

LEADER'S ANNUAL (INCLUDING PORTFOLIO) REPORT

1. Introduction

1.1 Local government is facing a potential cliff edge. After the elections in 2010 we tried to be realistic and talk about 'two parliaments of pain' for public services. That now looks to have been optimistic. We are only part way through implementing £168m worth of cuts. Half our budget for services will have gone between 2011 and the end of the municipal year 2017/18. Now the outlook for future funding looks more bleak and will certainly not be over by 2018. In introducing my annual report I am proud of the achievements we have made for residents and our communities, despite these pressures. I will bring a report to October Cabinet on progress against the ambitions set out in the Camden Plan and reflect on how we will need to adapt in light of further cuts and the policy direction coming from central Government which has far reaching consequences for many of our residents and services.

1.2 Despite these significant challenges, we will remain focused on finding ways to help our most vulnerable residents and making Camden a better place to live. My administration will show that there is an alternative to the national austerity agenda, and show the value of public services in making real differences to people's life chances. In my annual report I want to highlight some of the key ways we are doing this, through an update on each of my strategic priorities:

- finance
- childcare and maternal employment
- housing
- High Speed 2
- devolution/public service reform

1.3 I have specific portfolio responsibility for equality and so I include a wider update on this work, where it is not already covered in my key priorities. This reflects the importance of tackling inequality and our continued commitment to creating a place where everyone has a chance to succeed and no one gets left behind.

1.4 My report does not cover everything we have achieved or all portfolio areas – I am not seeking to replicate the annual portfolio reports of the rest of cabinet. However, it does cover some key achievements in the past year and challenges ahead.

2. Tackling inequality

2.1 I commissioned the Equality Taskforce to help us better understand the drivers of inequality, and areas where we could make an impact and narrow the gap locally. The final Taskforce recommendations were published in 2013, and focussed on maternal employment, attainment and housing as key to tackling inequality, with additional

recommendations to make Camden a 'No Wrong Door' borough and testing new ways to finance and deliver services, making every pound count. Since then we have made some notable progress towards these, with a few examples given in this section, while others are mentioned elsewhere in this report. This is testament to how we have increasingly mainstreamed a commitment to promoting equality across services – both linked to Taskforce objectives and our Camden Plan ambitions.

- 2.2 We are tackling the high costs and quality of housing in the private rented sector with a variety of work, from our rent stabilisation research with the London School of Economics to our new licensing scheme (see section 6 for more on this). Overcrowding can have a severe and detrimental impact on children's health and development. We are exploring ways to tackle overcrowding and alleviate its impacts, including developing a pilot that will look at how we improve advice and support to overcrowded households, and seek to make better use of communal spaces, for example by using space for homework clubs.
- 2.3 The achievements and aspirations of Camden's children and young people are being raised and championed, for instance in our second primary schools careers conference in March where over 200 people attended. We have invested in projects that develop career pathways, vocational provision and apprenticeships, to date over 300 young people benefited via these projects.
- 2.4 We are pioneering approaches to employment that help people balance work and life demands, from ensuring our staff are paid the London Living Wage to high quality flexible employment. For example, in the past year we have signed up to the Ethical Care Charter to drive up standards for homecare workers by taking steps which include payment of the London Living Wage.
- 2.5 We have targeted support for mothers from backgrounds with particularly low rates of employment, via two projects led by the voluntary sector - Camden Women Like Us, is developing a universal service for mothers seeking employment; and the Camden Parents First project (led by Hopscotch), is supporting long-term unemployed mothers with complex barriers to employment. More detail on both of these projects can be found in section 4.
- 2.6 We have worked with residents to identify new and better ways to deliver services, for instance by employing 40 community researchers – local people who know their areas and their communities. Two of these researchers have since gone on to be employed permanently in other roles in Camden. We have engaged extensively about our financial strategy – over 2,000 residents fed back to early engagement, with many others feeding back on more detailed consultations since then.

2.7 The Health and Wellbeing Board (HWBB), which I now chair, has taken on responsibility for monitoring our progress towards becoming a 'No Wrong Door' borough, recognising the cross-cutting and ambitious nature of this work. One example of success in embedding the principles to improve outcomes is mentioned in section 4 of this report (childcare and employment). We have made some progress tackling health inequality, for example, alcohol related admissions have reduced in Camden over the past 3 years and we ranked among the top 10 areas in London for the rate of smoking quitters per 100,000 smokers in 2013/14. A key milestone in making health everyone's responsibility this year was our Health and Housing Summit in November 2014. One of the key areas identified for further work in the coming years was mitigation of health impacts of regeneration and construction projects.

Challenges and priorities for the year ahead:

2.8 We expect that significant challenges will emerge from government's proposed changes to housing and welfare policy. These could have a significant impact on our ability to tackle inequality, and risk undermining much of the progress we have been making (see section 5 for more on this).

2.9 Despite these challenges, we will continue to focus on the areas where we can make the biggest difference. We will continue to work on initiatives that deliver sustainable and affordable housing – especially where this helps us protect the social mix of the borough and reduce child poverty. We will also explore ways to scale up our successful maternal employment and adult apprenticeship initiatives. The findings from the New Economics Foundation evaluation will help us build our case for EU funding to help us do this.

2.10 Tackling health inequality remains a significant challenge - there is still a life expectancy gap of over 11 years between the most and least deprived men in the borough. In recognition of this key challenge, as chair of our Health and Wellbeing Board I will work with colleagues on the development of a new health and wellbeing strategy – looking to accelerate improvements in this area. As part of this we will renew our focus on mental health that looks at both prevention and treatment of mental health conditions.

2.11 To address the complex factors that cause health inequality, we also need significant reform and innovation, above all in the form of greater devolution to local areas. As a member of the recently refreshed London Health Board, I'll be pushing with colleagues from across London to drive improvements in London's health and care and looking for approaches that help us tackle the root causes of health inequality. We will be making the case for greater investment and powers to enable the improvement of health and care services and address the wider determinants of health in London.

3. Financial Challenge

3.1 Despite saving £93m from 2011/12 to 2014/15, continuing government cuts and demographic changes mean that we face another substantial budget gap by 2017/18, and have developed a £75m programme to address this. The scale of the challenge means traditional 'salami slicing' of budgets is not an option. In response, we have pioneered Outcomes Based Budgeting (OBB); looking in detail at all spending to understand how to transform services to provide maximum value for residents by focusing our investment on the things that make most difference.

3.2 By focusing on outcomes rather than reducing every service, we have been able to respond to what residents value the most and protect some of the things that have been found to make the most difference. For example, maintaining 25 hours of free childcare a week and increasing funding in key areas such as tackling domestic violence.

3.3 We have reduced our budget by the required £30m for this financial year. Although implementation has progressed strongly, we are very much in the early stages and many proposals will be subject to the outcomes of public consultation, and we have many difficult decisions ahead.

Challenges and priorities for the year ahead:

3.4 Early indications suggest that the autumn spending review will cut local government budgets further meaning we will have to make more savings (government has indicated anything between 25% and 40% reductions for non-protected departments, requiring deeper cuts to essential local public services). Many of our local partners will be facing similar pressure and uncertainty.

3.5 As the implications of the July budget policy proposals become clearer, we will have additional work to do to understand the financial impacts – which may put us under even greater pressure.

3.6 We know 2015/16 will be a difficult year – with both implementation of savings and more difficult decisions to make. We know that even with our current plans 2016/17 will be equally difficult. If Osborne persists with his plans to take another 40% of our budget then we will simply be in uncharted territory.

3.7 The rest of this report should be read in that context. We had planned a three year financial strategy but the indications are that the Chancellor might rip that up in the comprehensive spending review later in the autumn.

4. Childcare and maternal employment

September 2015

4.1 If we are to make sure that everyone has the chance to succeed, we need to make sure that everyone has the best possible start in life. Starting in early 2015, Cllr Mason led a wide-ranging public service review of early years – this has set us an ambitious vision for transformation, proposing a ‘Camden Sure Start’ approach to early years, focusing investment on those in most need and, as far as is possible, protecting front line services. We are working towards:

- a new integrated 0-5 service for children and families in Camden – ‘Camden Sure Start’
- moving away from ‘single centre delivery’ to a model based on networked localities
- a commitment to maintaining balanced offer of universal and targeted early education and childcare

4.2 In the past year, work has also continued to increase the number of free entitlement places available to disadvantaged two year olds and to increase take-up. We’ve also started our 1001 days programme (pre-birth to age two) in partnership with Public Health, to provide an integrated offer of universal and targeted services across children’s centres and health services.

4.3 If we have the right childcare offer, it means that mothers have a much more realistic chance of returning to work. We have piloted locating Job Centre advisers in Children’s Centres, ensuring it is much more convenient for mothers to access employment advice. Its success means this approach is being rolled out across the borough.

4.4 We have also supported projects specifically aimed at helping mothers return to work. As mentioned in section 2, Camden Women Like Us and Camden Parents First have helped more than 250 women. One fifth of these have moved directly on to education, training or employment. According to salary tracking of those mothers taking part in the Women Like Us project, clients are on average £108 better off per week, rising to £197 per week for those in full time work. We will use more details from the evaluation of the projects by New Economics Foundation to help future plans that will help us to build on this success.

4.5 Our commitment to championing part time and flexible working is demonstrated by our re-accreditation as a Timewise Council in March 2015. We want to improve workplace equality across the Borough as well as within the Council. Since 2013, Camden has already more than doubled the volume of quality part time jobs offered to successful applicants, and further to a recent employee engagement survey, now 71% of all staff feel they are able to work flexibly without impacting on their output. Our work with suppliers, local businesses and residents is also progressing.

September 2015

4.6 To help promote the Council's leading role in supporting parents into work, we held a Timewise Roundtable with senior officers from across London boroughs in July, which focused on sharing good practice and in preparation for European Social Fund (ESF) bidding. We are also engaging employers through a series of bespoke workshops and events.

Challenges and priorities for the year ahead:

4.7 Following Cabinet decision on the proposed changes to early education and childcare, the next year will see the focus shift to implementation of the agreed approach.

4.8 We will also be analysing the implication of national policy changes. In particular we will be looking at the government's commitment to increase free childcare to 30 hours a week for families where both parents (or a lone parent) are working. From the information available during the general election campaign it seems that this pledge was not properly funded to meet the true costs of providing the additional hours. We are still awaiting details, so it is hard to be sure of the impacts but the worst case scenario could be a potential loss of up to £6m a year. While we hope that the government would fully fund mandated changes of this nature, past experience says that we have considerable work to do to make this a reality.

4.9 We are part of the Working Capital pilot which will test a radical new model to support residents who claim Employment Support Allowance (the main out-of-work benefit for people with long term health problems) but have left the national Work Programme after two years without finding long term employment.

4.10 Every person supported by Working Capital will receive dedicated help from a multi-skilled case worker who will find out more about the problems their clients are facing, and help them develop a plan of action for getting back into work. Key to that plan has been the agreement to work towards a greater devolution of powers to borough councils for their employment services.

4.11 We will continue to invest in high quality childcare, in supporting mothers back to work through advice, training and flexible working, and will use our networks to encourage Camden's employers – large and small – to do the same.

5. Housing

5.1 We are tackling the crisis-level shortage of affordable housing through Community Investment Programme (CIP). This, and other programmes, mean that around 6000 new homes will be delivered in the borough by 2018. Although the attitude of government and the Mayor of London mean that fewer of these will be genuinely affordable than we would hope. Elsewhere on this agenda, Cllr Jones will provide a

September 2015

more comprehensive update, but in summary the Council has become one of the biggest builders of genuinely affordable housing in the country, helping many who would not be able to live here rent or buy, including key workers. CIP has also delivered £22m of investment over the last year in 17 schools and internal works to almost 3000 homes.

- 5.2 We have recently consulted on introducing a new housing allocation scheme. The current scheme is no longer enabling people with the worst housing situations to improve their situation as quickly as it should. One obvious side effect of this is that children living in overcrowded circumstances are harming their prospects of a successful transition into adulthood. The new scheme, approved by Cabinet in July, will help us to improve this situation.
- 5.3 We continue to develop a range of new supported living schemes and sheltered schemes for older and disabled people to live in-borough, and near to their family and friends. A second new self-contained block of studio flats for homeless single people will open in Holmes Road later this year.
- 5.4 We are working hard to improve conditions through enforcement and through our Private Rented Sector Strategy, for example by looking to introduce a licensing scheme for shared private rented properties in December 2015. This will introduce a set of minimum conditions and management standards to protect approximately 20,000 tenants living in this kind of housing.

Challenges and priorities for year ahead:

- 5.5 Housing prices continue to rise, and in the private rented sector rents continue to escalate, increases in the last year in the highest demand property types and locations are around 8% - significantly above current wage inflation. These rent increases are not accompanied by a commensurate improvement in quality. The average rent for a 2 bed is now £460 per week, making Camden unaffordable for many people and presenting a risk to the social mix of the borough, and availability of homes for key workers. We will continue to use CIP and our PRS strategy to tackle the chronic shortage of affordable housing and standards in the private rented sector.
- 5.6 There are huge challenges ahead around recent government housing proposals, for example, the proposal to force the sale of high value council voids to pay for extension of Right to Buy for Housing Association Tenants. At least 38% of the council's housing stock is valued above the threshold which would make them eligible to be sold when void, and it is still not clear how much of the receipts generated would need to be handed back to the Treasury. Any loss of stock will have a knock on effect on re-lets and likely reverse our recent progress in reducing numbers living in Temporary

September 2015

Accommodation. And in any event, Right To Buy will not be the right option for everyone – we need to have a range of solutions to our housing pressures.

- 5.7 London is disproportionately affected by the voids proposal and we will work with London Councils on lobbying against the proposals and for a more even distribution of disposals and replacements if the proposals proceed. We will lobby for reduction of red tape in relation to use of capital receipts (see also section 7) and for exceptions to disposals e.g. adapted, sheltered, hostels.
- 5.8 The ‘pay to stay’ proposal (to put in place mechanisms to make tenants pay up to a market rent) could also have a significant impact. We await further details of the policy but early indications suggest that this could effectively be a new “tax” for around 2,000 tenants, and potentially act as a disincentive to work. We will do everything we can to resist this block on aspiration for our working tenants.
- 5.9 The forced 1% annual reduction in social rents effectively rips up the self-financing policy agreed between councils and government just 4 years ago. We are still awaiting details from government, but if the reduction were applied to current rents, it could reduce resources for major repairs by £69m by 2019/20 compared to current assumptions.
- 5.10 In terms of welfare reform, we are worried about the impact on young people of the proposed end or reduction to housing benefit for 18-21 year olds who will find it more difficult to relocate to access labour markets.
- 5.11 With the proposed reduction in the benefits cap we estimate even small families with 1 adult and 1 child will be worse off and could face moving out of Camden – and away from the jobs market here.
- 5.12 We are also worried about the implication of tax credit and housing benefit changes, and that these could also create a disincentive to work. Universal Credit is also due for rollout in Camden from 2016 although the government regularly moves the timescales which makes planning for the impact of the changes even harder to manage. We remain very worried about the impact that Universal Credit will have on our most vulnerable residents; whether DWP computer systems will be ready to support on-line claims and the impact on tenants’ financial circumstances and the HRA when help with rent is paid to the tenant unlike now. We urgently need to know when our existing Housing Benefit claims from working age people will be migrated to Universal Credit so that we can plan properly to help our residents adjust.
- 5.13 As with the last round of welfare cuts, we will identify those impacted as soon as we can and work with them to mitigate the financial losses through helping them to find

September 2015

employment, increase their hours and look for alternative cheaper accommodation. We will continue to consider the cumulative impacts, be proactive and ensure we are responding as quickly as we can and using our resources to help those most in need.

6. Responding to the threat posed by HS2

6.1 In the past year we have secured replacement housing for all tenants who will lose their homes as a result of HS2 and those leaseholders who wish to stay in the area, funded by HS2 and built by Camden to a high standard.

6.2 Following extensive consultation with local residents we submitted a planning application to build replacement homes on nine sites in and around the Regents Park Estate in May 2015. Planning permission was granted earlier this month and construction will begin soon so the tenants and leaseholders affected can stay in their community and move only once. As well as the provision of new homes, the development is replacing the Tenants Residents Association within a new central location on the estate, replacing a public house on Albany Street, providing new commercial units on Hampstead Road and undertaking improvements to communal gardens, public realm and open space on the estate to serve both existing residents and those within the new homes.

6.3 We have also successfully negotiated the move of Maria Fidelis School from North Gower St to Drummond Crescent to consolidate on a single enlarged site in Somers Town and are working to ensure this takes place as quickly as possible.

6.4 We have secured commitment from the Euston Strategic Board, co-chaired by Camden, to fund a Growth Strategy and Planning Brief for Euston area designed to deliver a comprehensive redevelopment of the station based on a level deck solution and bring much needed jobs and homes to the area.

6.5 Meanwhile, we have facilitated the use of the National Temperance Hospital by Camden Collective prior to HS2 construction.

6.6 Through the Fair Deal for London Alliance we launched a compensation charter designed to get a fairer deal for London residents and businesses, which got national media coverage and MPs statements on compensation in the House of Commons.

Challenges for the year ahead

6.7 In September 2015, we will be responding to HS2 Ltd's revised plans for Euston, to be set out in an additional provision (AP3) to the Hybrid Bill. We expect to appear at the Select Committee in December to make the case for comprehensive redevelopment at

September 2015

Euston and press for mitigation measures to minimise the impact of the scheme on local residents and businesses.

6.8 Camden continues to make a strong case on a range of issues including, the need for like for like replacement of open space lost as a result of the scheme, the habitability of homes closest to the construction works, support for local businesses and removing spoil by rail rather than road. We'll also continue to push for a positive agreement over the future of Albany Street.

6.9 We will work closely with the Euston Strategic Board to secure funding for comprehensive redevelopment of the station to ensure that the Borough is provided with long term benefits if the scheme goes ahead.

6.10 HS2 continues to be a very significant threat to the borough. The newest versions of the plans for Euston station still leave the community with all the blight and none of the benefit. The government has failed to task Network Rail and HS2 to work in consort. This means the plans are ill thought through. The stations will not be integrated and is making it difficult for proposals for Crossrail 2 to be integrated in to the station. Ultimately this failure will mean more blight for longer and possibly more demolition. We will keep pressing for agencies to work together.

7. Devolution

7.1 Councils across London are working with the Mayor to influence the devolution agenda. As chair of Central London Forward, the grouping of eight central London boroughs, I have been leading a detailed piece of work to put together a package of proposals on what powers we believe we need. This work is integrated with pan-London work and is leaving no area of public policy untouched. The London Health Board is working similarly on the health devolution agenda (see section 2 for more on this).

7.2 CLF and its member authorities are already working together to deliver for our communities through the ESA Working Capital pilot (see section 4). This pilot will help us make the case that many services are better designed and delivered at a local level to meet local need, and that when they are, better outcomes are delivered. Delivery will commence in October.

Challenges and priorities for the year ahead:

7.3 Public service reform features in the government manifesto with a particular emphasis on devolution, so we have a significant opportunity to secure extra powers that will help us deliver better, more tailored services for our residents. Greater devolution will help

September 2015

us manage the impacts of the cuts, but will not be a cure all however, and we must also be extremely cautious of any attempt to devolve powers without adequate funding.

7.4 Work has been commissioned by the London Councils Executive to develop detailed proposals for devolution to London – this is due to form the basis of engagement with the government in the autumn.

7.5 We will be aiming for a long term settlement that will help us to deliver local priorities set and voted on by our communities, to deliver devolution that helps us deliver better healthcare, an improved FE skills offer, get more people into employment and deliver more affordable housing.

7.6 We will use the findings of the Working Capital initiative in Camden - commissioning and providing welfare to work services that will help get our long term unemployed and most vulnerable residents into sustainable employment – to argue for devolution of responsibility to tackle unemployment at a local level (see 4.9 for more on this)

7.7 Fiscal devolution is not part of the existing public service reform and devolution package being pursued by London Councils and the GLA. However Central London Forward has agreed to prioritise this area as part of CLF work programme, with a view to developing a distinctive central London position.

7.8 We will also be exploring the impact on devolution by conflicting policy developments in housing (see also section 6). Emerging government policy is highlighting how quickly this government wants to move away from social housing as a concept as well as amounting to a further step towards centralism and against devolution.

7.9 We will develop a local case and lobby against the harmful impacts of these policies.

8. CONCLUSION

8.1 We have had an extremely busy and challenging year, yet the achievements outlined in this report highlight the impact we can and still make. Tackling inequality remains my number one priority and I will use this as the driving theme in helping us meet our challenges and our aims in the coming year.

8.2 The financial challenge continues to be our most pressing. In the year ahead we must make some incredibly difficult decisions about what we cannot keep doing, and what we must do differently in order to deliver services that are so vital to our residents. The autumn spending review will likely offer no let up, with local government remaining unprotected from cuts.

September 2015

8.3 At the same time, there are a range of emerging policies around welfare and housing that may put even more pressure on some of our most vulnerable residents, and in turn on our services.

8.4 Despite all these challenges, the achievements outlined in this report highlight that we can and we must still seize the opportunities available to us to do things differently, get best value and help set the agenda for future public services.

8.5 The current interest and political momentum around devolution is a key example of this. While being wary of any deal that seeks to offer us more responsibility for services without the necessary resources to deliver them, this is a major opportunity to shape a future vision for public services – based on a genuinely local and joined-up approach.

9. THANKS

9.1 I want to give broad thanks to all those staff, businesses, voluntary sector organisations, residents and councillors who've given so much to make our borough a better place over the last year.

9.2 Although we have our political differences across the chamber I look forward to continuing to work cross party where we can agree, for example on HS2 or modern slavery.

9.3 I specifically want to thank Camden staff who have had another year of cuts and redundancies but have continued to deliver first class services to residents, businesses and visitors in one of the most diverse and vibrant boroughs in the country.

9.4 I also want to specifically thank councillors from all parties who give so much to make our borough a better place.

Councillor Sarah Hayward,
Leader of the Council
September 2015