



DRAFT

**LGA Budget
2016 -17**

for Executive – 3rd March 2016

Summary

1. A consolidated budget has been developed for the LGA, the IDeA and the LGA's property companies reflecting the full integration of the management and operations of these organisations, in line with the 2016/17 3 year Financial Strategy agreed by the Leadership Board in January.
2. In terms of annual income and expenditure the strategy assumes a gradual reduction in direct government funding of 20% over the next 3 years, a standstill for subscription fees (with no inflation increases), the maintenance of current service expenditure levels and increases in income for chargeable services to Councils and others, from commercial rents and other sources to be developed via the commercial strategy.
3. The 2016-17 budget has been driven by the strategy for the LGA and the priorities set out in the annual business plan. The business plan recognises that the high level priorities identified for the last four years are still broadly relevant for 2016-17.
4. In 2016-17 the LGA's core funding is broadly at the same level as 2015-16 apart from a decrease of £1.4m in Direct Government Grant (Ex RSG topslice) – about 4% of turnover.
5. This reduction in funding as compared with 2015/16 can be managed without adversely impacting on current staffing levels or operational budgets as a result of the significant overhead reductions in 2015/16.
6. The LGA's financial budget projections (Consolidated Summary) for the next three years are summarised at Appendix A; along with the budget for each organisation at Appendix B. Appendix C presents main risks to budget projections over the next 3 years. Appendix D shows the proposed Service Level Agreement between the LGA and the IDeA for 2016/17.

Context

7. The economic situation has had direct consequences for the LGA's finances:
 - a reduction in RSG topslice by over 50 per cent in real terms from £41.3 million in 2010/11 to £23.4m in 2015/16.
 - councils under pressure to reduce discretionary spending - including LGA subscriptions
 - a fall in demand for directly paid for services such as conferences and leadership programmes
 - interest rates at historically low levels, reducing our earnings on cash balances.
8. Along with concerns about pressures on income and expenditure over the medium term, the LGA faces particular challenges with regard to its pension funds. As with many hundreds of organisations in the public and private sectors, the LGA and its associated company the IDeA, are operating with significant pension deficits – valued at £70m as at March 2013 following the latest triennial valuation; and at £113m in the 2014/15 financial accounts. The LGA is therefore focusing on increasing the value of its property assets – Local Government House and Layden House with a view to using the value of the properties to help offset the deficit and/or using rental income to fund additional contributions.

2016-17 BUDGET PROPOSALS – CONSOLIDATED SUMMARY – APPENDIX A - EXCLUDING INTERCOMPANY CHARGES

9. The LGA budget for 2016/17 and projections for the next 2 years have been prepared on the basis of the following key assumptions:
 - Direct Government Grant (replacing RSG) of £22.0m
 - Additional new commercial income targets of £500k, rising by £500k per annum.

- Pension deficit repayments at current levels, including £1.0m for the LGA from 2017/18, because the last 3 years payments were made in a single payment in 2014/15.
 - January targets for the timescales for delivering the property redevelopments.
10. The sections below describe each budget area in the light of the significant changes driven by the 2015 Corporate Restructuring programme and the further restructuring following the integration of ex Liberata staff into Corporate Services and Communications teams. **All** of the savings identified £4.3m are shown against the Corporate Services budget. However the savings were delivered across the whole staffing budget of the LGA. In addition a change introduced during 2015/16 is that Communications service has taken over responsibility for Print and Design costs and staffing for the LGA. These ex Liberata costs were previously included in the Corporate Services budget.

WHAT WE DO?

Finance and Policy – £5.2m (Row 1)

11. Finance and Policy Teams support the LGA's boards to lead policy thinking and negotiate and lobby on behalf of member councils' interests with Government and a wide range of partner organisations. We argue for adequate funding and for reforms which will strengthen local government and improve public services. We provide timely and relevant information to local government. Some improvement work is delivered for councils in need of support, based on business plan priorities. These will be reviewed in light of confirmation of Direct Government Grant for 2016-17. The budget requirement for 2016/17 remains broadly level following the transfer of £150k Children's Improvement and Safeguarding activity to the Workforce, Leadership and Productivity team.

Workforce, Leadership & Productivity – 12.7m (Row 2)

12. These teams provide a wide range of work to support councils through the work on sector led improvement. This includes the peer challenge programme, our political leadership programmes and our support to councils to become more efficient. In addition, it includes the work of our pay and workforce teams. The increased costs are largely due to pay awards and increments together with a transfer from Finance and Policy of £150,000 in respect of the work to support children's improvement and safeguarding.

Communications – £2.9m (Row 3)

13. The Corporate Communications Service contributes to the organisation's key strategic objectives by providing professional communications support. The overall key function is to ensure local government has a strong national voice to manage local government's reputation and campaign for and on behalf of councils. In addition we work across local government to share best practice to improve the quality and standard of public sector communications. This is delivered through best practice publications, on-line resources, promoting policy guidance and delivering best practice events.
14. Our core offer is based on what our members tell us they want from the LGA and to deliver the support offer. We provide professional support through the delivery of integrated communications which is based on the corporate and board priorities.
15. In 2015/16, as part of the corporate-wide work to reduce costs and increase income, significant savings were made as part of the Liberata contract, including re-structuring and closure of the print room. Additional income was delivered through conferences and events, sponsorship and by undertaking additional paid-for work. These savings are included in the overall Central Services savings totals set out in this report.
16. Following termination of the Liberata contract, a range of services were transferred to the Communications Team. For 2016/17, staffing and other budgets have been realigned to reflect the transfer of staff into the communications team. The corporate printing budget has

also been transferred and will be managed by the team on behalf of the whole organisation, with the aim of further reducing costs.

17. In addition, this is a year (we receive the income every other year) when the organisation does not take any income from the NCAS conference, reducing our income for the year.
18. Additional budgets have been allocated to re-develop our website, which is currently not fit-for-purpose and to offset additional costs of hiring external rooms for events and conference during the refurbishment of Local Government House.

Grants to other bodies – £1.5m (Row 4)

19. Grants to other organisations relates support for Local Partnerships and Centre for Public Scrutiny (CfPS). These grants will funded out of DCLG Direct Grant for Improvement works on behalf of Local Government. If the grant we are seeking is lower than the amount we receive this is likely to mean further reductions in this total amount. Once we have received notification from DCLG the final contribution to the other bodies will be confirmed to them.

Member Services –£1.4m (Row 5)

20. The Member services team provides secretariat services to support and co-ordinate the LGA's Governance Structures. In addition, the team co-ordinate Member's Expenses, Member Services Budget and ad-hoc Constitutional Issues. Following the re-organisation in 2015/16 the budget is maintained at a similar level, despite £20k estimated extra costs arising from the additional external room bookings costs due to refurbishment at Local Government House.

Political Group Offices – £0.9m (Row 6)

21. The Political Offices are political arm of the organisation, providing the interface between the LGA and Council Leaders, Councillors, MPs, Members of the House of Lords and other elected representatives. The plan is to maintain the current level of support into 2016/17.

Corporate Services - £5.8m (Row 7)

22. In January 2015, the LGA gave Liberata 12 months' notice (as required under the contract) of its intention to terminate the contract for convenience. In addition the LGA carried out a restructuring of its own support organisation in early 2015-16. ICT services are now delivered by Brent Council via a Teckal company. Note that some part of these costs are now shown within the Communications budget at paragraph's 11-14 above.

HOW WE FUND OUR SERVICES

Direct Government Grant (DGG) – £22.0m (Row 8)

23. Over the last five years the support that had been provided through RSG has been reduced by over 50 per cent in real terms from £41.3 million in 2010/11 to £23.4m in 2015/16. Discussions are continuing with government about the grant figure for 2016/17 onwards. Our bid to government assumes a further reduction of 24% over the next four years, as follows:

| 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|----------|----------|----------|----------|
| £21.996m | £20.592m | £19.188m | £17.784m |

24. Depending on the outcome of these negotiations changes made be required to a number of budget lines currently funded by way of government grant. Clearly if the grant is less than assumed in this report then either further reductions will need to be made or increased income will need to be achieved to maintain the current levels of activity.

Welsh RSG Income - £0.3m (Row 9)

25. The Welsh LGA corporate subscription on behalf of Welsh councils is projected to continue at broadly the same level at £295k.

LGA Subscriptions Income – broadly maintain at £9.4m. (Row 10)

26. Members have agreed that the LGA's subscriptions for 2016/17 should be based on the structure for the previous year. This means that the LGA's subscription income will be maintained at broadly the same level as 2015/16, provided the number of councils who leave membership does not significantly increase. At the time of writing this report, 5 councils are not in membership as from 1 April 2016, and 7 councils were on notice to withdraw from 1 April 2017. Our current assessment is that most, if not all of them will continue in membership and that therefore no provision for loss of subscription income is necessary.

27. A prompt payment discount of 2.5% was agreed by members for 2011/12. A further loyalty discount of 2.5% which took effect from 2013/14 resulted in a reduction in subscription income of £400k.

| 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|---------|---------|---------|---------|---------|---------|---------|
| £12.3m | £10.8m | £10.0m | £9.7m | £9.6m | £9.5m | £9.4m |

28. The subscriptions budget takes account of an annual discount of £500k in recognition of a £6.2m loan from Association of Metropolitan Authorities (AMA). LGA members that were formerly members of the AMA receive a discount on their membership subscriptions of £7,965 per annum.

Additional Commercial Income –£2.0M – (Row 11)

29. Our investment in the Geoplace Joint Venture with Ordnance Survey is projected to provide us with a dividend of £1.5m, the same as the budget for this year, albeit lower than the £1.75 forecast distribution by Geoplace for this year. The budget for next year is based on their forecast revenues and surpluses for this financial year.

30. The budget for 2016/17 includes a target to deliver additional net income of £0.5m from new or extended income streams, e.g. Workforce, LG Inform, LG Develop and external property income streams. This will assist in the shift in our income profile away from government grant funding towards earned income.

Property companies

31. The agreed strategy for the property companies is to develop the assets to provide capital growth to offset the liabilities arising from our pension funds, as well as reducing costs and / or delivering additional commercial income to maximise the level of support we deliver to our members.
32. The recommended strategy during the development of the properties is to offset the Revenue deficits against the Balance Sheet General reserves of the 2 companies. This will avoid revenue funds being diverted from the LGA and IDEA, during the development phases of each redevelopment project. The property companies will fund the projects from a combination of internal and external loans, improving the returns on the LGA's existing cash balances.

LGMB – £0.1m deficit – (Row 12)

33. There will be no rental income from Layden House during 2016/17 due to the refurbishment this will be offset by reduced costs of £318k, with a net effect of £446k.
34. The major refurbishment of Layden House project is moving forward with vacant possession from April 2016. Building works are expected to start in Spring 2016.

LGA properties – Local Government House £1.7m deficit (Row 13)

35. The consolidated summary excludes inter-company rents from within the group. The additional external costs in 2016/17 are driven by a combination of reduced depreciation due to changes in accounting standards (FRS102), increased interest to finance the planned development of LGH and reduced external rental income during the development from August 2016.
36. Additional costs for the company in 2016/17 include £270k for borrowing costs, and £285k for other running costs.

Grants and Ring-fenced funding – £0.9m (Row 14)

37. The LGA continue to attract successful funding for other programmes. These schemes are an important source of income. Contracted schemes for 2015/16 are expected to be £13.9m, delivering a contribution to overheads of £1.35m. For 2016/17 the most significant grants are expected to be:
 - Care & Health Programmes (£4.9m)
 - Planning Advisory Service (£1.0m)
 - One Public Estate (0.4m)
 - Amenity Assets (£0.1m)
38. Known levels of Grant income for 2016/17 has decreased compared with 2015/16 by £1m, with a requirement to reduce direct costs, reducing the shown contribution to overheads.
39. Other ring-fenced activity will be undertaken by the LGA on a cost–recovery basis, including the action on Property Searches and the Pensions Secretariat.

Additional pension contributions – £2.6m (Row 16)

40. The increase in additional annual pension contributions is due the agreed schedule of payment due to Camden Pension Fund for 2016-17.
41. Additional pension payments of £1.0m are also made in respect of unfunded pension liabilities for former employees. (The LGA's practice in recent years has been to ensure that pension liabilities are fully funded for all departing employees.). These costs are included in Corporate overhead costs in Row 7 of the consolidated summary.

Contribution to Specific Reserves - £1.8m (Row 17)

42. As a result of the measures taken to secure organisational and overhead savings within 2015/16, the LGA has a short term opportunity to use these savings to allocate to a specific reserve to provide opportunities to invest to save costs or generate additional commercial income, and also to cover the potential risks to the plan outlined in the LGA Financial Strategy (See Appendix C for more detail). This amount represents the current budget for a surplus from the 2 operating entities in the group of the LGA and IDEA.

Contribution from General Reserves - £2.2m (Row 18)

43. This represents the revenue deficits arising during the redevelopment projects, which will result in a drawing from the property company reserves.

2016-17 BUDGET PROPOSALS – PROJECTIONS 2017-18 AND 2018-19

44. The Consolidation Summary report also includes high level projections for the next 2 financial years based on the assumptions within the latest Financial Strategy. What is not included at this stage is:

- Reduction in work programmes to reflect lower levels of Direct Grant
- Utilisation of property company trading surpluses to support LGA and IDEA service delivery
- Any allowance for the occurrence of the potential risks identified in the latest Financial Strategy at Appendix C to this report for information.

45. It is also worth noting that the projections for 2017/18 and 2018/19 include potential tax payments that may arise out of surpluses from profits arising from the development of Layden House.

2016-17 BUDGET PROPOSALS – CAPITAL EXPENDITURE

46. As included in the 2016/17 Financial Strategy report to the Leadership Board in January, the above Revenue Budget has been prepared on the basis of the latest projections of the investments required to support the developments LGA Properties – Local Government House and Local Government Management Board – Layden House.

47. The projected funding requirements are shown on in the table below. At this stage the budgets for the schemes have not been agreed by the property companies for recommendation to the Leadership Board for final approval. This activity will take place early in the next Financial Year once the planning processes are complete, and bids have been received from contractors.

| Estimated Capital Expenditure | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | Total £000 |
|--|-------------------------|-------------------------|-------------------------|-----------------------|
| LGA Properties – Local Government House | 150 | 8,000 | 3,850 | 12,000 |
| Local Government Management Board – Layden House | 2,000 | 13,500 | 500 | 16,000 |
| Total Funding Requirement | 2,150 | 21,500 | 3,850 | 28,000 |

Conclusions

48. The medium-term financial strategy and provisional budget for next year show that securing a balanced budget for 2016/17 is achievable given the funding agreed for the year and also the cost reduction measures taken over the last three years.

49. Work will continue on developing the LGA's financial strategy, to ensure the financial sustainability of the LGA for the medium term.

APPENDIX A – 2016/17 Budget – Consolidated Summary

| Group BUDGET, 2016-17 - Consolidated summary | | | | | | |
|---|---|-------------------------------------|---------------------------------------|-------------------------------------|---|---|
| Row | | 2015/16 Budget £'000 | 2015/16 Forecast £'000 | 2016/17 Budget £'000 | 2017/18 Projection £'000 | 2018/19 Projection £'000 |
| | What we do | | | | | |
| 1 | Finance & Policy | 4,898 | 5,004 | 5,184 | 5,688 | 5,827 |
| 2 | Workforce, Leadership & Productivity | 12,118 | 11,523 | 12,742 | 13,128 | 13,289 |
| 3 | Communications | 1,101 | 1,324 | 2,900 | 2,444 | 2,962 |
| 4 | Direct Government Grant Distribution | 1,671 | 1,671 | 1,535 | 1,535 | 1,535 |
| 5 | Member Services | 1,403 | 1,389 | 1,388 | 1,379 | 1,390 |
| 6 | Political Group Offices | 986 | 812 | 916 | 935 | 1,089 |
| 7 | Corporate Services | 10,148 | 8,204 | 5,829 | 5,809 | 5,875 |
| | How we fund our activity | | | | | |
| 8 | England Direct Government Grant | (23,382) | (23,382) | (21,996) | (20,592) | (19,188) |
| 9 | Welsh RSG Income | (299) | (299) | (295) | (291) | (287) |
| 10 | Subscription Income | (9,414) | (9,422) | (9,349) | (9,349) | (9,349) |
| 11 | Commercial Income | (1,500) | (1,668) | (2,000) | (2,500) | (3,000) |
| 12 | LGMB - Layden House | (579) | (284) | 138 | (2,476) | (2,976) |
| 13 | LGA Properties - Local Government House | 1,521 | 1,566 | 1,650 | 1,619 | 1,000 |
| 14 | Grants/Ring-fenced - Overhead contribution | (1,105) | (1,401) | (955) | (955) | (955) |
| 15 | Total (Surplus) / Deficit before : | (2,433) | (4,963) | (2,313) | (3,626) | (2,788) |
| 16 | Contribution to Pensions Deficits | 2,433 | 2,538 | 2,647 | 3,647 | 3,647 |
| 17 | Contribution to / (from) specific reserves | 0 | 2,293 | 1,839 | (1,218) | (2,914) |
| 18 | Contribution to/(from) General reserves Property Companies | 0 | 132 | (2,173) | 857 | 1,635 |
| 19 | Corporate Tax Payments | 0 | 0 | 0 | 340 | 420 |
| 20 | Total Net Budget | 0 | 0 | 0 | 0 | 0 |

APPENDIX B1 – 2016/17 Budget – LGA

| LGA BUDGET, 2016-17 | | | | |
|--|---------------------------|--------------------------|-------------------------|-------------------------|
| | Core Pay £000s | Non-Pay £000s | Income £000s | Totals £000s |
| Finance & Policy | 2,375 | 813 | (45) | 3,143 |
| Workforce, Leadership & Productivity | 1,093 | 360 | 0 | 1,453 |
| Communications | 2,166 | 1,937 | (1,470) | 2,633 |
| Member Services | 211 | 1,177 | 0 | 1,388 |
| Political Group Offices | 726 | 190 | 0 | 916 |
| Corporate Services & Overheads | 2,075 | 3,697 | (741) | 5,031 |
| Subscription Income | 0 | 518 | (9,867) | (9,349) |
| Additional Commercial Income | 0 | 100 | (600) | (500) |
| Intercompany Transactions | 0 | 374 | (5,423) | (5,049) |
| | | | | |
| Core Costs | 8,646 | 9,166 | (18,146) | (334) |
| | | | | |
| Grant Programme Totals | 124 | 321 | (445) | 0 |
| | | | | |
| | | | | |
| Total (Surplus) / Deficit before contributions to : | 8,770 | 9,487 | (18,591) | (334) |
| | | | | |
| Contribution to Pensions Deficits | | | | 0 |
| Contribution to / (from) specific reserves | | | | 334 |
| | | | | |
| Total Net Budget | | | | 0 |
| | | | | |

APPENDIX B2 – 2016/17 Budget – IDEA

| IDeA BUDGET, 2016-17 | | | | |
|--|---------------------------|--------------------------|-------------------------|-------------------------|
| | Core Pay £000s | Non-Pay £000s | Income £000s | Totals £000s |
| Finance & Policy | 1,351 | 690 | 0 | 2,041 |
| Workforce, Leadership & Productivity | 5,943 | 6,852 | (1,505) | 11,290 |
| Communications | 176 | 90 | 0 | 266 |
| RSG Distribution | 0 | 1,535 | 0 | 1,535 |
| Corporate Services & Overheads | (13) | 881 | (70) | 798 |
| England Direct Government Grant | 0 | 0 | (21,996) | (21,996) |
| Welsh RSG Income | 0 | 0 | (295) | (295) |
| Additional Commercial Income | | 0 | (1,500) | (1,500) |
| Intercompany | 0 | 4,985 | (320) | 4,665 |
| | | | | 0 |
| Core Costs | 7,457 | 15,033 | (25,686) | (3,196) |
| | | | | |
| Grant Programme Totals | 4,044 | 2,601 | (7,600) | (955) |
| | | | | |
| Total (Surplus) / Deficit before contributions to : | 11,501 | 17,634 | (33,286) | (4,151) |
| | | | | |
| Contribution to Pensions Deficits | | | | 2,647 |
| | | | | |
| Contribution to / (from) specific reserves | | | | 1,504 |
| | | | | |
| Total Net Budget | | | | 0 |
| | | | | |

APPENDIX B3 – 2016/17 Budget – LGMB

| <u>LGMB Budget 2016/17 - Layden House</u> | | | |
|--|----------------|---------------|---------------|
| | Non-Pay | Income | Totals |
| | £000s | £000s | £000s |
| Total Income | 0 | 0 | 0 |
| Rates | 70 | | 70 |
| Loan interest | 320 | | 320 |
| Shared Service Charge - LGA | 346 | | 346 |
| Valuation fees | 7 | | 7 |
| Utilities | 56 | | 56 |
| Bank Charges | 1 | | 1 |
| Audit fees | 4 | | 4 |
| Total Expenditure | 804 | 0 | 804 |
| Total (Surplus) / Deficit | | | 804 |
| Contribution (from) General reserves | | | (804) |
| Total Net Budget | | | 0 |

No rent or other income will be received during 2016/17 due to the refurbishment.

Rates are at a decreased level and there is an assumption that any loans taken out will start to be repaid in the same year.

| Estimated Capital Expenditure | 2015/16 £'000 | 2016/17 £,000 | 2017/18 £'000 | Total £'000 |
|--|--------------------------|--------------------------|--------------------------|------------------------|
| Local Government Management Board – Layden House | 2,000 | 13,500 | 500 | 16,000 |

APPENDIX B4 – 2016/17 Budget – LGA Properties

| <u>LGA (Properties) Ltd Budget, 2016/17 - Local Government House</u> | | | |
|---|----------------|---------------|---------------|
| | Non-Pay | Income | Totals |
| | £000s | £000s | £000s |
| External Rent | | (265) | (265) |
| Internal rent | | (717) | (717) |
| Total Income | 0 | (982) | (982) |
| Rates | 913 | | 913 |
| External Borrowings | 225 | | 225 |
| Loan & Mortgage Interest - LGA | 90 | | 90 |
| Shared Service charge to LGA | 346 | | 346 |
| R&M | 30 | | 30 |
| Facilities Management | 450 | | 450 |
| Legal & Professional fees | 15 | | 15 |
| Valuation | 5 | | 5 |
| Utilities | 145 | | 145 |
| Bank charges | 1 | | 1 |
| Audit fees | 4 | | 4 |
| Depreciation | 127 | | 127 |
| Total Expenditure | 2,351 | 0 | 2,351 |
| Total (Surplus) / Deficit | | | 1,369 |
| Contribution (from) General reserves | | | (1,369) |
| Total Net Budget | | | 0 |

External rent is part year rent to be received from tenants in LGH. Internal rent is due from the LGA and IDeA - this is at a 50% reduced rate for the inconvenience during the refurbishment.
All expenditure is business as usual.

| Estimated Capital Expenditure | 2015/16 £'000 | 2016/17 £,000 | 2017/18 £'000 | Total £'000 |
|--|--------------------------|--------------------------|--------------------------|------------------------|
| Local Government Management Board – Layden House | 150 | 8,000 | 3,850 | 12,000 |

APPENDIX C – RISK AND SENSITIVITY ANALYSIS –

Source : 2016/17 to 2018/19 LGA Financial Strategy January 2016.

The table below identifies for key risks to the revenue budget the impact of different scenarios for each risk that would impact the numbers shown in the 3 year plans above. Some of these risks will be offset by cost reductions such as option 1. However it will not always be possible to remove all of the overheads to the business in relation to any specific business activity.

| | Risk | Entity | 2016/17 £'000 | 2017/18 £'000 | 2018/19 £'000 |
|---|---|-----------------|------------------|------------------|------------------|
| 1 | RSG movement to worst case scenario | IDEA | 820 | 3,180 | 5,250 |
| 2 | Additional 1% on staffing costs | LGA and IDEA | 160 | 320 | 480 |
| 3 | Reductions in achievement of phased additional income targets - 20% | IDEA | 100 | 200 | 300 |
| 4 | Possible further reductions in grant-funding - Net - Additional 5% per annum (to 15% per annum) | LGA | 50 | 100 | 150 |
| 5 | LGA membership – 5 councils are currently on notice to withdraw from membership in 2016/17. The 2016/17 risk is assessed as being up to a £206k reduction in income. i.e. to Fire and Rescue = approx 3% | LGA | | 300 | 600 |
| 6 | A reduction in current 3rd party clients for back office services could lose up to £350k in contribution to LGA fixed overhead costs. Smaller Clients greatest risk | LGA | 50 | 100 | 100 |
| 7 | A larger requirement for pension deficit contributions from the Merseyside pension fund than current annualised levels. Major driver for increase - current deficit payments didn't fully pick up impact of West Sussex transfer | LGA | | 700 | 700 |
| 8 | A larger requirement for pension deficit contributions from the Camden pension fund. - driven by latest deficit valuations | IDEA | | 2,400 | 2,400 |
| 9 | Delays in new tenants moving into Local Government House - each month | LGAP | | 110 | |