

**Liberal Democrat Group
budget amendments**

Council, 25th February 2019

Liberal Democrat Budget Amendment 2019/20

Meeting funding pressures

Camden Liberal Democrats recognise that the Council's Medium Term Financial Strategy (MTFS) has been developed in the context of severe reductions to grant funding from central government to local councils in recent years, while the demand and need for its services, such as youth centres and adult social care, continues to rise. Camden's budget has been cut by more than 50% since 2010, meaning the Council has already implemented substantial savings of £169mn to date.

We do not underestimate the scale of the financial challenge the Council now faces. Due to ongoing cuts to central government grant funding, it expects a budget shortfall of up to £40mn by 2021/22, with £23mn of this due to fall in the coming municipal year (2019/20).

Councils around the country, regardless of which party runs them, are being forced to make difficult choices about the provision of basic services. Liberal Democrats believe local government must be able to adequately fund and manage services in order to help meet the needs of local communities and individuals. Occasional, petty handouts for social care, schools, and potholes, as announced in the Chancellor of the Exchequer's autumn 2018 Budget, do not come close to what local councils need to meet the costs of rising demand.

We therefore acknowledge the Council's need to raise council tax by 2.99%, with an additional 1% ringfenced for funding adult social care. In our local elections manifesto last year, we proposed a short-term increase in council tax to help meet the funding crisis for adult social care—though we would like to see efforts by the Council to work with Camden NHS to fund specialist community dementia care nurses, as in Lib Dem-run Sutton. We also think that the Council should be lobbying national government to bring about a penny-on-the-pound increase on all income tax bands, to create a more sustainable model for funding both the NHS and social care, and to prevent the Council from having to levy its additional 1% tax on Camden residents in future.

Protecting the most vulnerable

The borough's least well-off residents already face a challenging financial situation due to excessively harsh welfare cuts brought about by central government since 2015. The Council estimates that the rollout of Universal Credit will leave more than 5,000 low-income, working families in the borough worse off, putting them at risk of dependency on food banks and homelessness. In a context whereby it needs to balance being able to fund its services with protecting the most vulnerable, the Council should be as transparent as possible about the choices it is making.

Unfortunately, this Budget amounts to a smoke and mirrors exercise, as explanations about what the Council is planning in the MTFS are vague and a number of decisions that will impact

residents are due to be taken behind closed doors. One example of this is that the Council says it will focus its resources on developing skills among Camden's adult population who are furthest away from work and therefore most susceptible to welfare changes, but is at the same time proposing cuts to the contracts of adult community learning providers including WMC (The Camden College) of £126,620 over the next three years, a Category B decision delegated to officers and not requiring consultation. Almost half of the WMC's learners are Camden residents, and the Council should not assume that in-house services will always result in better outcomes than those provided by external bodies.

Another example of a measure which would do more harm than good is the plan to phase out scratch-card-style visitor permits (B47) in 2020/21, a Category B decision that should be Category C (to be explored further and returned to in a future report). This proposal would produce only a small saving of £30,000 annually, yet have a serious impact on vulnerable older residents and others who are digitally excluded. Our proposals would enable the scratch card scheme to remain in place. By letting out just one of the council's five committee rooms at the Crowndale Centre for an additional two hours each weekday evening, the Council could generate yearly income of £24,000.

We are concerned that this Budget gives to those most at risk with one hand, but takes away from them with the other. A clear example of this is how it approaches the problem of rising homelessness and rough sleeping, one of the biggest crises facing Camden. At the last count in autumn 2018, 141 people were found to be sleeping rough on Camden's streets. Since this figure does not take into account the 'hidden homeless', that number is likely to be significantly higher, particularly among young people, the majority of whom do not present to their local authority as homeless. While we welcome the Council's proposed continuing 'strategic investment' of £0.91mn in hotspots to help tackle rough sleeping, we note this is a one-off measure and that the Council simultaneously intends to implement nearly £3mn worth of cuts to homelessness prevention and temporary accommodation services over the next three years (Project Refs A37, A81, B39 and B73).

Investing in homelessness support & prevention

We firmly believe these cuts need to be avoided if the Council wishes to achieve its aims, stated in the recent draft Homelessness and Rough Sleeping Strategy 2019-2024, of preventing people from becoming homeless and supporting those experiencing homelessness. We therefore propose bringing forward the Review of Strategy & Change (B78), and going further. Analysis by officers shows that reducing headcount of the 50 FTEs currently working in Strategy and Change by 20% would generate savings of £609,000 a year, while a 20% reduction in headcount of the 25 FTEs currently working in various communications roles would generate savings of £297,000 per year.

These measures alone would deliver nearly £3mn worth of savings over the three-year period, almost enough to protect the health support and prevention aspects of existing homelessness

services from the Council's proposed cuts (A37 and A81), as well as the contracts of charities and housing associations running adult hostels (B39) and the management of temporary accommodation services (B73).

Winter night shelters close in March, meaning that from then on young people are at risk of having nowhere to stay if they need a bed for the night. We recommend that the Council set aside £10,000 to fund a scoping study, looking at how Camden can work with other boroughs and the Mayor of London to establish an all-year round night shelter for young people who are, or at risk of, rough sleeping.

The state of some of the temporary accommodation provided by the Council also desperately needs addressing. Some 70 households have been made to live in temporary accommodation in the borough for more than 10 years, due to availability and affordability pressures on permanent housing, as well as inefficiencies in the Council's allocations system. We think these households cannot all be asked to wait until Year 3 (2021/22) for the Council's temporary accommodation portfolio to be remodelled.

In particular, the England's Lane Residence, which serves 150 households from all over the borough, is not fit for purpose. Residents complain of having to stay in studios for long periods with mice infestations and no on-site facilities for washing their clothes. As a starting point, we would therefore seek to restore washing machines at the residence. We believe this can be part funded out of the generosity of wealthier Camden residents. One such resident has already offered to pay for the purchase and installation of the machines (at a cost of £40,000). Given the anti-social behaviour issues that led to the decommissioning of the previous laundry service, we understand it would be necessary to have the area staffed and additional CCTV installed to avoid that reoccurring. This is expected to cost £45,000 a year, and could be met for less than the cost of retaining one FTE within Creative Services (each role costs £59,360 annually, with five FTEs currently employed by the Council).

Drawing on our community resources to protect services

From our own work looking at how to address homelessness and rough sleeping, we also believe there is a lot of goodwill from residents in the borough and that the Council can think creatively about how best to use this resource in light of its own funding constraints. Options the Council could explore include partnering with charities, handing over the temporary accommodation it manages to housing associations so that they can raise funding from other sources, and considering asking wealthier residents to volunteer to pay more towards the provision of specific services, particularly those that target support for the most vulnerable, using a similar model to that adopted by our neighbouring boroughs of Westminster and Islington. Such approaches could generate income to do more to tackle the homelessness crisis, or prevent the severe cuts the Council is planning to adult social care (B29), particularly from 2020/21 onwards, as well as other reductions to important services such as children and young people's mental health services (B18) currently in the pipeline. The Resources and

Corporate Performance Scrutiny Committee could set up a panel to explore these options, enabling a wider range of councillors to work with Camden’s communities to identify what would work best for our borough.

Comments of the Executive Director Corporate Services

The Executive Director Corporate Services confirms that, should the amendments be agreed, the assurances required by Section 25 of the Local Government Act 2003 with regard to the adequacy of the reserves and the robustness of the estimates have been met and, therefore, that this still constitutes a balanced budget for 2019/20. The Executive Director Corporate Services or other officers have not been able to give these proposals the depth of consideration and due diligence to be able to recommend this as a course of action. It has not been possible to make a full and comprehensive assessment of the impact of these proposals (such as those linked to the future use of our buildings or the impact on the existing workforce) and the associated implementation issues and risks.

Table 1: Liberal Democrat Group 2019/20 Budget Amendments

Permanent/ One-off	Proposal	Three year estimate £000	2019/20 Estimate
1. Costs			
Permanent	Restore funding for Improving Health and Support Provision for Street Population	45	15
Permanent	Restore funding for homelessness prevention	250	50
Permanent	Restore funding for adult hostels	2,175	600
Permanent	Restore funding for temporary accommodation service management	474	158
Permanent	Restore funding for scratch-card-style visitor permits	60	0
Permanent	England’s Lane Residence security staffing costs	135	45
One-off	Scoping study for all-year round night shelter	10	10

One-off	Start-up costs for washing machines at England's Lane Residence*	40	40
---------	--	----	----

2. Savings

Permanent	Reduce headcount of the 50 FTEs currently working in Strategy and Change by 20%	(1,827)	(609)
Permanent	Reduce headcount of the 25 FTEs currently working in various communications roles by 20%	(891)	(297)
Permanent	Delete one FTE from Creative Services	(178)	(59)
Permanent	Let out one of the council's five committee rooms for an additional two hours each weekday evening	(72)	(24)
One-off	Bring forward commercial & admin property budget review by one quarter	(60)	(60)

	Three year estimate £000	2019/20 estimate £000	
Sum of budget amendments	161	(131)	
Transfer to/ (from) reserves	(161)	131	Cost of Change reserve recommended
Net budget	0	0	Amendments are required to balance to zero, as per statutory requirements.

*There is potential for a saving to be made on this investment, given a local resident has offered to pay for the purchase and installation of these machines. Not having to make this one-off investment would increase the Council's Total Available Resource.

Proposed by: Cllr Luisa Porritt

Seconded by: Cllr Flick Rea