

APPENDIX A

DEPT : **PLACE**
 EXECUTIVE DIRECTOR : **JO NEGRINI**
 FINANCE LEAD: **DIANNE ELLENDER**
 PORTFOLIO MEMBER **Cllr BEE**

Portfolio Member	Portfolio	Total Expenditure Budget 14/15 £m	Total Income Budget 14/15 £m	Net Controllable Budget 14/15 £m
Cllr BEE	Highways & Parking	15.822	-17.896	-2.074
	Directorate	1.679	-2.368	-0.689
	Transport	0.328	-0.080	0.248
	Portfolio - Transport and Environment	17.829	-20.344	-2.515

Division	Service	Director	Detail	FTE	2015/16 £m	2016/17 £m	2017/18 £m
Environment	Highways and Parking	Tony Brooks	Reduction in Pay and Display income budget to reflect underachievement of income in the past few years	0.0	0.175	0.000	0.000
Environment	Highways and Parking		Savings on vehicle removals by reducing overhead costs	0.0	(0.148)	0.000	0.000
Environment	Highways and Parking		Increase in suspension income	0.0	(0.091)	0.000	0.000
Environment	Highways and Parking		Efficiencies in the use of shift patterns for enforcement officers	0.0	(0.057)	0.000	0.000
Environment	Highways and Parking		Highways Restructure	-3.0	(0.200)	(0.150)	0.000
Environment	Highways and Parking		Network Management costs allocated to capital	0.0	(0.145)	0.000	0.000
Environment	Highways and Parking		Coring programme regarding work undertaken by utility companies	0.0	(0.050)	(0.060)	0.000
TOTAL TRANSPORT AND ENVIRONMENT				-3.0	(0.516)	(0.210)	0.000

Growth	0.175	0.000	0.000
Savings	(0.691)	(0.210)	0.000

APPENDIX A

DEPT : PEOPLE AND PLACE

EXECUTIVE DIRECTOR : JO NEGRINI and PAUL GREENHALGH

FINANCE LEAD: DIANNE ELLENDER AND LISA TAYLOR

PORTFOLIO MEMBER Cllr BUTLER

Portfolio Member	Portfolio	Total Expenditure Budget 14/15 £m	Total Income Budget 14/15 £m	Net Controllable Budget 14/15 £m
Cllr BUTLER	Planning Spatial Control	1.129	-0.252	0.877
	Planning Development Management	2.789	-1.863	0.926
	Planning Building Control	2.448	-2.160	0.288
	Housing Development & Regeneration	1.635	-0.811	0.824
	Capital Delivery	1.280	-0.901	0.379
	Housing Solutions	11.863	-9.182	2.681
	Housing Options	0.899	-0.069	0.830
	Private Sector Housing	2.072	-1.416	0.656
	Departmental Buildings	0.074	-0.023	0.051
	Housing Strategy	0.164	-0.095	0.069
	Director of Needs & Strategy	0.054	-0.054	0.000
	Housing Management	0.170	-0.215	-0.045
	Portfolio - Homes and Regeneration	24.577	-17.041	7.536

Type of Saving	Division	Service	Director	Detail	FTE	2015/16 £'000	2016/17	2017/18
Dept Growth	Housing Needs & Strategy	Housing Options	Peter Brown	Growth to reflect in-year overspend on temporary accommodation	0.0	0.900	0.000	0.000
Cuts	Directorate	Executive Director DASHH	Hannah Miller	Review of recharges to the HRA	0.0	(0.050)	0.000	0.000
Cuts	Planning	Development Management	Mike Kiely	Restructuring in all 3 planning services brought about by improving the efficiencies of the services	-10.0	(0.073)	(0.109)	(0.063)
Cuts	Planning	Spatial Planning	Mike Kiely	Headcount reduction - Place/Plan making - 3 ftes	-3.0	0.000	(0.079)	(0.009)
Cuts	Regeneration	CDH	Colm Lacey	Regularisation of staffing (removal of honoraria), maximising capital recharges	0.0	(0.025)	(0.025)	(0.025)
Cuts	Regeneration	Housing Development & Regeneration	Colm Lacey	Delete 2 vacant posts	-2.0	(0.104)	0.000	0.000
Efficiency	Planning	Development Management	Mike Kiely	Change in committee process. Minor applications do not go through committee process reducing costs of the committees themselves (and linked to headcount reduction above)	0.0	0.000	(0.035)	0.000
Efficiency	Housing Needs & Strategy	Housing Solutions	Peter Brown	Review of the structure	-1.0	(0.080)	0.000	0.000
Efficiency	Housing Needs & Strategy	Housing Options	Peter Brown	Bed and Breakfast savings from the purchase of leases at Concord and Sycamore	0.0	(0.600)	(0.045)	(0.045)
Income	Planning	Development Management	Mike Kiely	Increased income via applications (volume and fee increase expected over time) and pre-applications (moves towards full cost recovery)	0.0	(0.100)	0.000	(0.100)
Income	Planning	Building Control	Mike Kiely	Increase charges for dangerous structures	0.0	(0.002)	0.000	0.000
Income	Housing Needs & Strategy	Housing Solutions	Peter Brown	Income from the Expanding Temporary Accommodation programme	0.0	(0.730)	0.000	0.000
TOTAL HOMES AND REGENERATION					-16.0	(0.864)	(0.293)	(0.242)

Growth	0.900	0.000	0.000
Savings	(1.764)	(0.293)	(0.242)

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DEPT : PLACE

EXECUTIVE DIRECTOR : JO NEGRINI

FINANCE LEAD: DIANNE ELLENDER

PORTFOLIO MEMBER Cllr COLLINS

Portfolio Member	Portfolio	Total Expenditure Budget 14/15 £m	Total Income Budget 14/15 £m	Net Controllable Budget 14/15 £m
Cllr COLLINS	Waste Management	17.476	-3.079	14.397
	Waste Disposal	12.343	-0.083	12.260
	Portfolio - Clean Green Croydon	29.819	-3.162	26.657

Division	Service	Director	Detail	FTE	2015/16 £m	2016/17 £m	2017/18 £m
Environment	Waste Management	Anthony Brooks	Growth to baseline budget to reflect population increase and Landfill tax	0.0	0.505	0.000	0.000
Environment	Waste Management		Growth to reflect unachievement of income target for Trade waste in 14/15	0.0	0.360	0.000	0.000
Environment	Waste Management		Review of waste management services in line with the Council's Clean and Green agenda. - Includes Charging for building and DIY waste at HRRCs - Charging residents for new replacement bins - Waste collection contract efficiencies through a rationalisation of the rounds across the borough.	0.0	(0.575)	0.000	0.000
TOTAL CLEAN GREEN CROYDON				0.000	0.290	0.000	0.000

Growth	0.865	0.000	0.000
Savings	(0.575)	0.000	0.000

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**DEPT :
EXECUTIVE
DIRECTOR :
FINANCE LEAD:**

**PEOPLE
PAUL GREENHALGH

LISA TAYLOR**

**PORTFOLIO
MEMBER**

Cllr FLEMMING

Portfolio Member	Service	Net Controllable Budget
		£m
Cllr FLEMMING	<i>Early intervention and Support Service</i>	10.665
	<i>Directorate</i>	0.165
	<i>Safeguarding and Looked After Children Quality Assurance</i>	1.607
	<i>Children In Need Service</i>	14.390
	<i>Looked After Children</i>	16.768
	<i>Central L&I School Costs</i>	0.743
	<i>School Improvement</i>	2.292
	<i>Inclusion Learning Access and SEN</i>	5.103
	<i>School Places and Admissions</i>	0.247
	<i>CFL Central Costs</i>	(0.695)
	<i>Schools Budget</i>	0.000
	<i>Adult Learning</i>	(0.697)
	<i>Partnership and Business Development</i>	0.105
	Portfolio - Children's Families and Learning	50.693

Division	Service	Director	Detail	FTE	2015/16 £m	2016/17 £m	2017/18 £m
Social Care & Family Support	Looked After Children	Ian Lewis	LAC - Service Demand -Current service demand is greater than the budget. As a result the service is currently overspending even though it is making cost savings. This growth will enable the budget to be realigned to match current costs.	0.0	2.199	0.000	0.000
Social Care & Family Support	Looked After Children	Ian Lewis	Unfunded External Legal costs - The budget for this service has historically been low resulting in an overspend annually. This growth will enable the budget to be realigned to match current expenditure.	0.0	0.458	0.000	0.000
Social Care & Family Support	Looked After Children	Ian Lewis	Staying Put Policy - The Children and Families Act 2014 introduced a new duty on local authorities to support young people to continue to live with their former foster carers once they turn 18 and until they are 21. This duty came into force on 13 May 2014. New Burden's funding has been allocated to Croydon but it is anticipated that this will not be sufficient.	1.0	0.107	0.119	0.160
Social Care & Family Support	Looked After Children	Ian Lewis	LADO- Local Authority Designated Officer. Statutory requirement. Funding for a post to increase capacity to under take the LADO function for child protection allegations against staff in all agencies.	1.0	0.060	0.000	0.000
Social Care & Family Support	Looked After Children	Ian Lewis	Recruitment of Sexual Exploitation Co-ordinator	1.0	0.000	0.050	0.000
Learning & Inclusion	School Improvement	Sylvia McNamara	Participation - NEET Statutory Guidance. Statutory guidance for local authorities was updated on the 4th September 2014. This growth is to meet the financial implications arising from the changes to the statutory requirements.	2.0	0.106	0.000	0.000
Learning & Inclusion	Inclusion Learning Access and SEN	Sylvia McNamara	SEN Transport - Demand. Previous years savings have not been achieved due to increasing numbers of children with special needs and market forces resulting in an overspend. This growth will enable the budget to be realigned to match current demand.	0.0	1.067	0.667	0.757
CFL Central Costs	CFL Central Costs	Paul Greenhalgh	Think Family - Efficiencies from service redesign by achieving synergies between the children's and adult's services.	-2.0	(0.080)	(0.080)	0.000
Social Care & Family Support	Early intervention and Support Service	Ian Lewis	Family Based Early Intervention - Review of all commissioned services to reduce contract rates and create service efficiencies. - Delete traded service - Forestry Project (discretionary) - Additional childcare places previously commissioned from nursery schools to be part of an integrated education offer funded by the DSG. - Youth Offending Service (YOS) - reduction in staffing costs due to a reduction in the	0.0	(0.658)	(0.098)	(0.165)
Social Care & Family Support	Early intervention and Support Service	Ian Lewis	Public Health Funding - Use Public Health funding for domestic violence services and services providing mental health provision to Looked after children.	0.0	(0.100)	0.000	0.000
Social Care & Family Support	Looked After Children	Ian Lewis	Public Health Funding - Use Public Health funding for domestic violence services and services providing mental health provision to Looked after children.	0.0	(0.200)	0.000	0.000
Social Care & Family Support	Looked After Children	Ian Lewis	Looked After Children - LAC - Implement a review of whether we are looking after the right children and reduce the number of LAC. - Further increase the number of in house foster carers for example by strengthening the model of recruitment and assessment of foster carers. - Continue to drive down costs and rates of placements with Independent Fostering Agencies.	0.0	(1.485)	(1.482)	(2.206)
Social Care & Family Support	Children In Need Service	Ian Lewis	Children In Need (CIN) - review of residential placements for children with special needs thus reducing the care element of these costs.	0.0	0.000	(0.350)	0.000
Community and Support Services	Partnership and Business Development	Jane Doyle	Children and Family Partnership - reduce support for engagement with Children and Families work programme.	-0.5	(0.022)	0.000	0.000
Community and Support Services	Partnership and Business Development	Jane Doyle	Children and Family Partnership - end officer support for Children and Families Partnership	-1.5	0.000	0.000	(0.077)
Learning & Inclusion	School Improvement	Sylvia McNamara	Reduction in grants :- - Reduction in Council's support to the Music Service which will be compensated for by increased trading opportunities - Croydon Faith Education Resources - in the context of the increasing availability of electronic resources cease funding for this organisation.	0.0	(0.090)	0.000	0.000
Learning & Inclusion	School Improvement	Sylvia McNamara	School mutual - Creation of a new trading entity from 1.4.15 to deliver School Improvement services. This includes the TUPE of up to 90 staff	0.0	(0.900)	0.000	0.000

Division	Service	Director	Detail	FTE	2015/16 £m	2016/17 £m	2017/18 £m
Learning & Inclusion	Inclusion Learning Access and SEN	Sylvia McNamara	SEN Transport - Contract Renegotiations	0.0	(0.342)	(0.341)	0.000
Learning & Inclusion	School Improvement	Sylvia McNamara	Education Welfare Service - Reduction in Legal costs	0.0	(0.020)	0.000	0.000
Learning & Inclusion	School Places and Admissions	Sylvia McNamara	Capitalise salaries of school places team.	0.0	(0.300)	0.000	0.000
Learning & Inclusion	Inclusion Learning Access and SEN	Sylvia McNamara	Contract renewal of the Parent Partnership and a reduction of contract spend within the overall approach to contract renewal	0.0	(0.016)	0.000	0.000
Learning & Inclusion	School Places and Admissions	Sylvia McNamara	School Crossing Patrols - in the context of council support for road safety measures and school travel plans cease the non statutory provision of school crossing patrols. Provide management for this service and seek funding from schools to deliver this service, where schools wish this service to continue.	0.0	0.000	(0.047)	(0.053)
TOTAL CHILDREN'S FAMILIES AND LEARNING				1.0	(0.216)	(1.562)	(1.584)

Growth	3.997	0.836	0.917
Savings	(4.213)	(2.398)	(2.501)

DEPTS :

PEOPLE AND PLACE

EXECUTIVE DIRECTORS :

PAUL GREENHALGH
JO NEGRINI

FINANCE LEADS:

LISA TAYLOR
DIANNE ELLENDER

PORTFOLIO MEMBER

Cllr GODFREY

Portfolio Member	Service	Total Expenditure Budget 14/15	Total Income Budget 14/15	Net Controllable Budget
		£m	£m	£m
Cllr GODFREY	Libraries and Culture	5.580	(0.071)	5.509
	Bereavement Services	1.861	(2.135)	(0.274)
	Leisure and Sports Services	1.307	(0.189)	1.118
	Green Spaces	5.164	(0.447)	4.717
		13.912	(2.842)	11.070

Division	Service	Director	Detail	FTE	2015/16 £m	2016/17 £m	2017/18 £m
Environment & Leisure	Leisure & Sports	Tony Brooks	Operational costs of Monks Hill Sport Centre. Cost reduces from centre established and income increases	0.0	0.165	(0.065)	(0.040)
Environment	Bereavement Services		Pending the granting of planning permission for new Council burial land - grounds maintenance costs associated with maintaining new burial provisions.	0.0	0.055	0.000	0.000
Community and Support Services	Libraries and Culture	Jane Doyle	Summer Festival	0.0	0.000	0.125	0.000
Community and Support Services	Libraries and Culture		Fairfield halls Grant Reduction - due to pension deficit contribution being reduced.	0.0	(0.163)	0.000	0.000
Environment & Leisure	Green Spaces		Review of grounds maintenance of green spaces across the borough in order to ammonise operational contract efficiencies	0.0	(0.140)	(0.381)	(0.244)
Environment	Bereavement Services		Review of fees and charges at crematorium	0.0	(0.056)	0.000	0.000
Environment	Bereavement Services		Reduction of various maintenance budgets	0.0	(0.051)	0.000	0.000
TOTAL CULTURE LEISURE AND SPORTS				0.0	(0.190)	(0.321)	(0.284)

Growth	0.220	0.060	(0.040)
Savings	(0.410)	(0.381)	(0.244)

APPENDIX A

DEPT :

RESOURCES

EXECUTIVE DIRECTOR :

NATHAN ELVERY

FINANCE LEAD:

DIANNE ELLENDER

PORTFOLIO MEMBER

Cllr HALL

Division	Service	Director	Detail	FTE	2015/16 £m	2016/17 £m	2017/18 £m
Chief Executive	Chief Executive	Nathan Elvery	Increased contribution to South London Partnership to reflect Cabinet decision of the 15th December	0.0	0.020	0.000	0.000
Finance & Assets	Governance	Richard Simpson	Reduction in Internal Audit Days as a result of further reduction in the council's budget. There will also be a saving from the insourcing of some more junior work on schools audit to the council	-1.0	(0.068)	(0.025)	0.000
Finance & Assets	Governance	Richard Simpson	Transfer of responsibility for benefit fraud to DWP as part of the creation of a Single Fraud Investigation Service saving salary and legal costs. There has also been a reduction in grant	0.0	(0.190)	0.000	0.000
Finance & Assets	Governance	Richard Simpson	Increase of external work on anti fraud with Housing Associations	0.0	(0.040)	0.000	0.000
Finance & Assets	Corporate & Dept Finance	Richard Simpson	Restructure of Finance teams to reduce the size of the team and focus on value added work and high risk areas. This also reflects the introduction of a new system to support budget monitoring and forecasting to reduce the need for manual intervention.	-17.0	(0.700)	0.000	0.000
Finance & Assets	Asset Management & Estate	Richard Simpson	Croydon Challenge Asset Management - Community Asset Transfer (Stanley Halls and Selsdon Halls) in order to reduce the council's liabilities	0.0	(0.085)	(0.090)	0.000
Finance & Assets	Asset Management & Estate	Richard Simpson	Croydon Challenge Asset Management - increased income for improved space utilisation in BWH and other office space	0.0	(0.350)	(1.500)	(0.300)
Finance & Assets	HR and Finance Service Centre	Richard Simpson	Improvements to invoicing and cash control processes linked to One Oracle Implementation	-2.0	(0.076)	(0.045)	0.000
Finance & Assets	HR and Finance Service Centre	Richard Simpson	Shared Applications Support (One Oracle)	-3.0	(0.060)	(0.060)	0.000
Finance & Assets	HR and Finance Service Centre	Richard Simpson	Reprocurement of Payroll hosting and operational contract	0.0	(0.200)	(0.040)	(0.040)
Finance & Assets	HR and Finance Service Centre	Richard Simpson	Introduction of Prompt Payment Discount - saving comes from discount provided by suppliers for faster payment. Rebate will be held centrally	0.0	(0.250)	0.000	0.000
Finance & Assets	Risk Insurance & Business Continuity	Richard Simpson	Insurance - review of the complete process of claims handling from initial enquiry to legal process	0.0	(0.080)	(0.080)	0.000
Finance & Assets	Agency	Richard Simpson	Increased income from agency contract rebate	0.0	(0.750)	0.000	0.000
Finance & Assets	Facilities Management	Richard Simpson	Savings from review of energy contracts and usage including savings linked to REFIT project	0.0	(0.167)	(0.031)	0.000
Finance & Assets	Facilities Management	Richard Simpson	Review of current Interserve contract	0.0	(0.395)	0.000	0.000

Division	Service	Director	Detail	FTE	2015/16 £m	2016/17 £m	2017/18 £m
Finance & Assets	Facilities Management	Richard Simpson	Income opportunities from better use of Town Hall and Clock tower complex and also opportunities for income from Solar panels	0.0	(0.050)	(0.010)	0.000
Finance & Assets	Facilities Management	Richard Simpson	Expected savings from reprocurement of FM contract	0.0	0.000	(0.450)	(0.200)
Finance & Assets	Facilities Management	Richard Simpson	Mail service - Postage reductions from use of second calls postage	0.0	(0.060)	0.000	0.000
HR	Corporate Learning and Organisational Development	Heather Daley	Potential saving of >£250k across the council in L&D review which is underway. Not possible to anticipate how that save will be allocated across services yet.	0.0	0.000	(0.050)	(0.050)
HR	HR Partners and Consultants	Heather Daley	Review of Staffing Structure	-2.5	0.000	(0.082)	0.000
HR	Director of HR	Heather Daley	Review of Car Allowance Scheme	0.0	(0.063)	TBC	TBC
SCPP	SCPP Division	Sarah Ireland	Data Warehousing	0.0	(0.085)	0.000	0.000
SCPP	SCPP Division	Sarah Ireland	Further consolidation of enabling support services in relation to commissioning	-8.0	(0.200)	(0.100)	(0.100)
SCPP	SCPP Division	Sarah Ireland	Reshaping SCPP to meet the Organisations future needs	-1.0	0.000	0.000	(0.050)
SCPP	SCPP Division	Sarah Ireland	Alternative Service Delivery model for SCPP	-1.0	0.000	0.000	(0.050)
SCPP	SCPP Division	Sarah Ireland	Procurement Taskforce - Contract Management Review. Targeted review of key contracts across the organisation	0.0	(2.000)	TBC	TBC
SCPP	SCPP Division	Sarah Ireland	Consolidation of Data Analytics capability across the Council	0.0	(0.150)	TBC	TBC
Democratic & Legal	Legal	Julie Belvir	Increased Income from Legal Services	0.0	(0.010)	0.000	0.000
Democratic & Legal	Democratic	Julie Belvir	Increased costs of democartic services to support move to more open and transparent council including increase in scrutiny function	3.0	0.116	0.000	0.000
Democratic & Legal	Mayoral	Julie Belvir	Terminate the 2nd Mayoral car at the end of the current lease agreement and implement consequential changes to the staffing levels.	-2.0	(0.100)	0.000	0.000
Democratic & Legal	Registrars	Julie Belvir	Additional Registrars Income	0.0	(0.010)	0.000	0.000
CT & CS	Revenue and Benefits & Business Support	Graham Cadle	Digital by Design and Enabling - Providing improved digital and enabling services to make the organisation more efficient and effective and to enable residents to more easily do business with the council and to build independence	TBC	(3.560)	(0.840)	0.000
CT & CS	Revenue and Benefits	Graham Cadle	Debt fees (corp debt) - improved recovery of fees incurred in debt collection. No service impact	0.0	(0.015)	0.000	0.000
CT & CS	Revenue and Benefits	Graham Cadle	Corp debt income - improved collection processes	0.0	(0.080)	(0.250)	(0.040)
CT & CS	Revenue and Benefits	Graham Cadle	Free school meal charges - review of fees charged to schools to reflect service provided	0.0	(0.050)	0.000	0.000
CT & CS	Revenue and Benefits	Graham Cadle	ICT contract - efficiency through new procurement. No service impact	0.0	(0.200)	0.000	0.000
CT & CS	Revenue and Benefits	Graham Cadle	Process review and automation	-10.0	(0.070)	(0.170)	(0.060)
CT & CS	Revenue and Benefits	Graham Cadle	Welfare reform - review of service offer to residents requiring support. To deliver a single, cohesive approach to supporting independence	0.0	(0.750)	0.000	TBC
CT & CS	Revenue and Benefits	Graham Cadle	Land Charges - increased income due to improvement in housing market.	0.0	(0.500)	0.000	0.000
CT & CS	Transformation	Graham Cadle	reduction in dept support (consultancy/resource budget)	0.0	(0.040)	(0.038)	(0.033)
CT & CS	Business Support	Graham Cadle	Deploy technology refresh and expand scanning	0.0	(0.131)	(0.082)	(0.020)
CT & CS	Information Communication Technology	Graham Cadle	10% p.a. Reduction in PC's to match reduced org resources no service impact	0.0	(0.058)	(0.046)	(0.043)

Division	Service	Director	Detail	FTE	2015/16 £m	2016/17 £m	2017/18 £m
CT &CS	Information Communication Technology	Graham Cadle	Increase in HRA ICT Recharge to reflect level of services provided. No service impact	0.0	(0.100)	0.000	0.000
CT &CS	Information Communication Technology	Graham Cadle	Cancel Professional Services Training. No service impact	0.0	(0.100)	0.000	0.000
CT &CS	Information Communication Technology	Graham Cadle	Cancel Netloan Licence. Not now required. No service impact	0.0	(0.047)	0.000	0.000
CT &CS	Information Communication Technology	Graham Cadle	Reduce Pre-Paid Days Budget (£1,050 p.a.). Will mean future improvement and efficiency progs and technology upgrades/refreshes require such costs specifically identified in their business case	0.0	(0.464)	(0.586)	0.000
CT &CS	Information Communication Technology	Graham Cadle	Renegotiate connectIT contracts and service towers. No service impact	0.0	(0.250)	(0.250)	(0.250)
Executive Support	Executive Support		Removal of Executive Director Post as a consequential of decision made by council on new structure	-1.0	(0.196)	0.000	0.000
TOTAL FINANCE AND TREASURY				-45.5	(12.614)	(4.825)	(1.236)

Growth	0.136	0.000	0.000
Savings	(12.750)	(4.825)	(1.236)

APPENDIX A

DEPT : PLACE
EXECUTIVE DIRECTOR : JO NEGRINI
FINANCE LEAD: DIANNE ELLENDER
PORTFOLIO MEMBER Cllr LETTS

Portfolio Member	Portfolio	Total Expenditure Budget 14/15	Total Income Budget 14/15	Net Controllable Budget 14/15
		£m	£m	£m
Cllr LETTS	Economic Development	0.694	-0.119	0.575
	Portfolio - Economic Development	0.694	-0.119	0.575

Division	Service	Director	Detail	FTE	2015/16 £m	2016/17 £m	2017/18 £m
Regeneration	Economic Development		Offset staffing costs against project resources to ensure delivery against the established service priorities - Employment - jobs for local people, High Streets, Technology and Investment	0.0	(0.090)	0.000	0.000
TOTAL ECONOMIC DEVELOPMENT				0.0	(0.090)	0.000	0.000

Growth	0.000	0.000	0.000
Savings	(0.090)	0.000	0.000

DEPTS :

RESOURCES AND PLACE

EXECUTIVE DIRECTORS :

NATHAN ELVERY & JO NEGRINI

FINANCE LEAD:

DIANNE ELLENDER

PORTFOLIO MEMBER

Cllr WATSON

Portfolio Member	Portfolio	Total Expenditure Budget 14/15	Total Income Budget 14/15	Net Controllable Budget
		£m	£m	£m
Cllr WATSON	Equalities & Community Relations	0.847	0.000	0.847
	Local Strategic Partnership	0.021	0.000	0.021
	Voluntary Sector Funding	1.236	0.000	1.236
	Contact Centre	3.387	-0.977	2.410
	Strategy & Development Division	2.214	-1.100	1.114
	Community & Safety Services	5.123	-2.118	3.005
	Regulatory services	2.217	-0.746	1.471
	Portfolio - Safety and Justice	15.045	-4.941	10.104

Division	Service	Director	Detail	FTE	2015/16 £m	2016/17 £m	2017/18 £m	
CT &CS	Strategy & Development Division	Graham Cadle	Additional costs of Webcasting specific council meetings	0.0	0.029	0.000	0.000	
Environment	Community & Safety Services	Tony Brooks	Remove income target for out of hours patrol	0.0	0.021	0.000	0.000	
CT &CS	Contact Centre Division	Graham Cadle	Reduction in customer contact and resourcing costs as a result of further online service delivery and systems integration	0.0	(0.058)	(0.029)	0.000	
CT &CS	Contact Centre Division	Graham Cadle	Reduction in management costs for Interpreting service. No service impact	0.0	(0.040)	0.000	0.000	
CT &CS	Contact Centre Division	Graham Cadle	Efficiencies from customer contact service system improvements. No customer impact	0.0	0.000	(0.028)	(0.030)	
CT &CS	Contact Centre Division	Graham Cadle	Reduce current face to face service offer (Access Croydon and New Addington) Monday to Friday 9am to 4pm - 1 hour 15 min reduction per day. (approx 60 customers affected each day)	TBC	(0.120)	0.000	0.000	
CT &CS	Contact Centre Division	Graham Cadle	Reduce current phones service offer from Monday to Friday 9am to 4.45pm to Monday to Friday 9am to 4pm> Will support more channel shift but risk of service demand rising during shorter opening hours	TBC	(0.050)	0.000	0.000	
CT &CS	Strategy & Development Division	Graham Cadle	Increase external income generation from design studio. Improved service offer will also improve internal service provision	0.0	(0.003)	0.000	0.000	
CT &CS	Strategy & Development Division	Graham Cadle	Increase advertising income through billboards etc. No service impact	0.0	(0.032)	(0.010)	(0.010)	
CT &CS	Strategy & Development Division	Graham Cadle	Increase Croydon Film Office net income from additional filming events within the Borough. No service impact	0.0	(0.005)	(0.005)	0.000	
CT &CS	Strategy & Development Division	Graham Cadle	Advertising on dot gov site (net income). Manage content of adverts and size/placing to ensure minimal impact to residents	0.0	(0.020)	(0.005)	(0.010)	
CT &CS	Strategy & Development Division	Graham Cadle	Advertising on intranet (net income). No service impact	0.0	(0.005)	(0.005)	(0.005)	
CT &CS	Strategy & Development Division	Graham Cadle	Reduce corporate campaign budget. Will require individuals campaigns to fund marketing as required	0.0	(0.020)	0.000	0.000	
CT &CS	Strategy & Development Division	Graham Cadle	Merge management roles. Align services - no service impact	-1.0	(0.058)	0.000	0.000	
CT &CS	Strategy & Development Division	Graham Cadle	Move web service onto cloud hosting to reduce costs. Slight reduction in resilience arrangements but no significant service impact	0.0	(0.033)	(0.033)	(0.033)	
Environment	Community & Safety Services	Tony Brooks	Review of licencing and FPN's income generation to assist the achievement of the Council's community safety policies.	0.0	(0.108)	(0.025)	(0.025)	
Environment	Community & Safety Services	Tony Brooks	Reduce Safer Croydon Partnership budget	0.0	(0.025)	0.000	0.000	
Environment	Community & Safety Services	Tony Brooks	Review of all staffing structures and process efficiencies across regulation and community services to allow establishment savings	-0.6	(0.196)	0.000	0.000	
Environment	Community & Safety Services	Tony Brooks	Re-tendering of CCTV maintenance / fibre transmissions contracts	0.0	(0.022)	0.000	0.000	
TOTAL SAFETY AND JUSTICE					-1.6	(0.745)	(0.140)	(0.113)

Growth	0.050	0.000	0.000
Savings	(0.795)	(0.140)	(0.113)

APPENDIX A

DEPT : PEOPLE
EXECUTIVE DIRECTOR : PAUL GREENHALGH
FINANCE LEAD: LISA TAYLOR
PORTFOLIO MEMBER: Cllr WOODLEY

Portfolio Member	Service	Total Expenditure 2014/15	Total Income 2014/15	Total Controllable Cost
Cllr WOODLEY	Adult Care Commissioning	109.439	(12.103)	97.336
	Joint Commissioning Learning Disability	38.525	(0.175)	38.350
	Joint Commissioning Mental Health	9.833	(2.030)	7.803
	Commissioning Older People & Long Term conditions	47.060	(7.609)	39.451
	Vulnerable Adults & Supporting People	8.597	(1.174)	7.423
	Commissioning Strategic Projects	0.212	(0.155)	0.057
	Professional Standards	0.919	(0.918)	0.001
	Director of Commissioning	0.252	(0.042)	0.210
	Commissioning Specialist Services	4.041	-	4.041
	Personal Support	74.208	(78.413)	(4.205)
	Assessment & Case Management	59.053	(13.287)	45.766
	Social Work & Safeguarding	5.306	(1.135)	4.171
	Early Interventions & Reablement	5.601	(1.662)	3.939
	Personal Support Strategic Projects	2.170	(2.036)	0.134
	Business Relationships & Brokerage	2.078	(60.293)	(58.215)
	Directorate	0.883	(0.921)	(0.038)
	Executive Director DASHH	0.883	(0.921)	(0.038)
	Portfolio: People & Communities	184.530	(91.437)	93.093

Division	Service	Director	Detail	FTE	2015/16 £'m	2016/17 £'m	2017/18 £'m
Adult Care Commissioning	Joint Commissioning Mental Health	Brenda Scanlon	Mental Health - demand growth for care packages	0.0	0.236	0.000	0.000
Adult Care Commissioning	Vulnerable Adults & Supporting People	Brenda Scanlon	Transport costs - due to increased demand for services	0.0	0.475	0.000	0.000
Adult Care Commissioning	Professional Standards	Edwina Morris	Deprivation of Liberty - In March 2014 the Supreme Court broadened the scope of the application of Deprivation of Liberty Safeguards (DOLS) to include many more people. In order to make this deprivation lawful, the local authority as the supervisory body for this process has to arrange for an assessment within a strict timescale. This six part assessment needs to be carried out jointly by a s12 doctor and a Best Interest Assessor.	5.0	0.558	0.000	0.000
Personal Support	Assessment & Case Management	Edwina Morris	Transitional Growth - increased numbers of Children with disabilities moving to Adult services	0.0	0.956	0.516	0.553
Personal Support	Assessment & Case Management	Edwina Morris	Ordinary Residence. 3. The Care Act regulations extend the OR exemption from April 2015 to include Supported Living. As these changes will not be applied retrospectively, it has resulted in a very steep increase in OR activity as Councils seek to transfer all possible cases before the deadline	0.0	0.415	0.460	0.000
Adult Care Commissioning and Personal Support	Various Services	Edwina Morris and Brenda Scanlon	Commercial Negotiations - - Special Sheltered Care UK - contract negotiations - Meals on Wheels - procurement efficiencies and increased income - PD Garwood - Day Service Contract Negotiations - PFI - Organisation restructure at Eldon Housing & energy savings - Older People Commissioning - St Christopher's Hospice / End of Life - Integrated Framework Agreement - Supported Housing Efficiencies - retendering of contracts - Learning Disabilities Integrated Framework (IFA) - Learning Disability Supported Living. Systematic review of all clients supported in 24 hr. placements - Older People with Physical Disabilities Personal Care Integrated Framework (IFA)	0.0	(0.947)	(0.592)	(0.530)
Personal Support	Business Relationships & Brokerage	Edwina Morris	Commercial Negotiations - with all care homes	0.0	(0.500)	0.000	0.000
Adult Care Commissioning and Personal Support	Various Services	Edwina Morris and Brenda Scanlon	Redesign of Internal Services - Needs and Asset Assessment redesign to meet care act requirements - Shared Lives - review scheme as an alternative to more expensive options - Transport costs - service redesign to reduce costs - Mental Health - Ashburton Road. Review of services provided at this site - Learning Disability independent Living Officers - redesign of service provision - Careline Plus contract and service review - Sensory Impairment Team - review of service provision	-1.0	(0.957)	(0.359)	(0.430)
Adult Care Commissioning and Personal Support	Various Services	Edwina Morris and Brenda Scanlon	Redesign of External Services - Stroke - renegotiation of external contract - Special Sheltered conversion to extra care provision - Learning Disability Day Services - service review	0.0	(0.090)	(0.275)	(0.399)
Adult Care Commissioning	Director of Commissioning	Brenda Scanlon	QIPP - Develop joint QIPP/Council efficiency programme to have a more coordinated approach to delivery of agreed efficiencies / cost improvements etc across organisations.	0.0	(0.240)	(0.210)	(0.150)
Adult Care Commissioning	Commissioning Older People & Long Term conditions	Brenda Scanlon	Outcome Based Commissioning - Population based capitation method of contracting for health and social care services for the over 65's. As agreed at Cabinet 29.9.14	0.0	0.000	(0.970)	(3.500)
Adult Care Commissioning	Commissioning Older People & Long Term conditions	Brenda Scanlon	Equipment Pooled Budget renegotiations	0.0	0.000	(0.113)	0.000
Adult Care Commissioning	Vulnerable Adults & Supporting People	Brenda Scanlon	DAAT - services funded from Public Health Budget	0.0	(0.200)	0.000	0.000
Adult Care Commissioning	Commissioning Strategic Projects	Brenda Scanlon	LATC - as a result of reduced unit costs through higher volumes generated by an increase in the number of contracts.	0.0	(0.300)	0.000	0.000
Adult Care Commissioning	Commissioning Older People & Long Term conditions	Brenda Scanlon	Community Resources - People. Using community resources more efficiently. Includes increasing information and advice to improve resilience. The use of community physical assets and ABCD type initiatives	1.0	(0.390)	(0.400)	(0.275)
Adult Care Commissioning	Joint Commissioning Mental Health	Brenda Scanlon	Integrated Mental Health - Housing Benefit for S117 clients	0.0	(0.100)	0.000	0.000
Personal Support	Personal Support Strategic Projects	Edwina Morris	Short term Reablement - Expansion of short term reablement service to increase the proportion of older people, referred to the council with social care needs, who will be enabled to regain skills and confidence in carrying out daily living tasks resulting in a reduced need for social care services.	0.0	(0.307)	0.000	0.000
Personal Support	Assessment & Case Management	Edwina Morris	Resilience & Transition to Adults - reduction in transition Costs for 18 - 25 yr olds LD & PD. Focused social work with young adults (18 to 25 years old) and their families to implement "progression" type care and support plans that will help each young person to continue to learn new skills, to engage with their local community and to live a normal life (with support as needed), thus achieving a gradual reduction in the amount of paid social care support needed.	0.0	(0.155)	(0.173)	(0.150)
Personal Support	Business Relationships & Brokerage	Edwina Morris	Introduction of Preferred Partner Dynamic Purchasing System - Residential and Nursing Care	0.0	0.000	(0.250)	(0.250)
Directorate	Executive Director - PEOPLE	Paul Greenhalgh	Delete Executive Director's post	-1.0	(0.128)	0.000	0.000
	TOTAL PEOPLE & COMMUNITIES			4.0	(1.674)	(2.366)	(5.131)

GROWTH	2.640	0.976	0.553
SAVINGS	(4.314)	(3.342)	(5.684)

Description	Budget 2015/16	Budget 2016/17	Budget 2017/18	Total
	£	£	£	£
Corporate Property Maintenance Programme	2,530,000	2,100,000	2,000,000	6,630,000
Disabled Facilities Grant	1,600,000	1,600,000	1,600,000	4,800,000
Education - Fixed Term Expansions	3,250,000	750,000		4,000,000
Education - Primary Estate	47,507,286	52,403,348	37,650,000	137,560,634
Education - Major Maintenance	3,125,000	2,000,000		5,125,000
Education - Secondary Estate	15,151,922			15,151,922
Education - SEN	15,874,389			15,874,389
New Salt Barn	750,000			750,000
Empty Homes Grants	500,000	500,000	500,000	1,500,000
ICT	1,500,000	1,500,000	1,500,000	4,500,000
Don't Mess with Croydon - Investment	2,160,000	2,160,000	160,000	4,480,000
Fairfield Halls	3,000,000	4,000,000	5,000,000	12,000,000
Highways	6,000,000	5,000,000	5,000,000	16,000,000
New Addington Regeneration	670,000	7,830,000	8,500,000	17,000,000
Connected Croydon	7,428,919			7,428,919
TFL - LIP	3,336,000	3,336,000	3,336,000	10,008,000
Measures to mitigate travellers in parks and open spaces - funded through New Admin Priorities Reserve	233,000			233,000
Thornton Heath Public Realm	264,000	2,158,000		2,422,000
Old Ashburton Library	500,000			500,000
Ward Based Programme	120,000			120,000
General Fund	115,500,517	85,337,348	65,246,000	266,083,865

Description	Budget 2015/16	Budget 2016/17	Budget 2017/18	Total
	£	£	£	£
Assisted Private Purchase Scheme (APPS)	500,000	500,000	500,000	1,500,000
Special Transfer Payments	250,000	250,000	250,000	750,000
Larger Homes	100,000	100,000	100,000	300,000
New Build Council Housing	10,000,000	6,000,000	6,000,000	22,000,000
Sub-Total	10,850,000	6,850,000	6,850,000	24,550,000
Repair and Improvements	29,771,000	29,771,000	29,771,000	89,313,000
HRA	40,621,000	36,621,000	36,621,000	113,863,000

TOTAL CAPITAL EXPENDITURE	156,121,517	121,958,348	101,867,000	379,946,865
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Appendix C

Funding	Budget 2015/16	Budget 2016/17	Budget 2017/18	Total
Capital Receipts	10,200,000	7,000,000		17,200,000
Targeted Basic Needs	11,547,982	-	-	11,547,982
Basic Need Funding	22,939,064	32,982,648	32,000,000	87,921,712
TFL	3,336,000	3,336,000	3,336,000	10,008,000
NHB	500,000	500,000	500,000	1,500,000
NHB - Top slice	264,000	2,158,000	-	2,422,000
Earmarked reserve contribution	233,000	-	-	233,000
Better Care Fund	900,000	900,000	900,000	2,700,000
GLA	4,353,919	-	-	4,353,919
Borrowing	61,226,552	38,460,700	28,510,000	128,197,252
GENERAL FUND	115,500,517	85,337,348	65,246,000	266,083,865
HRA				
Major Repairs Allowance	17,342,000	17,342,000	17,342,000	52,026,000
HRA - Revenue Contribution	10,186,000	10,186,000	10,186,000	30,558,000
HRA - Use Of Reserves	7,093,000	1,606,000	9,093,000	17,792,000
HRA - Unsupported Borrowing	6,000,000	7,487,000	-	13,487,000
HRA FUNDING	40,621,000	36,621,000	36,621,000	113,863,000
TOTAL FUNDING	156,121,517	121,958,348	101,867,000	379,946,865
UNDER/OVER FUNDING OF PROGRAMME	0	0	0	0

SUMMARY OF REVENUE ESTIMATES - FINANCIAL STRATEGY PLANNING MODEL

SERVICE DEPARTMENT	2015/16 Budget £'m	Estimated 2016/17 Budget £'m	Estimated 2017/18 Budget £'m	Estimated 2018/19 Budget £'m
People	226.381	221.724	216.867	219.667
Place	80.757	78.953	79.570	80.070
Resources	20.730	20.276	20.333	22.033
Corporate Items	9.686	11.696	11.696	11.696
NET EXPENDITURE	337.554	332.649	328.466	333.466
Contribution to provisions for Doubtful Debts	0.180	0.180	0.180	0.180
Interest (Net)	18.422	21.422	25.422	30.922
Deferred Charges	(4.283)	(4.283)	(4.283)	(4.283)
Revenue Expenditure Funded by Capital Under Statute (REFCUS)	(54.045)	(54.045)	(54.045)	(54.045)
Capital Asset Charges Adjustment	(19.836)	(19.836)	(19.836)	(19.836)
Risk Contingency	1.000	1.000	1.000	1.000
Contributions to (from) Earmarked Reserves	2.260	0.000	0.000	0.000
Core Grants	(14.784)	(15.817)	(15.817)	(15.817)
Levies	1.524	1.524	1.524	1.524
Demand Led Service Growth	0.000	5.000	10.000	15.000
Budget Gap Carried Forward	0.000	0.000	(16.538)	(33.332)
Budget Gap	0.000	(16.538)	(16.794)	(22.885)
TOTAL ADJUSTED BUDGET REQUIREMENT	267.992	251.256	239.279	231.894
Financed by:				
Revenue Support Grant	61.367	44.567	29.967	22.582
Business Rates Top Up Grant	32.958	32.958	32.958	32.958
Business Rates Income	34.246	34.246	34.246	34.246
Collection Fund Surplus/Deficit	6.008	3.500	3.500	3.500
Croydon Tax Element	133.413	135.985	138.608	138.608
Greater London Authority Precept Element	33.598	33.598	33.598	33.598
TOTAL COUNCIL TAX REQUIREMENT	167.011	169.583	172.206	172.206

RECOMMENDATIONS FOR COUNCIL TAX REQUIREMENT 2015/16

The Cabinet has considered a report in respect of the level of Council Tax for 2015/16 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 2015/16 Council Tax at Band D for Croydon purposes of £1,171.39 giving an overall Band D charge including the GLA Precept of £1466.39, 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 2015/16 Revenue Budget of £267,992m, a decrease in budget requirement of 4.3%
- (2) Approve the 2015/16 Council Tax Requirement of £133,413m.

Appendix F

Agenda Item 6.1 Cabinet Report 17th February 2015

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)		1,067,422	
(i)	expenditure on Croydon's services, local precepts and levies			
(ii)	allowance for contingencies		1,000	
(iii)	transfer to General Reserves		-	
(iv)	transfer to(from) Earmarked Reserves		2,260	
(v)	transfer from the General Fund from the Collection Fund in respect of prior year deficit on the Collection Fund,		-	1,070,682
	<i>Less</i>			
(B)	Income and other credit items (in Section 31A(3) (a) to (d) of the Act)		787,906	
(i)	Income from services			
(ii)	Transfer to the General Fund from the Collection Fund in respect of prior year surplus on the Collection Fund,		6,008	
(iii)	Income from Government			
	Core Grants	14,784		
	Business Rates Top Up Grant	32,958		
	Business Rates Income	34,246		
	Revenue Support Grant	61,367	143,355	937,269
	<i>Equals</i>			
(C)	The Council Tax Requirement, i.e. the amount by which the expenditure and other charges exceed the income and other credits.*			133,413
	This is (A) above less(B) above (as per Section 31A(4) of the Act)			
Calculation of basic amount of council tax				
(C)	Council Tax Requirement			133,413
	<i>Divided by</i>			
(D)	The Council's Tax base			113,893
	<i>Equals</i>			
(E)	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	£133,413,121.27		

Appendix F
Agenda Item 6.1 Cabinet Report 17th February 2015

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

Council Tax for Croydon for 2015/16	
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 2015/16	
Band A	196.67
Band B	229.44
Band C	262.22
Band D	295.00
Band E	360.56
Band F	426.11
Band G	491.67
Band H	590.00

(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 2015/16 for each of the categories of dwellings shown below:-

Total Council Tax For 2015/16	
Band A	977.60
Band B	1140.52
Band C	1303.46
Band D	1466.39
Band E	1792.26
Band F	2118.12
Band G	2443.99
Band H	2932.78

COUNCIL TAX 2015/16 ANALYSED OVER ALL COUNCIL TAX BANDS

Band	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	Change in Croydon Council Tax £	Change in GLA Precept £	Overall Change £
	Croydon Council Tax £	GLA Precept £	Total Tax £		Croydon Council Tax £	GLA Precept £			
A	780.93	199.33	980.26	780.93	196.67	977.60	0.00	-2.66	-2.66
B	911.08	232.56	1,143.64	911.08	229.44	1,140.52	0.00	-3.12	-3.12
C	1,041.24	265.78	1,307.02	1,041.24	262.22	1,303.46	0.00	-3.56	-3.56
D	1,171.39	299.00	1,470.39	1,171.39	295.00	1,466.39	0.00	-4.00	-4.00
E	1,431.70	365.44	1,797.14	1,431.70	360.56	1,792.26	0.00	-4.88	-4.88
F	1,692.01	431.89	2,123.90	1,692.01	426.11	2,118.12	0.00	-5.78	-5.78
G	1,952.32	498.33	2,450.65	1,952.32	491.67	2,443.99	0.00	-6.66	-6.66
H	2,342.78	598.00	2,940.78	2,342.78	590.00	2,932.78	0.00	-8.00	-8.00

Band D % Change		
Croydon Council Tax	GLA Precept	Overall Increase
0.00%	-1.34%	-0.27%
£0.00	-£4.00	-£4.00

OVERALL CHANGE
-0.27%

Croydon Council 2015/16 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

Housing Revenue Account 2015/16

Appendix H

	Original Budget 2014/15 £,000	Draft Budget 2015/16 £,000	Increase/ (decrease) £,000
<u>EXPENDITURE</u>			
Management - General	22,788	24,775	1,987
Management - Special	13,285	12,721	(564)
Maintenance and Repairs	12,259	12,648	389
Major Repairs Allowance	16,983	17,342	359
Capital Financing	11,911	12,374	463
Revenue Contribution to Capital Outlay	10,186	10,186	0
Provision for Doubtful Debts	1,000	1,000	0
	88,412	91,046	2,634
<u>INCOME</u>			
Dwelling rents and Service Charges	78,595	80,623	2,028
Garage rents	1,312	1,258	(54)
Other Charges	8,501	9,162	661
Interest on Council Mortgages	4	3	(1)
	88,412	91,046	2,634
Working Balance	(5,595)	(10,554)	(4,559)
Contingency Reserve	(3,769)	(3,995)	(226)
Total	(9,364)	(14,549)	(5,185)
Major Repairs Reserve	(470)	(947)	(477)
Grand Total	(9,834)	(15,496)	(5,662)
Average Rent (50 Week year) including unpooled Service Charges	£109.26	£111.66	£2.40
Average Garage Rent	£12.22	£12.49	£0.27
Numbers of properties	13,998	13,922	(76)

Stock Investment - Asset Management

Main Programmes	2015/16
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	2015/16
Carbon Monoxide Detectors	10
Central Heating - Repairs Replacements	400
Change from Storage to Gas Central Heating	30
Central Heating Programmed Replacements	3,800
Communal Boiler Replacement	190
Energy Performance Certificates	50
Thermal Imaging	20
Renewable Energy and Energy Efficiency	32
Central Heating / Energy Efficiency Sub-Total	4,532

Kitchen and Bathroom Programmes £000s	2015/16
Kitchen and Bathroom Extensions	600
Installation of Wet Rooms (Special Sheltered Homes)	100
Kitchen and Bathroom Refurbishment	7,100
Kitchen and Bathrooms Sub-Total	7,800

Security Programmes £000s	2015/16
Door Entry Installation to Blocks	750
Individual Security Doors Installation	450
Security Sub-Total	1,200

Other Programmes £000s	2015/16
Asbestos Strategy – Removal	300
Major External Building Works	300
Windows	1,850
Roofs	500
External Painting	3,750
Supported Decorations Scheme	250
Communal Flooring	250
Garages - Refurbishment and Demolition	50
Lift Refurbishment	1,750
Major Adaptations	1,000
Regulatory Reform Order (Fire Safety)	500
Rewiring	1,800
Smoke alarm replacement	400
Subsidence - Expenditure	215
Support Costs	2,000
Other Programmes Sub-Total	14,915

Miscellaneous Programmes £000s	2015/16
Apex Development	55
Door Entry Replacements	60
Health and Safety Works	100
Fire Damage Works	30
Inspection & Maintenance of Playgrounds & Equipment	19
Lift Motor Room Improvements	30
Major Ad Hoc Works (incl Major Works Voids)	400
Minor Ad Hoc Adaptations - New Tenants	10
Minor Estate Improvements	75
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)	200
Miscellaneous Programmes Sub-Total	1,324

Revenue Programme

Cyclical Works £000s	2015/16
Booster Pump Servicing	8
Regular Maintenance of Door Entry IT Equipment & Software.	12
Cladding Cleaning - Wates Blocks	35
Fire Protection	108
Legionella Assessments & Risk Assessments	150
Repair & Maintenance of Lifts	65
Servicing of Communal Boilers & Plant	45
Servicing of Disabled Adaptations	10
Servicing of Gas Appliances & Gas Soundness Testing	406
Test & Inspect Communal Areas to Blocks	20
Test & Inspect Electrical Circuits	100
Test & Inspect Lightening Conductors	10
Warden alarms	25
Cyclical Works Programmes Sub-Total	994

Appendix J

Heating Charges From April 2015 (per week)

Scheme	Accommodation	2014/15	2015/16	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

Croydon Council

Pay Policy Statement 2015-16

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 2015-16 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 the Appointments 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 Appointments Committee the functions of voting respectively on salary packages upon appointment of staff and, where the Appointments 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, all remuneration paid to officers will comply with this policy for the 2015-16 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 that are excluded from this statement.

2. Pay structure

- 2.1. The Council uses a combination of locally and nationally determined pay structures for its workforce.

- a) The pay and grading structures, including basic pay, for the Chief Executive and Head of Paid Service, Executive Directors, Directors and posts graded CSR A and CSR B are 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. Other than for the Chief Executive and Head of Paid Service, Executive Directors and Directors, 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.

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 senior staff reporting to Directors. 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 are paid on a spot salary of £150,00; there is no incremental progression
 - c) Directors are placed on a spot salary of one of four pay reference points; there is no incremental progression.
 - d) Senior staff reporting to Directors are placed on a grade determined by an evaluation of their post using the Hay job evaluation scheme (for posts graded, 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 1.

- 3.2. In 1999 the Council agreed that the remuneration of employees on Chief Officers grades should 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 remained payable to those who were

already receiving the allowance at that time. The allowance is being removed and is to be phased out during the course of 2015-16.

- 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. In establishing market rates, the Council will 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 does not apply any bonuses or performance payments to its Chief Executive or Chief Officers. In addition to the basic pay set out in 3.1 above, elements of “additional pay”, other than those that constitute re-imbursement of expenses incurred during the fulfilment of duties, are set out below¹:
- a) Where the Council is unable to recruit or retain employees in a post at its designated grade, it will consider the use of market supplements as approved by the Director of Human Resources and Chief Executive with such payments being subject to periodic review. Market supplements will not exceed 10% of the pay reference point for the employee.
 - b) A compulsory car allowance may be made to authorised car users at all levels of the workforce other than to Chief Executive, Executive Directors or Directors. 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 1. .
 - c) 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 as delegated to a committee.
 - d) From time to time the Council will consider making additional payments, as approved by the Director of Human Resources, to Chief Officers who undertake additional and/or higher level responsibilities for example when covering the duties of a vacant Chief Officer post. Such payments are subject to periodic review.

¹ Payments made to some public health employees who receive contractually protected NHS terms and conditions as determined by their previous employer are not listed.

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 and approved by Director of Human Resources. This principle applies to the appointment of Chief Officers on grades subject to incremental progression, where Executive Directors or the Chief Executive may authorise appointment on a spinal point other than the bottom one with approval of the Director of Human Resources.
- 3.6. In very rare circumstances and subject to approval of the Director of Human Resources 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 2.
- 3.7. In accordance with the delegations agreed by Full Council the Appointments Committee is 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 3). 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 Human Resources 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 the Appointments 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 Appointments Committee the functions of voting respectively on salary packages upon appointment of staff and, where the Appointments 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, the Appointments Committee will 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 will vote 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. Such retirement is on the basis that there is no cost to the Council. The pension of employees retiring before their normal retirement age is subject to an actuarial reduction as allowed for under the Local Government Pension Scheme Regulations, to reflect the financial impact on the pension fund by the employee's early retirement.

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, in accordance with the minimum grade of 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 Council has agreed that it will pay the London Living Wage as its minimum rate of pay. With effect from 1 April 2015 the full-time equivalent annual pay of the lowest paid employee will £17,175 which equates to an hourly rate of pay of £9.15 (the current London Living Wage).

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 evaluated level of responsibilities of the post 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:

- 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 1:4
- The multiple between the median pay and the chief executive and head of paid service's pay is a ratio of 1:7
- 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 Group Recruitment Partnership) or other approved third party providers including through the Council's neutral vendor framework (Comensura).

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 Officers 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
Director	£525 - £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)

Post	Reference Point	Spot Salary (Indicative)
Chief Executive	Single	£180,000
Executive Director	Single	£150,000
Director	D4	£125,000
	D3	£115,000
	D2	£105,000
	D1	£95,000

Grade	Scp	Salary
Croydon Special Range A	1	£58,173
	2	£60,150
	3	£62,127
	4	£64,095
	5	£66,078
Croydon Special Range B	6	£73,431
	7	£75,846
	8	£78,261
	9	£80,673

Grade	Scp	Salary
Grade 16	51	£47,535
	52	£48,477
	53	£49,452
Grade 17	55	£52,425
	56	£53,406
	57	£54,402

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

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 Human Resources 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 in respect of redundancy and early retirement in the interests of the efficiency of the service is at the Council's discretion 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.

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 4.
- 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 Assistant Chief Executive (Corporate Resources and Section 151 Officer) in consultation with the Director of Human Resources 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. 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

“Ready Reckoner” For Statutory Redundancy Pay

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.

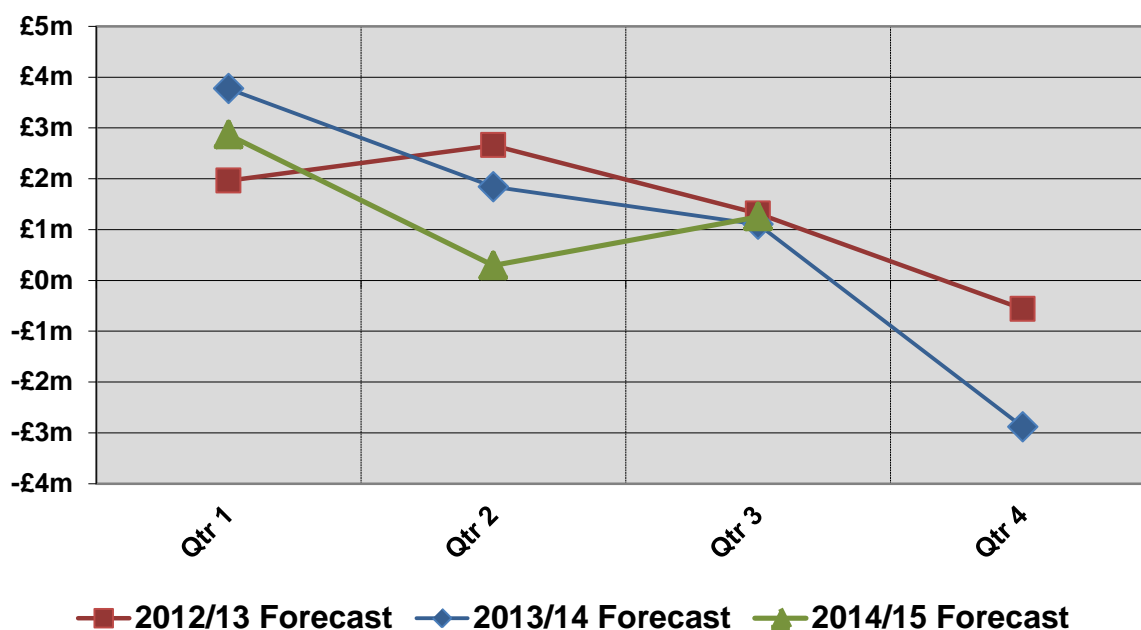
Notes:

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.

2014/15 FINANCIAL PERFORMANCE – Quarter 3**1 EXECUTIVE SUMMARY**

- 1.1 This report summarises the Council's financial performance and related operational performance indicators as at the quarter ending December 2014. It details the projected outturn position.
- 1.2 The detailed information is set out in the following:-
 Appendix 1 - Summary of outturn by division
 Appendix 2 - Departmental revenue variations
 Appendix 3 - Capital variations
- 1.3 The forecast overspend is comparable to the last two years and is detailed below.

Comparison of Council Forecast Outturn 2012/13 to 2014/15

- 1.4 The areas of departmental overspend are going to be fully taken into account in the budget process, to ensure that the starting point for 2015/16 is as robust as possible.

2 GENERAL FUND REVENUE SUMMARY**2.1 Revenue Summary**

- 2.1.1 The forecast at the end of Quarter 3 2014/15 is an overspend of **£1.253m**. The key elements of this position are shown in Table 1, with the divisional revenue summaries in Appendix 1, explanation of variances for departments in Appendix 2. Departmental forecasts contain a number of actions planned in order to reduce overspends.

2.1.2 Within Corporate items there is;-

- i. A **£2.100m** projected underspend on interest payable and MRP. This reflects the lower than budgeted capital spend with a resulting lower borrowing requirement and also the profile and interest of our borrowing.
- ii. A **£0.700m** over-achievement of income on the agency staff contract is included in the forecast.
- iii. An additional **£3.100m** of unringfenced Government Grants.
- iv. A Contingency budget of **£1.000m**.

2.1.3 The main areas of projected overspend in People, which has an overall projected overspend of £7.7m, are as follows:-

Children, Families & Learning

- a) Placement costs for Looked after Children £3.0m. The service is currently forecasting providing fostering placements for 53 more children than budgeted for. Work is being undertaken to review and negotiate external placement costs.
- b) Increased staff costs of £0.8m Agency Premium fees due to vacant posts being filled by more costly agency workers.
- c) SEN transport costs are projected to be £2.0m over budget due to increased contract costs following the collapse of a provider and an increase in demand for the services provided. The contract will be re-procured later in the year and it is anticipated that contract costs will reduce but at this stage these are unknown so have not been factored in to the outturn figures.

Adult Social Care

- a) Care Package costs are £3.5m above budget due to a continuing high demand for these services. Work is under way to negotiate with providers to reduce placement costs and where these negotiations have been concluded this saving has been factored in to the outturn. There are also on-going negotiations taking place so this could reduce further the overspend.
- b) The growth in demand for safeguarding referrals has resulted in a need to employ additional locums at a cost of £0.6m

2.1.4 The main areas of projected overspend in Place, which has an overall projected overspend of £2.2m, are as follows:-

- a) Increase in the tonnages of waste going to landfill of £495k and a shortfall in Trade Waste income of £356k. Both a review of trade waste and investigations into the ongoing waste position are underway.
- b) There is a shortfall of £659k in the Pay and Display Income.
- c) Temporary accommodation costs of £1.2m. Whilst there has been no increase in the average number of people presenting as homeless, there is a pressure on finding suitable alternative accommodation so people are remaining in expensive temporary accommodation for longer. The number of units required has increased from 467 per night in April to 662 in December and is predicted that this number will continue to increase by a net 10 per month for the remainder of the year to reach 692 units. New accommodation currently being procured becomes available, from January and this has been factored into the forecast.

Action plans to tackle the residual pressures are being developed

2.1.5 The main areas of projected underspend in Resources, which has an overall projected overspend of £2.2m, are as follows:-

- a) An increase in the number of searches compared to budget resulting in extra Land Charges income of £500k
- b) Housing Benefit Income £800k – this denotes net income generated to the Council after Subsidy loss due to overpayment of benefits.
- c) Service credits of £460k from the Council's new ITC contract.

2.1.6 A number of the key overspend areas relate to demand led budgets that have been under significant pressure for at least 18 months. A process has been put in place to provide more assurance on the longer term position in relation to these areas and to ensure both Cabinet member and senior officer focus.

2.1.7 The key budget variations resulting in this position is shown below in table 1:-

Table 1 Summary of Revenue Outturn Forecasts

DEPARTMENT/ Division	Major Variances > £500k	Departmental Forecast	
		Qtr 3 £'000	Qtr 2 £'000
PEOPLE DEPARTMENT			
Commissioning - Adults	Mental Health - Staffing and care packages	303	558
Personal Support - Adults	Assessment and Case Management and Social Work and Safeguarding Care Packages	3,484	1,783
	Social Work and Safeguarding - additional locums to assist with current growth demands.	592	222
Social Care & Family Support - Childrens	Fostering Placements - demand for placements above budgeted levels	1,940	2,172
	Staffing - Agency Premium to be paid for posts being covered by Agency staff	574	501
Learning & Inclusion	SEN Transport - Increased demand and contract changes	1,973	1,758
	SEN Strategy & Planning	(1,372)	(414)
	Special Education Needs - Placements	1,178	(6)
PEOPLE Total		7,669	5,476
PLACE DEPARTMENT			
Environment	Parking Services - Additional Suspensions Income due to increase in works	659	824
Housing Needs and Strategy	Housing Solutions - Bed & Breakfast and Temporary Accommodation - increase in the numbers of homeless persons and lack of suitable alternative accommodation	1,218	1,280
PLACE Total		2,182	2,808
RESOURCES DEPARTMENT			
Customer Services & Communications	Land Charges - additional income estimate	(500)	(500)
	Housing Benefit	(800)	(800)
RESOURCES Total		(1,698)	(1,590)
CORPORATE ITEMS			
Interest Payable		(2,100)	(2,000)
Use of Contingency		(1,000)	(1,000)
Additional grant income		(3,100)	(2,700)
Agency Staff Contract		(700)	(700)
Corporate Items Total		(6,900)	(6,400)
TOTAL		1,253	294

2.2 New Administration Priorities Reserve

2.2.1 As reported in the July Financial Review to Cabinet, the £2.886m surplus from 2013/14 has been put into an earmarked reserve to support the new administration's priorities.

2.2.2 To date, some £1.8m of this reserve has been allocated to specific initiatives.

2.2.3 The principal allocations are:-

- Clean & Green / Don't Mess with Croydon (£744k)
- Measures to mitigate travellers in parks and open spaces (£266k)
- Fairness Commission (£200k)
- Festivals (£150k)
- Upper Norwood Joint Library (£133k)
- New Addington initiatives (£140k)

2.2.4 In addition, this fund has been used to deliver on:-

- CCTV Queens Gardens
- Webcasting for cabinet and council
- Free Swimming
- Reversal of Arnhem saving
- Cycling
- Play Streets
- School Crossing Patrols
- Ashburton Park initial works
- Pilot on one hour free parking in district centres

3.3 Virements

3.3.1 There are no virements requiring Cabinet approval.

4 HOUSING REVENUE ACCOUNT (HRA)

4.1 The forecast for the HRA is a surplus of **£3.512m**. The HRA needs to maintain an appropriate level of revenue balances to maintain financial stability and to mitigate any potential future risk. In line with the policy for the General Fund this was set to increase to a minimum of 5% over the period of the financial strategy. This was achieved in 2012/13 and is held in the Contingency Reserve detailed in Table 3 below. The current balance of **£3.995m** represents 5% of the budgeted HRA income for 2014/15 and will be increased each year to ensure that the balance is maintained at 5% of income. The current and proposed reserves are detailed in table 3:-

Table 3 – HRA Reserves

HRA	Balance at 01 Apr 2014 £m	Capital Funding 2014/15 £m	HRA Forecast Outturn 2014/15 £m	Balance at 31 Mar 2015 £m
Working Balance	(7.042)	-	(3.512)	(10.554)
Housing Repairs Fund	0.000	-	(0.000)	-
Contingency Reserve	(3.769)	-	(0.226)	(3.995)
Total	(10.811)	-	(3.738)	(14.549)
Major Repairs Reserve	(0.947)	-	-	(0.947)
Total	(11.758)	-	(3.738)	(15.496)

4.2 The council's HRA rent collection performance was very good to the end of December with an actual collection rate of 99.3% against a target of 98.2%. It should be noted, however, that the rate is slightly distorted due to the first two rent free weeks of the current year and the two weeks over Christmas (rent is collected over 50 weeks giving tenants a two week break over Christmas). The comparable

collection rate for December 2013 was 99.1%. As per previous months, there are continued extenuating factors affecting the collection performance. The introduction of the welfare reforms limiting payments to tenants under occupying properties combined with the benefit cap has resulted in an increase in arrears although directly affected tenants are receiving household resilience support to enable them maintain their current tenancies. The table 4 below shows the cumulative position.

Table 4 – Rent Collection Rates as at 31st December 2014

	Target	Actual	Variance (%)
Rent Collection Rate	98.2%	99.3%	1.1%
Rent Collection Amount	£65.88m	£65.40m	£0.48m
Target	98.2%		
Performance 2013/14	99.0%		

5 Forecast Capital Outturn Summary for 2014/15

- 5.1 The Capital programme for 2014/15 remains categorised by the 3 themes identified in the capital strategy. The 3 themes are:
- i. Transforming our Place
 - ii. Transforming our Services
 - iii. Managing our Assets
- 5.2 Table 4 shows the revisions to the capital programme since the Qtr 2 report to Cabinet in December 2014.

Table 4 – Revision to the Capital Programme Budget

Description	2014/15 £'000
Quarter 2 (As reported to Cabinet in December 2014)	233,825
Additions	
None	
Revised Programme	233,825

- 5.3 Based on all funding sources available, projects are currently forecasting spend of £197,649m compared with the revised budget of £233,825m, a variance of £36,176m, this is made up of £32,447m of slippage and £3,729m of underspends.
- 5.4 A summary of the forecast capital spend and variances are shown in table 5, with details of any variances over a £100k shown in Appendix 3. At Qtr 3 it is anticipated that 84% of the revised budget will be spent by the end of 2014/15.
- 5.5 Detailed project by project analysis has been undertaken and potential pressures have been identified in relation to the Connected Croydon programme, West Croydon Interchange and the Wellesley Road projects, some of this are still in the delivery phase. This will impact in 2014/15 and/or 2015/16 dependent on delivery. Work is underway to try and identify external funding streams for these projects. A contingency sum of £2m is being put into the programme to cover the delivery of the programme and a further details will be brought back to Cabinet in the July Review where Quarter 1 for the 2015/16 programme will be reported.

Table 5 – Summary of forecast Capital spending in 2014/15

Original 2014/15 Budget £'000s	Capital Programme Themes	Slippage £'000s	Revised Budget - at Q3 exc slippage £'000s	revised budget at Q3 inc slippage £'000s	Spend to date £'000s	Forecast Outturn £'000s	Total variance £'000s	RAG	Forecast Slippage to 2015/16 £'000s	Forecast under / over spend £'000s
32,973	Transforming our Place	11,320	20,085	31,405	15,341	30,016	-1,389	G	-1,389	0
119,297	Improving our Assets	26,530	97,516	124,046	40,784	98,529	-25,517	G	-23,000	-2,516
26,918	Transforming our Services	6,917	27,485	34,402	10,578	31,132	-3,271	G	-2,057	-1,213
179,187	Sub Total - General Fund	44,767	145,086	189,853	66,703	159,677	-30,176		-26,447	-3,729
40,504	HRA	3,468	40,504	43,972	10,031	37,972	-6,000	G	-6,000	0
219,691	Total	48,235	185,590	233,825	76,734	197,649	-36,176		-32,447	-3,729

5.6 The GLA has agreed, in principle, to provide an additional £1m to the West Croydon scheme which would limit the Council's liability and enable the full range of works to be delivered.

6 FINANCIAL MANAGEMENT

6.1 Council Tax & NNDR

6.2 The amount collectable for council tax stands at £3.2m up on last year as a result of the discount reviews carried out and new properties brought into the billing. The current outturn position is still in excess of last year's final result although and we will continue to monitor this closely.

6.3 Performance is slightly better this month against last and this is in line with the instalment profile. The forecast outturn for the year is positive as a result of many more customers paying over 12 months compared to paying over 10 months last year, including 12 of the 20 largest payers. Recovery action remains robust and the team are working through all cases at summons stage to ensure we are taking the most appropriate enforcement route to collect before the end of the year.

Table 7 - Council Tax and National Non Domestic Rates collection at 31st December 2014.

Collection	Year to Date			
	Month End Target	Actual	Last Year Actual	Variation on Last Year
CTAX	82.86%	82.27%	82.04%	0.23%
NNDR	86.57%	82.58%	85.97%	(3.39%)

7 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 7.1 The report is submitted by the Director of Finance & Assets and Section 151 Officer.

Summary outturn by Division

Appendix 1

Department	Division	Outturn Forecast Qtr 3			Position to date			RAG
		Budget	Forecast	Forecast variance	Budget to date	Accrued spend to date	Variance to date	
		£m	£m	£m	£m	£m	£m	
PEOPLE	Commissioning - Adults	47.442	47.486	0.044	35.581	35.831	0.250	R
	Personal Support - Adult	55.611	59.355	3.745	41.707	45.867	4.160	R
	Childrens Social Care & Family Support	50.501	52.347	1.846	37.875	3.394	(34.480)	R
	Learning & Inclusion	83.441	85.107	1.666	62.580	51.250	(11.330)	R
	Community & Support Services	8.145	8.271	0.126	6.108	4.046	(2.062)	R
	Directorate - Adults	(0.302)	(0.544)	(0.242)	(0.227)	(0.408)	(0.182)	G
	Central Services - Childrens	7.385	7.871	0.486	5.539	5.407	(0.132)	R
	Total People	252.223	259.893	7.670	189.164	145.389	(43.776)	
PLACE	Environment	62.754	63.797	1.043	31.202	31.984	0.782	R
	Planning	3.326	3.205	(0.121)	2.452	2.361	(0.091)	G
	Regeneration	3.282	3.293	0.011	3.161	3.169	0.008	R
	Housing Management	(0.045)	(0.052)	(0.007)	(0.034)	(0.039)	(0.006)	G
	Housing Needs & Strategy	8.819	10.074	1.254	6.614	5.674	(0.941)	R
	Directorate	(0.042)	(0.040)	0.002	1.071	1.073	0.002	R
	Total Place	78.094	80.276	2.182	44.466	44.220	(0.245)	

Department	Division	Outturn Forecast position			Position to date			RAG
		Budget	Forecast	Forecast variance before recovery plans	Budget to date	Accrued spend to date	Variance to date	
		£m	£m	£m	£m	£m	£m	
RESOURCES	Democratic & Legal	2.806	2.806	-	2.213	2.213	-	G
	HR	(0.785)	(0.967)	(0.182)	(1.302)	(1.439)	(0.137)	G
	Equalities & Community Relations	-	-	-	-	-	-	G
	Voluntary Sector Funding	1.236	1.236	-	0.929	0.929	-	G
	Chief Executive's Office	0.376	0.398	0.022	0.299	0.315	0.017	R
	Finance & Assets	10.172	10.392	0.220	2.844	3.009	0.165	R
	Customer Services & Comms	13.573	12.009	(1.564)	5.557	4.384	(1.173)	G
	Concessionary Fares	14.714	14.730	0.016	11.036	11.048	0.012	R
	Strategy, Commissioning, Procurement & Performance	(2.058)	(2.268)	(0.210)	(2.738)	(2.896)	(0.158)	G
	Corporate Services	(0.056)	(0.056)	-	(0.111)	(0.111)	-	G
	Public Health	-	-	-	(0.000)	(1.781)	(1.781)	G
	Total Resources	39.978	38.280	(1.698)	18.726	15.671	(3.055)	
Total All Departments		370.295	378.449	8.153	252.356	205.280	(47.076)	

HRA Summary

Department	Division	Outturn Forecast position			Position to date			RAG
		Budget	Forecast	Forecast variance before recovery plans	Budget to date	Spent to date	Variance to date	
		£m	£m	£m	£m	£m	£m	
Housing Revenue Account	Croydon Landlord Services	(13.756)	(16.686)	(2.930)	(41.882)	(44.079)	(2.197)	G
	Needs & Strategy	4.971	5.003	0.032	2.991	2.966	(0.024)	R
	Resources Section	8.785	8.170	(0.615)	0.464	0.003	(0.461)	G
	Total HRA	-	(3.512)	(3.512)	(38.427)	(41.110)	(2.683)	

DEPARTMENTAL REVENUE VARIATIONS

Appendix 2

PEOPLE DEPARTMENT

Division	Explanation of variance and movement from previous month	Qtr 3 Variance (£000)	Divisional Total (£000)	Qtr 2 Variance (£000)
Commissioning - Adults	<p>Mental Health Services</p> <p>The overspend pressures fall into two main areas:</p> <p>(a) Staffing: A successful recruitment campaign and careful oversight should lead to the staffing budget breaking even at the end of this financial year.</p> <p>(b) Care Packages: Despite rigorous scrutiny at director level of individual residential placement requests there continues to be a significant projected overspend in this area. We are continuously reviewing our in-house processes to maximise our efficiencies and focus on preventing the need for the more expensive forms of care and support. A third of MH clients are over 65 with a significant proportion over 75. Recent years have seen unusually low mortality rate in clients of natural causes, however this year we have lost 8 clients with a net effect of £76K. In addition the success of commercial negotiations has resulted in providers able to provide the same level of service for the same cost as last year. This has released a further £126K.</p>	303		558
	<p>Specialist Services</p> <p>No Recourse to Public Funds - Current forecast is based on 61 families and 55 adults.</p> <p>The underspend for this area is based on the following factors:</p> <ol style="list-style-type: none"> 1. Funding from the Home Office to support households whom are eligible for joint funding. 2. Determined effort to ensure that clients immigration status is resolved by UKBA as quickly as possible. 3. Where providers have been over paid due to changes in services outstanding funds have been reclaimed. <p>The Change is due to the Contribution to Mental Health increasing.</p> <p>Social Inclusion Commissioning (-£71K) - HIV Project being completely funded by Public Health.</p>	(181)		(197)

Commissioning – Adults (cont'd)	Professional Standards: Operational - A recent High Court judgement in addition to the rising demand for safeguarding interventions has resulted in increased demands for both Safeguarding Boards and doctor provided best interest assessments. Subsequently the influx of cases has not been quite as high as expected in the current year. In addition, funding of £25k for advocacy services has been received thus reducing the service overspend.	-		70
	Joint Commissioning Learning Disabilities: Joint Commissioning Management: - Savings in Staffing due to Black Minority and Ethnic Development post being held vacant, the increase is due two post holders on secondment and the back fill not yet in place. There is also unused agency budget as, the Post of Senior Joint commissioning manager now filled. Because the above post was only filled mid-year a number of projects which had been planned did not start as early as had been expected.	(158)		(114)
	Commissioning Vulnerable Adults: Supporting People - The 3 year programme of contract re-negotiation for Supporting People has been more successful and provided savings earlier than anticipated. It has also been possible to change suppliers in some cases to take advantage of the re-negotiations.	(117)		(115)
	Commissioning Older People & Physical Disability The overspend is due to: 1. Care UK Contract: Due to shortfall in client contribution income, this area is predicting an overspend IRO £146k 2. Equipment budget: The Croydon Health Service contribution to the Pooled Budget for Community Equipment has been reduced from £957k previously provided to £589k. Negotiations around this issue continue with Croydon Commissioning Group and Croydon Health Service.	464		(34)
	Directorate: Vacancies held open full year. Also Re-charges to CCG of Salary	(119)		(44)
	Other minor variances < £100k	(148)	44	(131)

Personal Support - Adults	Assessment and Case Management and Social Work and Safeguarding Care Packages - this is the primary area of the Department's expenditure. Expenditure remains similar to last year with high demand for services continuing. This figure includes an additional £400K from the Department of Health for winter pressures care packages. The movement from the last quarter to this one is due to an additional forecast of £100k for Learning Disability transport, 31 additional care packages for Learning Disability Supported Living totalling £732k, the continuing pressure on Domiciliary Care budgets due to increased numbers of very frail older people being discharged from acute hospital, and the impact of Ordinary Residence cases where Croydon has needed to accept responsibility for people living in the borough. This has been partially offset by additional care package income and a reduction in the forecast for nursing and residential care packages.	3,484		1,783
	Social Work & Safeguarding Social Work Teams - Although there was a huge recruitment drive in the summer, the increase in forecast relates to locums who haven't yet been replaced by permanent staff. The service has also needed to employ additional locums to assist with the continuing growth in demand for and complexity of safeguarding referrals and investigations and in responding to the needs of vulnerable adults with complex needs, including people discharged from prison.	592		222
	Professional Standards: Operational - A High Court judgement in March 2014 has resulted nationally in increased demand for DOLS assessments to be completed by trained BIA assessors and the need to commission additional BIA assessments and reports from S12 doctors. This additional activity (from 46 DOLS assessments in 2013/14 to over 300 so far this year) is resulting in budget pressures in 2014/15 but a growth bid has been agreed to cover the increased activity from April 2015 onwards. The grant received by the service to cover the advocacy contract is not sufficient. This will be addressed in 2015/16 since the commissioning of advocacy is being addressed in the Care Act implementation programme.	197		-
	Early Interventions & Reablement Occupational Therapy Pooled Budget - under spend due to staff vacancies on the Pooled Budget and the forecast reflects latest position from our health partners.	(141)		(150)

Personal Support – Adults (cont'd)	Early Interventions & Reablement - an underspend of £75k was reported as a minor variance last quarter. The increase in the underspend is due to staff vacancies in the area.	(175)		-
	Mental Health Older Adults Day Services - the under spend is mainly due to higher levels of income expected than in budget figures. The movement between the two quarters reflects commitments that have been removed in order to offset overspend of division.	(296)		(156)
	Assessment & Case Management - The total number of staff engaged in the service is correct as per establishment, however this includes 20 locums which is the main reason for the significant increase in the forecast between quarters. There has also been an increase in the forecast expenditure for legal costs of approximately £88k which was not anticipated last quarter, as well as a team of three locum staff focused on ensuring that outstanding Ordinary Residence cases are completed within this financial year.	107		(96)
	Sheltered Housing - the under spend is mainly due to budgeted contract costs for the CarelinePlus service where the contracts are no longer applicable.	(108)		(98)
	Other minor variances < £100k	84	3,744	(374)
Directorate - Adults		-		-
		-		-
	Other minor variances < £100k	(242)	(242)	(30)

Childrens Social Care & Family Support				
Children in Need Service				
Head Of Service Children In Need	<p>The variance is due to:</p> <ol style="list-style-type: none"> 1) (£197k) Less demand on residential placement and paying a lower contact rates after the re-commissioning. 2) £436k anticipated pressure on care and court proceedings budget based on previous years trend and expected increase in number and level of complexity of care proceeding as a result of implementing the placement strategy of 'looking after the right children'. 3) £118k Net additional spend on staffing 4) £91k additional spend on NRTPF and Bed and Breakfast 5) £45k increase in spend on printing, stationery and advertising expenses 6) (£35) less spend on Therapeutic Services 7) (£183) less spend St Mary's SLA due to cessation of service because the assessments are commissioned differently. 8) (£136) Increase in Asylum Seekers income to reflect the full costs 9) (£200k) Optimisation of funding streams available to improve the emotional wellbeing of LAC resulting in efficiencies and increased income. <p>The movement is due to:</p> <ol style="list-style-type: none"> 1) (£183k) reduction in forecast spend on Contact and Family Assessment 2) £18k increase on the legal cost reflecting the work being undertaken by the division. 3) £79k additional spend on NRTPF and Bed and Breakfast 4) £34k increase in spend on printing, stationery and other miscellaneous expenses 5) £105k Net additional spend on staffing. This includes additional spend on Frontline services 6) (£35) less spend on Therapeutic Services 7) (£183) less spend St Mary's SLA due to cessation of service 8) (£200k) additional income from Health 	(61)		304

<p>Services For Children With Disabilities</p>	<p>The variance is due to:</p> <ol style="list-style-type: none"> 1) (£63k) Cessation of funding to Croydon Opportunity Play Group as the commissioned work through the Voluntary Organisation is fully funded by the Early Yeas Dedicated Schools Grant. 2) £21k Net increase in the overall forecast for placement and Family Support due to an increase in demand for Direct Payments. 3) (£82k) net reduction in forecast spend on staffing due to staff vacancies 4) £17k additional spend on printing, stationery and other miscellaneous expenses 5) £4k other minor variances <p>The movement is due to:</p> <ol style="list-style-type: none"> 1) £142k additional spend on Family Support 2) (£1k) reduction in spend on transport / car allowances 3) (£22k) net reduction in forecast spend on staffing due to staff vacancies 4) £9k additional spend on printing, stationery and other miscellaneous expenses 5) £4k other minor variances 	<p>(105)</p>		<p>(237)</p>
<p>Assessment And Care Planning</p>	<p>The variance is due to:</p> <ol style="list-style-type: none"> 1) £839k Agency Premium to be paid for posts being covered by Agency staff. With an average agency premium rate of £21k, this equates to 39 FTEs (originally 61 posts).The forecast is based on the timing of planned recruitment exercise by the service and anticipated start dates of permanent appointees. 3) £20k additional spend on translation services 4) (£21k) reduction in spend on transport / car allowances 5) £43k increase in spend on printing, mobile phones, stationery, equipment purchase and other miscellaneous expenses 6) (£307k) Increase in the notional charge funded by UASC grant. The number of Unaccompanied Asylum seeking children has increased but the Council has been efficient in its use of resources resulting in a relatively less additional costs compared with the funding receivable. <p>The movement is due to:</p> <ol style="list-style-type: none"> 1) £348k Realigning the agency costs to the correct service has resulted to an increase in CIN cost which was being coded to other service areas. EISS has the corresponding underspend. 2) £43k additional spend on printing, mobile phones, stationery, equipment purchase and other miscellaneous expenses. 3) (£11k) reduction in spend on transport / car allowances 	<p>574</p>		<p>194</p>

Looked After Children			
In-House Fostering Service	<p>The variance is due to:</p> <ol style="list-style-type: none"> 1) £101k the placement strategy is to have more children with in-house carers so we will continue to see an increase in in-house placements which will eventually be funded by the savings from external placement episodes. 2) £284k ongoing increase agency premium which is associated with placements as a result of increase in demand 3) £46k Resource to support Fostering transformation 4) (£197k) Increase in Asylum recharges income 5) £4k other minor cost <p>The reasons for the movements are:</p> <ol style="list-style-type: none"> 1) (£183k) Reduction in the In-house forecast as a result of children turning 18 and not being replaced. 	238	421
Adoption And Special Guardianship Service	<p>The variance is due to:</p> <ol style="list-style-type: none"> 1) £165k Increased Adoption allowance paid for 16 additional children at an weekly rate of £199. 2) £325k Expected increase in Special Guardianship allowance to be paid due to the increase of 34 children at an average weekly rate of £186. 3) (£77k) Anticipated decrease in Residence Order payments as a result of decrease in demand. 4) (£300k) Use of the Adoption grant to cover the increase in demand 5) £38k Agency premium due to demand in service. 6) £171k 2013/14 accrued income not materialised yet. The income is still being chased and may be received but it is uncertain. <p>The movement of £24k is a result of the increase in adoption allowance payments</p>	322	298

<p>Leaving Care Service (18 plus Looked After Children)</p>	<p>The variance is due to:</p> <ol style="list-style-type: none"> 1) £388k forecast on accommodation for young people with no recourse to public funds due to delays in deportation and the increasing number of young people being granted discretionary leave to remain with no recourse to public funds 2) £490k Leaving Care Asylum recharges. The service has now picked up the notional charges for care leavers 3) (£15k) Housing Benefit Income from eligible care leavers 4) (£144k) Projected underspend on employee cost due to vacancies. 5) £8k other minor changes. 6) (£400k) Contribution from Earmarked Reserves. <p>The movement increase in pressure of £166k is a result of realigning the costs of care leavers against this services area.</p>	<p>342</p>		<p>345</p>
<p>Permanence Service 2 (Non UASC)</p>	<p>The variance is due to:</p> <ol style="list-style-type: none"> 1) £1,702k The Independent Fostering agency (IFA) placement budget was for 83 children at a weekly rate of £843. We are currently forecasting for 136 children to be in placement by the end of the year, which is 53 above the budget at an average rate of £843 per week. 2) (£120k) Uncommitted Secure placements budget at the end of period 9. The current budget is for 14 young people to be in secure remand and welfare accommodations. The budgeted rate is over £4k per week. The service has been successful in negotiation rates down or using more cost effective secure units which has led to a reduced unit rate of circa £2k. So although we have had 21 placements since April, the Unit rate savings has led to the forecasted underspend. 3) £226k forecasted overspend on external residential placements budgets. 4) (£62k) decrease in spend on contact facilitation. 5) £327k forecasted overspend on semi-independent placements budgets relates to an increase in actual average unit rate and an additional 3 children above the budgeted units of 18 <p>The reasons for the £207k movement are as a result in increased placement costs.</p>	<p>2,073</p>		<p>1,866</p>

Safeguarding And Looked After Children Quality Assurance			
Children's Quality Assurance Unit	<p>The variance is due to:</p> <ol style="list-style-type: none"> 1) £213k Agency Premium to be paid for 11 staff covering vacancies 2) £95k additional spend on permanent staff 3) (£21k) less spend in printing, stationery and other miscellaneous expenses 4) £46k increase spend on professional services which is underfunded 5) £27k under achievement in income due to cessation of funding 6) £7k expected spend on translators not budgeted for. 7) £3k Additional spend on travelling 8) £2k spend on staff training 9) (£46k) lower anticipated spend on NCH SLA <p>The movement is due to:</p> <ol style="list-style-type: none"> 1) £113k additional spend on staffing 2) £46k increase in spend on professional services 3) £27k under achievement in grant income 4) £2k additional spend on staff training 4) (£21k) reduction in commitments relating to printing, stationery and other miscellaneous expenses 5) (£12k) revision in anticipated spend on NCH SLA 	326	171
Looked After Children Strategy And Planning	<p>The variance is mainly due to - (£135k) Increase in recharge for services to Asylum Seekers</p> <p>Movement of (£135k) is due to the above</p>	(141)	(135)
Early Intervention & Family Support Service			
CYPRS - Integrated Youth Support Services	<p>The variance is due to (£101k) The Earmarked Reserve for Drug and Alcohol treatment services is sufficient for the 2014/15 commitment so the Earmarked Reserve is no longer required.</p>	(101)	(101)
Prevention Through Partnership	<p>The variance is due to:</p> <ol style="list-style-type: none"> 1) £67k unbudgeted increase in facilities cost for the Youth Hubs 2) (£50k) use of the planned responsive budget to cover part of the increase in the facilities costs 3) (£700k) Commission 2 year places at Children Centres and replace core funding with DSG 4) (£428k) To avoid a restructure of the Early Help Service, upon the loss of the reablement funding, vacancies have been withheld and contracts have not been commissioned. This eases the strain on the services from not getting the £400k reablement funding from 2015. <p>The movement of £358k is due to the agreed increase in the Dedicated Schools grant amount to fund the integrated offer with the 2 year olds places at Children Centres.</p>	(1,111)	(683)

Family Resilience and Justice Service	The variance is due to: 1) (£200k) Optimisation of funding streams available to deliver the Council's family resilience services resulting in efficiencies and increased income.	(200)		-
Troubled Families	The variance is due to: 1) (£200k) withheld staff vacancies budget released now that we have achieved more eligible funding outcomes to cover the programme costs. Vacancies were not filled because of the uncertainties around the outcomes that were to be achieved before generating funding.	(200)		-
EISS strategy and Planning	The variance is due to: 1) (£125k) Increase in the notional charge funded by UASC grant. The number of Unaccompanied Asylum seeking children has increased but the Council has been efficient in its use of resources resulting in a relatively less additional costs compared with the funding receivable.	(125)		(125)
	Other minor variances < £100k	14	1,845	228
Learning & Inclusion				
Inclusion, Learning Access & SEN				
SEN Transport	1) £413k Impact of failure of Ruskin contract 2) £668k Growth in numbers of 96 3) £198k increase in journey price 4) £285k Impact of efficiency targets not realised 5) £54k Independent travel training 6) £100k Personal Transport Budget pilot 7) £40k Impact of closure of bridge. 8) £65K Consultancy costs Peopletoo 9) Increase in numbers £150k Movement: i. £60k consultancy costs not previously anticipated ii. £150k Growth in numbers The service is exploring the use of cluster points as a means of achieving efficiencies	1,973		1,758
Special Education Needs	Variances 1) Pre 16 Placements £1,332k 2) Post-16 Placements £485k 3) Early Years Support (£628k) 4) Minor Variances (£11k) Movement: Placement Costs	1,178		(6)
SEN Strategy & Planning	1) £397k forecast overspend on the growth fund due to increase in SEN pupils in special schools and impact of the new funding model 2) £811k High Needs DSG carry-forward to be used to mitigate against pressures across the service 3) Underspend on Commissioned Outreach (£65k) 5) Contingency Funding released to cover pressures elsewhere (£405k) 6) 2012/13 DSG Carry-forward (£481k)	(1,372)		(414)

School Improvement				
School Improvement - Other	1) Literacy Centre - Overspend of £32k due to income target shortfall and staff increase by 0.4fte. Service is currently managing transition of 2 staff leaving and staff joining who are currently undergoing training and building expertise hence not yet trading. 2) Croydon Work Experience - Overspend of £75k due to income target shortfall. This has been impacted by change in govt policy as statutory services are now discretionary hence schools no longer buy in as required. Service will be restructured and go into mutual.	107		108
		-		-
	Other minor variances < £100k	(220)	1,666	(232)
Community Support Services				
Adult Learning				
Administration And Operations	Pressure due to: 1) £129k pressure due to FM recharges for Strand House. This is to be escalated as a matter of urgency with the aim of negating/reducing, 2) £39k Payments made to Lambert Smith Hampton against the Clocktower 3) £34k Room hire charges from FM for the use of meeting rooms at BWH, the workshops at town hall, Braithwaite Hall and David Lean Cinema at Town Hall. This is to be escalated and a breakdown of charges submitted to Jane for review.	198		1
Business & Resources	Saving due to SFA income budget was set at lower level due to uncertainty in the ability to claim total allocation. However the service expects to claim higher level of income than budgeted.	(155)		(105)
		-		-
	Other minor variances < £100k	83	126	42
Directorate				
CFL Central Costs	£485k pressure due to cover budget gap which was created due to changes to the rules of what overheads can be charged against DSG.	486		485
	Other minor variances < £100k	-	486	-

Total Forecast Variance - People		7,669	
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PLACE DEPARTMENT

Division	Explanation of variance and movement from previous month	Qtr 3 Variance (£000)	Divisional Total (£000)	Qtr 2 Variance (£000)
Environment	Shortfall in Pay and Display income	659	1,043	824
	Parking Services - Further work is about to commence to maximise PCN income following the implementation of the new ICT systems. It is believed that this work could deliver increased income. However any delay in implementation will reduce this forecast.	-		(140)
	Parking Services - Shortfall In CCTV Income due to TFL cameras not working (£250k) and other PCN income (£-60k)	-		190
	Highways - Additional income Re Insurance Highs Street Claim now Paid	(150)		(158)
	Projected shortfall in trade waste income	356		370
	Projected increase in tonnage sent to landfill.	495		400
	Waste Management - Investigations are under way to attempt to reduce the shortfall in Trade Waste income. A mixture of enforcement and ensuing reduction in landfill costs could potentially deliver savings of £100k.	-		(82)
	Employee Costs - V0214, MEU - Pressure caused by remnant of staff in post, post restructure - awaiting re-deployment / redundancy	176		73
	Employee Costs - Savings in AEOs pending staff transfers and recruitment	(415)		(283)
	Other minor variances < £100k	(78)		77
	Regeneration			
Other minor variances < £100k		11	11	(56)
Planning				
	Other minor variances < £100k	(121)	(121)	(17)
Housing Management		-		-
	Other minor variances < £100k	(7)	(7)	(7)

Needs and Strategy	<u>Housing Solutions - Bed & Breakfast</u> Quarter 3 has seen an increase in expenditure of £111k compared to Quarter 2. One of the main pressures for the service is the finding of enough suitable and affordable accommodation to place families as an alternative to self-contained bed and breakfast. This is having the effect of creating a "balloon" of people who needing to remain in the more expensive nightly let TA. The issue is also being exacerbated by the increasing numbers of larger families needing to be accommodated. The number of units required has increased from 467 per night at the beginning of April to 662 at the end of December to accommodate the difficulties in finding additional suitable longer term accommodation. For the forecast outturn, it has been assumed that the monthly growth over the last quarter will increase by 10 units per month until the end of the financial year resulting in approximately 692 units per night by the end of March 2015. The department is currently forecasting an increase of 30 units in the final quarter to cover any unexpected surges in numbers.	1,791		1,680
	<u>Housing Solutions - Bed & Breakfast continued</u> The previously projected savings of Concorde and Sycamore of £200k have been reduced to £65k as these will not come on stream until the beginning of March. It was originally anticipated that they would be available from January.	(65)		(200)
	<u>Housing Solutions - Bed & Breakfast continued</u> The council's new build housing programme is being used as one initiative in the strategy to increase housing supply and reduce the costs and pressures of homelessness on the general fund. One of the current new build projects is over running due to poor contractor performance, which in turn is having a direct impact on the number of people in B&B. As a consequence, the contractor is subject to penalty deductions for non-delivery and this is being used to offset the additional costs of B&B. The projected penalty deduction has now been increased to £770k compared to the £200k forecast in Quarter 2.	(770)		(200)

	Housing Solutions - Temporary Accommodation As more homeless persons are moved out of Bed and Breakfast and into Temporary Accommodation, the expenditure to landlords for deposits and incentive payments are increasing resulting in an overspend to the department. The past quarter has since a significant rise in Landlord Incentive payments being made as the department is increasing the use of Private Sector properties to minimise on the costs incurred on hotels. The increase in the forecast is based on the estimated number of incentive and deposit payments between October and the end of March 2015.	262		278
	Other minor variances < £100k	36	1,254	4
Directorate				
	Other minor variances < £100k	2	2	54

Total Forecast Variance - Place		2,182	
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RESOURCES DEPARTMENT.

Division	Explanation of variance and movement from previous month	Qtr 3 Variance (£000)	Divisional Total (£000)	Qtr 2 Variance (£000)
Democratic & Legal		-		-
	Other minor variances < £100k	-	-	-
HR	School Traded Services - additional income	(144)		(90)
	Other minor variances < £100k	(38)	(182)	(32)
Equalities & Community Relations		-		-
	Other minor variances < £100k	-	-	-
Voluntary Sector Funding		-		-
	Other minor variances < £100k	-	-	-
Chief Executive's Office				
	Other minor variances < £100k	22	22	-
Public Health	The Public Health expenditure is reported as net nil as it is a ring-fenced grant and any under or overspend is automatically carried forward to the following year. However, there are a number of projected underspends totalling £500k (health inequalities £132k, health protection £56k, dental public health £27k, and adult obesity £100k, Child obesity £40k sexual health pharmacies £95k, and smoking cessation £50k) which are offset by additional prescribing costs of £372k and an unallocated contingency of £64k. The net impact is an overall projected underspend of £542k which is being used to fund one off projects. The cumulative balance of unspent PH grant to be carried forward into 15/16 is estimated at £1.3m. This includes the unspent balance brought forward from 13/14 of £1.288m.	-		-
	Other minor variances < £100k	-	-	-
Finance & Assets	Staff Vacancies	(150)		(100)
	Business Rates assessment higher than estimated, appeal in process	300		
	Other minor variances < £100k	70	220	-
Customer Services & Communications	Land Charges - additional income estimate	(500)		(500)
	Housing Benefit	(800)		(800)
	Service Credits from new Capita contract	(460)		(460)
	ICT staff tupe'd to CAPITA April and May costs	145		145
		-		-
	Other minor variances < £100k	51	(1,564)	58
Concessionary Fares		-		-
	Other minor variances < £100k	16	16	16

Strategy, Commissioning, Procurement & Performance	Post deleted - executive director of Corporate Resources and Customer Services (CRCS)	(201)		(201)
		-		-
	Other minor variances < £100k	(9)	(210)	9
Corporate Services	Business Rates assessment higher than estimated, appeal in process	-		300
	Service Credits from new Capita Contract	-		(460)
	ICT staff tupe'd to CAPITA April and May costs	-		145
		-		-
	Other minor variances < £100k	-	-	101

Total Forecast Variance - Resources		(1,698)	
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Departmental Total		8,153	
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HRA

Division	Explanation of variance and movement from previous month	Qtr 3 Variance (£000)	Divisional Total (£000)	Qtr 2 Variance (£000)
Landlord Services	Additional recovery of costs from leaseholders due to increased estate improvements	(2,694)		(1,450)
	Staff Vacancies. The savings are based on current levels of vacancies, the major services being Tenancy and Neighbourhood Services (£171k) and Planned Maintenance and Improvements (£138k)	(575)		(673)
	Underspend on gas and electricity usage	(110)		(150)
	Net savings on water charges and commission	(143)		(218)
	Impact of right to buy sales on tenants rents income. The loss of income compared to the original budget has been calculated on the basis of actual right to buy sales of 76 since the budget was set.	466		466
	Increase in the number of void properties requiring turnaround	134		134
	Increase in interest payable on HRA debt due to increased borrowing to fund HRA new build programme. This is based on the latest estimate of interest payable and it assumes borrowing in the current year of £6m to fund the new build programme.	207		207
	Underspend on Grounds Maintenance contract	(125)		
	Projected overspend on Cyclical Repairs mainly due to gas servicing costs	225		
	Reduced Planned Maintenance recharges to capital (partially offset by £138k staff vacancies above)	180		
	Projected underspend on Legal Services costs	(150)		
	Other minor variances < £100k	(345)	(2,930)	62
	Needs & Strategy	Staff Vacancies. The savings are based on current levels of vacancies in a number of areas, the major ones being Homeless Persons £138k and Housing options and advice (£119k)	(25)	
Overspend on Legal and professional Services. The Q2 figure was based on the projected spend for the Planned Major Improvements procurement. A virement was done from the contingency sum to reduce the overspend.		231		138
Savings on Anti-Fraud Prosecution costs		(200)		
Other minor variances < £100k		26	32	(139)
Finance Section	Underspend on HRA Investment Fund	(508)		(500)
	Other minor variances < £100k	(107)	(615)	-
Total Forecast Variance			(3,513)	

APPENDIX 3

The tables below show the capital schemes for 2014/15 with variance greater than £0.1m. where schemes funded from our own resources

Summary of 2014/15 forecast capital overspend variances greater than £0.1m

Capital Theme	Scheme	Reason for Variance	Comments	Amount £m	RAG
Improving Our Assets	Fixed Term Expansion	Overspending project	Various reasons for the overspend including the fact that spend is continuing on schemes from previous years for which there is no budgetary provision	0.57	A
Total overspend where scheme's forecast overspend is over £0.1m				0.57	

Summary of 2014/15 forecast capital overspend variances greater than £0.1m where schemes funded from external resources

Capital Theme	Scheme	Reason for Variance	Comments	Amount £m	RAG
Total overspend where scheme's forecast overspend is over £0.1m				0.00	

Summary of 2014/15 forecast capital underspend variances greater than £0.1m where schemes funded from own resources

Capital Theme	Scheme	Reason for Variance	Comments	Amount £m	RAG
Improving our Assets	Primary Expansions	Disputed Final Account	Disputed Final Account now less than anticipated	-1.79	G
Improving our Assets	Corporate Property Maintenance	Budget requirement less than anticipated	This is an annual programme where the budget is allocated to schemes during the year. The amount allocated to schemes is less than the budget.	-0.10	G
Transforming Our Services	Emergency Temporary Accommodation	Less properties actually bought than intended	Scheme now coming to an end - less properties bought than anticipated due to price fluctuations.	-1.00	G
Improving our Assets	Disabled Facilities Grant	Delays with assessments has meant that it has not been possible to utilise all available funding	This is annual programme which has slipped in previous years so decision now taken to declare an underspend	-2.07	G
Transforming Our Services	Feasibility Fund	Budget requirement less than anticipated	This is an annual programme where the budget is allocated to schemes during the year. The amount allocated to schemes is less than the budget.	-0.11	G
Total underspend where scheme's forecast underspend is over £0.1m				-5.07	

Summary of 2014/15 forecast capital slippage greater than £0.1m where schemes funded from own

resources

Capital Theme	Scheme	Reason for Variance	Comments	Amount £m	RAG
Improving Our Assets	SEN - Redgates expansion	Delay in confirming Redgates Expansion	Project still at very early stage.	-4.95	A
Improving Our Assets	SEN - new provision	Schemes yet to be identified	New schemes still to be identified	-1.66	A
Improving Our Assets	Primary Expansions	Delays in start for Woodcote and Christchurch expansions	Delays in project start	-3.61	A
Improving Our Assets	Disabled Facilities Grant	Delays in programme	Delays with assessments has meant that it has not been possible to utilise all available funding	-0.70	A
Improving Our Assets	Refurbishment of Fairfield Halls	Changes in scope	The project's scope has significantly changed	-1.39	A
Improving Our Assets	Corporate Property Maintenance	Delays in programme/schemes yet to be identified	Includes slippage of £6.16m for the Re-Fit Programme. The project is at a very early stage and spend will be over the next year	-7.00	G
Transforming our Services	Transforming Our Space	Delays in programme	Includes slippage of £1.05m for Taberner House Re-development which will start once the demolition is complete at the end of March 2014.	-1.17	G
Transforming our Services	ICT	Delays in programme	Includes slippage of £500k for the Connect IT Programme. This project is at an early stage and spend will be over the next year	-0.80	G
Total slippage into future years where scheme's forecast slippage is over £0.1m				-21.28	

Summary of 2014/15 forecast capital slippage variances greater than £0.1m where schemes funded from external resources

Capital Theme	Scheme	Reason for Variance	Comments	Amount £m	RAG
Improving Our Assets	Segas House	Project now not going ahead	The planned new school at Segas House will not now go ahead. Funding to be switched to a planned new school at Five Ways.	-5.08	G
Total slippage into future years where scheme's forecast slippage is over £0.1m				-5.08	

Shafi Khan
Department for Communities and Local
Government
2 Marsham Street
London SW1 4DF

Our ref:
Date: 15 January 2015

Dear Mr Khan

Background

We are writing in response to the Consultation document dated 18 December 2014 and to set out our position regarding the very serious unfairness and inequality which will occur if the Government persists with its proposed funding mechanism and in particular, the unfairness of the policy of using damping and the methodology behind it which appears now to be embedded within our Council's Settlement Funding Assessment.

The Factual Position

Our Borough has undergone an increase in population over the last year. According to the Office for National Statistics, the population in the Borough will increase by 4017 in 2015 and 3783 in 2016 (Source: ONS Annual Population Survey).

There is a demographic shift going on with a shift occurring away from the wealthy central London Boroughs and a growth in the populations of Boroughs particularly in the outer London Boroughs. IMD 2010 data show that between 2004 and 2010 Croydon along with four other outer London boroughs experienced the highest increase (between 11% and 18%) in levels of deprivation amongst London local authorities. This compares with decreases between 21% and 0% for inner London.

The Borough has experienced and will continue to experience an increasing demand on its services the presence of the Home Office screening centre in Croydon places the Council in a position of needing to provide care and support to a disproportionately large number of asylum seekers many of whom are unaccompanied children, compared with other local authorities. This places significant additional pressure on the council's resources.

More than 50% of looked after children (LAC) are unaccompanied asylum seekers. Since March 2012 there has been a 10% increase in the number of LAC. Over the same period the number of children on child protection plans increased by 35%.

Croydon's rate of homeless acceptance is 5.11 per 1000 households, which is higher than the rate for London of 4.88, and two and a half times the rate for England of 1.94 per 1000 households. Homeless acceptances for Croydon rose from 575 in 2010/11 to 912 in 2012/13. The number fell to 762 in 2013/14. However based on performance for the current financial year to date, it is anticipated that for 2014/15 the number of acceptances will top 920, an increase of 60% since 2010/11.

The shortage of housing and the ever increasing number of homeless households places severe pressure on the council. This has resulted in the council having to invest heavily in temporary accommodation. The number of households in temporary accommodation has risen from 2,161 in 2013/14 to 2,780 in November 2014.

Despite this increasing demand and need in our Borough, there is a freeze on the level of grant and damping continues to be used in the funding baseline. Although damping was intended to smooth grant reductions, it has in fact increased levels of funding for some, and reduced it for others particularly the poorer seven London Boroughs. Damping is therefore having a perverse and punitive effect upon the poorest London Boroughs. Adherence to damping and in particular to the current methodology of damping will have a perverse impact upon this Borough and upon all of the 7 outer London Boroughs who are most hard hit by the use of damping.

The level of grant was frozen in 2013/14 and we continue to lose up to approximately £10 million annually in this Borough because of the policy of grant freezing and also of damping. The calculation for 2015 is that our Borough will be deprived of an amount of in excess of £7m in 2015 because of this unlawful policy. We attach a paper at Annex 4 which demonstrates this. Damping is apparently locked in until 2020, in addition to austerity cuts. Perversely, additional funding is provided for those Boroughs on the "floor" where there is not an assessed need. Locking Boroughs into an inflexible policy, and refusing to adjust the policy so as to ensure that the perverse impact of damping upon settlements is removed, is unlawful.

In addition to grant freezing the population shift and changing demographics are having a significant impact on our Boroughs as we are becoming more deprived. Given the rapid growth in our population over the past 2-3 years which is expected to continue, combined with increasing need arising from deprivation and poverty in our Borough, this funding inequality can only increase if the Government continues to use the current distribution mechanism.

It is our position that fixing to 2020 is excluding consideration of relevant facts in particular as to these shifts in population which are intrinsic to local government funding and that the government is bound to take these relevant factors into account when deciding funding, and to make fair adjustments to account for it. In particular the Government is bound to reconsider damping and the methodology of damping so as to ensure that perverse and unfair effects of damping are eradicated.

Proposed Alternative Methodology

We submit that you must consider an approach to damping which may eradicate or at least reduce the perverse and unfair impact of the current system. We set out below an adjustment to damping methodology which we and other Boroughs consider will go some way towards removing the perverse impact and gross inequality in the formula currently being used. Further the alternative which we propose will, as you can see from the workings attached at Annex 4

both assist in alleviating the unfairness being suffered by our Borough whilst not producing any unfairness so far as all other Boroughs are concerned. We consider that this proposal can be applied to all authorities to ensure the provision of a fairer, more equitable system. In any event it is necessary for the perverse impact and gross inequality in the formula currently being used to be changed so far as the seven London Boroughs are concerned.

Whilst it is for the Government to adopt a lawful methodology, the methodology which we propose is that if damping is to be applied using the current system, then damping must not produce a downward impact of any more than 0.5%. To minimise the impact of damping to -0.5% in 2015/16, it is estimated that Croydon would require additional funding of £7.5m. There are a number of ways this could be delivered. One option is to levy a top slice on all authorities' Revenue Support Grant of 32.1%. This would be sufficient to finance a Section 31 grant, payable to all authorities to ensure their notional Formula Funding would not be more than 0.5% below its undamped level.

Alternatively, CLG could simply deliver Croydon a Section 31 grant of £7.5m, having the same overall effect, but financed through an alternative method identified by CLG. Thus, if the Government is not prepared to alter the damping methodology we request that you provide each of the 7 London Boroughs who are urging this revised approach upon you with exceptional grant aid under the general ministerial power in s.31 of the Local Government Act 2003 to mitigate the impact of damping in lieu of any adjustment, so as to redress (at least in part) the imbalance created by damping. The grant which we seek is in the amount of £7.5m. Such a grant will at least go some way to reduce the impact of the perversities in the current system, if not eradicate them.

Evidence

We include with this document a paper by L G Futures which contains expert analysis as to funding per head from the settlement funding assessment and Revenue Spending Power; identifies the reasons for variances between authorities; and identifies the causes of recent change in funding per head. Our position is that this evidence requires the government to reconsider overall RSG and the application of our alternative proposed methodology to damping. To do otherwise, would clearly mean that the Government is ignoring relevant facts and matters such as shifts in population and deprivation.

Our detailed response to the specific questions raised in the consultation are outlined at Appendix A.

Yours sincerely



Richard Simpson
Director of Finance and Assets.

Appendix A

Question 1 Do you agree with the Government's proposal that local welfare provision funding of £129.6m should be identified within the settlement by creating a new element distributed in line with local welfare provision funding in 2014/15?

Identification of local welfare provision funding will only be of use if there are clear workings as to how this was calculated. There needs to be a clear link to how this was derived from the base 2013/14 formula grant to understand what service areas this funding is drawn from.

The Government's proposal not to announce any additional funding for local welfare following the end of the Department for Work and Pension's funding in 2015/16 is extremely disappointing. We firmly believe that the Government should continue to provide Local Welfare Provision funding as it has done in 2013/14 and 2014/15. The amounts should be sufficient to ensure that current and future demand is met without placing any additional financial burden on the Council. This is at a time when the Council has to endure year-on-year funding reductions alongside relative increases in need.

It is disappointing that the Government has not listened to calls for funding to support local welfare assistance. Instead of providing separate money for councils to help the vulnerable, the Government has instead suggested that councils will have to find this money from existing budgets. Separately identifying funding for local welfare from within the existing core grant effectively represents a cut that will put additional pressure on existing council services.

Question 2 Do you agree with the Government's proposal that the funding for the Improvement and Development Agency for Local Government for services to local government should be £23.4 million in 2015/16?

We would agree in that the Government's proposal that funding for the Improvement and Development Agency should be £23.4 million in 2015/16. As this is in line with the reduction to the Local Government Departmental Expenditure Limit it appears reasonable.

Question 3 Do you agree with the Government's proposal to reduce the New Homes Bonus holdback from £1bn to £950m?

Yes, we welcome the Government's proposal to reduce the hold back for New Homes Bonus (NHB) by £50 million. We would argue however that this funding must be returned back to authorities on the same basis that it was withdrawn from the system.

Question 4 Do you agree with the Governments' proposal to increase the rural funding element from £11.5m, as previously proposed, to £15.5m?

We do not agree with the Government's proposal to increase the rural funding element from £11.5m to £15.5m. Rural funding was recognised in the 2013/14 formula grant and if this element is to be adjusted it is fair those other elements such as changes in population and unwinding of damping should also be subsequently adjusted.

Changes to rural funding is contrary to the principal of maintain funding based on data used in the 2013/14 settlement. If one element is to be amended then all should be reviewed and updated.

Question 5 Do you agree with the Government's proposal to reduce the fire funding element of Revenue Support Grant for each fire and rescue authority, by an amount equal to 0.24% of the total pensionable pay for that authority?

Croydon is not a fire and rescue authority and therefore we do not have any comments on question 5.

Question 6 Do you agree with the Government's proposal to compensate local authorities for the cap on the multiplier in 2015/16, calculated on the same basis as in 2014/15?

We agree with the proposal to compensate authorities for the cap on the multiplier in 2015/16 by using the same methodology in 2014/15. However we would like to see the compensation uplifted by the increase in the NNDR multiplier (September's RPI) every year to ensure it grows at the rate the lost revenue would have done.

Question 7 Do you have any comments on the impact of the 2015/16 settlement on persons who share a protected characteristic, and on the draft Equality Statement?

The Equality Statement acknowledges our concerns that the scale of spending cuts puts at risk our ability to deliver service to protected groups. Croydon continues to take steps to manage the impact of spending pressures by delivering savings through efficiencies, alternative ways in which to deliver services, better management of assets and smarter working. All savings considered by the Council undergo a through equalities assessment process before being taken forward. These efforts taken by the Authority have attempted to mitigate the impact of spending reductions on persons who share a protected characteristic. However, given the scale of predicted reductions in funding and increasing demand on our services due to changes in demography and increases in population the risk of not being able to offer the existing level of service to those persons who share a protected characteristic becomes increasingly difficult.

DEDICATED SCHOOLS GRANTS

Table 1 – Analysis of DSG

DSG funded services	£m
Individual Schools budget	239.1
Social Care & Family Support	18.2
Learning & Inclusion	51.9
Community & Support Services	0
Capital Asset Charges/Deferred Charges	0
Total DSG funded Services	309.2

Estimated DSG for Croydon 2015/16

The DSG for 2015/16 for Croydon including Academies is £309.2m. Academy recoupment is estimated at £95.0m in 2015/16, reducing the DSG total to £214.2m. In 2014/15, the latest allocation of DSG before Academy recoupment is £284.5m.

Academy recoupment currently stands at £95m in 2014/15.

The per pupil amount of funding for the schools block in 2015/16 is £4,829.17, and £4,564.33 for the early years block. The latest schools block and early years block pupil numbers used to calculate DSG are 46,026 and 3,879 respectively. These numbers are based on the October 2014 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 2015/16.

In addition to the above, the school's block received £16.758m for the cash transfer of non-recoupment academies (NRA) funding.

The early years block received £0.494m for indicative early years pupil premium funding.

**London Borough of Croydon
Adult Social Care
Deferred Payments Policy**

1 April 2015/16

1.0 Legal Context

- 1.1 The London Borough of Croydon (LBC) has written this Deferred Payments Policy (DPP) in accordance with the Care and Support (Deferred Payment) Regulations 2014 and the Care Act 2014.
- 1.2 This DPA policy is effective from 1 April 2015. Any DPP in place prior to this date is obsolete from 1 April 2015.
- 1.3 LBC will issue clients with a Deferred Payments Agreement (DPA) in accordance with this Deferred Payments Policy (DPP).
- 1.4 Any new DPA signed and entered into after 31 March 2015 will use the provisions in the Care Act to make all future agreements.
- 1.5 In accordance with Croydon's Charging Policy, where Croydon has entered into a deferred payment agreement (DPA) with a person prior to 1 April 2015 that DPA will remain in place until such time as it would expire under the existing agreement.
- 1.6 Consequently, existing DPA's set up prior to 1 April 2015 will continue subject to the same terms and conditions as have been agreed between Croydon and the client concerned. LBC will not remake an old DPA into a new one via the new regulations.

Policy Context

2.0 Key Features

- 2.1 This DPP details rules and practise that will be followed by LBC should clients wish to be considered for a DPA as a payment option to pay for care fee's.
- 2.2 The DPA allows clients, who own their own home, to make an arrangement whereby they do not have to sell their home during their lifetime to pay their care costs. Instead, LBC will pay the cost and recover the money owed by the client, plus interest and administration fees at a later date, as specified within the DPA.

- 2.3 LBC will offer a DPA to people who meet the criteria governing eligibility and who are able to provide adequate security for the debt. The Criteria for eligibility is covered in 11.0 of this document.
- 2.4 LBC will not enter into a DPA with a person lacking mental capacity unless the proper arrangements are in place as detailed within LBC Charging Policy and CSSG paragraph 9.24 & 9.24.
- 2.5 The care fees (accruing debt) will be secured against the client's nominated asset. This will mainly be property and a legal charge is placed, which is removed upon repayment of monies owed.
- 2.6 Following a financial assessment, as detailed in LBC charging Policy, the client is financially assessed based on income and assets including property owned. The difference between the assessed charge and the amount he/she would be assessed as being able to contribute if his/her home were not taken into account is then deferred.
- 2.7 Individuals seeking a DPA should be advised to take independent financial advice. Public information surrounding where this can be sort will help signpost clients for further information.
- 2.8 People in receipt of a DPA will not be entitled to claim Income Support or Minimum Income Guarantee. However, they will be entitled to Attendance Allowance or Personal Independence Payment. They may already be in receipt of the Care Component of the Disability Living Allowance. The client / legal representative of the client is responsible for notifying the Department of Work and Pensions of any changes in circumstances.
- 2.9 A formal written DPA will be issued to the client, into which all parties involved will need to consent. LBC will ensure that residents understand what they are committing themselves to, meeting all the requirements of the SCCG 2014 Chapter 9, paragraph 9.19 – 9.31, Information and Advice.
- 2.9 LBC will aim to provide all relevant information and have a smooth transition into a DPA agreement within the 12 week property disregard period.

3.0 Termination of the Deferred Payment Agreement

- 3.1 In general, the DPA can be terminated in three ways;
- a. at any time by the individual by paying the full amount due
 - b. when the property is sold and LBC has received any outstanding fees
 - c. when the client dies and the amount owed is repaid to the LBC

3.2 Where a DPA is terminated due to the client's death, the amount owed to LBC is expected within 90 days of the date of death. After this date LBC may enter into legal proceedings to recoup monies owed.

3.3 DPA's will last for the duration of the qualifying period, that is until:

- a. The date on which the agreement is terminated by the resident
- b. If either party breaks the terms of the agreement
- c. when a person's total assets fall below the level of the means-test and the person becomes eligible for local authority support in paying for their care;
- d. Where a client has reached the equity limit that they are allowed to defer (this also applies when the value of the security has dropped and so the equity limit has been reached earlier than expected)
- e. where a person no longer has need for care in a care home (or where appropriate supported living accommodation);
- f. if a person breaches certain predefined terms of their contract (which must be clearly set out in the contract) and the local authority's attempts to resolve the breach are unsuccessful and the contract has specified that the authority will stop making further payments in such a case; or
- g. if, under the charging regulations (see also chapter 8), the property becomes disregarded for any reason and the person consequently qualifies for local authority support in paying for their care, including but not limited to:
 - where a spouse or dependent relative (as defined in charging regulations) has moved into the property after the agreement has been made, where this means the person is eligible for local authority support in paying for care and no longer requires a deferred payment agreement; and
 - where a relative who was living in the property at the time of the agreement subsequently becomes a dependent relative (as defined in charging regulations). The local authority may cease further deferrals at this point.

3.4 LBC will give a 30 day notice period if we decide to cease the DPA.

4.0 LBC discretion around offering a Deferred Payments Agreement

4.1 There are certain circumstances that LBC may refuse a request for a DPA even if a client meets the eligibility criteria, at our discretion. Such circumstances are:

- (a) where LBC is unable to secure a first charge on the person's property;
- (b) where someone is seeking a top up; and/or
- (c) where a person does not agree to the terms and conditions of the agreement, for example a requirement to insure and maintain the property.

4.2 LBC may decide not to defer further care costs where a DPA is already in place.

5.0 The amount of money deferred

5.1 In principle, LBC will allow the deferral of the total care costs, subject to any client contribution. Decisions will be based on the level of security available and will be set out in the DPA.

5.2 LBC will consider top up's, again, decisions will be based on the sustainability and affordability based on the security offered by the client.

5.3 The three key elements LBC will consider when deciding how much can be deferred are;

- a. The amount of *equity* a person has available in their chosen form of security (usually their property);
- b. The amount a person is *contributing to their care costs from other sources*, including income and (where they choose to) any contribution from savings, a financial product or a third-party; and
- c. The total (based on current available figures) *care costs* a person will face, including any top-ups the person might be seeking.

6.0 Equity Limit

6.1 LBC has set an equity limit up to the asset value minus 10% to cover costs of sale minus the lower capital limit.

6.2 When calculating progress towards the equity limit, LBC will include any interest or fees to be deferred.

6.3 LBC will seek to obtain a valuation of the asset being used for security. The client is able to obtain their own valuation. Any discrepancy between the valuations will be discussed before agreeing on the final value to be used in the DPA. Any valuation costs will be added to the administration charge paid by the client and subject to interest if the charge is not paid up front.

6.4 LBC will seek to review any DPA that reaches 70% of the value of the clients chosen security.

6.5 Interest can accrue on the amount deferred even where the client has reached the agreed equity limit and administrative charges can still be deferred.

6.6 LBC will not allow additional deferrals beyond the agreed equity limit. In such circumstances, the clients will be financially re-assessed to determine the financial contributions and funding going forward.

7.0 Other sources of security

7.1 A person may meet the costs of their care and support from a combination of any of the following four primary sources:

- a. Income (including pension income);
- b. savings or other assets they might have access to, this might include any contributions from a third party;
- c. a financial product designed to pay for long-term care; or
- d. a deferred payment agreement which enables them to pay for their care at a later date out of assets (usually their home).

7.2 LBC will enable clients to retain up to the maximum weekly personal expenditure allowance (PEA) set annually by the Department of Health (DoH). However, clients are able to reduce this level of PEA if they wish, to the minimum PEA allowance defined annually by the Department of Work and Pensions (DWP).

7.3 If the client chooses to rent out their property during a DPA, income can be used to contribute toward the payment of deferred fees. LBC agree to allow up to 10% of the rental income to be retained by the client. This is in addition to 7.2 above.

7.4 LBC may offer advice and guidance around maintaining a home, renting and income.

8.0 Sustainability

8.1 When deciding on the amount to be deferred both LBC and the client (and their advocate where applicable) should consider a range of factors to satisfy themselves that the arrangement is *sustainable*:

- a. the likely period the person would want a DPA for (if they intend to use it as a 'bridging loan');
- b. the equity available;
- c. the sustainability of a person's contributions from their savings (if they are making one);
- d. the flexibility to meet future care needs; and
- e. the period of time a person would be able to defer their care costs for.

8.2 LBC will refer to any sustainability tool offered by the Department of Health when considering this factor within the DPA decision making process.

8.3 The asset must be insured and maintained at all times throughout the duration of the DPA agreement. Failure to do this could result in termination of the contract, if an alternative solution is not sought.

8.4 LBC will review the DPA either on request of the client or quarterly.

8.5 LBC will provide a position statement to the client within 28 days of receiving the request.

9.0 Security for the deferred loan

9.1 LBC will seek to obtain a first legal charge on the agreed asset.

9.2 Failing the ability to secure a first legal charge, LBC may choose to consider a third party guarantor or a solicitors undertaking letter. This will form part of a witnessed legally binding agreement.

9.3 LBC will seek legally binding agreement from all parties if the asset is jointly owned.

9.4 LBC will refuse individual cases if there is unsatisfactory security in place.

9.5 LBC reserves the right to revalue assets used as security against a DPA at any time.

10.0 Interest rate and administration charge

10.1 Interest rates will be set twice a year on the 1 January and the 1 July of each year. This will be set based on the market gilt rate specified in the most recently published report by the national Office of Budget Responsibility.

10.2 LBC will apply the maximum interest fee as defined in 10.1 above. The interest rate will be calculated on a compound basis, daily, applied from day one of the DPA.

10.3 The administration charge will be set locally, annually and will form part of the fees and charges schedule that is agreed by Full Council Cabinet before implementation at the beginning of each financial year.

10.4 The administration charge will be a flat rate annual fee that will not exceed the average cost of administering the DPA.

10.5 Both the interest charge and the administration charge will be added to the care fee's debt.

11.0 Basic Principles of Eligibility

11.1 LBC will offer a DPA to people who have local authority-arranged care and support, and also people who arrange and pay for their own care, subject to these criteria. As specified in the regulations, if someone is eligible for a DPA LBC will offer a DPA if the client meets all three of the following criteria at the point of applying for a deferred payment agreement:

(a) anyone whose needs are to be met by the provision of care in a care home.

(b) anyone who has less than (or equal to) the upper capital threshold limit, reviewed annually, in assets excluding the value of their home (i.e. in savings and other non-housing assets); and

(c) anyone whose home is not disregarded as defined in regulations on charging for care and support

11.2 LBC may exercise discretion and offer a deferred payment agreement to a client who does not meet the above criteria. In making such decisions, LBC will consider (*not exhaustive*):

- (a) whether meeting care costs would leave someone with very few accessible assets
- (b) if someone would like to use wealth tied up in their home to fund more than just their core care costs and purchase affordable top-ups
- (c) whether someone has any other accessible means to help them meet the cost of their care and support; and/or
- (d) if a person is narrowly not entitled to a deferred payment agreement given the criteria above, for example because they have slightly more than the upper capital threshold asset limit.

12.0 Evidence which will be required, *not exhaustive*

- Income from pensions/ benefits or any other source
- Proof of asset ownership (Land Registry or deeds)
- If property purchased under right to buy scheme are there any penalties for selling property within a given time scale?
- Valuation of property
- Insurance on building-value of building insured and renewal date
- For nursing home placement – level of free nursing care

13.0 Corporate Debt Recovery

13.1 In accordance with The Care Act 2014, where necessary, LBC will implement its Corporate Debt Recovery policy to recoup monies owed as a result of LBC meeting a person's eligible care and support needs.

London Borough of Croydon

Adult Social Care Policy

Charging for Adult Social Care

1.0 Policy Statement

- 1.1 This charging policy applies to all adult social care services and support provided or arranged by the London Borough of Croydon (LBC).
- 1.2 The policy provides details about:
 - i. The legal and regulatory context for charging;
 - ii. How different types of services and support are charged;
 - iii. The financial assessment process, including the review and appeals process;
 - iv. The technical rules for financial assessment calculations.
- 1.3 The policy applies from 01 April 2015 and supersedes all adult social care charging policies practiced before this date; namely, the LBC Fairer Contributions Policy and the national Charging for Residential Accommodation Guide (CRAG).
- 1.4 The key aim of the policy is to ensure that where an adult is charged for care and support (including making a contribution to a personal budget), that they are not charged more than is reasonably practicable for them to afford and pay.
- 1.5 However, other guiding principles behind the policy include:
 - i. To be as clear, transparent and comprehensive as possible so people know what they will be required to pay towards the costs of their care and support and are able to understand (with support if necessary) any charges or contributions they are asked to make;
 - ii. To be consistent and equitable so that those with similar needs and in similar financial circumstances are treated equally;
 - iii. To encourage and enable those who wish to stay in or take up paid employment to do so;
 - iv. To encourage and support carers in their caring role, recognising their valuable contribution to society;
 - v. To support the vision of personalisation, including promoting wellbeing, social inclusion, independence, choice and control;
 - vi. To ensure the sustainability of adult social care in LBC.

2.0 The Legal and Regulatory Context

- 2.1 Sections 14 and 17 of the Care Act 2014 (“the Act”) provide a single legal framework for charging for adult social care and support.
- 2.2 Section 14 of the Act provides a local authority with the power to charge for meeting needs under sections 18 to 20 of the Act.

- 2.3 Section 17 of the Act creates a duty for a local authority to carry out a financial assessment which would arise where the local authority thinks that if it were to meet an adult's needs for care and support, or a carer's needs for support, it would charge the adult or carer under section 14(1) of the Act.
- 2.4 The Care and Support *Charging and Assessment of Resources Regulations 2014* describe the limitations on local authority powers to make a charge for meeting needs under section 14 of the Act; and provide details about the requirements for carrying out financial assessments for the purposes of section 17 of the Act.
- 2.5 Section 2(1) of the Act requires a local authority to provide or arrange for the provision of services, facilities or resources (or take other steps) which it considers will contribute towards preventing, delaying or reducing the needs for care and support of adults or for support in relation to carers.
- 2.6 The Care and Support *Preventing Needs for Care and Support Regulations 2014* describe the rules permitting and prohibiting a local authority for making a charge for the provision of services, facilities and resources under section 2 of the Act.
- 2.7 The 'Care and Support Statutory Guidance' (CSSG), issued by the Department of Health in October 2014 sets out how a local authority should go about performing its care and support responsibilities. This includes details about interpreting and applying the rules relating to charging and financial assessments as defined in both the Act and regulations.
- 2.8 This policy has been written in accordance with the CSSG and related primary and secondary legislation.

3.0 About LBC adult social care fees and charges

- 3.1 A schedule of LBC adult social care fees and charges is published annually, which is approved by Full Council Cabinet in time for the start of each financial year.
- 3.2 LBC operates three charging categories for adult social care:
 - i. Means tested charging following either a residential (care home) financial assessment or a non-residential financial assessment;
 - ii. Flat-rate charges payable without a financial assessment;
 - iii. Services or care and support provided free of charge (exempt from charging).

Means tested charging following a financial assessment

- 3.3 A financial assessment will be carried out for all care and support provided or arranged by LBC that is subject to means tested charging.
- 3.4 The financial assessment will calculate how much, if anything, a person can afford to pay towards the cost of their care (or contribute towards their personal budget) on a weekly basis. This amount is referred to as the "maximum weekly assessed charge".
- 3.5 The charge or contribution payable by the person will be the *lower* of the cost of care and support and their "maximum weekly assessed charge".
- 3.6 LBC will not charge more than the cost incurred in providing or arranging any care and support which is subject to means tested charging.

- 3.7 The technical rules for the financial assessment differ between care and support provided in a residential care setting ('care home') and care and support provided in all other settings ('non-residential'). Details of the technical rules can be found in later sections of this policy.
- 3.8 A 'light-touch financial assessment' (i.e. treating a person as if a full financial assessment has been completed) can be carried out if a person signs a declaration to agree to pay the full cost for their care and support and LBC is satisfied that the person can afford, and continue to afford, to pay for any charges due.
- 3.9 A person who has agreed to a light-touch financial assessment can at any time request a full financial assessment to be carried out.
- 3.10 Whenever a light-touch financial assessment has been carried out, LBC will advise the person that this is the case and remind them of their right to request a full financial assessment.
- 3.11 All documentary evidence requested by LBC to complete the financial assessment must be provided. LBC will only ask for documentary evidence that is necessary to complete the financial assessment accurately and comprehensively.
- 3.12 LBC will publish a list of the different types of care and support services subject to means tested charging (including a personal budget) on the annual schedule of LBC adult social care fees and charges.
- 3.13 Communications are sent to clients informing them of the new approved fee's and charges and how it affects their assessed weekly contribution. This communication gives details on how charges have changed as a result of inflationary increases, changes to services and/or how changes in benefit rules and amounts issued by the Department of Work and Pensions (DWP) affect their assessed weekly contribution.

Means tested charging in a residential care setting

- 3.14 Where LBC carries out a financial assessment for care and support provided in a care home, information and advice will be provided to enable the person to identify options of how best to pay any charge. This may include offering the person a deferred payment agreement. LBC operates a deferred payments policy where further details can be found.
- 3.15 A person may choose a care home that is more expensive than the amount identified in their personal budget (i.e. the amount of money LBC would pay towards an appropriate residential placement). In such cases an arrangement will need to be made to ensure that the difference in cost is met and remains affordable. Such an arrangement will be referred to as a "top-up" arrangement. The difference between the actual cost of the placement and the amount specified in the personal budget is the amount of 'top up' payment required.
- 3.16 Where a person receives respite care, LBC will, for financial assessment purposes, calculate a contribution applying charging rules used for clients living outside of a care home (non-residential services).

Means tested charging in a non-residential care setting

- 3.17 Care and support received outside of a care home could include support in a person's own home or in other community based accommodation such as extra care housing, Supported Living or a Shared Lives scheme.
- 3.18 Respite care of less than 8 consecutive weeks is treated as a non-residential service for financial assessment purposes.
- 3.19 The financial assessment for services received outside of a care home (non-residential services) will **exclude** the value of the property in-which the client lives as their main or only home.
- 3.20 Any additional property owned or partly owned by the client will be taken into account in the financial assessment.

Flat rate charges

- 3.21 LBC provides and arranges services that are charged at a flat-rate amount, paid by everyone regardless of their financial means (i.e. not subject to means testing). These include (may not be exhaustive):
 - i. Careline (community alarm service);
 - ii. Hot meals and frozen meals (including Meals on Wheels);
 - iii. Administration charge for deferred payment agreements.
- 3.22 Where appropriate, flat-rate charges will be considered as disability related expenditure when carrying out a financial assessment for care and support which is subject to means tested charging.

Services or care and support provided free of charge

- 3.23 Care and support provided to meet eligible needs that are normally subject to means tested charging will be provided free of charge if one of the following circumstances applies:
 - i. The person is suffering from a variant of Creutzfeldt-Jakob disease (CJD);
 - ii. The person is eligible for aftercare services or care and support provided under section 117 of the Mental Health Act 1983;
 - iii. The person's income is equivalent to or less than basic income support or the Guarantee Credit of Pension Credit levels, plus a 25% buffer.
- 3.24 LBC does not charge for the following types of services:
 - i. The provision of community equipment (aids and minor adaptations) with a value or cost of less than £1,000;
 - ii. Up to the first 6 weeks of the provision of intermediate care and/or reablement care and support services. This exemption does not apply to any care and support that was already in place prior to the commencement of a period of intermediate care and/or reablement;
 - iii. Any service or part funded service which the NHS is under a duty to provide. This includes Continuing Healthcare and the NHS contribution to Registered Nursing Care;

- iv. Any assessment of needs and care planning;
- v. Any advice or assessments, occupational therapy or welfare benefit checks.

3.25 LBC does not charge for services or a personal budget provided to an unpaid carer.

3.26 In the interests of fairness and to ensure people in similar circumstances are treated equally with respect of charging, apart from in exceptional circumstances, any service or personal budget that involves the provision of care and support provided to the cared-for-person (e.g. 'replacement care') will normally be allocated to the cared-for-person rather than the carer.

4.0 Unplanned changes to services

4.1 Where LBC is providing or arranging means tested care and support on behalf of an individual, and variations occur against either the planned cost or planned level of service provision, the individual's personal contribution or charge will be calculated on the basis of the cost of services received rather than any planned personal budget amount.

4.2 If LBC incurs additional costs where planned services were not used or not cancelled in advance, these costs will be deemed to be services delivered in accordance with the person's support plan, and therefore subject to normal charging rules. LBC may waive these charges where the circumstances that led to the non-delivery of service were unforeseen and beyond the control of the person.

4.3 LBC may, in some circumstances, facilitate the provision of care and support on a temporary or transitional basis outside of and/or in addition to an individual's personal budget. This could be for example, where an individual's needs or circumstances have unexpectedly changed for a short time period, and/or where an individual is awaiting a reassessment following a change in needs or circumstances. These services will be subject to charging rules in the normal way.

5.0 About the financial assessment

The client is an individual

5.1 A financial assessment is based on the person receiving the care and support. This means that only finances relating to the person are considered in the financial assessment.

5.2 LBC does not have the power to assess couples or civil partners according to their joint resources or financial circumstances.

Mental capacity

5.3 Where a person lacks capacity, LBC will still financially assess the person to determine if they can contribute towards the cost of their care. In these circumstances, LBC will work with the individual who has the legal authority to make financial decisions on behalf of the person who lacks capacity. For example:

- a. Enduring Power of Attorney (EPA);
- b. Lasting Power of Attorney (LPA) for Property and Affairs;
- c. Lasting Power of Attorney (LPA) for Health and Welfare;

- d. Property and Affairs Deputyship under the Court of Protection; or
 - e. Any other person dealing with that person's affairs (e.g. someone who has been given appointee-ship by the Department for Work and Pensions (DWP) for the purpose of benefits payments).
- 5.4 If a person is found to lack capacity with respect of their financial assessment and there is no such person who has the legal authority to make financial decisions on their behalf, then an approach to the Court of Protection will be made by LBC, if there is no other suitable third party to do this.
- 5.5 Where a person has mental capacity, they may declare their consent for another person to act as their financial representative. Where consent has been given, LBC will work with the financial representative on matters concerning the person's (client's) financial affairs.

Welfare benefits check

- 5.6 LBC will offer a welfare benefits check as part of the financial assessment process.
- 5.7 If agreed by the person, LBC will check to ensure that they are in receipt of all benefits to which they may be entitled. If it is identified that they are entitled to additional benefits, LBC will offer to help the person to complete the appropriate form to claim the extra income.
- 5.8 Income from unclaimed welfare benefits is not considered available within the financial assessment until the income is actually received by the individual.

Financial assessment review

- 5.9 A financial assessment can be reviewed at any time. This can be initiated by either LBC or the person.
- 5.10 In general, a review is normally triggered:
- i. Annually at the start of each financial year;
 - ii. Following a change in the person's financial circumstances;
 - iii. Following a change in care setting from or to a care home;
 - iv. Where a person feels that their assessed contribution has not been calculated properly.

6.0 Financial assessment rules

- 6.1 This section describes some of the key rules for carrying out of a financial assessment.

Capital limits and tariff income

- 6.2 Capital limit thresholds are issued by the Department of Work and Pensions (DWP) annually. These will also be published annually as part of LBC's schedule of adult social care fees and charges.
- 6.3 If the value of a person's combined qualifying capital is in excess of the *upper capital limit*, a financial assessment will deem that they pay the full cost for the care and support services they receive.

- 6.4 If the value of a person's combined qualifying capital is below the *lower capital limit*, their capital is disregarded in their financial assessment.
- 6.5 If the value of a person's combined qualifying capital is between the *lower capital limit* and *upper capital limit*, a tariff income of £1.00 is calculated for each £250.00 in savings between these limits. Tariff income is treated as weekly income in the financial assessment.
- 6.6 Where a person is benefiting from a 12-week property disregard and has chosen to pay a "top-up" fee from their capital resources, the level of tariff income that applies during those 12 weeks is the same as it would be if the person were not using the capital to "top-up".

Property

- 6.7 The value of a person's main home in which they live is disregarded in a non-residential financial assessment. However, any property ownership that is additional to the person's main home, will be treated as available capital in the financial assessment. Where additional property is taken into account in a non-residential financial assessment, the same rules used to determine the treatment of property in a residential financial assessment will be used.
- 6.8 For permanent residential financial assessments, all property owned by the person, either in part or in full, will be treated as available capital when calculating an assessed charge.
- 6.9 Full details about the treatment of property in a financial assessment can be found at Appendix 2.0.

Deprivation of assets

- 6.10 Deprivation of assets describes a situation where a person tries to deliberately avoid paying for care and support costs by depriving themselves of either capital or income.
- 6.11 Where LBC decides, based on the available evidence, that a person has deliberately deprived themselves of assets to avoid paying for care and support costs, LBC will financially assess the person as if they still possess the asset; and/or if the asset has been legally transferred to someone else, seek to recover the lost income from charges from that person.

Full cost charging policy

- 6.12 A "full cost" financial assessment means that the person is required to pay the full amount of all qualifying charges for any means tested care and support they receive.
- 6.13 LBC will treat a person as having a "full cost" financial assessment where they:
 - i. choose not to disclose their financial information to enable a full financial assessment;
 - ii. fail to co-operate and/or do not provide a completed financial assessment form within 28 days of agreeing a support plan or the commencement of chargeable services (whichever is sooner);
 - iii. sign a declaration that they are happy to pay the full cost of services received;

- iv. have in excess of the upper capital limit in savings and/or capital assets; or
- v. receive a full financial assessment that deems they are assessed to contribute the full cost for their care and support.

Backdating charges / client contributions

- 6.14 LBC may backdate charges and/or personal contributions from the date the person was made aware of their financially assessed contribution (i.e. the date the financial contribution was calculated) or the date of referral as appropriate.

Prison

- 6.15 Charging rules apply equally to people in prison. Whilst prisoners have restricted access to paid employment and benefits (and earnings in prison will be disregarded for the purposes of a financial assessment), any other income, capital assets, savings and pensions will be treated in the normal way.

7.0 Financial assessment calculation

- 7.1 Once the financial assessment form is completed and LBC is satisfied that all supporting documentation has been supplied and verified, a calculation of income, expenditure and allowances will be made to work out how much money the person can afford to contribute on a weekly basis towards the costs of their care and support.

The calculation

- 7.2 Income *minus* Expenditure *minus* Allowances *equals* Client contribution
- 7.3 As part of the financial assessment, any calculation that results in a fraction of a penny will be rounded either up or down to the advantage of the person.

Income

- 7.4 Income is calculated on a weekly basis for the purpose of the financial assessment.
- 7.5 Income will always be taken into account unless otherwise stated.
- 7.6 Income includes tariff income (see section 5).
- 7.7 Full treatment of different types of income in the financial assessment, including any capital treated as income, can be found at Appendix 1 to this policy.

Expenditure in care homes

- 7.8 Where the person is living permanently in a residential care home, no expenditure is allowable within the financial assessment. This is because the care provided within the care home setting is deemed to cover all of the person's general living costs.

Expenditure in non-residential settings

- 7.9 Expenditure in non-residential settings (i.e. any setting other than a care home) refers to any housing-related costs which the person is liable to meet in respect of their main or only home.

- 7.10 All expenditure is calculated on a weekly basis for the purpose of the financial assessment.
- 7.11 Each type of expenditure will be considered on its own merits depending on the circumstances of the person's situation. However, the following types of expenditure will normally be allowable within the financial assessment:
- i. Rent – the full amount payable less any Housing Benefit, less ineligible service charges, divided by the number of adults eligible for payment;
 - ii. Council Tax – the full amount payable less any Council Tax Benefit, divided by the number of adults occupying the property;
 - iii. Mortgage repayments – the full amount payable divided by the number of adults eligible for payment;
 - iv. Ground rent and maintenance for leaseholders – the full amount payable excluding costs already allowed under the basic allowance such as water, electricity, etc., divided by the number of adults occupying the property;
 - v. Disability related expenditure (See Appendix 3 for further details).

Allowances in care homes

- 7.12 An allowance in a care home (whether a permanent or temporary stay) is often referred to as a Personal Expenses Allowance (PEA). The PEA is intended to leave the person with a minimum guaranteed level of income to spend as they wish, and so is disregarded in the financial assessment.
- 7.13 If a person has signed a deferred payment agreement, the level of PEA will be agreed between LBC and the person, up to the maximum PEA level specified by the DWP.
- 7.14 LBC will not tolerate any attempt to pressurise the person to spend their PEA in ways against their wishes.
- 7.15 LBC will publish the PEA amount as part of its annual Fees and Charges Schedule.
- 7.16 In some exceptional circumstances, LBC may agree to a higher PEA than the published amount either on a temporary or indefinite basis. The Policy Manager will make a recommendation to alter the PEA in a financial assessment where deemed necessary. The recommendation will be considered by the Head of Service and ratified if in agreement.

Allowances in non-residential settings

- 7.17 An allowance in non-residential settings (i.e. any setting other than a care home) is an amount of money required to pay for day-to-day living costs. The allowance is therefore disregarded in the financial assessment.
- 7.18 The allowance must be at least the amount of the Minimum Income Guarantee set out in the Care and Support (Charging and Assessment of Resources) Regulations. The amount depends on a person's age and is based on the basic levels of income support or the Guarantee Credit of Pension Credit, plus a 25% buffer.
- 7.19 LBC will publish a full list of allowances with qualifying criteria as part of its annual Fees and Charges Schedule.

Confirmation of assessed contribution

- 7.20 Once the financial assessment has been processed, LBC will send a written record to the person or their appointed financial representative. The written record will show:
- i. any figures used within the calculation;
 - ii. the method of calculation;
 - iii. the maximum weekly assessed charge calculated by the financial assessment;
 - iv. the actual weekly charge based on planned level of care and support (i.e. the personal budget);
 - v. details about paying charges and personal contributions;
 - vi. an explanation of how variations from planned service can alter the actual weekly charge (but not the maximum assessed charge).

8.0 Review and Appeals Process

- 8.1 If an individual is unhappy about the outcome of their financial assessment, they may start the review and appeals process which is described below.

Stage 1 - Review

- 8.2 At the review stage a different Financial Assessment Officer will review the issue(s) raised by the individual and consider any new financial information provided. The Officer will also check to ensure the Charging Policy has been applied correctly.

Stage 2 – Appeal

- 8.3 If the individual is still unhappy with their reviewed charge or personal contribution, an appeal can be requested.
- 8.4 At the appeal stage LBC will organise for an independent person to look at the case.
- 8.5 The appeal process can take up to 28 days from the time the completed appeals form is received, to the time the individual is informed of the outcome.

About the review and appeal process

- 8.6 Confirmation of the outcome at each stage of this process is communicated with the individual.
- 8.7 The individual will continue to be charged the original assessed contribution during the review and appeal process.
- 8.8 If after the review and appeal LBC asks the person to pay a different weekly charge or personal contribution, the difference will be backdated. Any overpaid charges or contributions will be refunded.
- 8.9 If an independent adjudicator makes a recommendation to waiver the assessed charge, this will need to be ratified by the Executive Director responsible for Adult Social Care.

- 8.10 If an individual is still unhappy with their assessed charge following a review and appeal, they can still access the statutory complaint procedure and are advised to contact the Local Government Ombudsman.
- 8.11 There are three Local Government Ombudsmen in England. Each of them deals with complaints from different parts of the country, but all new complaints will go to the LGO Advice Team. Complaints can be made over the telephone or sent to:

The Local Government Ombudsman
PO Box 4771
Coventry CV4 0EH

Tel: 0300 061 0614
Fax: 024 7682 0001
Enquiries by email to advice@lgo.org.uk

9.0 Income Collection

- 9.1 When an individual chooses to take their personal budget as a form of direct payment, assessed contributions are deducted from the personal budget amount and a net payment is made by LBC for contribution to the personal budget. Direct payments are normally paid 4 weekly in advance.
- 9.2 When an individual chooses for the council to provide or arrange services using their personal budget, *either a 4 weekly invoice is sent to clients requesting the payment of their personal contribution or in some cases, providers may be paid net of the clients contribution.* This will include any charges associated with any other financially assessed services and/or any flat-rate charges where applicable.
- 9.3 Where a client has entered a deferred payments agreement the agreed level of weekly contribution will be paid by the client directly to the care provider, unless otherwise agreed. The agreed level of deferred fees will be secured and collected in accordance with LBC's deferred payments policy.
- 9.4 Invoices can be paid by cash, cheque or credit/debit card by the following methods:
- Bank or Building Society (there may be a charge);
 - By post;
 - Post Office (there may be a charge);
 - Standing order;
 - On the internet at www.croydon.gov.uk
 - Telephoning Exchequer Services on 020 8667 8460
- 9.5 Cheques should be made payable to "LBC."

Income collection procedures – The Payment of Invoices

- 9.6 LBC has a policy of pursuing settlement of outstanding invoices. The Council's payment terms are immediate payment.
- 9.7 If payment is not made for an invoice a reminder process is initiated.

- 9.8 If payment is still not forthcoming then this can result in legal action to recover the debt outstanding, in accordance with the corporate debt recovery policy.

10.0 Equal Opportunities Statement

- 10.1 LBC will treat all people with dignity and respect recognising the value of each individual.
- 10.2 LBC is committed to eliminating all forms of discrimination in service delivery and employment on grounds of age, disability, gender reassignment, marriage or civil partnership, race, religion or belief, sex or sexual orientation.
- 10.3 Information is available in Braille, large print, tape and disk and translation can be arranged on request.

Appendix 1

The technical detail for the financial assessment calculation

1.0 Income

- 1.1 As a general principle, all income will be taken into account in a financial assessment unless otherwise stated.
- 1.2 Any income is considered net of any tax or national insurance contributions.

Disregarded income

- 1.3 Any income from the following sources will be *disregarded* in the financial assessment:
 - a) Armed Forces Independence Payments and Mobility Supplement
 - b) Child Support Maintenance Payments and Child Benefit
 - c) Child Tax Credit
 - d) Council Tax Reduction Schemes where this involves a payment to the person
 - e) Disability Living Allowance (Mobility Component) and Mobility Supplement
 - f) Christmas bonus
 - g) Dependency increases paid with certain benefits
 - h) Discretionary Trust
 - i) Earnings derived from employment, including self-employment
 - j) Gallantry Awards
 - k) Guardian's Allowance
 - l) Guaranteed Income Payments made to Veterans under the Armed Forces Compensation Scheme
 - m) Income frozen abroad
 - n) Income in kind
 - o) Pensioners Christmas payments
 - p) Personal Independence Payment (Mobility Component) and Mobility Supplement
 - q) Personal injury trust, including those administered by a Court
 - r) Resettlement benefit
 - s) Savings credit disregard
 - t) Social Fund payments (including winter fuel payments)

- u) The first £10 per week of War Widows and War Widowers pension, survivors Guaranteed Income Payments from the Armed Forces Compensation Scheme, Civilian War Injury pension, War Disablement pension and payments to victims of National Socialist persecution (paid under German or Austrian law)
- v) War widows and widowers special payments
- w) Any payments received as a holder of the Victoria Cross, George Cross or equivalent
- x) Any payment received in respect of any expenses incurred as a volunteer where the adult is not paid or does not profit from the employment
- y) Any grants or loans paid for the purposes of education
- z) Payments made in relation to training for employment
- aa) Any payment from the:
 - i. Macfarlane Trust
 - ii. Macfarlane (Special Payments) Trust
 - iii. Macfarlane (Special Payment) (No 2) Trust
 - iv. Caxton Foundation
 - v. The Fund (payments to non-haemophiliacs infected with HIV)
 - vi. Eileen Trust
 - vii. MFET Limited
 - viii. Independent Living Fund (2006)
 - ix. Skipton Fund
 - x. London Bombings Relief Charitable Fund
- bb) Any income disregard required by relevant legislation or regulations not detailed in this policy.

Benefits

- 1.4 The following benefits will be *disregarded* in the financial assessment:
 - a) Direct payments;
 - b) Guaranteed Income Payments made to Veterans under the Armed Forces Compensation Scheme;
 - c) The mobility component of Disability Living Allowance;
 - d) The mobility component of a Personal Independence Payment.
- 1.5 The following benefits will be *included* in the financial assessment calculation and treated as income:
 - a) Attendance Allowance, including Constant Attendance Allowance and Exceptionally Severe Disablement Allowance;
 - b) Bereavement Allowance;
 - c) Carers Allowance;

- d) Disability Living Allowance (Care component);
- e) Employment and Support Allowance or the benefits this replaces such as Severe Disablement Allowance and Incapacity Benefit;
- f) Income Support;
- g) Industrial Injuries Disablement Benefit or equivalent benefits;
- h) Jobseeker's Allowance;
- i) Maternity Allowance;
- j) Pension Credit;
- k) Personal Independence Payment (Daily Living component);
- l) State Pension;
- m) Universal Credit;
- n) Working Tax Credit

1.6 Where any Social Security benefit payment has been reduced, for example because of an earlier overpayment, the amount taken into account will be the gross amount of the benefit before reduction. This does not apply where there has been a reduction because of voluntary unemployment.

Annuity and pension income

1.7 An annuity is a type of pension product that provides a regular income for a number of years in return for an investment.

1.8 The capital invested in an annuity is *disregarded* in the financial assessment.

1.9 The income from an annuity is *included* fully in the financial assessment, except where it is:

- a) purchased with a loan secured on the person's main or only home; or
- b) purchased with a gallantry award such as the Victoria Cross Annuity or George Cross Annuity.

1.10 When a person is in a care home and is paying half of the value of their occupational pension, personal pension retirement annuity to their spouse or civil partner, 50% of the full value will be *disregarded* in the financial assessment. This disregard will only apply if one of the annuitants still occupies the property as their main or only home.

1.11 Where the disregard is applied, only the following aspects will be disregarded:

- a) the net weekly interest on the loan where income tax is deductible from the interest; or
- b) the gross weekly interest on the loan in any other case.

1.12 Before applying the disregard, the following conditions must be met:

- a) The loan must have been made as part of a scheme that required that at least 90% of that loan be used to purchase the annuity;

- b) The annuity ends with the life of the person who obtained the loan, or where there are two or more annuitants (including the person who obtained the loan), with the life of the last surviving annuitant;
- c) The person who obtained the loan or one of the other annuitants is liable to pay the interest on the loan;
- d) The person who obtained the loan (or each of the annuitant where there are more than one) must have reached the age of 65 at the time the loan was made;
- e) The loan was secured on a property in Great Britain and the person who obtained the loan (or one of the other annuitants) owns an estate or interest in that property; and
- f) The person who obtained the loan or one of the other annuitant occupies the property as their main or only home at the time the interest is paid.

1.13 Where the person is using part of the income to repay the loan, the amount paid as interest is disregarded. If the payments the person makes on the loan are interest only and the person qualifies for tax relief on the interest they pay, the net interest will be disregarded. Otherwise, the gross interest will be disregarded.

1.14 The following rules detail how income from a pension fund is assessed for the purposes of charging:

- a) If a person has removed the funds from their pension and placed them in another product or savings account, they will be treated according to the rules for that product;
- b) If a person is only drawing a minimal income from their pension fund, then notional income will apply calculated according to the maximum income that could be drawn under an annuity product. If the maximum notional income is applied, the actual income will be disregarded to avoid double counting;
- c) If a person is drawing down an income that is higher than the maximum available under an annuity product, the actual income that is being drawn down is taken into account.

Mortgage protection insurance policies

1.15 Any income from an insurance policy will usually take into account in a financial assessment.

1.16 If any income received by the person from Income Support and Pension Credit is adjusted to take into account any income from an insurance policy, the financial assessment will also be adjusted accordingly.

1.17 There are circumstances, specifically in relation to mortgage protection policies, where income is disregarded in the financial assessment. This is generally only where the income is being used to meet repayments on the loan. The amount of income from a mortgage protection insurance policy that will be disregarded is the weekly sum of:

- a) The amount which covers the interest on the loan; plus
- b) The amount of the repayment which reduced the capital outstanding; plus

- c) The amount of the premium due on the policy.

Charitable and voluntary payments

- 1.18 LBC will consider the individual circumstances for charitable and voluntary payments before making a decision about inclusion or otherwise within the financial assessment.
- 1.19 In general, a charitable or voluntary payment which is not made regularly is treated as capital; whilst charitable and voluntary payments that are made regularly are fully disregarded.

Capital treated as income

- 1.20 Where LBC is not clear whether a payment is capital or income, reference will be made to the relevant legislation, regulations and statutory guidance. However, in general, the following capital payments will be treated as income:
 - a) Any payment received under an annuity;
 - b) Capital paid by instalment as defined in the CSSG.

Savings disregard

- 1.21 Details about the rules and qualification for a savings disregard are specified within the CSSG and determined by the DWP annually. LBC will apply savings disregards in any financial assessment in accordance with the rules detailed in the CSSG.

Notional income

- 1.22 In some circumstances LBC may treat a person as having income they do not have. This is known as notional income. This might include, for example:
 - a) income that would be available on application, but which has not been applied for;
 - b) income that is due but has not been received;
 - c) income that the person has deliberately deprived themselves of for the purpose of reducing the amount they are liable to pay for their care;
 - d) where a person who has reached retirement age and has a personal pension plan but has not purchased an annuity or arranged to draw down the equivalent maximum annuity income that would be available from the plan.
- 1.23 LBC will only include notional income in a financial assessment when it is satisfied that the income would or should have been available to the person.
- 1.24 LBC will seek estimates of any notional income related to a personal pension plan from the respective pension provider or from estimates provided by the Government Actuary's Department.
- 1.25 Notional income is treated in the same way as actual income and any income that would usually be disregarded will continue to be so.
- 1.26 Notional income will be included in the financial assessment from the date it could be expected to be acquired.

1.27 The following sources of income are **not** treated as notional income:

- a) Income payable under a discretionary trust;
- b) Income payable under a trust derived from a payment made as a result of a personal injury where the income would be available but has not yet been applied for;
- c) Income from capital resulting from an award of damages for personal injury that is administered by a court;
- d) Working Tax Credit;
- e) Occupational pension which is not being paid because:
 - i. The trustees or managers of the scheme have suspended or ceased payments due to an insufficiency of resources; or
 - ii. The trustees or managers of the scheme have insufficient resources available to them to meet the scheme's liabilities in full.

2.0 Capital

- 2.1 Capital is considered to be an asset owned by a person that can generate a financial return or financial resources available for use.
- 2.2 The following list gives examples of capital. This list is intended as a guide and is not exhaustive.
- a) Buildings
 - b) Land
 - c) National Savings Certificates and Ulster Savings Certificates
 - d) Premium Bonds
 - e) Stocks and shares
 - f) Capital held by the Court of Protection or a Deputy appointed by that Court
 - g) Trust funds
 - h) Any savings held in:
 - I. Building society accounts.
 - II. Bank current accounts, deposit accounts or special investment accounts. This includes savings held in the National Savings Bank, Girobank and Trustee Savings Bank.
 - III. SAYE schemes.
 - IV. Unit Trusts.
 - V. Co-operatives share accounts.
 - VI. Cash.
- 2.3 When determining the classification and/or treatment of an asset in the financial assessment, LBC will consider each individual asset on its merits, referencing relevant legislation, regulations and statutory guidance where appropriate.

Ownership of capital

- 2.4 A capital asset is normally defined as belonging to the person in whose name it is held, i.e. the legal owner.
- 2.5 Where there is dispute over ownership of capital, LBC will seek written evidence to prove where ownership lies.
- 2.6 Where a person has joint beneficial ownership of capital, the total value will be divided equally between the joint owners, except where there is evidence to the contrary where the capital will be divided according to the proportion of legal ownership. For example, where a person owns a 50% share of a capital asset, 50% of the total value of that asset will be considered within the scope of their financial assessment.
- 2.7 Where a person has legal ownership of a property but is not the beneficial owner of a property (i.e. they have no rights to the proceeds of any sale), the property will not be taken into account into in the financial assessment.

Calculating the value of capital

- 2.8 LBC will seek to determine the value of any capital owned in order to take account of it in the financial assessment.
- 2.9 The value of National Savings Certificates (and Ulster Savings Certificates) (Premium Bonds) will be obtained by contacting the NS&I helpline or using the NS&I online calculator. To do this, the person must provide LBC with the following details:
- a) certificate issue number(s);
 - b) purchase price;
 - c) date of purchase.
- 2.10 The valuation of all other capital will be determined according to the *higher* of the current market value or surrender value, minus:
- a. 10% of the assets value if there would be an actual expense involved in the selling of the asset. This must be expenses connected with the actual sale and not simply the realisation of the asset. For example, legal fees to sell a property would be considered an expense of sale, but the costs to withdraw funds from a bank account would not; and
 - b. any outstanding debts secured on the asset (e.g. a mortgage).
- 2.11 If LBC and the person agree that the total value of their capital is either more than the *upper capital limit* or less than the *lower capital limit*, then LBC will not seek to obtain a precise valuation of any qualifying assets.
- 2.12 If there are any disputes about the value of an asset, a precise valuation will be obtained by a professional valuer. LBC will aim to seek a professional value within 12 weeks of the financial assessment start date.

Assets held abroad

- 2.13 LBC will normally include the value of assets held abroad in the financial assessment.
- 2.14 If capital is held abroad and can be transferred to the UK, its value in the other country will be obtained and taken into account in the financial assessment in the normal way, including any deductions from the value for the disposal of the asset where applicable.
- 2.15 Where the capital cannot be wholly transferred to the UK due to the rules of that country, LBC will require evidence confirming the nature or terms of the restriction and the potential for any future changes in those terms. Depending on the individual circumstances, examples of acceptable evidence could include documentation from a bank, Government official or solicitor in either this country or the country where the capital is held.

Capital not immediately realisable

- 2.16 Where capital is not immediately realisable due to notice periods, LBC will take the capital into account at face value at the time of the financial assessment. On realising the capital, if the value is different, the value of the capital used in the financial assessment will be adjusted accordingly. If the person chooses not to release the capital, the value at the time of assessment will be used in the financial assessment and will be reassessed at intervals in the normal way.

Capital or income

- 2.17 Resources will only be treated as income or capital in a financial assessment, but not both. For example, if a person has saved money from their income then those savings will normally be treated as capital. However, during the period when the money is received and treated as income, it will be disregarded as capital.
- 2.18 Where LBC is not clear whether a payment is capital or income, reference will be made to the relevant legislation, regulations and statutory guidance. However, in general, a planned payment of capital (as opposed to income) is one which is:
- a) not in respect of a specified period; and
 - b) not intended to form part of a series of payments.

Income treated as capital

- 2.19 LBC will treat the following types of income as capital:
- a) Any refund of income tax charged on profits of a business or earnings of an employed earner;
 - b) Any holiday pay payable by an employer more than 4 weeks after the termination or interruption of employment;
 - c) Income derived from a capital asset, for example, building society interest or dividends from shares. This should be treated as capital from the date it is normally due to be paid to the person. This does not apply to income from certain disregarded capital;
 - d) Any advance of earnings or loan made to an employed earner by the employer if the person is still in work;
 - e) Any bounty payment paid at intervals of at least one year from employment as:
 - i. A part time fireman;
 - ii. An auxiliary coastguard;
 - iii. A part time lifeboat man;
 - iv. A member of the territorial or reserve forces.
 - f) Charitable and voluntary payments which are neither made regularly nor due to be made regularly, apart from certain exemptions such as payments from AIDS trusts. Payments will include those made by a third party to the person to support the clearing of charges for accommodation.
 - g) Any payments of arrears of contributions by a local authority to a custodian towards the cost of accommodation and maintenance of a child.

Notional capital

2.20 In some circumstances LBC may consider a person to have notional capital. This is when a client is treated as possessing a capital asset even where they do not actually possess it. This may apply when capital:

- a) would be available to the person if they applied for it;
- b) is paid to a third party in respect of the person;
- c) the person has deprived themselves of in order to reduce the amount they have to pay for their care.

2.21 Where notional capital has been applied to a financial assessment, LBC will ensure the capital is reduced weekly by the difference between the weekly rate the person is paying for their care and the weekly rate they would have paid if notional capital did not apply.

Capital available on application

2.22 Where application to access capital is required, LBC will treat the capital as if it already belongs to the person, except in the following circumstances:

- a) Capital held in a discretionary trust;
- b) Capital held in a trust derived from a payment in consequence of a personal injury;
- c) Capital derived from an award of damages for personal injury which is administered by a court;
- d) Any loan which could be raised against a capital asset which is disregarded, for example the home.

2.23 LBC will treat capital not owned by the person, but will become theirs on application, (for example an unclaimed premium bond win), as notional capital.

2.24 Where LBC treats capital available on application as notional capital, we will do so from the date at which it could be acquired by the person.

Investment bonds

2.25 LBC will normally seek legal advice in relation to the inclusion or otherwise of investment bonds within a financial assessment.

2.26 Where an investment bond includes one or more element of life insurance policies that contain cashing-in rights by way of options for total or partial surrender, then the value of those rights is disregarded as a capital asset in the financial assessment.

Capital disregards (not including property disregards)

2.27 The following capital assets will be disregarded in the financial assessment:

- a) The surrender value of any:
 - I. Life insurance policy;
 - II. Annuity.
- b) Payments of training bonuses of up to £200;

- c) Payments in kind from a charity;
- d) Any personal possessions such as paintings or antiques, unless they were purchased with the intention of reducing capital in order to avoid care and support charges;
- e) Any capital which is to be treated as income or student loans;
- f) Any payment that may be derived from:
 - i. The Macfarlane Trust;
 - ii. The Macfarlane (Special Payments) Trust;
 - iii. The Macfarlane (Special Payment) (No 2) Trust;
 - iv. The Caxton Foundation;
 - v. The Fund (payments to non-haemophiliacs infected with HIV);
 - vi. The Eileen Trust;
 - vii. The MFET Trust;
 - viii. The Independent Living Fund (2006);
 - ix. The Skipton Fund;
 - x. The London Bombings Relief Charitable Fund.
- g) The value of funds held in trust or administered by a court which derive from a payment for personal injury to the person. For example, the vaccine damage and criminal injuries compensation funds;
- h) The value of a right to receive:
 - i. Income under an annuity;
 - ii. Outstanding instalments under an agreement to repay a capital sum;
 - iii. Payment under a trust where the funds derive from a personal injury;
 - iv. Income under a life interest or a life-rent;
 - v. Income (including earnings) payable in a country outside the UK which cannot be transferred to the UK;
 - vi. An occupational pension;
 - vii. Any rent. Please note however that this does not necessarily mean the income is disregarded.
- i) Capital derived from an award of damages for personal injury which is administered by a court or which can only be disposed of by a court order or direction;
- j) The value of the right to receive any income under an annuity purchased pursuant to any agreement or court order to make payments in consequence of personal injury or from funds derived from a payment in consequence of a personal injury and any surrender value of such an annuity;
- k) Periodic payments in consequence of personal injury pursuant to a court order or agreement to the extent that they are not a payment of income and are treated as income (and disregarded in the calculation of income);
- l) Any Social Fund payment;

- m) Refund of tax on interest on a loan which was obtained to acquire an interest in a home or for repairs or improvements to the home;
- n) Any capital resources which the person has no rights to as yet, but which will come into his possession at a later date, for example on reaching a certain age;
- o) Payments from the Department of Work and Pensions to compensate for the loss of entitlement to Housing Benefit or Housing Benefit Supplement;
- p) The amount of any bank charges or commission paid to convert capital from foreign currency to sterling;
- q) Payments to jurors or witnesses for court attendance (but not compensation for loss of earnings or benefit);
- r) Community charge rebate/council tax rebate;
- s) Money deposited with a Housing Association as a condition of occupying a dwelling;
- t) Any Child Support Maintenance Payment;
- u) The value of any ex-gratia payments made on or after 1st February 2001 by the Secretary of State in consequence of a person's, or person's spouse or civil partner's imprisonment or internment by the Japanese during the Second World War;
- v) Any payment made by a local authority under the Adoption and Children Act 2002 (under section 2(b)(b) or 3 of this act);
- w) The value of any ex-gratia payments from the Skipton Fund made by the Secretary of State for Health to people infected with Hepatitis C as a result of NHS treatment with blood or blood products;
- x) Payments made under a trust established out of funds provided by the Secretary of State for Health in respect of persons suffering from variant Creutzfeldt-Jakob disease to the victim or their partner (at the time of death of the victim);
- y) Any payments under Section 2, 3 or 7 of the Age-Related Payments Act 2004 or Age Related Payments Regulations 2005 (SI No 1983);
- z) Any payments made under section 63(6)(b) of the Health Services and Public Health Act 1968 to a person to meet childcare costs where he or she is undertaking instruction connected with the health service by virtue of arrangements made under that section;
- aa) Any payment made in accordance with regulations under Section 14F of the Children Act 1989 to a resident who is a prospective special guardian or special guardian, whether income or capital.
- bb) Any capital disregard required by relevant legislation or regulations not detailed in this policy.

Property disregards

- 2.28 LBC will disregard the value of the person's *main or only* home in their financial assessment if any of the following circumstances apply:

- a) Where the person is receiving care in a setting that is not a care home (i.e. non-residential);
- b) If the person's stay in a care home is temporary and they:
 - i. intend to return to that property and that property is still available to them; or
 - ii. are taking reasonable steps to dispose of the property in order to acquire another more suitable property to return to.
- c) Where the person no longer occupies the property but it is occupied in part or whole as their *main or only home* by any of the people listed below, and that person has continuously occupied the property since before the first person went into a care home:
 - i. the persons partner, former partner or civil partner, except where they are estranged; or
 - ii. a lone parent who is the person's estranged or divorced partner; or
 - iii. a relative as defined below in paragraph 2.29 of the person or member of the person's family who is:
 - (1) Aged 60 or over, or
 - (2) Is a child of the resident aged under 18, or
 - (3) Is incapacitated.

2.29 For the purposes of the disregard a "relative" is defined as including any of the following:

- a) Parent (including an adoptive parent)
- b) Parent-in-law
- c) Son (including an adoptive son)
- d) Son-in-law
- e) Daughter (including an adoptive daughter)
- f) Daughter-in-law
- g) Step-parent
- h) Step-son
- i) Step-daughter
- j) Brother
- k) Sister
- l) Grandparent
- m) Grandchild
- n) Uncle
- o) Aunt
- p) Nephew
- q) Niece

- r) The spouse, civil partner or unmarried partner of a to k inclusive.
- 2.30 For the purposes of the disregard in paragraph 2.28 part C, a “member of the person’s family” is defined as someone who is living with the qualifying relative as part of an unmarried couple, married to or in a civil partnership.
- 2.31 For the purposes of the disregard in paragraph 2.28 part C, LBC will consider that a relative is incapacitated if either of the following conditions apply:
- a) the relative is receiving one or more of the following benefits: incapacity benefit, severe disablement allowance, disability living allowance, personal independence payments, armed forces independence payments, attendance allowance, constant attendance allowance, or a similar benefit; or
 - b) the relative does not receive any disability related benefit but their degree of incapacity is equivalent to that required to qualify for such a benefit. LBC may require medical or other evidence to be provided before a decision is reached.
- 2.32 For the purposes of the disregard in paragraph 2.28 part C, where LBC is unclear as to whether or not the property is occupied by a qualifying relative as their main or only home, LBC will undertake a factual inquiry weighing up all relevant factors in order to reach a decision. An emotional attachment to the property alone is not sufficient for the disregard to apply.
- 2.33 LBC will take account of the individual circumstances of each case. However, the following factors will usually be taken into in reaching a decision:
- a) Does the relative currently occupy another property?
 - b) If the relative has somewhere else to live do they own or rent the property (i.e. how secure/permanent is it?)
 - c) If the relative is not physically present is there evidence of a firm intention to return to or live in the property
 - d) Where does the relative pay council tax?
 - e) Where is the relative registered to vote?
 - f) Where is the relative registered with a doctor?
 - g) Are the relatives belongings located in the property?
 - h) Is there evidence that the relative has a physical connection with the property?
- 2.34 LBC reserves the right to exercise discretion to apply a property disregard in other exceptional circumstances, either on a temporary or indefinite basis.

The 12-week property disregard

- 2.35 LBC will disregard the value of a person’s *main or only* home for 12 weeks when the value of their other assets is below the upper capital limit and one of the following circumstances apply:
- a) when the client first enters a care home as a permanent resident; or

- b) when a property disregard (other than the 12-week property disregard) unexpectedly ends because the qualifying relative has died or moved into a care home.

The 26-week disregard

2.36 LBC will disregard the following capital assets in a financial assessment for at least 26 weeks.

- a) Assets of any business owned or part-owned by the person in which they were a self-employed worker and has stopped work due to some disease or disablement but intends to take up work again when they are fit to do so. Where the person is in a care home, this disregard will apply from the date they first took up residence.
- b) Money acquired specifically for repairs to or replacement of the person's home or personal possessions provided it is used for that purpose. This disregard will apply from the date the funds were received.
- c) Premises which the person intends to occupy as their home where they have started legal proceedings to obtain possession. This disregard will apply from the date legal advice was first sought or proceedings first commenced.
- d) Premises which the person intends to occupy as their home where essential repairs or alterations are required. This disregard will apply from the date the person takes action to effect the repairs.
- e) Capital received from the sale of a former home where the capital is to be used by the person to buy another home. This disregard will apply from the date of completion of the sale.
- f) Money deposited with a Housing Association which is to be used by the person to purchase another home. This disregard will apply from the date on which the money was deposited.
- g) Grant made under a Housing Act which is to be used by the person to purchase a home or pay for repairs to make the home habitable. This disregard will apply from the date the grant is received.

2.37 LBC reserves the right to exercise discretion to apply one of the disregards reference in paragraph 2.37 for longer in exceptional circumstances. For example where legal processes take more than 26 weeks to complete.

The 52-week disregard

2.38 LBC will disregard the following payments of capital up to a maximum of 52 weeks from the date the payments are received.

- a) The balance of any arrears of or any compensation due to non-payment of:
 - i. Mobility supplement
 - ii. Attendance Allowance
 - iii. Constant Attendance Allowance
 - iv. Disability Living Allowance / Personal Independence Payment
 - v. Exceptionally Severe Disablement Allowance

- vi. Severe Disablement Occupational Allowance
- vii. Armed forces service pension based on need for attendance
- viii. Pension under the Personal Injuries (Civilians) Scheme 1983, based on the need for attendance
- ix. Income Support/Pension Credit
- x. Minimum Income Guarantee
- xi. Working Tax Credit
- xii. Child Tax Credit
- xiii. Housing Benefit
- xiv. Universal Credit
- xv. Special payments to pre-1973 war widows.

As the above payments are paid for specific periods, the amounts will be treated as income over the period for which they are payable. Any money left over after the period for which they are treated as income has elapsed will be treated as capital.

- b) Payments or refunds for:
 - i. NHS glasses, dental treatment or patient's travelling expenses;
 - ii. Cash equivalent of free milk and vitamins;
 - iii. Expenses in connection with prison visits.
- c) Personal Injury Payments.

The 2-year disregard

2.39 LBC will disregard payments made under a trust established out of funds by the Secretary of State for Health in respect of vCJD to:

- a) A member of the victim's family for 2 years from the date of death of the victim (or from the date of payment from the trust if later); or
- b) A dependent child or young person until they turn 18.

Other disregards

2.40 In other special circumstances, LBC may consider applying other disregards as circumstances deem appropriate.

2.41 Where discretion is exercised by the LBC a recommendation will be made by the Head of Service for ratification by the Director responsible for Adult Social Care.

3.0 Disability related expenditure

- 3.1 Expenditure allowable in a non-residential financial assessment can include any living costs associated with an individual's disability or infirmity. This may reduce the person's maximum weekly assessed charge.
- 3.2 LBC's policy relating to disability related expenditure is written in accordance with the good practice guide issued by the National Association of Financial Assessment Officers. This is updated annually and ensures that LBC allows individuals to claim expenditure items that are a direct result of their disability or infirmity.
- 3.3 A copy of LBC's Disability Related Expenditure Policy is shown as attachment 1 at the end of this appendix.
- 3.4 This list is not exhaustive and any reasonable additional costs directly related to a person's disability should be included:
 - a) Payment for any community alarm system.
 - b) Costs of any privately arranged care services required, including respite care.
 - c) Costs of any specialist items needed to meet the person's disability needs, for example:
 - i. Day or night care which is not being arranged by the local authority;
 - ii. specialist washing powders or laundry;
 - iii. additional costs of special dietary needs due to illness or disability (the person may be asked for permission to approach their GP in cases of doubt);
 - iv. special clothing or footwear, for example, where this needs to be specially made; or additional wear and tear to clothing and footwear caused by disability;
 - v. additional costs of bedding, for example, because of incontinence;
 - vi. any heating costs, or metered costs of water, above the average levels for the area and housing type, occasioned by age, medical condition or disability;
 - vii. reasonable costs of basic garden maintenance, cleaning, or domestic help, if necessitated by the individual's disability and not met by social services;
 - viii. purchase, maintenance, and repair of disability-related equipment, including equipment or transport needed to enter or remain in work; this may include IT costs, where necessitated by the disability; reasonable hire costs of equipment may be included, if due to waiting for supply of equipment from the local council;
 - ix. personal assistance costs, including any household or other necessary costs arising for the person;
 - x. internet access for example for blind and partially sighted people

- xi. other transport costs necessitated by illness or disability, including costs of transport to day centres, over and above the mobility component of DLA or PIP, if in payment and available for these costs. In some cases, it may be reasonable for a council not to take account of claimed transport costs – if, for example, a suitable, cheaper form of transport, e.g. council-provided transport to day centres is available, but has not been used;
 - xii. in other cases, it may be reasonable for a council not to allow for items where a reasonable alternative is available at lesser cost. For example, a council might adopt a policy not to allow for the private purchase cost of continence pads, where these are available from the NHS.
- 3.5 LBC will refer to the care plan when considering what is necessary disability related expenditure (DRE).