contained within the CSR2010 eg. protecting Education and Health with the result that Local Government's funding support will continue to be significantly reduced. It is therefore assumed that Croydon's 2015/16 reduction in SFA of 13.4% will be repeated in each of the following two years.

6.5 Revenue Spending Power

In a similar manner to the previous three years, the Government's headlines focus on their preferred calculation of comparative figures, concerning a local authority's "Revenue Spending Power". The Provisional Local Government Finance Settlement announced that local authorities will face an average reduction in spending power of 2.9% for 2014/15 (with a maximum reduction of 6.9%) and 1.8% for 2015/16. The definition of Spending Power, based on the resources available, encompasses each authority's;

- Council Tax Requirement
- Settlement funding assessment
- New Homes Bonus
- Specific Grants
- Public Health Grant

Graph 3 - Croydon's Spending Power 2013/16



6.6 The main difference between the SFA and the Spending Power comparisons is that SFA compares funding between years for the core central government grant whilst Spending Power comparison includes all the resources available to councils and the funding for new services and additional statutory obligations (for 2014/15 and 2015/16 these are mainly with the social care service).

6.7 Croydon's revenue spending power reductions are 2.4% for 2014/15 and 1.3% for 2015/16 and these are after additional funding for social care and the Better Care Fund of £6.423m in 2014/15 and £23.162m in 2015/16. An additional £2.873m New Homes Bonus grant is also assumed for 2015/16. The additional social care funding of £23.162m for 2015/16 includes £21.498m which is the entire Better Care Fund pooled budget available to both Croydon Council and Croydon Clinical Commissioning Group (CCG), if this was excluded the Council's spending Power reduction for 2015/16 would be 8.04%. Further detail is set out on the purpose of the Better Care Fund in section 10. It is clear that this £21.498m will be needed to support a number of ongoing commitments from the CCG and the council and therefore is not 'new' money.

6.8 Table 6 below shows the comparative funding variations within London;-

Table 6 - Central Government funding variations in London

	% change 2013/14 to 2014/15		% change 2014/15 to 2015/16	
	SFA	Spending Power	SFA	Spending Power
England	-9.9%	-2.9%	-13.2%	-1.8%
London Boroughs	-10.4%	-3.9%	-14.4%	-3.3%
Inner London	-10.7%	-4.8%	-14.9%	-4.9%
Outer London	-10.0%	-3.1%	-14.0%	-2.1%
Croydon	-9.6%	-2.4%	-13.4%	-1.3%

Source; London Councils' Settlement Analysis (councils only – excludes funding for Fire & Police Services)

7.0 Specific Government Grants

7.1 The draft specific grant allocations, as contained in the 2014/15 Provisional Settlement and the 2015/16 Illustrative Settlements, are shown in table 7 below.

Table 7 – Government Grants for Croydon (excluding Schools funding)

Grant	2013/14 Actual £m	2014/15 Draft £m	2014/15 Variation £m	2015/16 Illustrative £m
Business Rates Income	32.962	33.604	0.642	34.532
Business Rates Top Up	31.722	32.340	0.618	33.232
Baseline Funding Level	64.684	65.944	1.260	67.764
Preventing Homelessness	0.945	0.931	(0.014)	0.930
2011/12 Council Tax Freeze	3.678	3.662	(0.016)	3.660
Learning Disability & Health Reform	15.653	15.802	0.149	15.796
Early Intervention Grant	12.742	11.754	(0.988)	10.750
Lead Local Flood Authorities*	0.142	0.140	(0.002)	0.140
Council Tax Support (ex.-benefits)~	25.796		(25.796)	
Other RSG	38.274	48.196	9.922	27.760
RSG	97.229	80.485	(16.745)	59.035
Settlement Funding Assessment	161.913	146.429	(15.485)	126.799
Other Grants;-				
New Homes Bonus	5.440	8.312	2.872	tbc
Housing & CTax Benefit Subsidy Admin	3.216	3.149	(0.067)	tbc
Education Services Grant+	5.404	4.004	(1.400)	tbc
2014/15 Council Tax Freeze		1.537	1.537	1.537
2015/16 Council Tax Freeze		0.000	0.000	1.549
Business Rates Multiplier Cap#		0.700	0.700	0.700
Lead Local Flood Authorities*	0.112	0.112	-	0.075
Social Care / Better Care Fund	5.016	6.423	1.407	21.498
Extended Rights to Free Travel (Schools)	0.032	tbc	tbc	tbc
Social Fund Programme	1.395	1.375	(0.020)	0.000
Community Right to Bid	0.008	0.008	-	0.000
Community Right to Challenge	0.009	0.009	-	0.000
Council Tax Support - New Burdens	0.253	0.212	(0.041)	0.000
Local Reform and Community Voices	0.245	0.253	0.008	0.253
Public Health	18.312	18.825	0.513	18.825
	39.442	44.919	5.509	44.437
Total Government Funding	201.355	191.348	(9.976)	171.236

* Defra Grant split for Local Government Finance Settlement purposes

~ Council Tax Support allocation now rolled into "Other RSG"

+ Grant reduction resulting from schools attaining academy status

Grant to compensate councils for capping NNDR RPI increase

8.0 Public Health grant

8.1 From 1 April 2013 the responsibility for the management of Public Health (PH) services in the borough transferred to the Council from the NHS. This brought about a range of new responsibilities including providing PH advice to Croydon CCG, tackling smoking, alcohol misuse and obesity, sexual health services, health inequalities and substance misuse including in-patient care. To enable this the Government has allocated ring-fenced funding of £18.825m in 2014/15.

9.0 Dedicated Schools Grant (DSG)

9.1 The Dedicated Schools Grant (DSG) is a grant that funds all aspects of education that relates directly to children. This is split into 3 blocks, a schools block, a High Needs Block and an Early Years Block.

9.2 DSG does not fund the statutory functions of the Local Authority which are contained within the Local Education Authority Central Functions sub-block of the Children's Services Block within Formula Grant and are funded through the Education Services Grant. The DSG allocation for Croydon for 2014/15 is **£282.871m** (£279.580m is the latest allocation for 2013/14). The DSG allocation will be reduced by recoupment for academy funding. This is currently estimated to be £80.0m but will be subject to change throughout the financial year if schools convert to academies. The increase in allocation for 2014/15 is mainly due to an increase in pupil numbers.

9.3 Details of how the grant is planned to be spent in 2014/15 are contained in Appendix J.

10.0 Specific External Financial Influences

BETTER CARE FUNDING

10.1 **Background** - On 20 December 2013, Minister for Care and Support, Norman Lamb MP and Local Government Minister, Brandon Lewis MP, circulated a joint letter to councils about the Better Care Fund (formerly known as the Integration Transformation Fund), which was originally announced as part of CSR2013 to support the integration of Health and Social Care. The stated intention of the Better Care Fund (BCF) is for funding to be spent locally on health and care, "to drive closer integration and improve outcomes for patients and service users and carers".

10.2 **Funding** - The CSR2013 identified that, in addition to a planned £900m transfer nationally from the NHS to support adult social care, a further £200m would be transferred from the NHS in 2014/15 to assist localities in preparing for the BCF, to comprise £1.1bn in total for 2014/15. The total funding identified for 2015/16 for the Better Care Fund (BCF) is £3.8bn nationally through pooled budget arrangements, of the total of £3.8bn, payment of £1bn will be linked to performance. The allocation methods are:-

- For 2014/15, the £1.1bn transfer will be distributed using the same methodology as currently i.e. the Adult Social Care Relative Needs Formulae.
- For 2015/16, part of the £3.8bn will be distributed using the Adult Social Care Relative Needs Formulae with the remainder of the BCF will be allocated on the basis of the CCG allocations formula.

- 10.3 ***The Interaction Between the BCF and Care and Support Reform*** - The Care Bill contains provision for the reform of adult social care and support funding and CSR2013 identified £335m funding nationally so that: "Councils can prepare for reforms to the system of social care funding, including the introduction of a cap on people's care costs from April 2016, and a universal offer of deferred payment agreements from April 2015." The £335m is stated to cover:-
- early assessments and reviews
 - deferred payments (cost of administering the loans and the loans themselves)
 - capacity building, including recruitment and training of staff
 - an information campaign
 - capital investment, including IT systems (which sits in the Better Care Fund)
- 10.4 ***BCF Statutory Framework*** - The main points identified in relation to the statutory framework for the BCF in 2015/16 are that:-
- The Fund will be put into pooled budgets as part of S75 joint governance arrangements between CCGs and councils, with plans for spending the funds needing to be jointly agreed
 - Additional conditions in S31 of the Local Government Act 2003 will allow for legislation to ring-fence national and local NHS contributions and allow Disabled Facilities Grant to be included in the BCF
- 10.5 ***Submission of Plans*** - Plans will need to be approved by the Health and Wellbeing Board and draft plans should be submitted to NHS England by 14 February 2014, with final versions submitted by 4 April 2014. Allocation letters will notify councils and CCGs of their share of the pooled fund for 2014/15 and 2015/16.
- 10.6 ***Use of capital funding streams*** – From 2015/16 two existing capital grant allocations, the Disabilities Facilities Grant from DCLG and the Social Care Capital Grant from DoH, are to be pooled into the Better Care Fund. For Croydon these allocations are £1.110m and £0.780m respectively. However, the statutory duty on local housing authorities to provide Disabilities Facilities Grant (DFG) to those who qualify for it will remain. Therefore each local pool will have to allocate this funding to their housing authorities from the pooled budget to enable the housing authorities to continue to meet their statutory duty to provide adaptations. Section 31 of the Local Government Act 2003 will be used to ensure that DH Adult Social Care capital grants of £134m are used in pooled budgets for the purposes of the BCF

PUPIL PLACE PLANNING AND SCHOOL EXPANSIONS

- 10.7 Demographic growth continues to put pressure on schools in many parts of the country. The Department for Education Basic Need Capital Allocation supports the capital requirement for providing new pupil places by expanding existing maintained schools, free schools or academies, and by establishing new schools. On 18 December 2013, the Department for Education (DfE) issued allocations of capital funding in relation to:
- The continuing growth of the school population, with additional funding to expand existing maintained schools, free schools or academies and to establish new schools (the basic need allocation)
 - The policy decision to provide free school meals to all reception, year 1 and year 2 pupils, with capital being required to upgrade facilities

10.8 The Schools Basic Need Allocation

- As well as specific allocations for each year up to 2016/17, the DfE has set aside top-slices of £100m and £200m, in order to be able to provide additional funding to local authorities who face significant and unexpected increases to pupil numbers during these years (or other exceptional and unexpected circumstances).
- The 2015/16 and 2016/17 financial year allocations have been based principally on data collected from local authorities in the 2013 School Capacity Survey (SCAP) collection. This collected information on the capacities of schools and academies in each planning area of each local authority, as at May 2013, and local authorities' forecasts for several years ahead.
- Basic need funding is allocated on the basis of a comparison of forecast pupil numbers with school capacity, with shortfalls in capacity attracting funding.

10.9 For Croydon DfE's **Schools Basic Needs** capital allocation is £96.018m for the period 2014/17; that is £31.623 in 2014/15, £31.412m in 2015/16 and £32.983m in 2016/17.

WELFARE REFORM

10.10 From 2013/14 the Department for Work and Pensions transferred £172m to councils to provide crisis loans and emergency support to vulnerable residents. The fund was intended to replace the crisis loans scheme and the community care grants previously administered by DWP, and were transferred to local government, as the Local Welfare Provision Grant, from April 2013 as part of the government's welfare reforms.

10.11 DWP have now confirmed that the Local Welfare Provision Grant, which councils currently use to provide goods and cash payments to residents in crisis and in some cases to fund food banks, will not be allocated from 2015/16. DWP have also confirmed that from April 2015, local authorities will still be able to continue to offer this support to residents but it need to be funded from within local authorities own resources. Croydon's 2014/15 allocation of the Local Welfare Provision Grant is £1.375m. This is locally called the Croydon Discretionary scheme.

11.0 HOUSING REVENUE ACCOUNT

11.1 The HRA is the main business account for the housing service. It remains a ring-fenced account, funded primarily from tenants' rents. The services provided to tenants, for example responsive repairs, management services and caretaking, are resourced from this account.

11.2 Long term financial planning is based on the HRA 30 year business plan which is updated annually to reflect actual expenditure, changes in allowances and financial projections.

HRA Self-Financing

11.3 The Localism Act received Royal Ascent in November 2011 and included the replacement of the national HRA subsidy system with a system of self-financing from 1 April 2012

11.4 Croydon's Housing Revenue Account (HRA) took on an additional debt of **£223.126m** which will be scheduled to be repaid over 30 years by the HRA.

11.5 The 'valuation' was based on 30 year subsidy calculations for Croydon, discounted to a current value. The Council borrowed money to make a one off payment to Government. This loan is to be financed and repaid from the HRA.

12.0 HRA Budget – 2014/15

12.1 The attached Appendix K provides a draft budget for the HRA for 2014/15.

12.2 The main changes proposed to the HRA for 2014/15 are identified below. The budget will ensure that existing services are maintained and allows for an increased level of investment in the repair and improvement of homes.

12.3 Following the principles across the whole council, as part of the Transformation agenda, efficiencies of £0.5m have been identified and generated within the HRA as schemes are implemented. These savings have been accounted for within the HRA draft budget. It should be noted that savings that are identified as a result will be reinvested within the HRA where appropriate.

12.4 Increases in Rent

The rents for existing HRA properties are based on social rents policy and are calculated according to government guidelines. The original intention was to establish a common basis for social rents (councils and housing associations) throughout England by linking rents to both the value and size of the property and to earnings in the area. The linking of rents to local earnings was to ensure that the new rents would remain at a reasonable level. Social rents in Croydon are currently approximately 40-50% of the private sector equivalent. New build council properties are now let at an affordable rent which is based on the GLA guidance for London at 65% of the comparable private sector market rent. Average market rents for Croydon have increased by an average of over 6% in the past year and therefore council rents remain an affordable option as shown in table 8 below;-

Table 8 – Comparison of rents in Croydon

Property Type	Average weekly Council rent 2014/15	Current average private sector weekly rent	Council rent as % of private sector
1 bed	£89	£175	50%
2 bed	£105	£248	42%
3 bed	£126	£305	41%

12.5 If trends in historic private sector rent increases were to continue, the average private sector rents would be between £185 per week for a 1 bed and £330 per week for a 3 bed property for 2014/15.

12.6 As in previous years the rent increase for Council Tenants has been set in accordance with;-

- The National Social Rents policy (Government's Rent Restructuring guidelines). The self-financing settlement assumed that the Rent Restructuring guidelines are followed.
- Current indications from the government are that rent restructuring will end in 2014/15, a year earlier than planned. Therefore this will be the last opportunity

for rents to move towards Formula Rent. The government has also indicated that rents will be expected to increase by CPI + 1% with effect from 2015/16. This will be the basis of rent increases for the following 10 years.

- Where tenants are eligible for receipt of Housing Benefit, they would receive increased benefits in relation to both rent and service charges increases, although a small number may be subject to the overall benefit cap.
- The rent increase for 2014/15 has therefore been applied according to Rent Restructuring Guidelines. Under these guidelines rent and service charge increases are limited to the retail price index (RPI) at September 2013 + 0.5% up to £2. The September 2012 RPI was 3.2%.
- It is recognised that the HRA has increased its reserves at a faster rate than originally anticipated following the introduction of Self-Financing at the end of March 2012. This is in part due to savings efficiencies that have been achieved on the running costs of the HRA whilst still delivering high quality services to tenants.

12.7 The recommendation that the Council increases rents by 4.9% from April 2014 will ensure that the long term sustainability of the HRA remains, together with the ability to repay the Self-Financing loan. However, it is also recognised that existing tenants should have the opportunity to benefit from the efficiencies achieved to date. The Council is committed to helping those who are not fully supported by Housing Benefit to maintain their accommodation, minimise debt and avoid short-term pressures. In order to do this it is also recommended that for two weeks in April 2014, all tenants' rent will be met by the Council unless their liability for rent is otherwise being met. The estimated cost of this is £1.48m. The HRA reserves at the end of March 2015 are projected to be £10.095m after taking account of the estimated costs of this recommendation. This will mean that the HRA reserves will still be in excess of its current requirement to meet all its financial obligations. Other options such as more targeted support were considered however it was felt that the most straightforward and fair way to reward tenants was to give all 2 weeks rent free in order to have the maximum impact on terms of support.

12.8 **Service Charges**

The unpooled service charge for caretaking, grounds maintenance and bulk refuse collection will increase in line with the rent restructuring guidelines. The charges for 2014/15 will therefore be:

- Caretaking £9.77 pw
- Grounds maintenance and refuse collection £2.01 pw

12.9 **Heating Charges**

Only a small number of tenants use communal heating systems and are charged a fixed weekly amount for the gas they use. Apart from the Handcroft Road Estate all other schemes are sheltered schemes for elderly people. The way in which Croydon purchases energy changed in 2009 and as a result heating charges will not be changed from the 2012/13 level. See Appendix L for details on weekly heating charges.

12.10 **Garages and Parking Spaces**

The rents for garages and parking spaces in 2014/15 will increase in line with dwellings rents by **4.9%**.

13.0 PROGRESS AGAINST THE CURRENT FINANCIAL STRATEGY

- 13.1 The Financial Strategy that was approved on a recommendation of Cabinet to full Council (Minute A36/13, Council Meeting 26th February 2013), established the overriding financial objectives of the Council for the medium term. These 5 core objectives ensure alignment of the Council’s overall strategic priorities and resources.
- 13.2 The objectives framework of the Financial Strategy is set out in Diagram 1 below with the five financial strategy objectives outlined in Table 9.

Diagram 1

Objectives Framework

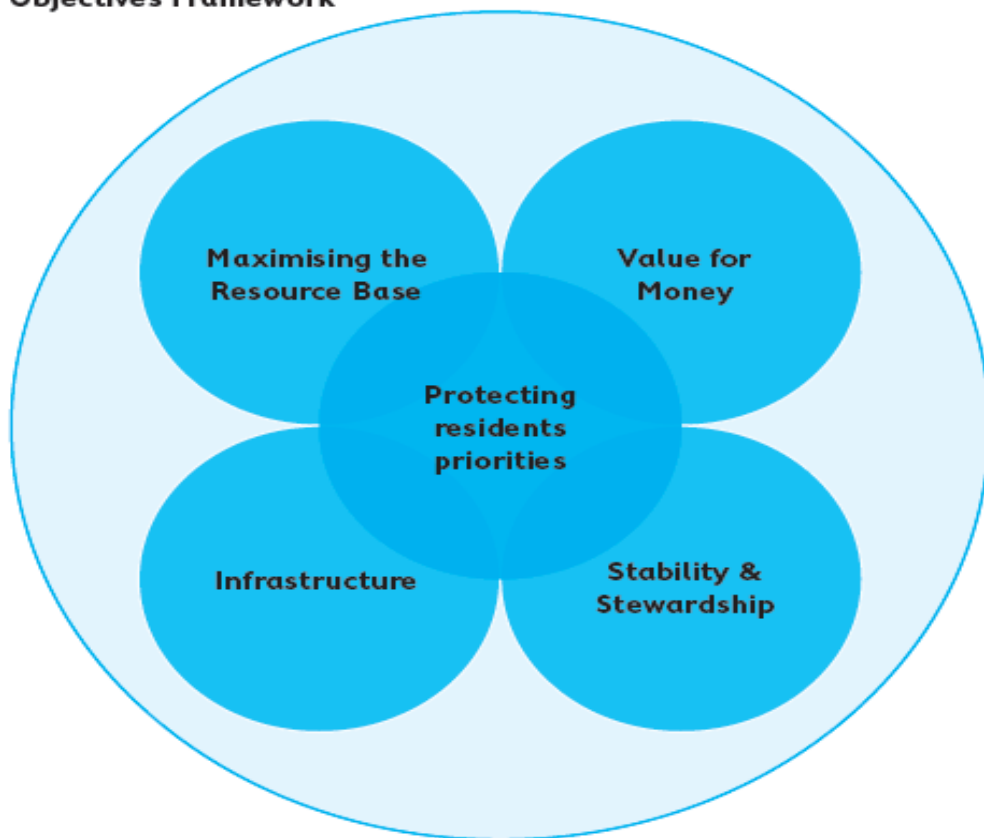


Table 9 – Current Financial Strategy Objectives

Financial Strategy Objectives	
1	To ensure that we seek to protect the services on which our residents place most priority
2	To maintain financial stability over changing economic cycles to give our community continued confidence in the financial stewardship of the council
3	To ensure that the council continues to systematically challenge, secure and deliver Value for Money
4	To ensure that the council’s infrastructure is fit for purpose
5	To maximise the councils resource base

- 13.3 The July Review 2013, considered by Cabinet on 15th July 2013 (Min A77/13), concluded that although the Planning Assumptions of the Financial Strategy remain

robust, the financial environment is still far from stable with uncertainties around the wider economic recovery, the implementation of the June 2013 Spending Review (CSR2013) and the long term impact of welfare reform.

- 13.4 The previous Financial Strategy enabled the Council to rebuild the foundation of financial standing and strengthened its ability to cope with the financial risk which local government is daily and readily exposed to. Balances and Reserves were restored to a position where they can resource our future strategies and in-year financial management has successfully ensured a balanced budget delivery each and every year. This strength in financial standing has ensured the Council could take a longer term and more strategic approach to the future needs of the borough, the aspirations of our residents and in managing the financial challenges that have been presented through the large reduction in Government funding. The current Financial Strategy will enable the Council to manage the economic environment and the reductions in Council funding.
- 13.5 The progress made against the Council's 2013/17 Financial Strategy is demonstrated below against each of the Strategy Objectives.

Objective 1 – To ensure that we seek to protect the services on which our residents place most priority

- 13.6 Ensuring that priorities both direct and drive the Council's resources forms the key focus of the financial strategy. This focus will ensure that those resources are expended on the services and issues most important to the residents of the borough. It is clear that Croydon is operating in a different external environment than previous financial strategies therefore the focus on this objective reflects the choices that the Council will need to make about where reductions in expenditure are focused. This will thereby ensure that those services that are most important to Croydon residents are protected wherever possible.
- 13.7 **Vision for the Borough**
Croydon's corporate plan for 2013/15 sets out the Council's contribution to the Community strategy over the next two years. The commitments within the plan flow directly from the longer-term shared goals of our Croydon's community. Croydon Council will;

1. Compete as a place

- The £1bn Westfield/Hammerson plan to regenerate the town centre was given the go-ahead by the council's Planning Committee and The Mayor of London in November 2013. The project will be overseen by a new Town Centre Board that includes representatives from Westfield/Hammerson, local businesses, the GLA, the police and the council.
- The £50m Connected Croydon programme, which will enhance the borough's built environment and improve connectivity within and beyond its boundaries, was initiated. A major part of the programme - a new pedestrian walkway from East Croydon station to the town centre – was completed in December.
- The 'Pathways to Employment' programme was launched which aims to get thousands of local people into work with the creation of 16,000 jobs over the next five years. The programme will be run in partnership with Job Centre Plus, private sector companies and charities.

- The £1.5m West Croydon Investment Programme was launched in August 2013 and significantly expands the range of support available to new businesses in the area, including the opening of an 'enterprise hub' in London Road. The programme has six individual schemes with specific objectives that together form a solid foundation to promote economic regeneration.
- The Croydon Urban Regeneration Vehicle (CURV) achieved the completion of Bernard Weatherhill House and the design, planning and funding of the Taberner House and Lion Green Road developments.
- The Clocktower was re-launched as a centre for learning and culture. The centre includes the local studies room, a gallery for the exhibition of paintings from the borough's art collection and a newly-refurbished area for the adult learning service, CALAT. The new centre is proving popular and bringing in more visitors.
- The Braithwaite Hall and former David Lean cinema were refurbished and brought back into use for hire for cultural events.

2. Manage need and grow independence

- We secured £265,000 of government funding to help reduce the number of homeless families staying in bed and breakfast accommodation. A 12-month programme supports households at an early stage by helping them find suitable housing, work and childcare and by providing advice on managing debt and budgeting.
- The council's housing renewal policy will provide an additional £4m for housing improvements to ensure that where appropriate elderly, vulnerable and disabled residents can remain in their own homes. The sum includes around £1.2m of GLA grants to bring empty homes back into use; £1.9m in disabled facilities grants and £1m of interest-free loans to renovate properties in need of repairs.
- An integrated conception to 19 family support service is working with over 400 of Croydon's hardest-to-help families who are receiving multi-agency support.
- Croydon became a 'Heart town' to improve the borough's cardiovascular health. Working with the NHS, activities have included the Healthy Living Hub on Tour; Summer's Alive events; 'Know Your Numbers Week' blood pressure awareness and 'Stoptober', a campaign which saw 1,562 sign up to quit smoking.
- A full programme of community and inclusion events was organised for 2013 in partnership with external stakeholders. Events included Big Lunches, Celebrating Age and Silver Sunday, Black History month and Holocaust Memorial Day.

3. Protect residents' priorities

- A multi-agency safeguarding hub to help keep children and young people safe became fully operational in October 2013 in Bernard Weatherill House.
- Working with our partners we engaged with approximately 130 young people involved with gangs with 52 exiting gang lifestyles. The 'empowerment project' delivered intensive intervention to gang-affected young women and gangs awareness training was delivered to over 100 professionals.

- Croydon pupils achieved over 68% for good GCSEs including English and maths in 2013. This represented an increase of around 6% on the previous year, making it our best ever set of results at a time when national standards have declined.
- The percentage of schools judged good or better by OfSTED continues to improve. Following an intense period of inspection activity during the autumn term 78% of Croydon's schools were judged good or better and 22% outstanding.
- In order to meet rapidly growing demand, we created hundreds more school places and during the year there were three separate announcements by government through which we were awarded £207 million towards our school expansion programme.
- Croydon is well on the way to becoming one of London's top recycling boroughs at sixth place across the capital with the percentage of domestic waste diverted away from landfill for 2012/13 at 44%. This is a big improvement on just six years ago when Croydon was 29th out of the 33 London boroughs.

4. Build the council of the future

- To date the procurement taskforce has delivered savings of £13m through improved contract arrangements and the renegotiation of service provision.
- The 'providers programme', targeted at voluntary and community organisations, was initiated. The programme focuses on developing the skills, behaviours and competencies required to help organisations to become 'commissioning ready' and to compete more successfully for contracts.
- Joint commissioning arrangements across the council and Croydon's clinical commissioning group have been strengthened through the development of an integrated commissioning unit for health and social care.
- A collaborative arrangement has been agreed with Bromley, Bexley and Merton councils for commissioning SEN places from independent special schools. This will deliver financial savings and increase strategic leverage with suppliers to better shape the market offer.
- A shared service for regulatory services has been agreed with Merton and Richmond Councils. The service is due to go live in April 2014.
- An improved support contract for the council's ICT services was awarded to Capita Secure Information Solutions Ltd to replace the existing contracts with Capgemini and Northgate from April 2014. This will deliver savings of £40m over nine years.
- The Bernard Weatherill House project was completed on time and on budget, with all staff successfully transferred to the new building by October.
- Improved customer service facilities are available in Bernard Weatherill House with customers now able to access a large number of services through self-serve. An increased number of services are also available online.

Objective 2 – To maintain financial stability over changing economic cycles to give our community continued confidence in the financial stewardship of the council.

13.8 Over the last three years the council has worked hard to maintain financial stability. Given the turbulent economic environment faced, maintaining financial stability will be essential in order to continue to maintain a medium to long term strategic focus for the Borough and its priorities.

13.9 Balanced Budget

One of the key strengths of the Council is its financial management which has enabled the financial stability track record to be achieved over recent years. The Council has managed to deliver the priorities of its community within its overall budget resources over the past four years, despite the many difficult challenges and choices. Maintaining this level of financial discipline will be vital over the financial medium term and this is firmly established in the performance accountabilities and of the discipline of the organisation itself. Section 18 sets out the current year financial performance which is for another balanced budget.

13.10 Balances and Reserves

The Council needs to maintain an appropriate level of general fund balances to maintain financial stability and to manage any identified and increased financial risk. This has been agreed as a minimum of 5% of net operating expenditure for the financial strategy. In determining the minimum level of balances, key factors include:

- The risks inherent in the budget;
- The level of specific reserves and associated provisions;
- The future risks the Council may be exposed to; and
- The Authority history of delivering services within the budgetary provision set.

13.11 During the period of the financial strategy the minimum level of general fund balances will be 5%. There has been a significant risk shift from central government to local government in terms of business rate and council tax support (ex-benefits) which make it more vital than ever that reserves are held to protect the Council from this potential risk. Alongside general balances it is vital the Council has an appropriate level of reserves and provisions to support the delivery of the resident’s priorities and to protect our services, where possible, against the negative economic circumstances.

13.12 The level of general fund balances as at 31st March 2013 was £11.597m and is estimated to remain stable in the current financial year, 2013/14. A target of 5% minimum general fund balances is now proposed in response to the increased financial risks faced by the Council over the period of the next Financial Strategy. As is set out in Table 10 below General Fund Balances have not increased over the current Financial Strategy period.

Table 10- Movement in General Fund Balances

Balances and Reserves	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m
General Fund Balances	11.6	11.6	11.6	11.6	11.6

13.13 Other reserves are forecast to reduce due to the calls on them from the transformation programme, redundancies and other programmed earmarked uses. The level of Earmarked Reserves, excluding schools, as at 31st March 2013 was £60.0m.

13.14 Strong financial service, systems and processes

Financial management continues to be an area of strength for the organisation over the last 4 years which has resulted in positive external audit opinions and a strengthened financial position. Despite this strong performance it is clear that the challenge for the public sector will become greater over the coming years. In this time the finance function has unified across the Council providing an efficient and professional service.

The unified finance function continues to examine the approach to financial processes, reporting with consistent best practice and ensuring that service managers have the support and competencies that are required to deliver value for money services across the organisation.

13.15 Grant Thornton presented their Annual Governance Report to Corporate Services Committee in September 2013 (Min. A125/13) with an unqualified audit opinion on the Council's Financial Statements.

13.16 The Council delivers a comprehensive internal audit plan through a contract with Mazars Public Sector Internal Audit Ltd (formerly Deloitte & Touche Public Sector Internal Audit Ltd). The plan includes key financial systems, risk based audits from across the organisation as well as probity audits in schools and other establishments. Based on progress to date and as reported to the Council's Audit Advisory Committee, it is anticipated that the internal audit plan will be delivered with all reports issued at least as draft reports by the end of March 2014.

13.17 From the audits finalised to date, 46% of audits (42% for schools and 53% for corporate audits) have been given a satisfactory or full assurance level. After each audit is finalised there is a robust follow-up procedure to ensure that agreed recommendations are implemented. At this point in the year, 85% of recommendations made in audits for 2012/13 and 72% of recommendations made in the current year have been implemented. Internal audit will continue to follow-up on these until the vast majority have been implemented, including any high priority recommendations.

Objective 3 – To ensure that the council continues to systematically challenge, secure and deliver Value for Money.

13.18 Throughout the period of the previous financial strategy the Council pursued a corporate transformation efficiency strategy through the Step Change Croydon programme. This programme blended corporate and departmental efficiency projects that envisaged the organisation as a smaller commissioning led body that operates as a single, highly professionalised team. The programme was hugely successful and has delivered over £25m of efficiency savings for the residents of the borough.

13.19 Through the savings we have already made over the last four years, we have delivered major levels of efficiencies. Our focus as we move forward will now need to be both efficiency and effectiveness. Therefore in order to meet our challenge, we'll be looking at every service to review the outcomes, needs, service models and resources. Our work is focusing on what the future outcomes for the borough need to be and how we can maximise these outcomes with the reduced resources that will be available to our organisation.

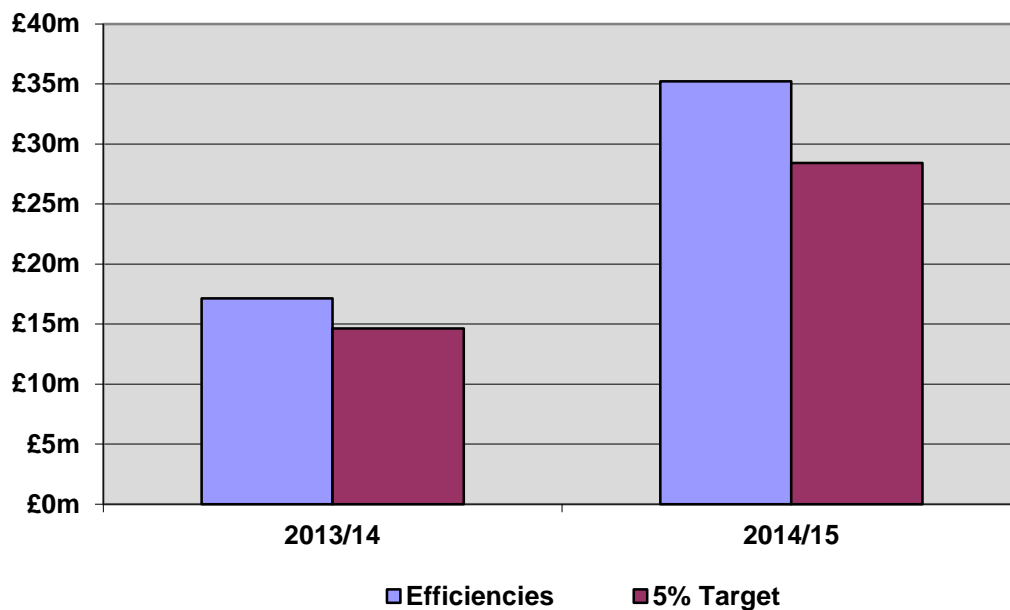
13.20 Table 11 below shows the efficiency savings delivered per department for 2014/15.

Table 11 – Efficiencies per department

Department	Departmental Efficiencies £m	% of Base Budget
DASHH	(5.903)	-2.1%
CFL	(2.146)	-0.8%
D&E	(3.859)	-1.4%
CED	(6.175)	-2.2%
TOTAL	(18.083)	-6.6%

13.21 Graph 4 below gives details of the Council’s cumulative achievements to date in this financial strategy period (2013/17) for each financial year

Graph 4 - Total Efficiencies against 5% Target



13.22 The Council’s future income policy will be based on optimising the income opportunities through:-

- A deliberate move away from using historical prices to inform fees and charges;
- Understanding the true cost of providing or commissioning services and to price accordingly whilst recognising the service user’s needs for the services being charged for; and
- Developing a commercial/entrepreneurial culture within the organisation.

13.23 A review of fees and charges has been undertaken across the Council as part of the annual budget setting process. This has resulted in an increase in income generation in 2014/15 of **£1.162m**.

13.24 The detailed fees and charges will be available on the Council's web-site and in the Member library prior to the Council meeting.

Objective 4 – To ensure that the council's infrastructure is fit for purpose.

13.25 Delivering a long term vision for the borough requires a fundamental shift in the resourcing of the Council's infrastructure needs, in short a shift away from a revenue dominated strategy to one that is capital in the nature of its thinking, planning and implementation.

13.26 A 20 year capital strategy was agreed by Cabinet in November 2010. The first 5 year programme guided by this strategy was agreed by Council in February 2011 and 2014/15 will be year 4 of that programme. Alongside this step change in investment agreed, the Council needed to rapidly develop corporate capacity to effectively deliver the Borough's ambitious built environment and infrastructure programme,

13.27 Prior to the approval of the 20 year Capital Strategy there had been insufficient capital investment to achieve Our Vision and from 2010/11 capital programme included an increase in the amount borrowed compared with the previous three years of the financial strategy recognising the strategic nature of our infrastructure requirements and our relatively low level of capital gearing. This increased level of borrowing has been continued in the 2014/15 to 2016/17 Capital Programme which is detailed in Appendix E to this report.

13.28 The Capital Investment Programme focuses on three themes;-

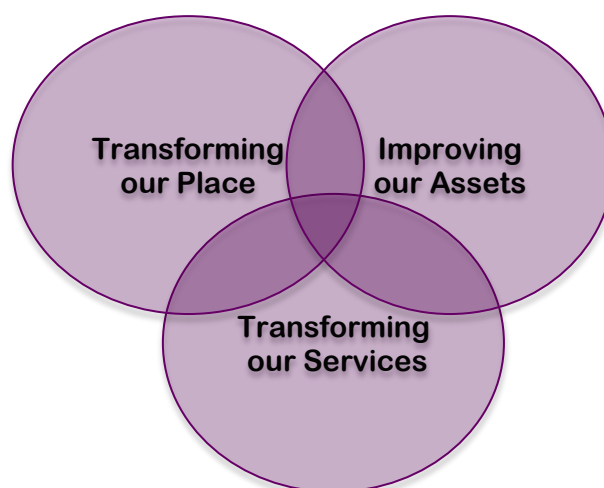


Table 12 below shows the draft capital programme by investment categories and table 13 shows the funding streams.

Table 12 – Capital Programme by Investment Category

Financial Year	Improving Our Assets £m	Transforming our Place £m	Transforming our Services £m	Total £m
2014/15	139.466	32.802	6.918	179.187
2015/16	106.580	44.781	3.650	155.012
2016/17	44.550	22.901	3.650	71.101
TOTAL	290.596	100.485	14.218	405.300

Table 13 – Funding for the Capital Programme

	2014/15 £m	2015/16 £m	2016/17 £m	Total £m
Unsupported General Fund Borrowing	74.808	99.763	26.693	201.265
Capital Receipts	4.500	12.0172	7.189	23.861
Dept. for Education	70.307	31.412	32.983	134.701
Partnership for Schools	4.765	0.000	0.000	4.765
DCLG	0.900	0.900	0.900	2.700
GLA	19.225	7.428	0.000	26.654
TfL	4.681	3.336	3.336	11.353
Funding Total	179.187	155.012	71.101	405.300

13.29 Schemes funded from external grants will only be undertaken once the funding is secure.

13.30 Some of the key projects supported in the 2014/15 programme are:

- Continued investment in the primary school estate to provide additional places to meet the growing demand. Including £56.382m on schools expansions.
- Investment in the Special Education Needs provision to provide additional places for pupils, reducing the need for attendance at schools outside of the Borough.
- Investment in Secondary school provision to provide an additional ten forms of entry. This is expected to meet the demand for additional places.
- Investment funded by Partnership for schools in a number of Academies, enabling these schools to provide education in a fit-for-purpose environment.
- Significant Investment in Public Realm and Highways Infrastructure. This scheme will enable investment in the public realm and highways to ensure that the infrastructure is fit-for-purpose and achieves our vision.
- Investment in the Council's ICT Strategy which supports the transformation agenda key programmes such as: home and mobile working; the Access Strategy and Information Management. This investment will ensure that our ICT Strategy is successful and enables the strategic development of the council.

13.31 Future Investment Commitments 2014-18 include;-

- **£24.400m Investment in Highways**– The highways are currently in need of repair and replacement and it has been recognised that there is the need to invest additional resources to ensure that they are safely maintained and customer satisfaction does not fall. Capital investment will result in a corresponding reduction in revenue expenditure recognising the longer term focus of this programme of works;
- **£33.750m Investment in Fairfield Halls** – The Fairfield Halls is currently in need of modernisation if it is to remain a key operational asset within the Borough. This investment would be used to modernise and enhance the current facility ensuring it remains a key cultural offering for the borough;
- **£139.177m Investment in Primary Schools** – within the borough we have a growing demand for primary school places. A number of schools have already undergone expansion programmes in the last two years and this funding for the programme will continue to ensure the longer term needs of the residents of the borough are met;
- **£10.093m Investment in Special Education Needs provision** – there is currently not enough SEN provision within the borough to meet demand. The Education Estates strategy identified the need to provide additional places and this programme of works will be undertaken in 2014/15;
- **£82.543m Investment in Secondary Schools.** Investment is being made to create an additional 20 forms of entry to meet the growing number of pupils;
- **£26.654m Investment in the Public Realm.** There is significant investment programme being undertaken in the public realm of the borough. Significant funding has been successfully secured from the Greater London Authority and Transport for London. Some of this investment has been undertaken in 2011/12 and will be completed during 2014/15;

Croydon Housing Investment Programme – 2014/15

13.32 The Council is able to invest capital resources from the following sources in 2014/15;-

- receipts from the sale of council houses sold through the Right to Buy provisions and/or Social Home Buy schemes
- revenue contributions from within the HRA
- unsupported borrowing within the Council's capital programme in line with the overall debt cap allowed for the HRA.

13.33 The proposed housing investment programme summarised below, and detailed in the appendices, reflects the priorities detailed in the Housing Strategy and aims to tackle two key housing investment needs for Croydon - generating new housing supply, and improving the condition of the existing housing stock. **Appendix N** provides a summary of the HRA investment programme.

Housing supply

13.34 In 2014/15 the housing supply programme will have four components: the new-build programme, the larger homes scheme (extensions and de-conversions), the Assisted Private Purchase Scheme and the Special Transfer Payments Scheme. The following table sets out the proposed allocations under each of these headings (subject to council approval). This programme will be funded through the housing revenue account.

Table 14– Funding for the Capital Programme

Housing supply programme	£'000
New council homes	9,783
Assisted private purchase scheme	500
Special transfer payments scheme	250
Larger homes	200
Total	10,733

13.35 The current programme is planned to deliver 39 new homes by March 2015.

13.36 The assisted private purchase scheme (APPS) assists qualifying council tenants to purchase a home in the private sector. Resources for APPS have been decreased in the last few years in order to ensure that the council met the decent homes target. It is proposed to increase these now in order to free up much needed homes for homeless households and others in urgent need. Similarly, a proposed increase in the number of special transfer payments to under-occupying households would help to meet demand from larger families.

Repair and Improvement of council stock

13.37 A key aim for the council has been the government target of bringing 100% of social homes up to the decent home standard, and this was achieved in the Council's own stock by 31 March 2011. Homes which are currently decent will fall below the standard, for example as facilities age and with wear and tear, and the council will wish to continue to invest in the stock to keep homes up to standard over time. Indeed, the social housing regulator has proposed a revised home standard which will reflect the government's direction that social landlords should comply with the decent home standard with ongoing effect. The council must also invest in other maintenance and improvement works in order to maximise the life of the assets.

13.38 The proposed repair and improvement programme for 2014/15 is attached at **Appendix N**. Altogether, available resources have increased from £27.771m in 2013/14 to £29.771m in 2014/15.

13.39 It should be noted that there is also a separate programme of responsive and cyclical repairs which are resourced through revenue funding totalling **£13.486m**.

Capital Allowance (HRA)

- 13.40 In April 2004 the Government revised the system of capital finance for local authorities. As part of these changes a new provision in the regulations was made for Housing Revenue Account, non Right to Buy disposals. This change means that local authorities can use 100% of the receipt if the money is reinvested in affordable housing. In practice this could be through grants to housing associations and/or investment in Council homes to meet the Decent Homes Standard.
- 13.41 To take advantage of this new provision the regulations require that the local authority establishes a 'Capital Allowance'. This is a notional amount set by the Council. The main considerations in setting the allowance are to ensure that it will exceed the anticipated receipts during the year and that total investment in affordable housing needed within the borough exceeds the allowance. This is in order to justify 100% use of the receipts.
- 13.42 The Capital Allowance for 2013/14 was set at £10m. It is recommended that the Capital Allowance for 2014/15 is set again at £10m. This will enable the Council to keep 100% of the receipts of any HRA disposals of land or property during the year for housing investment purposes. The Capital Allowance will continue to be reviewed annually as part of the process for approval of the Council's Housing Investment Programme and will include a report back on the previous year's activity.
- 13.43 **Five Year Housing Capital Programme**
The current housing business plan allows for the following capital expenditure over the next 5 years:
- Major repairs £169.7m
 - Backlog works £ 12.5m
 - New build £ 30.0m
 - **Total £212.2m**

Treasury Management

- 13.44 The Director of Finance and Assets is responsible for setting up and monitoring the Prudential Indicators in accordance with the Council's Capital Strategy.
- 13.45 The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. The Original 2001 Code was adopted on 12th March 2003 by Corporate Services Committee (Minute A28/03) and the Revised 2009 Code was adopted by Full Council on 1st March 2010 (Minute 6 Section 2 paragraph 1.1 to 1.9). The 2009 Code was updated in 2011 to allow for the use of derivatives in managing interest rate risk. This updated Code was adopted by Full Council on 26 February 2013 (Minute A31/13).
- 13.46 The Prudential Indicators set will continue to be monitored throughout the year and will be reported to Cabinet on a regular basis as part of the Quarterly Financial Performance Report.
- 13.47 Up to the financial year 2012/13, the Council's overall external debt rate of interest (excluding the HRA self-financing debt taken up by the Council on 28 March 2012)

had remained consistently below the average of all London boroughs. This is detailed in Table 15 below.

Table 15 – Croydon comparison to London average debt rates

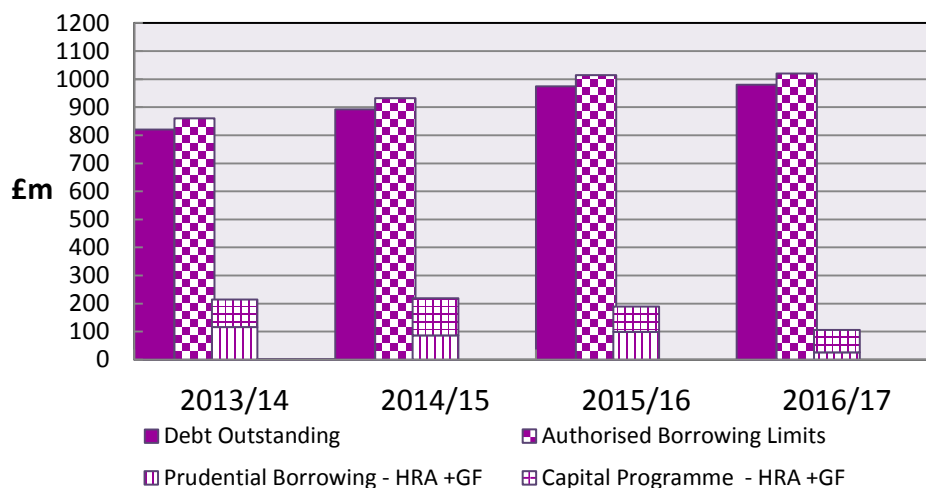
	Financial year ending 31 March							
	2006	2007	2008	2009	2010	2011	2012	2013
	%	%	%	%	%	%	%	%
LB Croydon (excludes the HRA self-financing debt of £223.126m)	5.11	4.64	4.77	4.60	4.42	4.32	4.36	4.06
London Average	6.73	5.66	5.90	5.82	5.65	5.11	4.39	4.55

13.48 The indicators break down into four blocks relating to capital expenditure, the affordability of that investment programme, debt and treasury management as follows:

1. The capital investment indicators reflect the Authority's future plans to undertake capital works, and the extent to which these will be funded through borrowing. Hence for 2014/15, £219.691m of investment is planned, £87.2m of which is to be financed from borrowing, resulting in a total level of debt of £891.751m that supports past investment in the infrastructure of the Borough (see Appendix D).
2. Apart from borrowing that is directly supported by government grant funding, the cost of new prudential borrowing to the Authority will be £10.00 per Band D council taxpayer in 2014/15. This Prudential Indicator reflects the impact of funding decisions relating to capital investment in Croydon. The Prudential Code specifically indicates that it is not appropriate to compare this indicator with other authorities.
3. The external debt indicators illustrate the calculation of the affordable borrowing limit.
4. The treasury indicators show that the Authority will limit its exposure to variable rate debt to no more than 20% of total debt and will only invest up to 30% of the total investments for periods in excess of one year, for reasons of limiting exposure to risk and guaranteeing adequate liquidity. The final indicator sets a profile for the maturing of new debt.

These main indicators are featured in graph 6, below, as follows:

Graph 5: Prudential Indicators for 2013/14 to 2016/17



13.49 The Council implemented a Community Infrastructure Levy (CIL) with effect from April 2013. CIL is a new charge which local authorities are empowered, but not required, to levy on most types of new development. The introduction of CIL enables the Council to introduce a new mechanism to capture the funding for infrastructure through the planning process. The proceeds of the levy will fund new local infrastructure to support the development of an area in line with the Local Authority’s development plan. CIL will be levied in pounds per square metre of the net additional increase in floor space of particular types of development. CIL differs from S106 as it is a general local levy that is placed on new development. S106 will be levied on specific developments to fund capital schemes that are required to mitigate the impact of those particular developments within their local environment.

Objective 5 – To maximise the Council’s resource base.

13.50 Effectively managing the future resource base of the Council will be key to the long term sustainability of the Council. A significant amount of resources available to the Council will be driven by local decision making (Local taxation and Rent changes) and local growth (Business rates income and New Homes Bonus). There was a wide consensus that the previous local government funding system did not incentivise local decisions that supported growth. This resulted in the Coalition Government’s introduction of a change in the nature of resources available to councils. Local government subsequently saw a significant shift in emphasis of funding with a Business Rates Retention system replacing the previous ‘needs based’ grant system. This effectively underpins/supports Croydon’s corporate priority of ‘Promoting economic growth and prosperity’.

13.51 The Cabinet approved a 5 year housing strategy in September which set out our aspirations to build 9500 new homes over the period to 2018. This would have a significant impact on our future New Homes Bonus. The council is also through its Economic Development strategy attempting to ensure we maximise growth of business rates in Croydon. The Business Rate Relief Scheme is Croydon Council’s pioneering initiative of business rate discounts aimed at small and medium-sized businesses. It was originally launched in January 2013 with 65% in year 1 and 35% in year 2 business rates discounts for properties within Croydon New Town, and the scheme was expanded from July 2013 in order to accommodate a greater number of

businesses (lower rateable value) across a larger area within Croydon, Opportunity Area Planning Framework location and High Streets (London Road & South End). It is part of the £5 million Mayor's Regeneration Fund designed to boost local jobs and opportunities for business growth in Croydon. The scheme runs from 1 January 2013 to 31 March 2015.

13.52 The business rate relief scheme aims to encourage expanding SMEs to relocate to Croydon Town Centre and high streets either through inward investment or business retention, where there is vacant quality retail and office space. Substantial discounts on business rates are on offer to growing businesses ready to take the next step into larger accommodation. Businesses will also benefit from the major transformation of Croydon currently underway, which includes quality retail (Westfield / Hammersons development), cultural and public spaces and a new affordable residential community. It has unrivalled transport links to the capital, the coast and the airports.

13.53 In November 2013, BRRS became one of the first campaigns under the Croydon London brand in "Free for a Year". The simplified BRRS incentive model now offer 100% discounts in business rates for one year across all properties within the eligible geographical area.

13.54 **New Homes Bonus** - The New Homes Bonus Grant incentivises Croydon for promoting house-building in the borough by rewarding the council with a grant for:

- each additional housing unit built;
- each empty home brought back into use;
- each affordable housing unit delivered.

13.55 The majority of this resource is essentially top sliced from the Revenue Support Grant. Therefore the New Homes Bonus is part of that shift from a needs based formula grant of funding for local government to one that places more emphasis on the incentives of local economic growth. The Council has a clear plan for the provision of new housing in the Borough which will help deliver New Homes Bonus over the period of the financial strategy. Croydon's New Homes Bonus Grant for the first four years of the scheme is shown in the tables below;-

Table 16 – New Homes Bonus – Grant Allocations

Grant Element	2011/12 allocation £m	2012/13 allocation £m	2013/14 allocation £m	2014/15 allocation £m
Additional New Homes	1.981	1.528	1.081	1.250
Empty homes brought back into use	0.221	0.231	(0.067)	1.528
Affordable Housing	-	0.264	0.202	0.095
Annual Increase	2.202	2.023	1.215	2.873
Annual Grant (Cumulative)	£m	£m	£m	£m
2011/12	2.202			
2012/13		4.225		
2013/14			5.440	
2014/15				8.312

Table 17 – New Homes Bonus – Increase in Housing Units

	New Build		Empty homes brought back into use		Affordable
	No. of Units	Band D equivalent	No. of Units	Band D equivalent	No. of Units
2011/12	1,562	1,377	159	153	n/a
2012/13	1,252	1,062	155	161	753
2013/14	841	748	(41)	(47)	577
2014/15	972	859	1,068	1,050	270

- 13.56 However in the Autumn Statement the Chancellor reiterated the Government's proposal to top-slice London's New Homes Bonus Grant in order to provide a £70m contribution to be pooled within the London Local Enterprise Partnership, from 2015/16. This would effectively reduce the Council's annual NHB grant by £2.984m (36%) based on Croydon's share of London's 2014/15 NHB grant.
- 13.57 Also, it should be remembered that NHB should increase for the first six years of the grant as annual grant awards are cumulative and paid for six consecutive years. In year seven (2017/18) the receipts relating to year one will drop out, with the grant, from then onwards, being a more constant amount.
- 13.58 **Business Rates** - The Business Rates Retention scheme is now a key source of Croydon's funding. The Council will benefit from being able to retain 30% of the increased yield from locally generated Business Rates resulting from increased economic growth. It incentivises Croydon to retain, develop and grow the businesses already in the borough as well as increasing the attractiveness of the town for other businesses to set-up or re-locate here. This also brings risk in that the council will carry 30% of the risk of any reduction in business rates yield. A key part of the financial strategy will therefore be to try and increase business rate yield in order to support our future budget. Taking as the base the Council's 2013/14 Baseline Funding Level and the Provisional Settlement figures the annual increases in business rate income that Croydon would retain are illustrated as follows;-

Table 18 – Business Rates annual increase

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m
Business Rates Income	32.962	33.604	34.532	35.706	37.063
Top up	31.723	32.340	33.232	34.196	35.324
Baseline Funding Level	64.685	65.944	67.764	69.902	72.387
Annual Increase		1.259	1.82	2.138	2.485
Assumptions					
Annual NDR Growth				0.50%	0.50%
RPI (OBR forecast)				3.30%	3.60%

- 13.59 **Council Tax** - Council tax remains a critical part of the council's resource base. Increasing our council tax base provides a direct increase to the income available to the council. This can come from three areas:
1. **Improvements in collection** – As a Council, we will continue to drive up collection rates to ensure all money owed is paid. Over the period of the last financial strategy in-year collection has increased each year.
 2. **Reductions in discounts/exemptions** – The Comprehensive Spending Review 2010 introduced the proposal that support for council tax benefit

would be localised from central to local government from 2013/14 and that expenditure is reduced by 10% from the same date. Localisation of council tax support is part of a wider set of reforms to the welfare system which are intended to improve the incentives to work and ensure resources are used more effectively, so “reducing worklessness and ending a culture of benefit dependency”. The challenge for Croydon is to ensure an affordable local council tax support/benefit scheme is developed and implemented which provides continued support to the most vulnerable residents within the community whilst seeking to protect the priorities of our residents overall. The actual cost to the council was reduced by both the Council Tax Support Scheme agreed by Cabinet on 10th December 2012 and by the legislative changes to council tax discounts and exemptions to a net impact of £0.860m. The devolution of responsibility to provide Council Tax Support will incentivise the Council to encourage and support all our residents in their seeking and retaining employment whilst at the same time maintaining protection for those most vulnerable in the community. A reduction in the numbers claiming council tax discounts will have a direct impact on the council’s budget although the risk to the Council will rest mainly on external factors such as economic growth and the resulting employment levels.

3. **Local Taxation** – Over the period of the previous financial strategy 2010/13 there had been no increase in council tax raised and therefore the council tax base has remained at the same level as 2009/10. In considering the future tax decisions at a local level the Council will need to balance the considerations of grant incentives to keep tax increases constrained with the underlying financial needs of the borough which should be appropriately supported through local taxation decisions within the constraint that referendum levels which are a mechanism to control increases may impose. The complexity of policy changes in this area make these decisions more challenging over the medium term.

13.60 **Housing rents** - Long term planning in the Housing Revenue Account is based on a 30 year business plan. Following the introduction of self-financing in 2012 the council took on £223m of ‘new’ debt. As a consequence it no longer has to pay subsidy payments annually to the government. The loan will be financed and repaid from the HRA. In order to make this affordable the assumption on rent increases is that of following national set rent convergence targets to 2015/16 whereby rents will rise year on year by RPI + 0.5%. It is vital to note that any variation from this would have a significant impact on the income levels within the HRA and therefore the business plan.

14.0 BUDGET PLANNING ASSUMPTIONS REVIEW – DETAILED ASSESSMENT

14.1 Budget Planning Assumptions

The Financial Strategy 2013/17 contains 12 assumptions that support the annual budget setting process within the 2014/15 financial planning timeframe for both the general fund and the Housing Revenue Account. The assumptions have been reviewed as part of the Budget Setting process and the original assumptions and any updates are set out in table 19 below.

Table 19: Financial Strategy Planning assumptions

	Strategic Assumption	Position Statement	Commentary
1	A continued decrease in Government Grant support of 7.5% per year in cash terms	The Council recognises that this needs reviewing.	CSR2013 resulted in an overall 10% reduction in government funding for 2015/16 and the council will need to assume future funding reductions at this level. However the indicative 2015/16 SFA reduction was 13.4%
2	Any changes in central government grant funding will, in the first instance, impact directly on the service supported by the grant.	No change.	In 2012/13 this strategic assumption was followed as a default position. This assumption is still recommended as our position to ensure a direct relationship between grant and service provision.
3	Local taxation increases will be kept to a minimum	No change.	-----
4	Inflation will be estimated in line with 'sector' specific forecast increases.	No change.	Inflation continues to be an issue for the UK economy and this will be kept under review with a view to capping the inflation increase in certain areas. The inflation assumption is 2.5%
5	Efficiency targets for the Council will be set at 5% per annum as a minimum	The Council will have to maximise the opportunity to deliver efficiencies to avoid service cuts.	-----
6	A minimum of 20% of New Homes Bonus and any increase in business rates yield above budget assumptions will be earmarked for organisational transformation and economic development	No change.	-----
7	All asset rationalisation savings will be used to contribute to Bernard Weatherill House	No change.	-----
8	The Housing Revenue Account does not cross subsidise or vice versa the General Fund Revenue account up to the point where the HRA continues to exist	No change.	-----
9	Rent restructuring guidelines will follow guidelines which will achieve rent convergence in 2015/16	No change.	-----
10	Decent Homes standards will be maintained for HRA stock	No change.	-----

	Strategic Assumption	Position Statement	Commentary
11	New council house building will be funded at £6m per annum for the next six years	No change.	-----
12	New funding for the delivery of a Public Health service will remain ring fenced to the funding allocated	No change.	-----

15.0 Financial Projection 2015/18

- 15.1 Members should note that the Council's budget setting will remain challenging over the medium term given the financial climate. Continuing grant loss and potential risk to local taxation streams following the introduction of both the localisation of Council Tax Support and the NNDR Retention funding regime will put additional pressures on the budget along with the proposed changes to social care responsibilities, which will need to come from efficiencies and transformation initiatives.
- 15.2 The estimated effect of this constraint can be seen in Table 20, which shows investment and efficiency proposals. The draft budget forecast for 2015/18 is summarised in Appendix I.

Table 20 – Draft Budget Projected Gaps

Budget Requirement and Resources	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
Grant Reduction	19.560	16.800	14.600	50.960
Inflation	9.059	9.519	8.062	26.640
Costs of Borrowing for the capital programme	4.525	4.150	5.300	13.975
Departmental Growth	5.000	5.000	5.000	15.000
Agreed Efficiencies	(0.558)	0.000	0.000	(0.558)
Income Options	(0.915)	(0.900)	0.000	(1.815)
Cuts	(0.115)	0.000	0.000	(0.115)
	36.556	34.569	32.962	104.087

16.0 Local Taxation Change for 2014/15

- 16.1 The council tax change for 2014/15 is recommended to be **0.00%** in accordance with Appendix **G** of the report.
- 16.2 The effect of this decision means that all council tax bands remain at the same levels as 2013/14. This is contained in Appendix **H**, with the Band D effect shown in Table 21 below.
- 16.3 The recommendations is also to give a £25 council tax efficiency dividend back to all council tax payers. Given the excellent financial management performance over the past few years during a period of reduction in grant and also a period of economic

downturn the council had set aside earmarked reserves to help manage the budget during these times. Reserves called the recessionary reserve and interest risk were set up and approved by Corporate Services Committee as part of the annual accounts process. Some elements of the recessionary reserve have been used to manage income shortfalls over the past, however there is £3m left in this reserves. The anticipated one off cost of the dividend is £3.2m. The remaining £0.200m will be funded from the final closedown of the former Croydon Economic Development Company, the final balances will returned to the council this financial year and had not been earmarked for any other purpose.

- 16.4 The £25 will be credited to council tax accounts for all households liable for council tax on the 1st April 2014. Where the liability is less than £25 the dividend will be equal to that reduced liability. Tables 21 and 22 set out the council tax charge per band for 2014/15. This excludes the £25 dividend.

Table 21 – Local Taxation for 2014/15

	2014/15 £	Increase £
Band D per year	1,171.39	0.00

Table 22 – Croydon Council Tax Bandings for 2014/15

Band	2014/15 Croydon Council Tax £	Annual Increase Croydon Council Tax £	Weekly increase Croydon Council Tax £
A	780.93	00.00	00.00
B	911.08	00.00	00.00
C	1,041.24	00.00	00.00
D	1,171.39	00.00	00.00
E	1,431.70	00.00	00.00
F	1,692.01	00.00	00.00
G	1,952.32	00.00	00.00
H	2,342.78	00.00	00.00

17.0 Greater London Authority Precept 2014/15

- 17.1 On 29th January 2014 the Mayor published his final draft budget and announced his intention to reduce the Band D council tax by £4.00 to £299.00. This results in a decrease of **1.32%** in the precept. The Mayor presented his final budget to the London Assembly on 14th February 2014.

- 17.2 This overall resultant council tax increase is set out in Tables 23 and 24 below.

Table 23 – Local Taxation increase and the GLA Tax increase

Band D	2011/12 %	2012/13 %	2013/14 %	2014/15 %
Croydon	0.00%	0.00%	1.85%	0.00%
Greater London Authority	0.00%	-1.00%	-1.21%	-1.32%
Total	0.00%	-0.21%	1.21%	-0.27%

Table 24 – Local Taxation increase and the GLA Tax increase

Band D	2014/15 £	Increase / (Decrease) £	Increase per week £
Croydon	1,171.39	0.00	0.00
Greater London Authority	299.00	(4.00)	(0.08)
Total	1,470.39	(4.00)	(0.08)

17.3 As a result of the 0.00% increase for Croydon and the 1.32% decrease in the GLA element, there is an overall **0.27%** decrease for the residents of Croydon. If the £25 dividend is included for Band D properties the decrease is 2% as compared to the 2013/14 council tax charge.

18.0 2013/14 Outturn Forecast

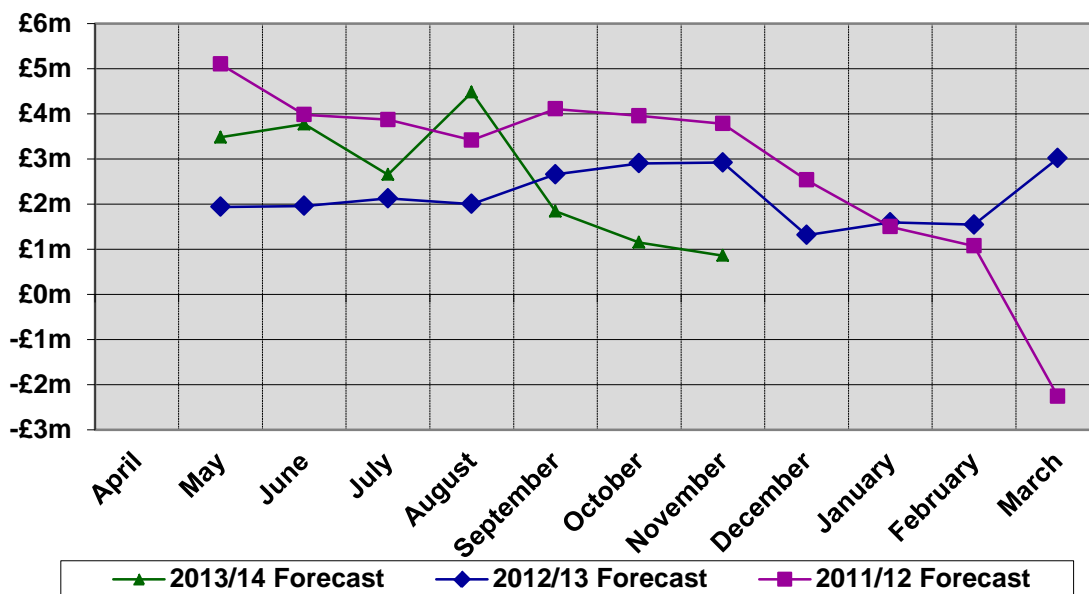
18.1 The Council's latest estimates of the Departmental outturn for 2013/14 are contained in Table 25 below.

Table 25 – Departmental Outturn forecast as at 30th November 2013

October Forecast Variance	DEPARTMENT	Revised budget	Forecast outturn	November Forecast Variance
£m		£m	£m	£m
1.512	Adult Services, Health and Housing	114.338	115.850	1.512
1.529	Children, Families & Learning	104.205	105.396	1.191
(0.641)	Development & Environment	69.182	68.587	(0.595)
0.047	Chief Executive's Dept.	42.431	42.477	0.047
2.446	Departmental Total	330.156	332.310	2.155
0.000	Contingency (General)	1.000	1.000	0.000
0.000	Redundancy	1.000	1.000	0.000
0.000	Carbon Credits	0.255	0.255	0.000
0.000	Investment Income	(1.971)	(1.971)	0.000
(1.000)	Interest Payable	13.710	12.710	(1.000)
0.000	Capital Financing	(20.638)	(20.638)	0.000
0.000	Minimum Revenue Provision	(26.103)	(26.103)	0.000
0.204	Core Grants	(13.253)	(13.049)	0.204
0.000	Levies	1.524	1.524	0.000
(0.500)	Agency staff contract	0.000	(0.500)	(0.500)
0.000	Reserves & Provisions	7.297	7.297	0.000
(1.296)	Non Departmental Total	(37.179)	(38.475)	(1.296)
1.150	Total	292.977	293.835	0.859
	Use of Contingency			1.000
	Over/(Underspend)			(0.141)

- 18.2 As in previous years the movement in outturn forecast continues towards a balanced position. It is expected that a balanced position will be achieved for 2013/14 if necessary by using an allocation from the corporate contingency to cover the forecast overspend of £0.859m and robust controls to ensure the balanced position.
- 18.3 The major variance is the projected overspend on Assessment and Care Planning staff in Children, Families and Learning of £1.339m.
- 18.4 The monthly movement in forecasts plotting the estimated outturn since the beginning of 2013/14 are contained in Graph 7 below.

Graph 6 - Comparison of Council Forecast Outturn 2011/12 to 2013/14



19.0 Statement of the Section 151 Officer on reserves and balances and robustness of estimates for purposes of the Local Government Act 2003

19.1 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (CFO) to report on the robustness of the budget estimates and adequacy of the planned reserves when the council tax decision is being made by the Council, this forms part of the statutory advice from the Section 151 officer to the Council in addition to his advice throughout the year in the preparation of the budget for 2014/15. The Chief Financial Officer and Section 151 Officer statutory responsibility resides with the Director of Finance and Assets. This is his statement which meets the Section 25 requirement of the Act.

19.2 All Members of the Council have been advised of the financial challenges the Council faces over the medium and longer term indicated clearly to the Council through the comprehensive spending review reductions for the Council and more recently in the Autumn Statement from the Chancellor of the Exchequer. This clearly forecasts further and deeper reductions to Local Government and to the Council's funding until at least 2018/19. These further reductions are going to require a fundamental review of local government, the services it provides and the way in which services continue to be provided. In taking decisions on any budget all

Members must first and foremost understand the underlying funding changes which the Council faces and set these associated decisions within the context of the overall financial environment the Council faces. These considerations are clearly set out in the Council's Financial Strategy 2013/17 and are updated in the detail of this report.

- 19.3 These are very challenging times for local government and therefore it is certain that further difficult choices will be required over the coming budget cycles if the Council is to maintain a continued solid financial foundation and achieve a balanced budget position in future years. Continuous improvements have been made in the Council's overall financial standing demonstrated through progress towards targeted levels of general fund balances and the Council's ability to manage the significant in-year risks in a corporate and planned way. The revised financial strategy has been written to help us navigate through these difficult times and Members will need to fully support this strategy if the Council is to maintain a solid financial foundation. In forming my statement of the robustness of the budget estimates and adequacy of planned reserves I have reviewed this position in detail and have reported my conclusions and assumptions to the Cabinet on a continued on-going basis as part of the Council's overall governance and financial stewardship arrangements.
- 19.4 All Members must be aware that the calculation of the budget is, in its simplest form, dependent on three key factors, which are set in the context of the reducing level of support from central government.

These are:

- a) The structural investments, efficiencies and cuts proposals;
 - b) The level of increase in local taxation (council tax); and
 - c) The level of reserves and balances.
- 19.5 With regard to the Housing Revenue Account, It is important for Members to understand that any future decision to vary from the assumption over the level of rent increases (i.e. increase future rents at a lower rate than RPI plus 0.5%) would result in a significant reduction in income to the Housing Revenue Account and would make the 30 year business plan unsustainable. The government are currently consulting on changes to the future indexation of rents to CPI and this makes this even more vital.

Investments, Efficiencies and Cuts

- 19.6 Proposals for investment, efficiencies and cuts are ultimately a matter of political judgment balancing the needs and priorities of the borough with the available resources from Government and that which can be raised locally through taxation and income. In balancing such decisions Members must have regard to the professional advice of officers in such matters as service need, statutory responsibility, changes to Government legislation, demographic factors (particularly in respect of demand-led services), unavoidable cost pressures and future levels of Government funding support. This report forms part of the advice.

Local Taxation

- 19.7 The level of change in council tax is similarly a matter of political judgment, again having due regard to the professional advice of officers, and in particular to the

advice of the s151 officer as regards the robustness of the budget, the level of reserves and balances, prudent financial management, the current and future financial risks the Council may face over the medium to longer term such as the localisation of business rates and council tax benefit support and the future forecast of Government funding support. All Members of the Council should be aware that my advice as the s151 officer regarding the proposed council tax change is based on a number of key factors; the underlying inflationary pressures, the Council's position with regard to current and future balances and reserves' needs, the risks associated with all efficiencies and investment options within the budget, the medium to longer term local taxation opportunities (contained by capping and the influence of the council tax freeze grant) and the strategic financial risks which the Council is required to address, set within the context of the continued challenging financial climate for local government as we move forward.

The Level of Reserves and Balances

- 19.8 The level of reserves and balances are principally the responsibility of the s151 officer. The Members of the Council are not automatically obliged to accept my advice in every particular, but must pay due regard to it and be satisfied that they have met their own public obligations if they are minded to depart from my advice.
- 19.9 In the context of the current financial climate and the financial risks which the Council faces my formal advice remains to all Member is that 5% should now be seen as an appropriate minimum level of General Fund balances for the medium term. In determining the minimum level of reserves and balances key factors include:
- The risks inherent in the budget;
 - The level of specific reserves and associated provisions;
 - The identified efficiencies to be achieved;
 - The future financial risks the Council may be exposed to both quantifiable and unquantifiable; and
 - The Authority's history of delivering services within the budgetary provision set.
- 19.10 Despite budgets being calculated on most likely estimates, not the best estimates basis, the budget contains significant challenges in terms of efficiencies delivery as well as demand led pressures. The Council has set plans to deliver efficiencies of £18.083m for 2014/15. Whilst the financial environment remains volatile I believe that the budget takes account of that environment and is therefore prudent for the 2014/15 financial period.
- 19.11 The Authority has now achieved an overall balanced budget for an established period of time and I believe that although it will be demanding on the organisation to achieve this again, it will be achieved in 2014/15. However, this remains challenging and this outcome is only achieved through the constant focus of the organisation's officers and the leadership of its Members.
- 19.12 In order to recognise that there will always remain a level of unidentifiable risk a £1.0m contingency budget will again be included in the budget. However this level of contingency will need to be reviewed over the period of the new financial strategy 2013/17.

- 19.13 The level of General Fund balances currently represent 3.49% and therefore are within the Financial Strategy requirements although closer to the minimum.
- 19.14 The level of earmarked reserves reflects a number of policy decisions by the council and supports the revenue budget. The decision to use earmarked reserves for particular purposes can be a political decision based on priorities and also needs to reflect the financial strategy objectives of the council

Table 26– General Fund Balances

	Balance as at 31/3/12	Forecast Balance as at 31/3/13	Forecast At 31/3/14	Target at 5%
	£m	£m	%	£m
GF balances	11.597	11.597	3.49%	15.498
Total	11.597	11.597	3.49%	15.498

- 19.15 Table 27 shows the schools reserves position.

Table 27 Reserves (Schools)

Reserves	Balances as at 31/3/13	Estimated 31/3/14
	£m	£m
LMS balances	15.160	15.160
Total	15.160	15.160

- 19.16 The Council does not currently set or control balance levels for Schools although it is open to local authorities to amend these with the agreement of their Schools Forum. Croydon's Schools Forum has agreed a threshold level of balances for schools, which are 4% of annual expenditure for secondary schools and 6% for primary schools. If Schools have balances greater than these sums and do not have plans meeting approved criteria that explain the reasons for additional balances, the additional balances may be redistributed between Croydon's schools.
- 19.17 The Section 151 officer has a responsibility to ensure Croydon's schools have sound financial management. Where a school has set a deficit budget (one where anticipated expenditure will exceed anticipated income), or is heading towards a deficit position in year, the Section 151 officer requires the school to submit a pro forma, setting out their action plan to show how the deficit position will be managed. The pro forma is signed by the School Governors and submitted to the Section 151 officer for agreement.

20.0 SUMMARY AND CONCLUSIONS

- 20.1 As all Members are aware, setting a budget for 2014/15 that is robust, balanced and deliverable has been challenging and has involved a number of difficult decisions for the Council. The Council faces increasingly challenging choices over the medium term period within the context of its own funding position, the national economy and the level of funding available to the public sector as a whole.

20.2 This budget report is based on the current financial outturn projections for 2013/14. If any of the projections change significantly, this will have to be taken account of in setting the budgets for future years.

20.3 **Appendix G contains the legally required recommendations to Council for setting the budget and Council Tax for 2014/15.**

21.0 FINANCIAL CONSIDERATIONS

21.1 The report contains the financial implications of the options to deliver a balanced budget for 2014/15, the current position for the following financial years 2015/18 and the draft capital programme for 2014/15.

22.0 COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

Budget and Council Tax Setting

22.1 The Solicitor to the Council comments that the Council is under a statutory duty to set a balanced budget. The Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the estimates made for the purposes of calculating the Council Tax and the adequacy of reserves both of which are contained within this report. The Council is required to set the amount of the Council Tax before 11th March 2014 but it may not be set before the GLA has issued the precept or 1st March.

22.2 The Local Government Finance Act 1992 (as amended), requires the Council as billing authority to determine whether its relevant basic amount of council tax for a financial year is excessive. If it is excessive then there is a duty under s.52ZF - s.52ZI to hold a referendum.

22.3 Determining whether the Council Tax is excessive must be decided in accordance with a set of principles determined by the Secretary of State and approved by a resolution of the House of Commons.

22.4 For the coming financial year, and for which this Council Tax is being set, such principles have not yet been approved. However, as noted in the recommendations, in accordance with the statutory requirements, the Council Tax recommended is not considered excessive such that no recommendation is required.

22.5 The procedure followed in developing the budget proposals as detailed in the report meets the requirements of the Budget and Policy Framework Procedure Rules provided in Part 4.C of the Council's Constitution.

22.6 When considering the budget proposals the Cabinet and Council will be mindful of their fiduciary duty to ensure that the Council's resources are used in a prudent and proportionate manner. Members are required to have regard to their statutory duties whilst bearing in mind the requirement to act reasonably when taking in to account the interests of the Council Tax payers and Croydon's communities.

22.7 To deliver some of the budget proposals action may be required which should be undertaken in accordance with statutory requirements including any legal requirements for consultation and equality impact assessments. Members will be aware of the requirement to consider the Council's obligations under the Equality Act

2010.

Council Tax Efficiency Dividend

- 22.8 Leading Counsels advice has been taken in respect of this proposal. He has advised that in considering making this payment the Council may reasonably rely on the *general power of competence* in section 1 of the Localism Act 2011. In this respect it does not appear that there is any express prohibition, restriction or limitation on this power set out in other legislation.
- 22.9 The decision to make the dividend may be considered lawful if it is consistent with the Council's 'fiduciary' position towards all of the council taxpayers, and if it accords with general principles of public law: decisions must be taken for a proper purpose, and must be reasonable in the Wednesbury sense.
- 22.10 If, as proposed, the efficiency dividend of £25 is made to those Council taxpayers who have arrears of £25; and those with lower arrears are rebated an equivalent amount to their arrears, then that may properly be regarded as for a proper purpose and in the interests of Council taxpayers as a whole.
- 22.11 This is on the basis that it's purpose is to ease the burden of the current financial situation on Council taxpayers. While, as detailed in para 2.5, there may be other ways to achieve the same objective that does not mean that it is not appropriate for the Council to make this particular arrangement.
- 22.12 While this proposal does differentiate between whether a resident pays Council tax, or does not it is arguably quite rational to give a rebate to a resident who contributes Council tax, than one who does not.

Rent Free Period

- 22.13 In deciding whether to proceed with this proposal Cabinet must be satisfied that:
- i. It is in the interests of council taxpayers as a whole;
 - ii. The Council remains able to pay off the HRA Self-Financing loan;
 - iii. There is a cogent rationale for it.
- 22.14 In respect of the above considerations, and as detailed in the body of the report, the proposal is designed to help those who are not supported by Housing Benefit to maintain their accommodation, minimise debt and avoid short term pressures, with the additional consequence of it's positive impact on the local economy. Further, the cost to the Council is equal to the benefits to the beneficiaries of the freeze as this will not result in any return to Central Government.

Furthermore, insofar as continuation of the 4.9% increase will preserve and enhance the HRA reserve and should support its long-term viability it is understood that the Council's ability to repay the Self Financing loan, and hence the overall interests of council taxpayers, is not undermined.

(Approved by: Julie Belvir, Council Solicitor & Monitoring Officer)

23.0 HUMAN RESOURCES IMPACT

- 23.1 The implementation of the efficiency and cuts programme will in a number of instances necessitate a change of structure and skill mix of staff and/or change of working practices. An assessment should be made in this respect when planning for future services, including devising departmental people plans as part of the service planning process for 2014/15. Where a redundancy is being 'contemplated' the unions and staff must be informed at the earliest opportunity. If subsequently a redundancy is actually 'proposed' then the employer is immediately obliged to consult with the unions and staff for a minimum statutory period before any decisions and formal notification of redundancy is issued. Departments should take these considerations into account in their planning; ensure they are adequately resourced to meet their obligations and seek support from HR Consultancy.
- 23.2 The table below indicates the indicative levels of staff/post reduction proposed by departments in the period February 2014 to March 2015 (excluding any TUPE transfer proposals where redundancies do not apply; and any dismissal and re-engagement to effect changes to terms and conditions). The majority of these proposals are still subject to consultation and the actual numbers of redundancies may therefore vary. Additionally, further redundancies may subsequently be proposed.

Table 28 – Indicative Redundancies/post deletions per department

INDICATIVE REDUNDANCY NUMBERS	FTE
Children, Families and Learning	13.00
Department of Adult Social Care, Health and Housing	1.00
Planning and Environment	4.00
Chief Executive's Dept.	13.00
TOTAL	31.00

Pay Policy Statement

- 23.3 The Council aims to ensure that its remuneration packages are fair, equitable and transparent and offer suitable reward for the employment of high quality staff with the necessary skills and experience to deliver high quality services.
- 23.4 Under section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as the authority thinks fit". In accordance with Section 38 of the Localism Act, this Pay Policy Statement sets out the Council's policy for 2014-15 on:
- The remuneration of its chief officers
 - The remuneration of its lowest paid employees
 - The relationship between the remuneration of its chief officers and the remuneration of staff who are not chief officers
- 23.5 The pay policy statement is at **Appendix O**.

(Heather Daley, Acting Director of Workforce)

24 EQUALITIES CONSIDERATIONS

- 24.1 An equalities impact assessment is not undertaken on the budget as a whole. Each service is expected to undertake equality analysis on these proposals before they are implemented to ensure opportunities to advance equality, promote good community relation and eliminate unlawful discrimination have not been missed. The options set out in the report have been subject to a high level analysis and further actions within individual services are being taken to mitigate any impact of the proposals.
- 24.2 The proposed budget options could potentially impact on people from all protected characteristics however some proposals a greater negative impact than others on:
- Residents over the age of 65
 - Residents between 0-19 year olds especially young Afro-Caribbean men regard to accessing youth services and mental health services
 - People with disabilities specifically with physical, learning and mental health needs
- 24.3 There has been equalities analysis done on the options for a council tax dividend and for a rent free period as these are specific recommendations from this report. Based on the initial analysis done it is felt there is no need for a more detailed analysis as there is clear rationale for the proposal and there is no adverse impact on those in protected groups.

Human Resources

- 24.4 The equality impact assessment on the proposed budget options has identified changes that will impact on staff potentially from all protected characteristics. However more work needs to be undertaken by individual departments and divisions to understand the impact of these before implementation of any proposals.

25.0 ENVIRONMENTAL IMPACT

- 25.1 There are no direct environmental considerations arising from this report.

26.0 CRIME AND DISORDER REDUCTION IMPACT

- 26.1 There are no savings which should impact upon this Corporate Priority.

27.0 REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 27.1 The council has a duty to set a balanced budget and therefore the proposals set out in the report achieve this duty.

28.0 OPTIONS CONSIDERED AND REJECTED

- 28.1 Various other options were considered in terms of council tax levels, investments and savings. These are ultimately decisions of policy and political choice.

REPORT AUTHOR AND CONTACT: RICHARD SIMPSON, DIRECTOR OF
FINANCE & ASSETS and SECTION 151
OFFICER

BACKGROUND DOCS: Financial Strategy 2013/17

Revenue Investments in our service areas by department 2014/18

Appendix A

Agenda Item 9.1 Cabinet Report 10th February 2014

DEPARTMENT	DIVISION	SERVICE	DESCRIPTION	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2014/18 £m
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Joint Commissioning - Mental Health	Mental Health	0.656	0.000	0.000	0.000	0.656
Department of Adult Social Care, Health and Housing	DASHH	DASHH	Key Workers Recruitment & Retention package	0.200	0.000	0.000	0.000	0.200
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	All	No Recourse to Public Funds	1.398	0.000	0.000	0.000	1.398
Department of Adult Social Care, Health and Housing	Personal Support	Assessment and Case Management	Learning Disability	0.700	0.000	0.000	0.000	0.700
			TOTAL DASHH	2.954	0.000	0.000	0.000	2.954
Children, Families and Learning	Learning and Inclusion	Inclusion Learning Access and SEN	EMS system - Data Management Team necessary resources to facilitate minimum functionality for statutory functions	0.142	0.000	0.000	0.000	0.142
Children, Families and Learning	Learning and Inclusion	Inclusion Learning Access and SEN	Realignment of funding due to change in Dedicated Schools Grant	0.884	0.000	0.000	0.000	0.884
Children, Families and Learning	Learning and Inclusion	Inclusion Learning Access and SEN	Higher Education costs for asylum seeking children	0.200	0.000	0.000	0.000	0.200
Children, Families and Learning	Social Care and Family Support	Safeguarding and LAC	LSCB on Missing Children and Sexual Exploitation	0.030	0.000	0.000	0.000	0.030
Children, Families and Learning	Social Care and Family Support	Children In Need	Care Planning Team	0.375	0.000	0.000	0.000	0.375
Children, Families and Learning	Social Care and Family Support	Children In Need	4th Assessment team in CIN Service	0.518	0.000	0.000	0.000	0.518
Children, Families and Learning	Social Care and Family Support	Children In Need	Youth Remand funding - reduced by MoJ.	0.047	0.000	0.000	0.000	0.047
Children, Families and Learning	Social Care and Family Support	Children In Need	Social work - key workers Recruitment and Retention package	0.327	0.100	0.000	0.000	0.427
Children, Families and Learning	Community and Support Services	Partnership and Business Development	Health and safety oversight of schools and youth services.	0.006	0.000	0.000	0.000	0.006
			TOTAL CFL	2.529	0.100	0.000	0.000	2.629
Development & Environment	Environment	Bereavement	New Burial Land	0.020	0.055	0.000	0.000	0.075
Development & Environment	Environment	Highways and Parking	Lion Green Car Park - Rebasing Income	0.062	0.000	0.000	0.000	0.062
Development & Environment	Planning & Building Control	Development Management	Development Management Restructure	0.023	0.000	0.000	0.000	0.023
Development & Environment	Environment	Highways and Parking	Street Lighting PFI	0.157	0.000	0.000	0.000	0.157
Development & Environment	Environment	Highways and Parking	Transport for Signal network Support	0.025	0.000	0.000	0.000	0.025
Development & Environment	Environment	Highways and Parking	Review of parking charges in South End	0.060	0.000	0.000	0.000	0.060
			TOTAL D&E	0.347	0.055	0.000	0.000	0.402

Revenue Investments in our service areas by department 2014/18

Appendix A

Agenda Item 9.1 Cabinet Report 10th February 2014

DEPARTMENT	DIVISION	SERVICE	DESCRIPTION	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2014/18 £m
Chief Executives Department	Customer, Transformation and Communication Service	Concessionary Fares	Concessionary Fares- above inflation rises in costs	0.981	0.000	0.000	0.000	0.981
Chief Executives Department	Customer, Transformation and Communication Service	Customer Support	Interpreting Service Income loss from NHS work	0.057	0.000	0.000	0.000	0.057
			TOTAL CHIEF EXECUTIVES DEPARTMENT	0.057	0.000	0.000	0.000	0.057
			TOTAL	6.378	0.155	0.000	0.000	6.533

DEPARTMENT	DIVISION	SERVICE	DESCRIPTION	FTE change	FTE At Risk of Redundancy	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2014/18 £m
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Assessment and Case Management	Systematic contract management review across all residential providers focusing on standards/quality and VFM	0.00	0.00	(0.600)	0.000	0.000	0.000	(0.600)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Assessment and Case Management	Generation of external funding for the Third Sector to enable preventative solutions and reduce the direct cost of care packages	0.00	0.00	(0.100)	0.000	0.000	0.000	(0.100)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Assessment and Case Management	Individual Price Reductions through outcomes based efficiencies including the use of assistive technology	0.00	0.00	(0.050)	0.000	0.000	0.000	(0.050)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Assessment and Case Management	Learning Disabilities - Transformation of short break services	0.00	0.00	(0.145)	0.000	0.000	0.000	(0.145)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Assessment and Case Management	Aligned commissioning with NHS, via Integrated Commissioning Unit to produce efficiency savings	0.00	0.00	(0.500)	0.000	0.000	0.000	(0.500)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Assessment and Case Management	Savings from transportation of service users	0.00	0.00	(0.060)	0.000	0.000	0.000	(0.060)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Assessment and Case Management	Extend current programme of transformation by reducing residential placements and extending range of cost effective supported housing options	0.00	0.00	(0.500)	0.000	0.000	0.000	(0.500)
Department of Adult Social Care, Health and Housing	Personal Support	Assessment and Case Management	Joint Transition 14-25 transformation programme with CFL to reduce costs of children transferring into adult care and the social care costs of young adults (18-25) receiving services.	0.00	0.00	(0.200)	0.000	0.000	0.000	(0.200)
Department of Adult Social Care, Health and Housing	Personal Support	Assessment and Case Management	Bathroom and wet rooms installation in special sheltered housing, targeting people with large support packages and increasing access to mainstream housing for people with physical disabilities with the aim of reducing care package costs and avoiding residential and nursing placements.	0.00	0.00	(0.250)	0.000	0.000	0.000	(0.250)
Department of Adult Social Care, Health and Housing	Personal Support	Assessment and Case Management	Multi-agency working with primary care, focusing on people identified via risk stratification to delay or reduce their need for social care services	0.00	0.00	(0.520)	0.000	0.000	0.000	(0.520)
Department of Adult Social Care, Health and Housing	Personal Support	Assessment and Case Management	Older persons reablement anticipated reduction in support costs for individuals	0.00	0.00	(0.200)	0.000	0.000	0.000	(0.200)
Department of Adult Social Care, Health and Housing	Personal Support	Assessment and Case Management	Better use of personal budgets through community development and better use of universal services	0.00	0.00	(0.150)	0.000	0.000	0.000	(0.150)
Department of Adult Social Care, Health and Housing	Personal Support	Assessment and Case Management	Joint work with Croydon Day Opportunities to implement progression plans for service users, including travel training, support into employment and greater access to mainstream leisure services.	0.00	0.00	(0.206)	0.000	0.000	0.000	(0.206)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Joint Commissioning Mental Health	Long running scheme to promote independence in Mental Health services and transfer people out of residential care services.	0.00	0.00	(0.312)	0.000	0.000	0.000	(0.312)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Vul Adults and Supported Housing	Using the Supporting People framework agreement to renegotiate hourly costs & retender service at a lower cost	0.00	0.00	(0.125)	0.000	0.000	0.000	(0.125)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Joint Commissioning Mental Health	Expansion of scheme to accelerate move from residential care to community options for mental health service users	0.00	0.00	(0.100)	0.000	0.000	0.000	(0.100)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Joint Commissioning Mental Health	Review and commercially re-negotiation with providers for VFM fee levels across the 4 SLAM boroughs	0.00	0.00	(0.100)	0.000	0.000	0.000	(0.100)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Joint Commissioning Mental Health	Introduction of demand management processes through Mental Health Reablement	0.00	0.00	(0.100)	0.000	0.000	0.000	(0.100)

DEPARTMENT	DIVISION	SERVICE	DESCRIPTION	FTE change	FTE At Risk of Redundancy	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2014/18 £m
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Older People and LTC	Review Homes 4 the Future contract.	0.00	0.00	(0.100)	0.000	0.000	0.000	(0.100)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Older People and LTC	Postage (due to on-line access)	0.00	0.00	(0.005)	0.000	0.000	0.000	(0.005)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Older People and LTC	Utilities - cost reduction in Residential and Sheltered Housing	0.00	0.00	(0.030)	0.000	0.000	0.000	(0.030)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Older People and LTC	Reduction in funding for the PoPP mobile health and social care service	0.00	0.00	(0.020)	0.000	0.000	0.000	(0.020)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Older People and LTC	Lunch clubs / Meals Services contract re-negotiation	0.00	0.00	(0.030)	0.000	0.000	0.000	(0.030)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Joint Commissioning - Learning Disability	Croydon Care Solutions Ltd	0.00	0.00	(0.240)	0.000	0.000	0.000	(0.240)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Specialist Services	Rebadging appropriate spend where services require a dual diagnosis against the Public Health grant	0.00	0.00	(0.250)	0.000	0.000	0.000	(0.250)
Department of Adult Social Care, Health and Housing	Housing Needs Strategy	Housing Solutions	Change of use of a retirement housing schemes to general needs temporary accommodation for homeless families with children	0.00	0.00	(0.600)	0.000	0.000	0.000	(0.600)
Department of Adult Social Care, Health and Housing	Housing Needs Strategy	Housing Solutions	Maximise investment in Supported Housing Services and Support services to reduce homelessness in particular spend on homeless families in B&B.	0.00	0.00	(0.025)	0.000	0.000	0.000	(0.025)
Department of Adult Social Care, Health and Housing	Housing Needs Strategy	Housing Solutions	Deliver the Customer Access project for the Housing Register	0.00	0.00	(0.035)	0.000	0.000	0.000	(0.035)
Department of Adult Social Care, Health and Housing	Housing Needs Strategy	Housing Solutions	Review of general fund housing costs for appropriate recharge of costs to the HRA	0.00	0.00	(0.350)	0.000	0.000	0.000	(0.350)
			TOTAL DASHH	0.00	0.00	(5.903)	0.000	0.000	0.000	(5.903)
Children Families and Learning	Community and Support Services	Libraries and Culture	Libraries Procurement	0.00	0.00	(0.341)	0.000	0.000	0.000	(0.341)
Children Families and Learning	Community and Support Services	Partnership and Business	Learning & Development	(1.00)	0.00	(0.028)	0.000	0.000	0.000	(0.028)
Children Families and Learning	Learning and Inclusion	Inclusion Learning Access and SEN	Funding of Special Education Needs build programme through the Dedicated Schools Grant	0.00	0.00	(1.000)	0.000	0.000	0.000	(1.000)
Children, Families and Learning	Learning and Inclusion	Inclusion Learning Access and SEN	School Travel for children with SEN - Route optimisation and increase number of pupils able to travel independently	0.00	0.00	(0.280)	0.000	0.000	0.000	(0.280)
Children Families and Learning	Social Care and Family Support	Looked After Children	Improved procurement of independent fostering agency places and independent residential unit placements	0.00	0.00	(0.025)	0.000	0.000	0.000	(0.025)
Children Families and Learning	Social Care and Family Support	Looked After Children	Fostering - increase in number of number of in house carers	0.00	0.00	(0.452)	0.000	0.000	0.000	(0.452)
Children Families and Learning	Social Care and Family Support	Youth Service	Recommissioning of the Substance Misuse contract	0.00	0.00	(0.020)	0.000	0.000	0.000	(0.020)
			TOTAL CFL	(1.00)	0.00	(2.146)	0.000	0.000	0.000	(2.146)
Development and Environment	Public Realm & Safety	Directorate	Supplies & Services	0.00	0.00	(0.090)	0.000	0.000	0.000	(0.090)
Development and Environment	All	Directorate	Agency staff position	0.00	0.00	(0.065)	0.000	0.000	0.000	(0.065)
Development and Environment	Planning & Building Control	Development Management	Centralised scanning of Planning Application documents	(1.00)	0.00	(0.030)	0.000	0.000	0.000	(0.030)
Development and Environment	Public Realm & Safety	Community Safety	Restructure of Community Safety Team patrol service	(1.00)	(1.00)	(0.050)	0.000	0.000	0.000	(0.050)

DEPARTMENT	DIVISION	SERVICE	DESCRIPTION	FTE change	FTE At Risk of Redundancy	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2014/18 £m
Development and Environment	Public Realm & Safety	Community Safety	Reduction of Safer Croydon Partnership	(1.00)	(1.00)	(0.050)	0.000	0.000	0.000	(0.050)
Development and Environment	Public Realm & Safety	Environmental & Leisure	Recycling - residual from compulsory recycling in 2013/14	0.00	0.00	(0.060)	0.000	0.000	0.000	(0.060)
	Public Realm & Safety	Environmental & Leisure	Joint Borough Waste Disposal	0.00	0.00	(1.803)	0.000	0.000	0.000	(1.803)
Development and Environment	Public Realm & Safety	Environmental & Leisure	Reduction in Waste procurement costs	0.00	0.00	(0.050)	0.000	0.000	0.000	(0.050)
Development and Environment	Public Realm & Safety	Environmental & Leisure	Clinical Waste costs	0.00	0.00	(0.050)	0.000	0.000	0.000	(0.050)
Development and Environment	Public Realm & Safety	Environmental & Leisure	Review of Leisure Centre contract	0.00	0.00	(0.090)	0.000	0.000	0.000	(0.090)
Development and Environment	Public Realm & Safety	Environmental & Leisure	Reduction in Green and Food waste disposal costs	0.00	0.00	(0.247)	0.000	0.000	0.000	(0.247)
Development and Environment	Public Realm & Safety	Highways and Parking	Parking Services completion of restructure	0.00	0.00	(0.060)	0.000	0.000	0.000	(0.060)
Development and Environment	Public Realm & Safety	Highways and Parking	Street lighting	0.00	0.00	(0.100)	0.000	0.000	0.000	(0.100)
Development and Environment	Public Realm & Safety	Highways and Parking	Parking - Replacement of ICT systems in back office	0.00	0.00	(0.125)	0.000	0.000	0.000	(0.125)
Development and Environment	Public Realm & Safety	Highways and Parking	Restructure of Highways & Parking	(2.00)	(1.00)	(0.100)	0.000	0.000	0.000	(0.100)
Development and Environment	Public Realm & Safety	Highways and Parking	Royal Mail income	0.00	0.00	(0.010)	0.000	0.000	0.000	(0.010)
Development and Environment	Public Realm & Safety	Highways and Parking	Waddon Leisure Centre parking management charge	0.00	0.00	(0.004)	0.000	0.000	0.000	(0.004)
Development and Environment	Public Realm & Safety	Environment & Leisure	Green Spaces - retendering of contracts	0.00	0.00	(0.563)	0.000	0.000	0.000	(0.563)
Development and Environment	Public Realm & Safety	Regulatory Services	Shared Services	0.00	0.00	(0.060)	(0.160)	0.000	0.000	(0.220)
Development and Environment	Public Realm & Safety	Environment & Leisure	Waddon Leisure Centre management costs	0.00	0.00	(0.252)	0.000	0.000	0.000	(0.252)
			TOTAL D&E	(5.00)	(3.00)	(3.859)	(0.160)	0.000	0.000	(4.019)
Chief Executive's Department	Corporate Services	ICT	ICT Contract Renewal and Consolidation	0.00	0.00	(4.467)	0.000	0.000	0.000	(4.467)
Chief Executive's Department	Corporate Services	Facilities Management	FM Fixed Fee Structure	0.00	0.00	(0.143)	0.000	0.000	0.000	(0.143)
Chief Executive's Department	Corporate Services	Facilities Management	Health and Safety Team	(1.00)	(1.00)	(0.060)	0.000	0.000	0.000	(0.060)
Chief Executive's Department	Corporate Services	Business Support	Staffing Efficiencies	0.00	0.00	0.000	(0.100)	0.000	0.000	(0.100)
Chief Executive's Department	Customer, Transformation &	Revenue & Benefits	Council Tax - Increased collection and improved debt management	0.00	0.00	(0.250)	0.000	0.000	0.000	(0.250)
Chief Executive's Department	Customer, Transformation &	Revenue & Benefits	Income and Benefits - Additional Home working and improved process opportunities	(1.00)	0.00	(0.040)	0.000	0.000	0.000	(0.040)
Chief Executive's Department	Customer, Transformation &	Revenue & Benefits	Increase summons fees	0.00	0.00	(0.070)	0.000	0.000	0.000	(0.070)
Chief Executive's Department	Customer, Transformation &	Revenue & Benefits	Revenues and Benefits ICT Contract Renewal	0.00	0.00	(0.200)	0.000	0.000	0.000	(0.200)
Chief Executive's Department	Customer, Transformation &	Revenue & Benefits	Revenues and Benefits - Online System	0.00	0.00	(0.040)	0.000	0.000	0.000	(0.040)
Chief Executive's Department	Customer, Transformation &	Customer Support Team	Reassess eligibility of Taxicards and disabled persons freedom pass	(0.60)	0.00	(0.020)	0.000	0.000	0.000	(0.020)
Chief Executive's Department	Customer, Transformation &	Transformation	Reshape transformation team	(1.00)	(1.00)	(0.010)	0.000	0.000	0.000	(0.010)
Chief Executive's Department	Democratic & Legal	Mayoral Services	Review formal twinning work with Arnhem	0.00	0.00	(0.010)	0.000	0.000	0.000	(0.010)

DEPARTMENT	DIVISION	SERVICE	DESCRIPTION	FTE change	FTE At Risk of Redundancy	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2014/18 £m
Chief Executive's Department	Democratic & Legal	Coroners Service	Reduction in contribution to the Coroners Service	0.00	0.00	(0.010)	(0.010)	0.000	0.000	(0.020)
Chief Executive's Department	Finance & Assets	Corporate & Dept Finance	Finance and Assets - Restructure	(4.00)	(2.00)	(0.230)	(0.100)	0.000	0.000	(0.330)
Chief Executive's Department	Finance & Assets	Asset management & Estate	Community Asset Transfer	0.00	0.00	(0.050)	(0.050)	0.000	0.000	(0.100)
Chief Executive's Department	SCPP	Strategy & Performance	Review of Procurement Project Support	0.00	0.00	(0.065)	0.000	0.000	0.000	(0.065)
Chief Executive's Department	SCPP	Strategy & Performance	Review of Data Analysis resources across the council	(2.00)	(2.00)	(0.100)	(0.050)	0.000	0.000	(0.150)
Chief Executive's Department	SCPP	SCPP	Supplies and services	0.00	0.00	(0.050)	0.000	0.000	0.000	(0.050)
Chief Executive's Department	SCPP	SCPP	Performance Data Warehousing	0.00	0.00	0.000	(0.095)	0.000	0.000	(0.095)
	SCPP	SCPP	Agency Contracts	0.00	0.00	(0.250)	0.000	0.000	0.000	(0.250)
Chief Executive's Department	Human Resources	Occupational Health	Changes to Occupational Health service Offer	0.00	0.00	(0.040)	0.000	0.000	0.000	(0.040)
Chief Executive's Department	Human Resources	Occupational Health and Health & Wellbeing	Health and Wellbeing Plan being delivered by Public Health Grant	0.00	0.00	(0.030)	0.000	0.000	0.000	(0.030)
Chief Executive's Department	Human Resources	Corporate Learning and Organisational Development	NI Salary Sacrifice Savings	0.00	0.00	(0.040)	0.000	0.000	0.000	(0.040)
Chief Executive's Department	Human Resources	HR Service Centre	HR review of post One Oracle provision and establishment control	0.00	0.00	0.000	(0.040)	0.000	0.000	(0.040)
			TOTAL CED	(9.60)	(6.00)	(6.175)	(0.445)	0.000	0.000	(6.620)
			TOTAL	(15.60)	(9.00)	(18.083)	(0.605)	0.000	0.000	(18.688)

CUTS IN OUR SERVICE AREAS BY DEPARTMENT - 2014/18

DEPARTMENT	DIVISION	SERVICE	DESCRIPTION	FTE change	FTE At Risk of Redundancy	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2014/18 £m
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Older People & Long Term Conditions	Voluntary Sector Investment	0.00	0.00	(0.125)	0.000	0.000	0.000	(0.125)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Professional Standards	Learning and Development	0.00	0.00	(0.022)	0.000	0.000	0.000	(0.022)
Department of Adult Social Care, Health and Housing	Personal Support	Social Work and Safeguarding	Service Redesign	(1.00)	(1.00)	(0.050)	0.000	0.000	0.000	(0.050)
			TOTAL DASHH	(1.00)	(1.00)	(0.197)	0.000	0.000	0.000	(0.197)
Children, Families and Learning	Community and Support Services	Libraries and Culture	Museums & Archive service	0.00	0.00	(0.030)	0.000	0.000	0.000	(0.030)
Children, Families and Learning	Community and Support Services	Libraries and Culture	Grant to London Mozart Players	0.00	0.00	(0.090)	0.000	0.000	0.000	(0.090)
Children, Families and Learning	Learning and Inclusion	School improvement	Subsidy to resource loans for faith education	0.00	0.00	0.000	(0.040)	0.000	0.000	(0.040)
Children, Families and Learning	Learning and Inclusion	School improvement	Subsidy to School Music Service	0.00	0.00	(0.050)	(0.050)	0.000	0.000	(0.100)
Children, Families and Learning	Social Care and Family Support	Early Intervention & Support Service	Review and redesign service provision - second year of major restructure in 2014.	(34.45)	(13.00)	(0.760)	0.000	0.000	0.000	(0.760)
Children, Families and Learning	Social Care and Family Support	Youth Services	Reduce diversionary activity work for young people	0.00	0.00	(0.020)	0.000	0.000	0.000	(0.020)
			TOTAL CFL	(34.45)	(13.00)	(0.950)	(0.090)	0.000	0.000	(1.040)
Development & Environment	Regeneration & Economy	Capital Delivery Hub	Review of Capital Programme Delivery	0.00	0.00	(0.130)	0.000	0.000	0.000	(0.130)
Development & Environment	Public Realm & Safety	Bereavement	Bereavement Services - Completion of customer support review	0.00	0.00	(0.008)	0.000	0.000	0.000	(0.008)
Development & Environment	Public Realm & Safety	Environmental & Leisure	Events Cleansing - Crystal Palace	0.00	0.00	(0.009)	0.000	0.000	0.000	(0.009)
Development & Environment	Planning and Building Control	Building Control	Reduction in technical support	(1.00)	(1.00)	0.000	(0.015)	0.000	0.000	(0.015)
Development & Environment	Public Realm & Safety	Regulatory Services	Review of funding support to Night-time Noise Service/ Summer Party Patrol	0.00	0.00	(0.030)	0.000	0.000	0.000	(0.030)
			TOTAL D&E	(1.00)	(1.00)	(0.177)	(0.015)	0.000	0.000	(0.192)
Chief Executive's Department	Finance & Assets	Audit & Fraud	Internal Audit Programme	0.00	0.00	(0.050)	(0.050)	0.000	0.000	(0.100)
Chief Executive's Department	Customer, Transformation & Comm Service	Customer Support Team	Public Relations and Customer Engagement	(2.00)	(2.00)	(0.100)	0.000	0.000	0.000	(0.100)
Chief Executive's Department	Customer, Transformation & Comm Service	Customer Support Team	Centralised rail tickets and oyster cards - put through procurement cards	(0.45)	0.00	(0.014)	0.000	0.000	0.000	(0.014)
Chief Executive's Department	CED	All	Learning and Development	0.00	0.00	(0.030)	0.000	0.000	0.000	(0.030)
Chief Executive's Department	SCPP	Commissioning and Procurement	Service managers and procurement support	(3.00)	(3.00)	(0.120)	0.000	0.000	0.000	(0.120)
Chief Executive's Department	SCPP	CPO, Insurance and Risk	CPO function	(1.00)	(1.00)	(0.060)	0.000	0.000	0.000	(0.060)

CUTS IN OUR SERVICE AREAS BY DEPARTMENT - 2014/18

Appendix B

Agenda Item 9.1 Cabinet Report 10th February 2014

DEPARTMENT	DIVISION	SERVICE	DESCRIPTION	FTE change	FTE At Risk of Redundancy	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2014/18 £m
Chief Executive's Department	SCPP	CPO, Insurance and Risk	Insurance Manager	(1.00)	0.00	(0.050)	0.000	0.000	0.000	(0.050)
Chief Executive's Department	Corporate Services	Business Support	Management Support	(3.00)	0.00	(0.145)	0.000	0.000	0.000	(0.145)
Chief Executive's Department	Human Resources	HR Consultancy	HR Restructure	(3.00)	0.00	(0.420)	0.000	0.000	0.000	(0.420)
Chief Executive's Department	Customer, Transformation & Comm Service	Strategy & Development	Reduce decaux usage (4 times a year)	0.00	0.00	(0.021)	0.000	0.000	0.000	(0.021)
Chief Executive's Department	Human Resources	Corporate Learning and Organisational Development	Learning and development	0.00	0.00	0.000	(0.020)	0.000	0.000	(0.020)
Chief Executive's Department	Human Resources	All	HR Restructure	(1.00)	(1.00)	(0.050)	(0.093)	0.000	0.000	(0.143)
Chief Executive's Department	Customer, Transformation & Comm Service	Strategy & Development	"Your Croydon" Residents Magazine	0.00	0.00	(0.093)	0.000	0.000	0.000	(0.093)
			TOTAL CED	(14.45)	(7.00)	(1.153)	(0.163)	0.000	0.000	(1.316)
			TOTAL	(50.90)	(22.00)	(2.477)	(0.268)	0.000	0.000	(2.745)

INCOME CHANGES IN OUR SERVICE AREAS BY DEPARTMENT 2014/18

Appendix C

Agenda Item 9.1 Cabinet Report 10th February 2014

DEPARTMENT	DIVISION	SERVICE	DESCRIPTION	FTE change	FTE At Risk of Redundancy	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2014/18 £m
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Early Interventions and Reablement	Careline	0.00	0.00	(0.030)	0.000	0.000	0.000	(0.030)
Department of Adult Social Care, Health and Housing	Adult Care Commissioning	Strategic Projects	Shared Lives Scheme	0.00	0.00	(0.025)	0.000	0.000	0.000	(0.025)
			TOTAL DASHH	0.00	0.00	(0.055)	0.000	0.000	0.000	(0.055)
Children, Families and Learning	Learning and Inclusion	School improvement	School Improvement Traded Service	0.00	0.00	(0.083)	(0.700)	(0.900)	0.000	(1.683)
Children, Families and Learning	Learning and Inclusion	Inclusion, Learning Access & SEN	Education Psychology Service	0.00	0.00	(0.100)	(0.050)	0.000	0.000	(0.150)
Children, Families and Learning	Learning and Inclusion	Inclusion, Learning Access & SEN	Education Welfare Traded Service	0.00	0.00	0.000	(0.100)	0.000	0.000	(0.100)
			TOTAL CFL	0.00	0.00	(0.183)	(0.850)	(0.900)	0.000	(1.933)
Development & Environment	Public Realm & Safety	Highways and Parking	Parking Control Notices	0.00	0.00	(0.300)	0.000	0.000	0.000	(0.300)
Development & Environment	Public Realm & Safety	Highways and Parking	Increased traffic enforcement.	0.00	0.00	(0.050)	0.000	0.000	0.000	(0.050)
Development & Environment	Public Realm & Safety	Highways and Parking	Increase in CCTV traffic enforcement.	0.00	0.00	(0.135)	0.000	0.000	0.000	(0.135)
Development & Environment	Public Realm & Safety	Highways and Parking	Utility Works	0.00	0.00	(0.150)	0.000	0.000	0.000	(0.150)
Development & Environment	Public Realm & Safety	Highways and Parking	Improved recovery of cost from damage to highways infrastructure	0.00	0.00	(0.050)	0.000	0.000	0.000	(0.050)
Development & Environment	Public Realm & Safety	Bereavement	Bereavement Services	0.00	0.00	(0.014)	0.000	0.000	0.000	(0.014)
Development & Environment	Planning & Building Control	Development Management	Charging for Duty Planning Officer service.	0.00	0.00	(0.025)	0.000	0.000	0.000	(0.025)
			TOTAL D&E	0.00	0.00	(0.724)	0.000	0.000	0.000	(0.724)
Chief Executive's Department	SCPP	SCPP	Services to Academies	0.00	0.00	(0.025)	(0.025)	0.000	0.000	(0.050)
Chief Executive's Department	SCPP	SCPP	Shared Services and opportunities within insurance service	0.00	0.00	(0.125)	(0.030)	0.000	0.000	(0.155)
Chief Executive's Department	Democratic & Legal	Democratic & Legal	External Legal Services	0.00	0.00	(0.010)	(0.010)	0.000	0.000	(0.020)
Chief Executive's Department	Democratic & Legal	Democratic & Legal	Registrars	0.00	0.00	(0.010)	0.000	0.000	0.000	(0.010)
Chief Executive's Department	Customer, Transformation & Comm Service	Customer Support Team	Street naming and numbering fees	0.00	0.00	(0.030)	0.000	0.000	0.000	(0.030)
			TOTAL CED	0.00	0.00	(0.200)	(0.065)	0.000	0.000	(0.265)
			TOTAL	0.00	0.00	(1.162)	(0.915)	(0.900)	0.000	(2.977)

Capital Programme 2014/15 to 2016/17

Appendix D

Agenda Item 9.1 Cabinet Report 10th February 2014

Improving our Assets	2014/15 £	2015/16 £	2016/17 £	Total £
Corporate Property Maintenance Programme	3,100,000	2,530,000	2,100,000	7,730,000
DASHH - DFG	3,350,000	1,800,000	1,800,000	6,950,000
Education - Academies Programme	7,708,416	-	-	7,708,416
Education - DDA	500,000	-	-	500,000
Education - Primary Fixed term expansion	5,155,000	2,950,000	-	8,105,000
Education - Primary Permanent Expansion	51,227,399	57,745,000	22,100,000	131,072,399
Education - Major Maintenance	4,121,067	2,000,000	2,000,000	8,121,067
Education - Kitchen and Bathrooms and Early Intervention and Childcare Sufficiency Duty	1,773,605	-	-	1,773,605
Education - Secondary School	31,438,226	36,555,000	14,550,000	82,543,226
Education - SEN	10,092,855	-	-	10,092,855
New Salt Barn	-	1,000,000	-	1,000,000
Regeneration (Acquisitions) Fund	1,000,000	2,000,000	2,000,000	5,000,000
Expanding Our Temporary Accommodation	20,000,000	-	-	20,000,000
Housing Investment Programme	40,503,903	34,621,000	34,621,000	109,745,903
	179,970,471	141,201,000	79,171,000	400,342,471

Transforming Our Services	2014/15 £	2015/16 £	2016/17 £	Total £
Feasibility Fund	500,000	500,000	500,000	1,500,000
ICT	3,000,000	3,000,000	3,000,000	9,000,000
Taberner House Demolition	2,268,000	-	-	2,268,000
Waste / Recycling Programme	150,000	150,000	150,000	450,000
Bereavement Services	1,000,000	-	-	1,000,000
	6,918,000	3,650,000	3,650,000	14,218,000

Transforming Our Place	2014/15 £	2015/16 £	2016/17 £	Total £
Fairfield Halls Programme	1,566,000	8,197,000	11,315,000	21,078,000
Highways Programme	7,330,000	8,820,000	8,250,000	24,400,000
New Addington Leisure Centre	-	17,000,000	-	17,000,000
Connected Croydon	19,225,628	7,428,919	-	26,654,547
TFL - LIP	4,681,000	3,336,000	3,336,000	11,353,000
	32,802,628	44,781,919	22,901,000	100,485,547

GENERAL FUND	219,691,099	189,632,919	105,722,000	515,046,018
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Capital Programme Resourcing 2014/15 to 2016/17

Appendix E

Agenda Item 9.1 Cabinet Report 10th February 2014

FUNDING	2014/15 £	2015/16 £	2016/17 £	Total £
GENERAL FUND				
Capital Receipts	4,500,000	12,172,000	7,189,000	23,861,000
TFL	4,681,000	3,336,000	3,336,000	11,353,000
Partnership for Schools	4,765,000	-	-	4,765,000
DFE	70,307,000	31,412,046	32,982,648	134,701,694
CLG	900,000	900,000	900,000	2,700,000
GLA	19,225,628	7,428,919	-	26,654,547
Borrowing	74,808,568	99,762,954	26,693,352	201,264,874
	179,187,196	155,011,919	71,101,000	405,300,115
HRA				
HRA Receipts	552,000	500,000	500,000	1,552,000
Major Repairs Allowance	16,983,000	16,983,000	16,983,000	50,949,000
HRA Unsupported Borrowing	12,430,085	-	-	12,430,085
Other Grants and Contributions	-	-	-	-
HRA - Reserves	-	-	-	-
HRA - Revenue Contribution	10,538,818	17,138,000	17,138,000	44,814,818
	40,503,903	34,621,000	34,621,000	109,745,903
TOTAL	219,691,099	189,632,919	105,722,000	515,046,018
(OVER) / UNDER FUNDING OF PROGRAMME	0	0	0	0

RECOMMENDATIONS FOR COUNCIL TAX REQUIREMENT 2014/15

The Cabinet has considered a report in respect of the level of Council Tax for 2014/15 and the setting of the Council's Revenue and Capital Budgets for the forthcoming financial year. The Cabinet also had copies of the draft Budget Book for 2014/15.

In summary, the Cabinet recommends to the Council a 2014/15 Council Tax at Band D for Croydon purposes of £1,171.39 giving an overall Band D charge including the GLA Precept of £1470.39, a nil increase for Croydon Council and a £4.00 reduction for the GLA.

Following detailed consideration, the Cabinet recommends that the Council should:

- (1) Approve the 2014/15 Revenue Budget of £279,079m, a decrease in budget requirement of 5.8%
- (2) Approve the 2014/15 Council Tax Requirement of £129.313m.

Appendix G
Agenda Item 9.1 Cabinet Report 10th February 2014

Calculation of Council Tax Requirement		£'000	£'000	£'000
(A)	Expenditure and other charges (as set out in section 31A(2) (a) to (f) of the Act)			
(i)	expenditure on Croydon's services, local precepts and levies		1,069,403	
(ii)	allowance for contingencies		1,000	
(iii)	transfer to General Reserves		0	
(iv)	transfer to(from) Earmarked Reserves		(304)	
(v)	transfer from the General Fund from the Collection Fund in respect of prior year deficit on the Collection Fund,		0	
				1,070,099
(B)	<i>Less</i> Income and other credit items (in Section 31A(3) (a) to (d) of the Act)			
(i)	Income from services		775,734	
(ii)	Transfer to the General Fund from the Collection Fund in respect of prior year surplus on the Collection Fund,		3,337	
(iii)	Income from Government			
	Core Grants	15,286		
	Business Rates Top Up Grant	32,340		
	Business Rates Income	33,604		
	Revenue Support Grant	80,485	161,715	940,786
(C)	<i>Equals</i> The Council Tax Requirement, i.e. the amount by which the expenditure and other charges exceed the income and other credits.* This is (A) above less(B) above (as per Section 31A(4) of the Act)			129,313
Calculation of basic amount of council tax				
(C)	Council Tax Requirement			129,313
(D)	<i>Divided by</i> The Council's Tax base			110,393
(E)	<i>Equals</i> The Basic amount of Council Tax (i.e., the Council Tax for a Band D property to which no relief or exemption is applicable) for services charged to Croydon's General Fund (This is (C) above divided by the tax base at (D) as per Section 31(B) of the Act)			£1,171.39

* The exact figure is £129,313,250

Appendix G
Agenda Item 9.1 Cabinet Report 10th February 2014

(F) The tax for different bands calculated as follows (as per Section 36(1) of the Act):

Council Tax for Croydon for 2014/15	
Band A	6/9 x £1,171.39 = £780.93
Band B	7/9 x £1,171.39 = £911.08
Band C	8/9 x £1,171.39 = £1,041.24
Band D	9/9 x £1,171.39 = £1,171.39
Band E	11/9 x £1,171.39 = £1,431.70
Band F	13/9 x £1,171.39 = £1,692.01
Band G	15/9 x £1,171.39 = £1,952.32
Band H	18/9 x £1,171.39 = £2,342.78

(G) to which is added the following precept (issued by the Mayor of London, in exercise of the powers conferred on him by sections 82, 83, 85, 86, 88 to 90, 92 and 93 of the Greater London Authority Act 1999 (“the 1999 Act”) and sections 40, 47 and 48 of the Local Government Finance Act 1992 (“1992 Act”))

GLA Precept for 2014/15	
Band A	199.33
Band B	232.56
Band C	265.78
Band D	299.00
Band E	365.44
Band F	431.89
Band G	498.33
Band H	598.00

(H) That, having calculated the aggregate in each case of the amounts at (F) and (G) above the Council, in accordance with section 30(2) of the local government finance act 1992, hereby set the following amounts as the amounts of council tax for the year 2014/15 for each of the categories of dwellings shown below:-

Total Council Tax For 2014/15	
Band A	980.26
Band B	1,143.64
Band C	1,307.02
Band D	1,470.39
Band E	1,797.14
Band F	2,123.90
Band G	2,450.65
Band H	2,940.78

COUNCIL TAX 2014/15 ANALYSED OVER ALL COUNCIL TAX BANDS

Band	2013/14	2013/14	2013/14	2014/15	2014/15	2014/15	Change	Change	Overall
	Croydon Council Tax	GLA Precept	Total Tax	Croydon Council Tax	GLA Precept	Total Tax	in Croydon Council Tax	in GLA Precept	Change
	£	£	£	£	£	£	£	£	£
A	780.93	202.00	982.93	780.93	199.33	980.26	0.00	-2.67	-2.67
B	911.08	235.67	1,146.75	911.08	232.56	1,143.64	0.00	-3.11	-3.11
C	1,041.24	269.33	1,310.57	1,041.24	265.78	1,307.02	0.00	-3.55	-3.55
D	1,171.39	303.00	1,474.39	1,171.39	299.00	1,470.39	0.00	-4.00	-4.00
E	1,431.70	370.33	1,802.03	1,431.70	365.44	1,797.14	0.00	-4.89	-4.89
F	1,692.01	437.67	2,129.68	1,692.01	431.89	2,123.90	0.00	-5.78	-5.78
G	1,952.32	505.00	2,457.32	1,952.32	498.33	2,450.65	0.00	-6.67	-6.67
H	2,342.78	606.00	2,948.78	2,342.78	598.00	2,940.78	0.00	-8.00	-8.00

Band D % Change		
Croydon Council Tax	GLA Precept	Overall Increase
0.00%	-1.32%	-0.27%
£0.00	-£4.00	-£4.00

OVERALL CHANGE
-0.27%

Croydon Council 2014/15 Change		
Band	Annual increase (£)	Weekly increase (£)
A	0.00	0.00
B	0.00	0.00
C	0.00	0.00
D	0.00	0.00
E	0.00	0.00
F	0.00	0.00
G	0.00	0.00
H	0.00	0.00

SUMMARY OF REVENUE ESTIMATES - FINANCIAL STRATEGY PLANNING MODEL

SERVICE DEPARTMENT	2014/15 Budget £'m	Estimated 2015/16 Budget £'m	Estimated 2016/17 Budget £'m	Estimated 2017/18 Budget £'m
Children, Family and Learners	151.141	155.176	158.556	162.571
Development and Environment	69.360	71.212	72.566	74.817
Chief Executive's Office	36.007	36.969	37.693	38.841
Department for Adult Services and Housing	111.615	114.226	117.459	120.195
Corporate Items	12.928	12.928	12.928	12.928
NET EXPENDITURE	381.050	390.512	399.202	409.352
Contribution to provisions for Doubtful Debts	0.180	0.180	0.180	0.180
Interest (Net)	13.925	16.925	22.425	27.925
Deferred Charges	(4.711)	(4.711)	(4.711)	(4.711)
Revenue Expenditure Funded by Capital Under Statute (REFCUS)	(76.872)	(76.872)	(76.872)	(76.872)
Capital Asset Charges Adjustment	(21.429)	(21.429)	(21.429)	(21.429)
Risk Contingency	1.000	1.000	1.000	1.000
Contributions to (from) Earmarked Reserves	(0.304)	(0.304)	(0.304)	(0.304)
Core Grants	(15.286)	(13.299)	(12.149)	(11.814)
Levies	1.524	1.524	1.524	1.524
Departmental Investment	0.000	5.000	10.000	15.000
Budget Gap Carried Forward	0.000	0.000	(36.556)	(71.125)
Budget Gap	0.000	(36.556)	(34.569)	(32.962)
TOTAL ADJUSTED BUDGET REQUIREMENT	279.097	261.970	247.742	235.765
Financed by:				
Revenue Support Grant	80.485	60.855	44.055	29.455
Business Rates Top Up Grant	32.340	32.340	32.340	32.340
Business Rates Income	33.604	33.604	33.604	33.604
Collection Fund Surplus/Deficit	3.337	3.337	3.337	3.337
Croydon Tax Element	129.313	131.834	134.406	137.029
Greater London Authority Precept Element	33.008	33.008	33.008	33.008
TOTAL COUNCIL TAX REQUIREMENT	162.321	164.842	167.414	170.037

DEDICATED SCHOOLS GRANTS

Table 1 – Analysis of DSG

DSG funded services	£'000
Individual Schools budget	227,994
Social Care & Family Support	3,726
Learning & Inclusion	51,151
Community & Support Services	0
Capital Asset Charges/Deferred Charges	0
Total DSG funded Services	282,871

Estimated DSG for Croydon 2014/15

The DSG for 2014/15 for Croydon including Academies is £282,871m. Academy recoupment is estimated at £80.0m in 2014/15, reducing the DSG total to £202.871m. In 2013/14, the latest allocation of DSG after Academy recoupment is £206.503m.

Academy recoupment currently stands at £73.077m in 2013/14, and it is estimated that this will increase with the conversion of schools from maintained to Academy status.

The per pupil amount of funding for the schools block in 2014/15 is £4,559, and £4,563 for the early years block, which are both unchanged from 2013/14. The latest schools block and early years block pupil numbers used to calculate DSG are 45,731 and 3,879 respectively. These numbers are based on the October 2013 Pupil Level Annual School Census (PLASC) count, although the Early Years Census in January 2014 will be used to update Croydon's DSG allocation with more accurate early years pupil numbers during 2014/15.

HOUSING REVENUE ACCOUNT 2014/15**Appendix K****Agenda Item 9.1 Cabinet Report 10th February 2014**

	Original Budget 2013/14 £,000	Draft Budget 2014/15 £,000	Increase/ (decrease) £,000
<u>EXPENDITURE</u>			
Management - General	20,901	22,788	1,887
Management - Special	12,972	13,285	313
Maintenance and Repairs	13,486	12,259	-1,227
Major Repairs Allowance	16,457	16,983	526
Capital Financing	12,638	11,911	-727
Revenue Contribution to Capital Outlay	8,186	10,186	2,000
Provision for Doubtful Debts	1,000	1,000	0
Total Expenditure	85,640	88,412	2,772
<u>INCOME</u>			
Dwelling rents and Service Charges	76,376	78,595	2,219
Garage rents	1,324	1,312	-12
Other Charges	7,932	8,501	569
Interest on Council Mortgages	8	4	-4
Total Income	85,640	88,412	2,772
DEFICIT / (SURPLUS) B/F	-5,359	-10,406	-5,047
DEFICIT / (SURPLUS) C/F	-10,406	-10,095	311
Average Rent (50 Week year) including unpooled Service Charges	£104.07	£109.26	£5.19
Average Garage Rent	£11.65	£12.22	£0.57
Numbers of properties	14,075	14,021	-54

Scheme	Accommodation	2013/14	2014/15	Change
Allington Court	1 Bed	£10.96	£10.96	£0.00
Arthur Court	Bedsit	£7.84	£7.84	£0.00
	1 Bed	£11.57	£11.57	£0.00
Arun Court	1 Bed	£10.38	£10.38	£0.00
Bell Court	1 Bed	£10.00	£10.00	£0.00
Borough Grange	1 Bed	£10.66	£10.66	£0.00
Brookhurst Court	Small 1 Bed	£10.59	£10.59	£0.00
	Large 1 Bed	£11.28	£11.28	£0.00
Creed Court	1 Bed	£10.17	£10.17	£0.00
Freemans Court	Small 1 Bed	£10.66	£10.66	£0.00
	Large 1 Bed	£11.28	£11.28	£0.00
Frylands Court	Small 1 Bed	£9.70	£9.70	£0.00
	Large 1 Bed	£10.56	£10.56	£0.00
Handcroft Road	1 Bed	£10.17	£10.17	£0.00
	2 Bed	£18.14	£18.14	£0.00
Kuala Gardens	Bedsit	£6.79	£6.79	£0.00
	1 Bed	£10.37	£10.37	£0.00
Laxton Court	Bedsit	£6.93	£6.93	£0.00
	1 Bed	£11.49	£11.49	£0.00
Purvis House	1 Bed	£11.14	£11.14	£0.00
Southlands	1 Bed	£10.66	£10.66	£0.00
Southsea Court	Small 1 Bed	£10.33	£10.33	£0.00
	Large 1 Bed	£10.73	£10.73	£0.00
Toldene	1 Bed	£9.87	£9.87	£0.00
	2 Bed	£16.41	£16.41	£0.00
Truscott	Small 1 Bed	£11.26	£11.26	£0.00
	Large 1 Bed	£11.42	£11.42	£0.00

Agenda Item 9.1 Cabinet Report 10th February 2014**PROPOSED HOUSING CAPITAL INVESTMENT PROGRAMME**

Housing Supply	£'000
Assisted Private Purchase Scheme (APPS)	500
Special Transfer Payments	250
Larger Homes	200
New Build Council Housing	9,783
Sub-Total	10,733
Repair and Improvements	29,771
TOTAL EXPENDITURE	40,504

Resources	£
HRA right to buy receipts	552
HRA major repairs reserve	16,983
HRA unsupported borrowing	12,783
Revenue contribution to capital outlay	10,186
TOTAL RESOURCES	40,504

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Main Programmes	2014/15
Capital Budget Resources Available £000s	29,771
Capital Budget Set Total	29,771
Capital (Deficit) / Surplus	0
Revenue Budget Resources Available £000s	975
Revenue Budget Set Total	975
Revenue (Deficit) / Surplus	0

Capital Budget Headings

Central Heating / Energy Efficiency Programmes £000s	2014/15
Carbon Monoxide Detectors	10
Central Heating - Repairs Replacements	470
Change from Storage to Gas Central Heating	30
Central Heating Programmed Replacements	3,600
Communal Boiler Replacement	150
Pump replacements	62
Energy Performance Certificates	40
Thermal Imaging	250
Overcladding & Associated Measures	200
Renewable Energy and Energy Efficiency	45
Solar Panels	-
Central Heating / Energy Efficiency Sub-Total	4,857

Kitchen and Bathroom Programmes £000s	2014/15
Kitchen and Bathroom Extensions	400
Installation of Wet Rooms (Special Sheltered Homes)	100
Kitchen and Bathroom Refurbishment	6,100
Kitchen and Bathrooms Sub-Total	6,600

Security Programmes £000s	2014/15
Door Entry Installation to Blocks	750
Individual Security Doors Installation	350
Security Sub-Total	1,100

Other Programmes £000s	2014/15
Asbestos Strategy - Removal	300
Major External Block Works - Auckland Road of	300
Decent Homes Standard - Key Components - Windows	1,850
Decent Homes Standard - Key Components - Roofs	250
External Painting	3,500
Supported Decorations Scheme	250
Communal Flooring	250
Garages - Refurbishment and Demolition	115
Lift Refurbishment	330
Major Adaptations	1,000
Regulatory Reform Order (Fire Safety)	2,000
Rewiring	1,800
Smoke alarm replacement	500
Stock Option Appraisals	200
Subsidence - Expenditure	215
Support Costs	2,150
Supply solutions	400
Other Programmes Sub-Total	15,410

Miscellaneous Programmes £000s	2014/15
Apex Development	55
Cold Water Tanks Renewal	25
Door Entry Replacements	25
Health and Safety Works	100
Inspection & Maintenance of Playgrounds & Equipment	19
New Playgrounds	30
Lift Motor Room Improvements	30
Major Ad Hoc Works (incl Major Works Voids)	350
Minor Ad Hoc Adaptations - New Tenants	10
Minor Estate Improvements	95
PAC Testing	15
Pest Control	120
New and replacement of Emergency Lighting	50
Replacement of Fire Alarm Systems	120
Replacement of Warden Alarm Systems	40
Retirement Homes Health & Safety & Minor Works (inc. CCTV)	300
Sprinklers - Special Sheltered	420
Miscellaneous Programmes Sub-Total	1804

Revenue Programme

Cyclical Works £000s	2014/15
Booster Pump Servicing	5
Regular Maintenance of Door Entry IT Equipment & Software.	12
Cladding Cleaning - Wates Blocks	19
Fire Protection	86
PV & Solar panel maintenance	10
Legionella Assessments & Risk Assessments	82
Repair & Maintenance of Lifts	65
Servicing of Communal Boilers & Plant	38
Servicing of Disabled Adaptations	10
Servicing of Gas Appliances & Gas Soundness Testing	468
Test & Inspect Communal Areas to Blocks	65
Test & Inspect Electrical Circuits	80
Test & Inspect Lightening Conductors	10
Warden alarms	25
Cyclical Works Programmes Sub-Total	975

Appendix O

Agenda Item 9.1 Cabinet Report 10th February 2014
Croydon Council

Pay Policy Statement 2014-15

1. Introduction

- 1.1. The Council aims to ensure that its remuneration packages are fair, equitable and transparent and offer suitable reward for the employment of high quality staff with the necessary skills and experience to deliver high quality services.
- 1.2. Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. In accordance with Section 38 of the Localism Act, this Pay Policy Statement sets out the Council’s policy for 2014-15 on:
 - The remuneration of its chief officers
 - The remuneration of its lowest paid employees
 - The relationship between the remuneration of its chief officers and the remuneration of staff who are not chief officers
- 1.3. Remuneration in this context is defined widely to include not just pay but also charges, fees, allowances, benefits in kind, increases in enhancements of pension entitlements and termination payments.
- 1.4. In accordance with the Secretary of State’s Guidance “Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011” issued in February 2012 and the Supplementary Guidance issued in February 2013 Full Council has delegated to Corporate Services Committee the function of deciding, in respect of severance packages, whether the Council wishes to vote on a severance package above such specified threshold as may, from time to time, be updated by statutory guidance. In addition the Council has delegated to the Corporate Services Committee the functions of voting respectively on salary packages upon appointment of staff and, where the Corporate Services Committee has determined that it wishes to exercise its power to vote, in respect of severance packages of staff where the packages are above such specified threshold as may, from time to time, be updated by statutory guidance. For these purposes the specified threshold is currently £100,000.
- 1.5. Once approved, this statement will come into effect as of 1 April 2014 and all remuneration paid to officers will comply with this policy for the 2014-15 financial year. The statement will be reviewed in accordance with legislation prevailing at the time.
- 1.6. The provisions of the Localism Act do not apply to schools which are not covered by his statement.

2. Pay structure

- 2.1. The most significant element of remuneration is basic pay and the Council uses a combination of locally and nationally determined pay structures for its workforce.
- a) The pay and grading structure, including basic pay, for the chief executive and head of paid service, chief officers and deputy chief officers is determined locally.
 - b) The basic pay for teachers, youth workers, craft workers, educational improvement advisers, educational psychologists and young people/community service managers is in accordance with nationally negotiated pay structures.
 - c) For the majority of other staff, the Council uses a locally determined grading structure aligned to the outer London pay spine of the Greater London Provincial Council.
- 2.2. Pay allowances other than basic pay are the subject of local or nationally negotiated rates having been determined from time to time in accordance with the collective bargaining machinery and/or as determined by the Council.
- 2.3. The Council adheres to national pay bargaining and will normally apply a nationally negotiated cost of living pay award for staff covered by the relevant negotiating body. There has not been a cost of living award applied to employees on chief officer grades since 2008 and for the wider workforce the last pay award was effective from 1 April 2013.

3. Remuneration of chief officers

- 3.1. For the purpose of this pay policy statement, chief officers are: the chief executive and head of paid service; executive directors; directors; and deputy directors (those who report to a director). This covers the top three tiers of the organisation and includes the following:
- a) The chief executive and head of paid service who is paid a spot salary of £180,000.
 - b) Executive Directors: each executive director is paid on a single spinal point within the range of five incremental points between £116,772 and £137,262. There is no incremental progression although in exceptional circumstances a higher salary within the salary range may be awarded at the discretion of the chief executive and head of paid service to recognise: a substantial expansion of the role; market factors; and/or performance that has greatly exceeded that expected in the job.
 - c) Directors and deputy chief officers are placed on a grade, determined by an evaluation of their post using the Hay job evaluation scheme (for posts graded chief officer A, chief officer B, CSR A, and CSR B) or the Greater London Provincial Council job evaluation schemes (for posts graded 16 and 17). Annual increments may be awarded, subject to the postholder's rating in their annual appraisal.

The grading structure for the above posts, other than for the chief executive and head of paid service who is paid a spot salary, is shown in appendix A.

- 3.2. In 1999 the Council agreed that the remuneration of employees on chief officer grades should be set with reference to market rates and include an allowance for in-borough travel and expenses. The allowance, now £6,321, has been discontinued for new appointments since 1 April 2010, but remains payable to those who were already receiving the allowance at that time.
- 3.3. The pay of the chief executive and head of paid service is determined by reference to market rates at the time of appointment, with the assistance of external advisers. In establishing market rates, it is the Council's preference to compare remuneration data from other local authorities, rather than with central government. This allows closer benchmarking where possible to take account of factors such as population size, social demographics, budgetary responsibilities, economic and regeneration activity.

Additional remuneration elements

- 3.4. The Council has suspended the scheme that allowed for performance payments for executive directors. No performance payments have been made since 2009-10 and the Council does not apply any bonuses or performance payments to other chief officers. In addition to the basic pay set out in 3.1 above, elements of "additional pay", other than those that constitute re-imbursment of expenses incurred during the fulfilment of duties are as set out below:
- a) A deputy chief executive allowance of £20,000 p.a. payable to the deputy chief executive and executive director of adult services health and housing for: acting as the chief executive and head of paid service in his absence; deputising for and representing the chief executive and head of paid service at democratic and constitutional meetings and events, Member delegations; external relations and representative meetings; chairing Council Management Team and other management meetings and events.
 - b) Where the Council is unable to recruit to a post at its designated grade, it will consider the use of market supplements as approved by the director of workforce with such supplements being subject to periodic review.
 - c) A compulsory car allowance and mileage payments may be made to authorised car users at all levels of the workforce. The compulsory car allowance applies to employees where driving a car is an integral feature of the employee's post and the employee is unable to carry out their post without providing and using their own car. The amount of the allowance depends on the engine size and emissions of the employee's car as shown in appendix A. Car allowances and mileage payments are not payable to the chief executive and head of paid service or employees on chief officer grades A or B, but may be paid to those on CSR A and CSR B grades.
 - d) Returning Officer fees: the Council is required to appoint an officer to act as the Electoral Returning Officer (ERO) for any constituency or part of a

constituency within its area, to be responsible for the preparation and maintenance of the electoral register. In addition, Section 35(1) of the Act requires that the Council appoints an officer to be the Returning Officer (RO). Such duties attract a fee payable to the individual, paid for by the Government except in relation to local elections. The fees are set by central government for national elections and referenda and for local elections fees are prescribed by and agreed on an annual basis by the Chief Executives' London Committee, which reports into the London Councils network. The Council's Electoral Returning Officer and Returning Officer is the chief executive and head of paid service, as agreed by resolution of the Council or Corporate Services Committee.

- e) From time to time the Council will consider making additional payments, as approved by the director of workforce, to chief officers who temporarily undertake additional and higher level responsibilities for example when covering the duties of a vacant chief officer post. Such payments are subject to periodic review.

Remuneration on appointment

- 3.5. Where employees are appointed to a grade rather than a spot salary, it is the Council's policy to appoint all employees on the bottom spinal point of the grade unless there are exceptional circumstances as authorised by the relevant director. This principle applies to the appointment of chief officers, where executive directors or the chief executive and head of paid service may authorise appointment on a spinal point other than the bottom one.
- 3.6. The Council's policy is to not pay any form of "signing on" fee or incentive payment to employees when recruiting. In very rare circumstances and subject to approval of the director of workforce, where it is necessary for a newly appointed employee to relocate to take up appointment the Council may make a contribution towards relocation expenses. The same policy applies to the chief executive and head of paid service, chief officers and other employees in that payment will be made against a range of allowable costs for items necessarily incurred in selling and buying a property and moving into the area. A copy of the scheme is attached as appendix B.
- 3.7. In accordance with the delegation agreed by Full Council on 26 February 2013, Corporate Services Committee are responsible for agreeing the salary for new appointments that exceed the specified threshold set, from time to time, by statutory guidance. The threshold is currently £100,000.

Redundancy payments and payments on leaving

- 3.8. The Council has a single redundancy scheme which applies to all employees including chief officers (see appendix C). The Council does not make any other payments to employees on termination of their employment other than those, where there is a statutory or contractual requirement to do so, such as payment for accrued and untaken annual leave.
- 3.9. Subject to paragraph 1.4 above, in exceptional circumstances other severance payments may be made subject to agreement of the chief executive and head

of paid service and the director of workforce and as allowed for in the Council's scheme of delegation. Such payment will take account of the Council's contractual and legal obligations, value for money, reputation of the Council and goodwill towards the employee.

- 3.10 As set out earlier, the Full Council has delegated to Corporate Services Committee the function of deciding, in respect of severance packages, whether the Council wishes to vote on a severance package above such specified threshold as may, from time to time, be updated by statutory guidance. In addition the Council has delegated to the Corporate Services Committee the functions of voting respectively on salary packages upon appointment of staff and, where the Corporate Services Committee has determined that it wishes to exercise its power to vote, in respect of severance packages of staff where the packages are above such specified threshold as may, from time to time, be updated by statutory guidance. For these purposes the specified threshold is currently £100,000
- 3.11 In exercising the functions delegated by Full Council, Corporate Services Committee determined, on 27 March 2013, that it wishes to approve only those future severance packages where there are non-contractual and/or non-statutory elements to the proposed severance package which would mean that the severance package exceeds the specified threshold as a result of those elements. In those instances, the Committee has determined that it will only be voting in respect of the non-contractual and/or non-statutory elements of such packages.

Re-employment of officers previously made redundant and retirement

- 3.12 Where an officer who has previously been made redundant from the Council applies for employment with the Council, their application will be treated on its own merits, the financial merits and wider interests of the Council and will have regard to any agreement under which the officer left their previous employment. Where an officer leaves the Council's employment through voluntary severance or voluntary redundancy arrangements, they will not be allowed to work for the Council in any capacity, including engagement via employment agencies or as a consultant, for a period of one year after leaving.
- 3.13 The Council permits flexible retirement, as permitted by the Local Government Pension Scheme Regulations, where by an employee can receive a salary and be in receipt of a pension for doing the same job. The Council's Policy Statement of the Exercise of Discretionary Powers under the Local Government Pension Scheme Regulations applies in these circumstances and can be viewed on the Council website at [http://www.croydon.gov.uk/contents/departments/democracy/pdf/596477/state ment](http://www.croydon.gov.uk/contents/departments/democracy/pdf/596477/state%20ment)

4. Remuneration of lowest paid employees

- 4.1. The definition of "lowest paid employee" is for local determination. The Council has agreed that the lowest paid employee will be those workers employed under a contract of employment on full-time equivalent hours and graded in accordance with the Council's agreed grading structure. Workers, such as

apprentices, who are engaged on fixed term training contracts, are excluded from this definition.

- 4.2. The full-time equivalent basic pay of the lowest paid employee will be that of spinal point 10 presently £16,452 p.a. .

5. The relationship between the pay of chief officers and that of other staff

- 5.1. The council does not set the pay of individuals or groups of individuals by reference to a simple multiple of the pay of another individual or group. The use of simple pay multiples cannot capture the complexities and dynamics of a highly varied workforce. The Council sets pay as outlined above by reference to the level of responsibilities of the post as determined through a job evaluation process or at a rate determined by a national pay body.

- 5.2. Although there is no requirement under the Localism Act, the Council has decided to publish its pay multiples to aid transparency and future benchmarking. For the purposes of this statement the multiples below are based on full-time equivalent basic pay. Based on these figures:

- The multiple between the lowest paid employee and the chief executive and head of paid service is a ratio of 1:11
- The multiple between the lowest paid employee and the median chief officer is a ratio of 1:5
- The multiple between the median pay and the chief executive and head of paid service's pay is a ratio of 1:6
- The multiple between the median pay and the average chief officers' pay is a ratio of 1:3

- 5.3. As part of its overall and ongoing monitoring of alignment with external pay, both within and outside the sector, the Council will use available benchmarking information as appropriate.

6. Non-permanent staffing resources

- 6.1. To maintain flexibility in delivering services the Council supplements its employee workforce with workers who are not Council employees or on the Council payroll. This non-permanent resource includes consultants, who are procured under a Contract for (Consultancy) Services, and interims who are procured through the Councils managed service provider (the London Borough Recruitment Partnership) or other approved third party provider.
- 6.2. In managing its non-permanent staffing resource, the Council seeks to ensure that: the Council and the wider public sector achieve value for money; tax and national insurance liabilities are managed appropriately; and contractual relationships between the Council, workers and thirds parties are properly reflected. In this regard, it is the Council's policy not to engage directly with self employed individuals, or wholly owned one person limited companies in all but the rarest of exceptions. Where such arrangements are used, the Council seeks to limit them to a maximum duration of 24 months.
- 6.3. Where it is necessary to engage a chief officer temporarily as an interim or consultant, the remuneration paid to the individual will generally fall within the

following rates. The higher rates of pay, compared to those paid to directly employed staff, are in recompense of interims and consultants not receiving all of the same conditions of employment, most notably regarding leave, pension, redundancy and notice.

Grade of post	Day rate range £ (payable to the individual)
Grade 16	£300 - £350
Grade 17	£350 - £400
Croydon Special Range A	£400 - £500
Croydon Special Range B	£500 - £525
Chief Officer A	£525 - £625
Chief Officer B	£625 - £775
Executive Director	£775 - £900

7. Publication

- 7.1. Upon approval by the full Council this statement will be published on the Council's website. In addition, the Council's Annual Statement of Accounts will include a note setting out the remuneration paid to each member of the Council Management Team (the chief executive and head of paid service and those reporting directly to him) including the total amount paid to each individual by way of: salary, including fees and allowances; performance related pay; expense allowances; compensation for loss of office; benefits in kind and employers pension contributions. The Annual Statement of Accounts is published on the Council's website.
- 7.2. The Annual Statement of Accounts will also report on termination payments for all employees in keeping with international financial reporting standards. This will show the number of termination payments, within specific financial bands, made to employees during the year.

End

Pay structure for chief officers (excluding the chief executive and head of paid service)

Grade	Scp	Salary
Executive Director ¹	1	£116,772
	2	£121,893
	3	£127,017
	4	£132,138
	5	£137,262

Grade	Scp	Salary
Chief Officer A	0	£76,617
	1	£78,717
	2	£80,814
	3	£82,917
	4	£85,015
Chief Officer B	5	£90,792
	6	£93,414
	7	£96,042
	8	£98,664

Grade	Scp	Salary
Croydon Special Range A	1	£56,922
	2	£58,857
	3	£60,789
	4	£62,721
	5	£64,656
Croydon Special Range B	6	£71,853
	7	£74,214
	8	£76,578
	9	£78,939

Grade	Scp	Salary
Grade 16	51	£46,512
	52	£47,433
	53	£48,387
Grade 17	55	£50,334
	56	£51,297
	57	£52,257

Car allowances and mileage payments

	<u>451 - 999cc</u>		<u>1000 - 1199cc</u>	<u>1200 - 1450cc</u>
	<u>Compulsory car users</u>			
Lump sum per annum	£846		£963	£1,239
per mile first 8,500	36.9p		40.9p	50.5p
per mile after 8,500	13.7p		14.4p	16.4p

	<u>451 - 999cc</u>		<u>1000 - 1199cc</u>	<u>1200 - 1450cc</u>
	<u>Other users</u>			
per mile first 8,500	46.9p		52.2p	65.0p
per mile after 8,500	13.7p		14.4p	16.4p

¹ Appointment is to a single spinal point within the grade range.

CROYDON COUNCIL**RELOCATION SCHEME****Introduction**

These guidelines may be used to overcome a skills shortage or as a recruitment and retention tool. The Council's approach to attracting, recruiting, developing and retaining talent sometimes needs to be supported to enable the placement of someone with known abilities and expertise into a specific role.

The decision to apply this scheme should be agreed before an offer of employment has been accepted and should preferably be displayed in the job advertisement. An "in principle" offer of assistance, subject to meeting the requirements of the scheme, must be contained in the offer of employment letter. An offer of a relocation package cannot be made after employment commences.

There is no automatic right to help with relocation or the amount paid. Payment is subject to management discretion, production of receipts and the amount of budget available within the service. No central relocation budget exists, so payments must be made from the relevant department's own budget.

Relocation assistance will not normally be provided to employees already employed by the Council (including those on fixed term or temporary contracts) and can be paid once only. Any subsequent moves will not attract a payment.

Eligibility

The following criteria must be met to be eligible for a relocation payment;

- The applicant lives more than 90 minutes travelling distance away from the new workplace and is relocating to a location within that limit.
- all owners or joint owners of the residence are moving, if claiming fees connected with the sale and purchase of a property
- the applicant is moving within 6 months of starting their employment with the Council
- the applicant is not benefiting from relocation assistance from another source (e.g. their partner's employer)
- the applicant is moving to work solely for Croydon

Conditions

The recipient must sign an agreement to remain in Croydon Council's employment for a minimum of three years. If they leave voluntarily or are dismissed on grounds of misconduct or capability within three years, repayment will be due, charged at 1/36 of the total amount of expenses paid per uncompleted month of service.

Two quotes must be obtained for removal and storage expenses for which the lower amount may be reimbursed. Records of payments made will be recorded on CHRIS and retained by the manager who signs the agreement.

The employee is responsible for:

- taking steps to sell their property (if applicable) and obtaining accommodation within reasonable travelling distance (90 minutes) within 6 months of their start date with Croydon Council.
- seeking approval for any relocation expenses prior to incurring the expense.
- signing the three year agreement
- providing a full breakdown of costs and comprehensive receipts for all expenses claimed for under the scheme. Bank statements or credit card receipts cannot be accepted.
- providing at least two quotes if claiming for removal expenses.

The manager is responsible for:

- obtaining approval of the director of workforce and their Director and the correct financial authorisation (including departmental expenditure panel if relevant), before offering a relocation package
- subject to the eligibility criteria, informing the successful candidate of the relocation scheme when offering the appointment
- ensuring that finances are available to fund a relocation package
- agreeing with the employee the types of expenses they are able to cover and the maximum amount to be paid
- reviewing the situation if positive steps are not being taken by the candidate/employee to sell and/or buy a new property within 6 months of starting their employment.
- ensuring an agreement is signed by the employee and storing a copy on their personal HR file
- keeping a copy of the agreement, a full breakdown of costs, receipts and quotes.
- arranging for payment(s) to be paid into the employee's bank account before the end of the tax year following their appointment date and that taxable payments are paid via Payroll

- ensuring that records of all payments are kept on the employee's personal HR file
- arranging the recovery of expenses if the employee leaves within three years, including writing to them to confirm the outstanding amount due and informing them if it will be taken out of their final salary or pension contributions.

Tax

Relocation expenses up to £8,000 per move are currently tax free as long as they are provided by the employer before the end of the tax year following the date of appointment (including VAT on expenses), but some payments are taxable. The following expenses may or may not be included in the agreed package.

- Payment for rent where it is necessary to temporarily maintain two homes , up to a maximum of 6 months*
- Travelling costs where two homes are temporarily maintained, up to a maximum of 6 months (either standard class train fares or casual car user mileage rates)
- Legal and Estate Agents fees connected with the sale and purchase of property
- Removal and storage of household furniture and effects
- Disconnection and reconnection of utilities*
- Reinstallation of domestic appliances such as cookers and washing machines*
- Charges incurred for ending a rental agreement early *
- Deposit for rented accommodation *
- Two days paid removal leave in addition to normal leave entitlement*
- Refund of unexpired season tickets*
- Shipping costs, if moving from abroad
- Survey Fees*
- Unplanned costs such as school uniforms, carpets, curtains, *
- Redirection of mail*

*subject to tax and NI contributions

As the tax position may change, it is advisable to check with the HMRC before finalising any arrangements under this guidance.

EARLY RETIREMENT & REDUNDANCY SCHEME (incl. Efficiency of the Service)

Council approved 1981.

Amended by Corporate Services Committee on 11 October 2006; effective from 1st December 2006

Amended 010410: legislative changes

Amended 010411: Employee Based Cost Review (EBCR)

1. SCOPE AND PURPOSE OF SCHEME

- 1.1. This scheme is without prejudice to the Council's and the trade unions' general policy of opposition to redundancies. It outlines the approach the Council may use when making staffing reductions through redundancy, early retirement on the grounds of redundancy, and early retirement on the grounds of efficiency of the service.
- 1.2. The scheme covers all categories of staff except teachers and lecturers for whom a separate scheme exists.
- 1.3. The scheme sets out the normal level of payments made to employees. Certain payments in the scheme are enhanced by the Council exercising its discretion, as allowed for in legislation. The exercise of the Council's discretion is subject to a decision in each case, and the Council reserves the right to apply different payments in particular cases. The Council also reserves the right to withdraw or suspend the scheme at any time.

2. GENERAL

- 2.1. Where redundancies as defined in the Employment Rights Act 1996 are contemplated the Council may choose to seek volunteers for early retirement or redundancy from the staff. Should the number of volunteers for early retirement or redundancy exceed the required number of post reductions the Council will consult staff representatives about the method of selection.

3. EARLY RETIREMENT BY REASON OF REDUNDANCY (only for employees aged 55 and over)

- 3.1. Employees aged 55 or more who are made redundant (including those who volunteer under paragraph 2.1) will be eligible for immediate payment of pension benefits if they have 2 or more years membership in the LGPS (or have less than 2 years membership, but have had a transfer of pension rights into the LGPS from another source).
- 3.2. In addition to immediate payment of pension benefits, employees with 2 years continuous service will also be entitled to a redundancy payment. The redundancy payment will be calculated as set out in section 4.

- 3.3. The granting of any augmentation/ added years in respect of redundancy and early retirement in the interests of the efficiency of the service is to compensate officers for the loss of position and future expectations as a result of the Council's actions. It is not in respect of past service, which is covered by pension entitlement arising from contributions made into the Pension Fund.
- 3.4. The costs of the early payment of benefits are charged to departmental budgets rather than the Pension Fund.
- 3.5. From 1 April 2007 any general expectation to receive augmentation/ added years will cease.

4. REDUNDANCY

- 4.1. Employees who are made redundant will receive a redundancy payment based on length of continuous service and age as laid down in the Employment Rights Act. The details of the statutory redundancy payments vary with age and length of service and a ready reckoner is set out in Appendix 1.
- 4.2. Continuous local government service (and certain related service) will be used where this exceeds service with the London Borough of Croydon and in calculating the redundancy payment the weekly pay used for calculating redundancy payments will be as follows:
 - a) In cases of compulsory redundancy, by reducing by 50% the amount by which an employee's actual weekly pay exceeds the statutory cap e.g. with the statutory cap at £400 and an employee's actual weekly pay at £500, redundancy pay would be calculated on a revised weekly pay of £450.
 - b) In cases of voluntary redundancy, by reducing by 25% the amount by which an employee's weekly pay exceeds the statutory cap e.g. with the statutory cap at £400 and an employee's actual weekly pay at £500, redundancy pay would be calculated on a revised weekly pay of £475.

5. EARLY RETIREMENT IN THE INTERESTS OF THE EFFICIENCY OF THE SERVICE

- 5.1. The Council will consider applications from staff, supported by their Directors, for early retirement on the grounds of the efficiency of the service. Each case will be decided on its merits by the executive director of Resources and Customer Services in consultation with the director of workforce and the relevant departmental director. They will use their discretion based on the following criteria:
 - (a) staff suffering ill-health of a nature not covered by the ill-health provisions of the Pension scheme
 - (b) a change in the organisation of an establishment or department which does not give rise to redundancy
 - (c) staff who are unable to meet the changed requirements of their post

- 5.2. Employees aged 55 or over, who retire on the grounds of efficiency of the service are eligible for immediate payment of pension benefits if they have 2 or more years membership in the LGPS (or have less than 2 years membership, but have had a transfer of pension rights into the LGPS from another source).
- 5.3. From 1 April 2007 any general expectation to receive augmentation/added years will cease.
- 5.4. In these cases there is no entitlement to a redundancy payment.

6. COMPLYING WITH LEGISLATION

- 6.1 The Council will only apply the above policy in a manner which is compatible with the law (inc. legislation, subordinate legislation and case law) and anything in this policy which is incompatible with the law shall be disregarded or applied only to the extent that doing so would not be contrary to the law as it is understood when the policy is applied in any particular case.

End

Figures in grid show the number of weeks pay due

Continuous Service (Years)																			
Age	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
18 ²	1																		
19	1	1½																	
20	1	1½	2																
21	1	1½	2	2½															
22	1	1½	2	2½	3														
23	1½	2	2½	3	3½	4													
24	2	2½	3	3½	4	4½	5												
25	2	3	3½	4	4½	5	5½	6											
26	2	3	4	4½	5	5½	6	6½	7										
27	2	3	4	5	5½	6	6½	7	7½	8									
28	2	3	4	5	6	6½	7	7½	8	8½	9								
29	2	3	4	5	6	7	7½	8	8½	9	9½	10							
30	2	3	4	5	6	7	8	8½	9	9½	10	10½	11						
31	2	3	4	5	6	7	8	9	9½	10	10½	11	11½	12					
32	2	3	4	5	6	7	8	9	10	10½	11	11½	12	12½	13				
33	2	3	4	5	6	7	8	9	10	11	11½	12	12½	13	13½	14			
34	2	3	4	5	6	7	8	9	10	11	12	12½	13	13½	14	14½	15		
35	2	3	4	5	6	7	8	9	10	11	12	13	13½	14	14½	15	15½	16	
36	2	3	4	5	6	7	8	9	10	11	12	13	14	14½	15	15½	16	16½	17
37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15½	16	16½	17	17½
38	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16½	17	17½	18
39	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17½	18	18½
40	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18½	19
41	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19½

² It is possible that an individual could start to build up continuous service before age 16, but this is likely to be rare, and therefore the table starts from age 18.

Continuous Service (Years)

Age	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
42	2½	3½	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½
43	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
44	3	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½
45	3	4½	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
46	3	4½	6	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½
47	3	4½	6	7½	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
48	3	4½	6	7½	9	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½
49	3	4½	6	7½	9	10½	12	13	14	15	16	17	18	19	20	21	22	23	24
50	3	4½	6	7½	9	10½	12	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	24½
51	3	4½	6	7½	9	10½	12	13½	15	16	17	18	19	20	21	22	23	24	25
52	3	4½	6	7½	9	10½	12	13½	15	16½	17½	18½	19½	20½	21½	22½	23½	24½	25½
53	3	4½	6	7½	9	10½	12	13½	15	16½	18	19	20	21	22	23	24	25	26
54	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	20½	21½	22½	23½	24½	25½	26½
55	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22	23	24	25	26	27
56	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	23½	24½	25½	26½	27½
57	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25	26	27	28
58	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	26½	27½	28½
59	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28	29
60	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	29½
61 ³	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30

² The same figures should be used when calculating the redundancy payment for a person aged 61 and above.

Notes:

Statutory redundancy payments are based on length of continuous service (up to max of 20 yrs) and age as follows:

- for each completed year of service up to age 21 inclusive: half a week's pay
- for each completed year of service from age 22-40 inclusive: one week's pay.
- for each completed year of service from age 41 inclusive: one and a half week's pay.