



HILLINGDON
LONDON



Cabinet

Date: THURSDAY, 24
NOVEMBER 2011

Time: 7.00 PM

Venue: COMMITTEE ROOM 6 -
CIVIC CENTRE, HIGH
STREET, UXBRIDGE,
UB8 1UW

**Meeting
Details:** Members of the Public and
Press are welcome to attend
this meeting

Councillors in the Cabinet:

Ray Puddifoot (Chairman)
Leader of the Council

David Simmonds (Vice-Chairman)
Deputy Leader / Education & Children's Services

Jonathan Bianco
Finance, Property & Business Services

Keith Burrows
Planning, Transportation & Recycling

Philip Corthorne
Social Services, Health & Housing

Henry Higgins
Culture, Sport & Leisure

Douglas Mills
Improvement, Partnerships & Community Safety

Scott Seaman-Digby
Co-ordination & Central Services

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Agenda

- 1 Apologies for Absence
- 2 Declarations of Interest in matters before this meeting
- 3 To approve the minutes of the last Cabinet meeting 1 - 12
- 4 To confirm that the items of business marked Part 1 will be considered in public and that the items of business marked Part 2 in private

Cabinet Reports - Part 1 (Public)

- 5 Draft West London Waste Plan: Proposed Submission Stage (Cllr Burrows) 13 - 22
- 6 Update on the Government's consultation on High Speed Rail (Cllrs Puddifoot & Burrows) 23 - 32
- 7 Armed Services Community Covenant (Cllrs Puddifoot and Mills) 33 - 38
- 8 Gift Funding Arrangements - Spennhill Regeneration (Cllr Burrows) 39 - 44
- 9 Gift Funding Arrangements - Inland Homes (Cllr Burrows) 45 - 50
- 10 Review of Town Twinning (Cllrs Higgins and Mills) 51 - 66
- 11 Proposed Self-financing Implementation for the Housing Revenue Account (Cllrs Bianco and Corthorne) 67 - 80
- 12 Council Budget - Month 6 2011/12 Revenue and Capital Monitoring Report (Cllr Bianco) 81 - 104

Cabinet Reports - Part 2 (Private and Not for Publication)

13	The Willows Special School, Stipularis Drive, Hayes (Cllrs Bianco and Simmonds)	105 - 112
14	Award of ICT Desktop Services Contract (Cllrs Bianco & Seaman-Digby)	113 - 128
15	Filing Contract (Cllrs Bianco and Seaman-Digby)	129 - 132
16	Manual / Blue Collar Agency Contract (Cllr Seaman-Digby)	133 - 138
17	Former Belmore Allotment, Burns Close, Hayes (Cllr Bianco)	139 - 146
18	Acol Crescent, South Ruislip (Cllr Bianco)	147 - 154
19	Voluntary Sector Leases Update (Cllr Bianco)	155 - 160

The reports listed above in Part 2 are not made public because they contains exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it.

20 Any other items the Chairman agrees are relevant or urgent

Minutes

Cabinet

Thursday, 27 October 2011

Meeting held at Committee Room 6 - Civic Centre,
High Street, Uxbridge, UB8 1UW



Published on: 28 October 2011

Decisions come into effect on: 4 November 2011

Cabinet Members Present:

Ray Puddifoot (Chairman)
David Simmonds (Vice-Chairman)
Jonathan Bianco
Keith Burrows
Philip Corthorne
Henry Higgins
Douglas Mills
Scott Seaman-Digby

Members also Present:

John Riley
Brian Crowe
Mo Khursheed
Edward Lavery
Richard Mills
John Major

406. APOLOGIES FOR ABSENCE

Apologies were received from Councillor George Cooper, Chief Whip and ex-officio Member of the Cabinet.

407. DECLARATIONS OF INTEREST IN MATTERS BEFORE THIS MEETING

Councillor Philip Corthorne declared a personal and non-prejudicial interest in agenda item 8 (minute 413) as a parishioner of the Church of the Most Sacred Heart and remained in the room during discussion on the item.

408. TO APPROVE THE MINUTES OF THE LAST CABINET MEETING

The minutes and decisions of the last meeting were confirmed as a correct record.

409. TO CONFIRM THAT THE ITEMS OF BUSINESS MARKED PART 1 WILL BE CONSIDERED IN PUBLIC AND THAT THE ITEMS OF BUSINESS MARKED PART 2 IN PRIVATE

This was confirmed.

410. THE FOSTER CARERS' CHARTER

RESOLVED:

That Cabinet:

- 1. Adopt the principles of the Government's Foster Carers' Charter;**
- 2. Approve the local Foster Carers' Charter, which sets out how the principles of the Government's Charter will be implemented and delivered locally.**

Reasons for decision

Cabinet gave its support to the Government's Foster Carers' Charter, and a local version, which set out guidelines on how local authorities, social workers and foster carers should work together in the future. Cabinet noted that the Charter was a central piece of a much wider programme of reform to improve the entire care system, including reducing barriers and delays to adoption and improving the quality of children's homes. The Council's significant publicity efforts to encourage residents to become foster carers were welcomed.

Alternative options considered and rejected

Cabinet could have decided not to sign-up to the two charters.

Officer to action:

Linda Sanders, Social Care, Health & Housing

411. CONSIDERATION OF WHETHER AN ARTICLE 4 DIRECTION TO CONTROL HOUSES IN MULTIPLE OCCUPATION AROUND BRUNEL UNIVERSITY SHOULD BE INTRODUCED

RESOLVED:

That Cabinet recommends a report be written to Full Council to determine whether Hillingdon should have an Article 4 Direction to address student HMO issues raised by local residents in Uxbridge South and Brunel Wards.

Reasons for decision

Cabinet noted that a number of University cities had taken advantage of recent changes in planning regulations to withdraw existing planning permitted development rights for student houses or Houses in Multiple Occupation (HMO's), enabling the number of HMOs in individual streets to be controlled for the benefit of other local residents' amenity.

After carefully balancing the views of local residents, particularly in Uxbridge South and Brunel wards, as well as the important role Brunel University plays in the wider community and local economy, Cabinet indicated its preference for the Council to make use of the new planning powers, through the application of an Article 4 Direction, in order to protect local residents.

Regrettably, Cabinet noted that regrettably national legislation required a 12 month notice period before the Direction could take effect. Cabinet further noted that the decision to implement such powers would require full Council approval.

Alternative options considered and rejected.

Cabinet could have recommended to Council not to implement an Article 4 Direction.

Officer to action:

James Rodger – Planning, Environment, Education and Community Services

412. CARERS' COMMISSIONING PLAN

The Social Services, Health and Housing Policy Overview Committee provided comments to the Cabinet on this item, which were noted.

RESOLVED:

That Cabinet approve the Carers Commissioning Plan and the direction of travel for services for carers in Hillingdon including a number of detailed actions included within the report

Reason for decision

Cabinet approved the Carers Commissioning Plan, which had been developed by Social Care, Health and Housing with NHS Hillingdon in response to the refresh of the National Carers Strategy. In making its decision, Cabinet re-iterated its strong commitment in support of local carers.

Alternative options considered and rejected

Cabinet could have decided not to approve the Plan, or made amendments to it.

Officer to action:

Paul Feven - Social Care, Health and Housing

413. REVIEW OF THE LOCAL LIST OF BUILDINGS OF ARCHITECTURAL OR HISTORIC IMPORTANCE

RESOLVED:

That Cabinet:

- 1. Agrees the new entries to the Local List of Buildings of Architectural or Historic Importance as attached in Appendix 1;**
- 2. Instructs officers to notify all the owners/occupiers of the new and revised entries included in the list, and;**
- 3. Instruct officers to update the GIS database and the Council website to include the new entries.**

Reason for decision

Following the publication of the 'Local List of Buildings of Architectural and Historic Importance' and the subsequent public consultation on new entries to it, Cabinet agreed that a number of new buildings be adopted onto the Local List.

Alternative options considered and rejected

Cabinet could have decided not to update the existing Local List.

Officer to action:

Nairita Chakraborty - Planning, Environment, Education and Community Services

414. OLDER PEOPLE'S PLAN UPDATE

RESOLVED

That Cabinet notes the significant achievements to deliver the Older People's Action Plan during 2011/12 to date to improve the quality of life of older people.

Reasons for decision

Cabinet welcomed the progress on the Older People's Plan and the commitment by the Council and its partners to the continued development and improvement of services designed to create a better quality of life for older people in Hillingdon.

Alternative options considered and rejected

None.

Officer to action:

Dan Kennedy, Deputy Chief Executive's Office

415. DISABLED PEOPLE'S PLAN UPDATE

RESOLVED:

That Cabinet notes the progress made on the delivery of the 2011/12 Disabled People's Plan to date.

Reasons for decision

Cabinet welcomed the progress on the delivery of the Disabled People's Plan and the commitment by the Council and its partners to the continued development and improvement of services designed to create a better quality of life for disabled people in Hillingdon.

Alternative options considered and rejected

None.

Officer to action:

Daniel Kennedy, Deputy Chief Executive's Office

416. WEST LONDON ACCREDITATION, PURCHASING AND CONTRACT MANAGEMENT SCHEME FOR ADULT RESIDENTIAL AND NURSING CARE

RESOLVED:

That Cabinet:

- 1. Approve the proposal for the Council to use an approved list of adult social care home providers as part of the West London Alliance.**
- 2. Approve the proposal for the Council to use the APC Scheme for adult social care home providers within the West London Alliance in tandem with the other 5 west London authorities.**

Reasons for decision

Cabinet agreed the Council's use of an approved list for adult residential and nursing care that had been developed as part of the West London Alliance. Cabinet noted that this would deliver greater choice and help deliver the personalisation agenda, which it favoured.

Alternative options considered and rejected

Cabinet could have considered alternative procurement routes, such as block contracts or spot purchases, but deemed these not appropriate to deliver both efficiencies and greater choice in the market.

Officer to action:

Paul Feven – Social Care, Health & Housing

417. COUNCIL BUDGET - MONTH 5 2011/12 REVENUE AND CAPITAL MONITORING REPORT

RESOLVED:

That Cabinet:

- 1. Note the forecast budget position for revenue and capital as at Month 5**
- 2. Note the treasury update at Appendix B**
- 3. Approve the retaining of agency staff as detailed in Appendix C**
- 4. Approve the allocation of £20k from Priority Growth to fund Gold Bursaries**
- 5. Approve the virement of £50k of Council Resources from Chrysalis to the part Section 106 funded Western View Project**
- 6. Approve the virement of £80k of Council Resources from Manor Farm Stables to Winston Churchill Hall Refurbishment**

Reasons for decision

Cabinet noted the favourable financial position of the Council at Month 5 and made a number of decisions in respect of agency staff, new Olympic bursaries and capital virements to deliver important community projects.

Alternative options considered and rejected

None.

Officer to action:

Paul Whaymand, Central Services

Urgency Provisions

This report had been circulated less than 5 working days before the Cabinet meeting and was agreed by the Chairman to be considered as urgent.

418. PRIMARY SCHOOL CAPITAL PROGRAMME UPDATE

RESOLVED:

That Cabinet:

- 1. Notes the progress made on phases 1a, 1, 2 and 3 of the primary schools capital programme of works;**
- 2. Instructs officers to progress with Phase 2 expansions detailed in this report to Stage D, within capital released approved at Cabinet on 26 May 2011;**
- 3. Delegates authority to the Leader of the Council and Cabinet Member for Finance, Property and Business Services, in consultation with the Deputy Chief Executive and Director of Planning, Environment, Education and Community Services to place a building contract for Phase 2A temporary units within granted capital release and;**
- 4. Agrees to release £2,443K of capital funds in order to progress recommendation 3 above.**

Reason for decision

Cabinet welcomed the update on the primary school capital programme and noted that the Council was on track to deliver sufficient primary school places for local children over the short, medium and long term. Cabinet made a number of decisions to provide the necessary authority, flexibility and resources to progress Phase 2 and also noted the latest position on all other phases of the programme, in particular the new schools proposed at Lake Farm and RAF Uxbridge.

The Leader of the Council and Cabinet Member for Finance, Property and Business Services agreed to refer to Cabinet their joint delegation to approve the release of capital funds.

Alternative options considered and rejected

Cabinet could have decided to delay or not progress aspects of the building programme, which would have impacted upon the Council's ability to provide sufficient school places.

Officer to action:

Boe Williams-Obasi, Planning, Environment, Education and Community Service

Urgency Provisions

This report had been circulated less than 5 working days before the Cabinet meeting and was agreed by the Chairman to be considered as urgent.

419. PRIMARY SCHOOL CAPITAL PROGRAMME UPDATE

This report and its contents were noted by Cabinet in relation to the decisions made on Item 13 (minute 418) on the agenda.

Exempt Information

This report was included in Part II as it contained information relating to the financial or business affairs of any particular person (including the Authority holding that information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.

Urgency Provisions

This report had been circulated less than 5 working days before the Cabinet meeting and was agreed by the Chairman to be considered as urgent.

420. PERSONALISATION OF ACCOMMODATION-BASED MENTAL HEALTH SERVICES

The Social Services, Health and Housing Policy Overview Committee provided comments to the Cabinet on this item, which were noted.

RESOLVED:

That Cabinet:

1) Delegate to the Leader of the Council and the Cabinet Member for Social Services, Health and Housing, in consultation with the Corporate Director of Social Care, Health and Housing, the authority to:

- I. Agree a single tender action to award Look Ahead a new two year contract (with an option to renew for a further period of one year) for care and support services at Hayes Park Lodge, Hamlet Lodge and/or Hornbeam Road commencing 8th January 2012 for the sum to be agreed and a reduced rate in year 2 of the contract to reflect the transition towards 100% personalisation.**
- II. (In the unlikely event that the outcome of current negotiations with Look Ahead do not produce satisfactory terms for the Council) extend the existing contract by one year in order to enable the competitive tendering of personalised care and support services for Hayes Park Lodge, Hamlet Lodge and/or Hornbeam Road.**

2) Note changes to the payment schedule of the existing contract as set out in paragraphs 22 to 25 of this report.

Reason for decision

Cabinet agreed to pursue a new contract to provide personalised accommodation care and support services to people with mental health related problems, by giving the necessary delegated authority. It was noted that the new contract would support residents to live independently in their own homes and help prevent the need for unnecessary and expensive services such as residential care.

Alternatives considered and rejected.

Cabinet could have agreed to not pursue a modernisation agenda in respect of services for those with mental health problems, to authorise an alternative procurement route or to bring the service back in-house.

Officer to action:

Paul Feven - Social Care, Health and Housing

Exempt Information

This report was included in Part II as it contained information relating to the financial or business affairs of any particular person (including the Authority holding that information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.

421. AWARD OF CONTRACT - SUPPORT TO THE HOUSING JOBBING AND VOID REPAIRS OPERATION

RESOLVED:

Upon a recommendation not to seek competitive tenders, that Cabinet accept the single negotiated tender from RS Gormanley Ltd for subcontractor support to the housing repairs operation and award a contract for 12 months. The total value of the contract is dependent on demand but will not exceed the budget available.

Reasons for decision

Cabinet agreed a temporary contract for such housing works in order to allow the development of a new corporate (Council-wide) minor works contracting arrangement.

Alternative options considered and rejected

Cabinet could have sought a longer contract or have decided to bring such works in-house.

Officer to action:

Grant Walker – Social Care, Health & Housing

Exempt Information

This report was included in Part II as it contained information relating to the financial or business affairs of any particular person (including the Authority holding that information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.

422. EXTENSION OF CONTRACT - GAS SERVICING AND REPAIRS

RESOLVED:

That Cabinet approves the extension of the existing contract with T Brown Group Ltd for gas servicing and repairs and for the installation of new boilers to Council dwellings for its final 24 months, in line with the original contract award.

Reason for decision

Cabinet gave its approval to the extension of the existing contract for gas servicing and repairs and for the installation of new boilers to Council dwellings. Cabinet noted that this service was responsive and had achieved a good level of compliance on servicing and safety checks.

Alternative options considered and rejected

Cabinet could have decided to let the current contract lapse or have instructed officers to seek alternative providers via framework agreements.

Officer to action:

Grant Walker – Social Care, Health & Housing

Exempt Information

This report was included in Part II as it contained information relating to the financial or business affairs of any particular person (including the Authority holding that information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.

423. EXTENSION OF CONTRACTS - PREVENTATIVE SERVICES FOR PEOPLE WITH DISABILITIES

RESOLVED:

That Cabinet:

- 1. Agrees to a one year extension of the Independent Living Skills Service contract with Dimensions (Owl) Ltd from the 1st February 2012 in line with the provisions set out in the contract.**
- 2. Agrees to a two year extension of the Perfect Start Resource Centre contract with United Response Trust from the 1st December 2011 in line with the provisions set out in the contract.**
- 3. Notes the proposals to review both services within the context of Adult Social Care Personalisation and Commissioning Plan and the Disabilities Commissioning Plan as described in the report.**

Reasons for decision

Cabinet gave its approval to extend two contracts for preventative services for people with disabilities to support them to live independently in the community. Cabinet also noted that there would be a wider review of such service models in the future to ensure that effective, value for money services were in place to deliver the outcomes that disabled residents considered important.

Alternative options considered and rejected

Cabinet could have decided not to approve the extension of the contracts, which would have not allowed for the opportunity to identify new service models.

Officer to action:

Paul Feven – Social Care, Health & Housing

Exempt Information

This report was included in Part II as it contained information relating to the financial or business affairs of any particular person (including the Authority holding that information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.

424. ANY OTHER ITEMS THE CHAIRMAN AGREES ARE RELEVANT OR URGENT

None.

The meeting closed at 7.35pm

IMPORTANT INFORMATION

DECISION AUTHORITY

Meeting after Cabinet, the Executive Scrutiny endorsed all Cabinet's decisions and they therefore now come into effect from 5pm, Friday 4th November 2011.

DRAFT WEST LONDON WASTE PLAN: PROPOSED SUBMISSION STAGE

Cabinet Member	Councillor Keith Burrows
Cabinet Portfolio	Planning and Transportation and Recycling
Officer Contact	Jales Tippell – Planning, Environment, Education and Community Services
Papers with report	Appendix 1 - Summary Report of Consultations - West London Waste Plan: Proposed Sites and Policies Consultation Document Appendix 2 - Proposed Submission Draft of the West London Waste Plan (APPENDICES CIRCULATED SEPERATELY)

1. HEADLINE INFORMATION

Summary	This report presents the results of the consultation held in February and March 2011 on the West London Waste Plan Proposed Sites and Policies Consultation Document and seeks approval to proceed with publishing the next Proposed Submission Draft version of the Plan for consultation.
Contribution to our plans and strategies	The West London Waste Plan forms part of Hillingdon's Local Development Framework (LDF) and those LDFs of the other five West London Waste Authority partner boroughs.
Financial Cost	Hillingdon's share of the cost of preparing and taking the West London Waste Plan Proposed Submission Draft forward for the next consultation stage can be met from existing revenue budgets for 2011/12.
Relevant Policy Overview Committee	Residents' and Environmental Services
Ward(s) affected	All

2. RECOMMENDATION

That Cabinet:-

- Notes the responses received to the consultations held during February and March 2011 on the West London Waste Plan: Proposed Sites and Policies Consultation Document, as detailed in the Summary Report of Consultations (attached at Appendix 1).
- Notes that various sites have been deleted from the Proposed Submission draft of the West London Waste Plan (attached at Appendix 2). In Hillingdon these were:
 - Tavistock Road Coal Depot, West Drayton
 - Silverdale Road Industrial area, Hayes

3. **Approves the Proposed Submission Draft of the West London Waste Plan for public consultation.**
4. **Grants delegated authority to the Deputy Chief Executive and Corporate Director of Planning, Environment, Education and Community Services to agree, in conjunction with the Cabinet Member for Planning, Transportation and Recycling, to the Sustainability Appraisal and Equalities Impact Assessment; and to make any minor editing and textual changes to the Proposed Submission Draft of the West London Waste Plan before it is formally published.**
5. **Approves the Proposed Submission Draft of the West London Waste Plan as a material consideration for the purposes of development management.**
6. **Instructs officers to carry out a minimum six-week public consultation on the Proposed Submission Draft of the West London Waste Plan and the Sustainability Appraisal in compliance with the adopted Statement of Community Involvement, and for officers to report back to a future meeting of Cabinet the outcome of public consultation and recommendations for changes to the Plan prior to its submission for formal examination to the Department for Communities and Local Government.**

3. INFORMATION

Reasons for recommendation

These recommendations are sought to enable the Council to make meaningful progress on the West London Waste Plan (WLWP) in order to meet targets set out in the London Plan 2011, and Planning Policy Statements 10 and 12.

The WLWP will in due course provide an up-to-date policy framework to assess planning applications for waste management facilities across the six West London boroughs: Brent, Ealing, Harrow, Hillingdon, Hounslow and Richmond upon Thames. Planning applications for waste management facilities will also be assessed by each borough against their individual Local Development Frameworks, including local development management policies and any other material considerations.

Alternative Options / Risk Management

If the Cabinet chooses not to approve the next stage of the West London Waste Plan for further consultation this will delay adoption of the final Plan and impede progress on the LDFs of the six west London boroughs. It would also affect their ability to determine planning applications for waste facilities in their areas using the latest policy framework and supporting specialist evidence on waste issues.

Comments of Policy Overview Committee(s)

None at this stage.

Supporting Information

The West London Waste Plan - Background

1. The purpose of the WLWP is to set out a planning strategy to 2026 for sustainable waste management, deliver national and regional targets for waste recycling, composting and recovery and provide sufficient waste management capacity to manage waste arisings across the six west London boroughs. Planning applications for any new waste management facilities will be considered in the light of the WLWP policies, and they will also be assessed by the relevant council against the individual borough's Local Development Framework, including its local development management policies and any other material considerations.

2. The drafting of the WLWP has taken into account relevant planning legislation, national planning policy statements; on-going advice from the Greater London Authority and the Planning Inspectorate; and also from lessons learnt from professional planning bodies and agencies. The previous key consultation stages in the drafting of the WLWP comprised:

- Issues and Options (February 2009)
- Proposed Sites and Policies (February 2011)

2011 Consultation on the West London Waste Plan: Proposed Sites and Policies Consultation Document

3. At its meeting on 18th November 2010, the Cabinet agreed to approve publication of the WLWP Proposed Sites and Policies Consultation Document for public consultation and requested that the results of the consultation be reported to a future meeting.

4. The detailed arrangements made in Hillingdon to involve the public and key stakeholders in consultations on this stage of the WLWP followed the approach set out in the Council's Statement of Community Involvement (SCI) adopted in November 2006. The SCI sets out a minimum of six weeks for public consultations for each of the stages in the plan-making process. Consultations on the WLWP were carried out over a six-week period between 9th February and 25th March, 2011.

5. During this period:

- Press notices were published in the Hillingdon Leader, Gazette series (all Hillingdon editions) and in the London Gazette on the 9th February.
- Consultation documents were available for viewing and comment at all borough public libraries, the Hayes One Stop Shop, and the Planning Information Services section at the Uxbridge Civic Centre.
- Public information displays were exhibited at the Uxbridge Library and at Planning Information Services, Civic Centre, Uxbridge.
- Information drop in sessions were held at Ruislip Manor, Uxbridge and Botwell Libraries.
- An article was placed in Hillingdon People in the January 2011 edition.
- The consultation was also advertised on the WLWP Website from 9th February.

6. A number of local events and meetings were also attended by officers to raise awareness and encourage discussion about the draft WLWP. These included the:

- Youth Council (10 January)
- West Drayton Town Partnership (12 January)
- Hillingdon Motorists Forum (12 January)

- Older Peoples Steering Group exhibition stand set up (12 January)
- Cleaner Greener Group (25 January)
- Hayes Town Partnership (7 February)
- Local Strategic Partnership - Executive Meeting (8 February)
- Older Peoples Assembly (14 February)
- Hillingdon Force - Older Persons Assembly Steering Group (18 February)
- Hillingdon Age UK (24 February)
- Yiewsley & West Drayton Partnership (2 March)
- Hillingdon Interfaith Network, Hillingdon Connecting Communities, Hillingdon Muslim Council (2 March)
- Access and Mobility Forum (7 March)
- Uxbridge Initiative Transport & Environment Meeting (9 March)
- Hayes Partnership (14 March)

7. Approximately 3,000 letters and emails were sent to various groups and individuals, inviting comments on the consultation documents. The letters included a brief summary about the draft WLWP, where to view it and how to provide comments. Relevant groups were also provided with a copy of the draft Plan on a CD Rom. Responses were invited on-line, by email, by completing a Consultation Response Form, by letter or fax.

8. All elected Members and local MPs were posted a letter explaining the consultation process and an invitation to a drop-in session, with a hard copy of the draft Plan delivered to the Group offices, with additional hard copies delivered upon request. A letter, copy of the draft WLWP and CD-Rom was sent to all statutory consultees. Residents Associations were sent a letter and CD-Rom.

9. Letters were also sent to 50 randomly selected residents per ward from the electoral register and to 197 randomly selected businesses from the 2008 Hillingdon Business Directory.

10. Two evening drop-in information sessions for Council Members were held at the Civic Centre on 16th February and 1st March 2011.

The West London Waste Plan: Proposed Sites and Policies Consultation Document – Consultation Results

11. A total of 374 responses were received from organisations and individuals on the various chapters, policies and proposals. A summary report on the responses received is attached at Appendix 1. The main areas of concern which arose are summarised below.

12. The overwhelming focus of the consultation responses was on the 24 sites proposed for potential waste management use. The main objections were to the Tavistock Road former Coal Depot at West Drayton in Hillingdon (site number 241 in Hillingdon) and to a set of proposed sites at Park Royal in Brent and Ealing. In addition to individual responses, three petitions were submitted regarding the proposals at Tavistock Road (two petitions with 2,201 and 36 signatures) and at Park Royal (a petition with 193 signatures).

13. To summarise the main concerns raised:

- Former Coal Depot, Tavistock Road, West Drayton - this proposed new site received the most objections (67) of any single proposal. In addition a petition with 2,201 signatures was submitted against including the site in the WLWP. The main concerns raised by the petitioners were the location of the site close to three residential estates and its likely

environmental impact on local residents; and the likely impact of traffic congestion which would result from a major waste facility being sited there. There were also specific criticisms of the site assessment scoring system used by the consultants, particularly, that the weighting given to proximity to residential areas had not been consistently applied.

- Park Royal Sites (existing site numbers 352 and 328 and proposed new sites numbers 386,129,186, 187,183,182,191) - one third of total responses to the draft WLWP opposed the sites proposed at Park Royal. Many of these expressed local residents' concerns at the designation of several sites for waste use in such close proximity. A 193-signature petition was received on this issue. The main concerns raised by the petitioners were the unfairness of locating so many sites in the area; the cumulative impact of new sites when added to existing waste and industrial facilities; proximity to housing; increased traffic; air pollution and the health impacts of pollution. A number of submissions addressed the site assessment procedure, suggesting that the weighting on transport accessibility resulted in the impacts on local residents not being properly considered. It was also suggested that existing air quality and the cumulative impacts of more than one site should be included in the site assessment.

14. Two petitions relating to the site at Tavistock Road, West Drayton were heard by the Cabinet Member for Planning, Transportation and Recycling on 13th July 2011. The larger petition with 2,201 signatures was in objection to the inclusion of the site in the WLWP. The smaller petition with 36 signatures was an objection to the proposal by a waste company to locate a recycling plant there. The Cabinet Member agreed to instruct officers to review the inclusion of the Tavistock Road site in the next stage of the Draft WLWP.

15. The Consultation Document included four proposed policies which would be used to determine future planning applications for proposed new sites. To summarise the response to these:

- Policy 1: Location of Waste Development – a key concern with this policy was that sites should not be located close to residential communities. Other concerns were the fact that the Plan is technology neutral and there were requests from the waste sector for greater flexibility in the Plan to make clear that new sites could be considered in the future. The draft Plan seeks to safeguard residents' amenity through its policies - together with detailed development management policies in boroughs' individual Local Development Frameworks.
- Policy 2: Ensuring High Quality Development - key suggestions here were that the sustainable transport requirements should be strengthened; there should be greater protection for local residents taking account of their views on proposals, particularly regarding the cumulative impacts of a number of sites; and ensuring effective monitoring. Officers consider that the draft policies in the Plan sufficiently cover the transport implications of individual waste proposals. Residents' views on individual proposals will be taken into account by individual boroughs, in accordance with their own Statements of Community Involvement. Monitoring will continue through boroughs' Annual Monitoring Reports.
- Policy 3: Decentralised Energy - while there was considerable support for this policy a number of concerns were expressed about the impacts of particular technologies on local communities, and the potential negative impact on recycling rates if more waste went to energy generation. The environmental aspects of proposed developments will be taken into account through the planning application process in each borough.

- Policy 4: Sustainable Site Waste Management - a third of those commenting on this policy considered that the proposal that at least 10% of materials / products used in the construction of new waste developments should come from reused or recycled materials was too low. There is no defined level of materials' use in new developments. It will be for boroughs to determine the viability of requesting this level of recycled materials' use when planning applications are submitted.

The Proposed Submission Draft of the WLWP

16. The Proposed Submission draft of the WLWP has been amended to take into account the consultation responses, the findings of a detailed Site Delivery Assessment carried out by the consultants, a Sustainability Appraisal and an Equalities Impact Assessment which have also been prepared in support of the draft WLWP. Two detailed schedules, comprising all comments received on the sites included in the draft Plan and all comments received on other matters (the proposed approach to waste management in the draft Plan, the individual proposed policies, monitoring and other aspects and the Sustainability Appraisal) are included as background papers to this report and will form part of the background evidence base. The main changes to the draft Plan are set out below.

a) Land take requirement for the WLWP

17. The consultation draft plan stated that West London needed to identify a maximum of 56 ha of land for waste management facilities to ensure that the 2008 London Plan apportionment is met. The revised plan (at Table 3-4) now includes a maximum of 22.4 ha to ensure that the 2011 London Plan apportionment is met. The reduction in the land take requirement is largely because the 2008 London Plan included very high and unrealistic projections for municipal solid waste and commercial and industrial waste arisings.

b) Existing sites

18. The consultation draft plan included 10 existing sites totalling 16.19 hectares. The revised plan now includes 8 sites totalling 19.39 hectares, namely:

- Twyford Waste Transfer Station in Brent
- Veolia Transfer Station, Marsh Road in Brent
- Greenford Reuse and recycling site, Greenford in Ealing
- Greenford Depot, Greenford Road in Ealing
- Quattro, Victoria Road, Park Royal in Ealing
- Victoria Road Transfer Station in Hillingdon
- Transport Avenue Waste Transfer Station in Hounslow
- Twickenham depot in Richmond

19. The two sites which have been deleted are Rigby Lane Waste Transfer Station in Hayes, Hillingdon and the Townmead Reuse and Recycling Site at Mortlake Road, Kew, Richmond. The increase in the total from 16.19 ha to 19.39ha is largely due to a recalculation of the site area at the Twickenham Depot.

c) Proposed sites

20. The consultation draft plan included 14 new sites totalling 50.42 hectares. This draft plan was prepared with the intention of including a sufficient number of sites in order to allow a

meaningful consultation to take place. The revised plan now includes 3 sites totalling 9.15 hectares, namely:

- Council Depot at Forward Drive in Harrow
- Yeading Brook, Bulls Bridge in Hillingdon
- Western International Market in Hounslow

21. It should be noted that the following sites have been deleted from the Proposed Submission draft of the WLWP:

- Tavistock Road Coal Depot, West Drayton, Hillingdon
- Silverdale Road Industrial area, Hayes, Hillingdon
- Abbey Road, Park Royal, Brent
- Rail sidings, Premier Park Road, Park Royal, Brent
- Alperton Lane Industrial area, Marsh Road, Alperton, Brent
- Hannah Close/Great Central Way, Wembley, Brent
- Three Park Royal sites (2, 8 and 9).
- Park Royal site 1 in Ealing
- Atlas Road site at Park Royal in Ealing

22. As stated in paragraph 17 above, the land take requirement is a maximum of 22.4 ha to ensure that the 2011 London Plan apportionment is met. An additional amount of land is required in the WLWP to ensure some flexibility in the event that sites do not come forward. From the details given above, it is apparent that the Proposed Submission draft of the WLWP includes 8 existing sites totalling 19.39 hectares and 3 new sites totalling 9.15 hectares, which amount to a total of 28.54 hectares. The Proposed Submission draft of the WLWP therefore now includes sufficient land for waste management facilities to ensure that the 2011 London Plan apportionment is met.

d) The WLWP policies

23. In order to be in conformity with the London Plan adopted in July 2011, a further policy has been introduced. This makes clear that existing and proposed waste management and transfer sites in west London will be safeguarded for waste use. Development for non-waste uses will not be considered unless compensatory and equal provision of sites for waste, in scale and quality, is made elsewhere within the west London boroughs.

24. The wording of policy on the location of waste development has been amended in order to strengthen the requirement to ensure that there is no loss in existing capacity at existing or allocated waste sites.

25. The wording of the policy on ensuring high quality development has been amended with several new additions to protect the amenities of the area; to incorporate sustainable urban drainage systems; to ensure no increased flood risk in the area; to protect heritage assets such as conservation areas and listed buildings; and to ensure that adjacent development proposals do not prejudice the use of sites allocated for waste purposes.

26. The policy on decentralised energy remains unchanged and the policy on sustainable site waste management has been strengthened to ensure that construction plans are comprehensive and capable of being delivered.

e) Volumes of different types of waste

27. A substantial amount of information has been added at Section 3.2 in order to explain the volumes of different waste flows, in order to meet the requirements of central Government planning guidance.

28. The Sustainability Appraisal is being updated and an Equalities Impact Assessment has also been undertaken for the proposed policies and both will be published as part of the Proposed Submission consultation documents.

Next Steps

29. The remaining timetable for the preparation of the WLWP will involve:

- a) A six-week public consultation on the Proposed Submission version of the WLWP will be held across the six boroughs during February and March 2012.
- b) The consultation responses will then be assessed and any further evidence base research undertaken before officers report back to the Cabinet and full Council on the Proposed Submission stage consultation and seek Members' approval to submit the draft WLWP with any further proposed changes to the Secretary of State for formal examination.

30. Officers then anticipate that an Examination in Public will be held during the autumn of 2012 and that the WLWP should be adopted by the six boroughs as part of their respective Local Development Frameworks in early 2013.

Financial Implications

31. Hillingdon is the lead borough for the preparation of the joint West London Waste Plan on behalf of the six west London boroughs covered by the plan. Hillingdon incurs the costs of managing and co-ordinating the development plan process, and undertaking necessary consultation across the west London area. These costs are shared equally between the six partner boroughs, and Hillingdon's share of the cost of undertaking the next public consultation stage on the draft WLWP will be met from the existing planning budget.

4. EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

The WLWP will form part of the Local Development Frameworks of the six partner boroughs and will provide a planning framework for sustainable waste development for the next 15 years. Planning applications for any new waste management facilities will be considered in the light of the WLWP policies, and they will also be assessed by the relevant council against the individual borough's Local Development Framework, including its local development management policies and any other material considerations. The WLWP therefore has the potential to have a significant impact, both short term and long term, upon residents, businesses, service users and potentially all members of Hillingdon's communities.

Consultation Carried Out or Required

The preparation of the WLWP has involved the close and active involvement of the west London borough partners and involved widespread consultation across the six partner boroughs. As outlined above, further consultations are to be held on a Proposed Submission draft of the Plan across the six boroughs during early 2012.

5. CORPORATE IMPLICATIONS

Corporate Finance

Corporate Finance has reviewed this report and is satisfied that Hillingdon's share of the cost of taking the draft West London Waste Plan to the next consultation stage will be met from existing 2011/12 revenue budgets.

Legal

Section 15 of the Planning & Compulsory Purchase Act 2004 places a statutory duty on the Council to prepare and maintain a Local Development Scheme ("the Scheme"). The Scheme will specify those documents that are Development Plan Documents. Regulation 7(c) of the Town and Country Planning (Local Development) (England) Regulations 2004 (as amended) states that any document which includes a site allocation policy (such as the draft West London Waste Plan) will be a Development Plan Document. Section 28(1) of the Planning and Compulsory Purchase Act 2008 states that two or more local planning authorities may agree to prepare one or more joint local development documents.

When preparing the draft West London Waste Plan, the Local Planning Authority must comply with the consultation requirements found both in the Town and Country Planning (Local Development) (England) Regulations 2004 (as amended) and PPS 12 (Local Spatial Planning) which sets out government policy on Local Development Frameworks. This includes the duty to consult with the specific and general consultation bodies, the requirement to place an advertisement in the newspaper and the general duty to comply with the Council's Statement of Community Involvement. In particular, Regulation 27 of the Town and Country Planning (Local Development) (England) Regulations 2004 (as amended) states that local authority must carry out a 6 week consultation on a development plan document before it is submitted to the Secretary of State. Any representations received must be fully considered by the decision maker, including those which do not accord with the proposals.

6. BACKGROUND PAPERS

- Cabinet Report on 18th November 2010 - Draft West London Waste Plan: Proposed Sites and Policies Consultation Document
- West London Waste Plan Proposed Sites and Policies Consultation: Consultation Responses on Sites – CAG Consultants, July 2011
- West London Waste Plan Proposed Sites and Policies Consultation: Consultation Responses Excluding Sites - CAG Consultants, July 2011

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UPDATE ON THE GOVERNMENT'S CONSULTATION ON HIGH SPEED RAIL

Cabinet Members	Councillor Ray Puddifoot Councillor Keith Burrows
Cabinet Portfolios	Leader of the Council Planning, Transportation and Recycling
Officer Contact	Jales Tippell Planning, Environment, Education and Community Services
Papers with report	None

1. HEADLINE INFORMATION

Summary	This report updates the Cabinet on matters regarding the Government's proposals for High Speed Rail, welcomes the effort by the local campaign groups and seeks Cabinet approval for delegated authority to continue to pursue the campaign and any legal challenge should the Secretary of State decide to pursue the proposal.
Contribution to our plans and Strategies	Hillingdon's emerging Core Strategy Hillingdon's Unitary Development Plan Saved Policies 2007 Hillingdon Partners Sustainable Community Strategy
Financial Cost	The Council's 2011/12 Development and Risk contingency includes £100,000 that was earmarked for any potential challenge against the High Speed 2 rail link.
Relevant Policy Overview Committee	Residents' and Environmental Services Policy Overview Committee
Ward(s) affected	Directly – South Ruislip, Manor, West Ruislip, Ickenham, Harefield,

2. RECOMMENDATIONS

That the Cabinet:

- 1. Notes the contents of the report;**
- 2. Strongly appreciates the efforts of local residents groups that have been established in response to the HS2 proposal and reaffirms this Council's commitment to work closely with and support them during the campaign;**
- 3. Instructs officers to continue work on opposing the Government's current proposals for High Speed Rail, including joint working with the 51M Group, and to report back to Cabinet on any significant issues and;**

- 4. Agrees that should the Secretary of State for Transport decide to pursue the proposal, that the Leader of the Council can take all necessary action in pursuit of the campaign, including legal action, funding and partnerships with any other local authorities / organisations; and furthermore agrees that delegated authority be given to the Borough Solicitor and the Deputy Chief Executive and Corporate Director of Planning, Environment, Education and Community Services to formally implement any actions directed by the Leader.**

3. INFORMATION

Reasons for recommendation

The proposed High Speed 2 rail line is likely to be the most significant development proposal in Hillingdon since the 3rd Runway. Its adverse impacts are considered to be far in excess of the benefits that will ensue from the proposal.

The Government's decision on whether to proceed with the proposal is likely to be announced in December 2011. At that time it is vital that the Council is in a position to be able to act quickly in terms of making a decision on whether, and on what grounds, it may wish to launch a legal challenge.

The recommendation will allow the Council to effectively respond to the Government's decision, if it needs to take legal action to protect the interests of residents and businesses in the Borough.

By working with the 51M Group, the Council will strengthen its case and benefit from the pooling of resources, funds and expertise.

Alternative Options Considered.

The alternative option would be for the Cabinet to decide not to investigate any grounds for a legal challenge when and if the Government announces that it will proceed with High Speed 2. This is not considered to be an appropriate option due to the adverse impact that High Speed 2 will have upon residents of the Borough.

Comments of Policy Overview Committee(s)

None at this stage.

Supporting information

Background

1. At its meeting on 28th July 2011, the Cabinet reaffirmed the London Borough of Hillingdon's full opposition to HS2 and agreed the Council's response to the Government's Consultation for submission to the Department for Transport. At that time it also endorsed the 51M Group's response to the Government's High Speed Rail Consultation and furthermore, it agreed the 51M Group's response to the London Assembly Transport Committee. Officers were also instructed to continue work on opposing the Government's

current proposals for High Speed Rail, including joint working with the 51M Group, and to report back to Cabinet on any significant issues.

2. Following the July Cabinet meeting, the above mentioned responses were submitted within the specified deadlines. The Leader of the Council, the Cabinet Member for Planning, Transportation and Recycling and officers have since actively worked with the 51M Group and the key developments are reported below.

The 51M Group

3. The 51M Group has continued to grow and there are now 18 councils which make up the Group, namely:

- Buckinghamshire County Council
- London Borough of Hillingdon
- Aylesbury Vale District Council
- Chiltern District Council
- South Bucks District Council
- Wycombe District Council
- Oxfordshire County Council
- Cherwell District Council
- Lichfield District Council
- South Northants District Council
- Warwick District Council
- North Warwickshire Borough Council
- Warwickshire County Council
- Stratford-on-Avon District Council
- Leicestershire County Council
- Harborough District Council
- Three Rivers District Council, Hertfordshire
- Coventry City Council

4. The 51M Group has been working on a number of matters, including responding on technical issues in relation to the responding to Transport Select Committee, actively raising awareness of the impacts of the High Speed 2 proposal and ensuring that all the councils which make up the Group act in a united and consistent way, so that we do not prejudice any legal challenge that we may wish to make.

Involvement in the Transport Select Committee

5. The Council actively worked with the 51M Group in preparing its submission to the House of Commons Transport Select Committee. Consideration by the Transport Select Committee included five oral evidence sessions which took place between 21 June and 13 September. The 51M Group were represented at the session on 12 July 2011, by Councillor Martin Tett, Leader of Bucks County Council, Chris Stokes and Professor John Tomaney. At the request of the Transport Select Committee, further supplementary written evidence was submitted on 7 September.

6. The report of the Transport Select Committee (TSC) was published on 8th November and may influence the Government's decision on whether to proceed with High Speed 2. The TSC concluded that they 'support a high speed rail network for Britain, developed as part of a comprehensive transport strategy also including the classic rail network, road, aviation and shipping.' This particular conclusion is consistent with the policy of Hillingdon Council since the start of its campaign. The fact remains though, that there is still no overarching transport strategy in place by the Government to give the context the Council feels is required in order to pursue High Speed Rail.

7. The TSC also acknowledged that 'the Government's HS2 proposal could form part of this [high speed] network'. Interestingly they did not state say that HS2 should form part of this network. The TSC went on to state that there should be 'the provision of greater clarity on the policy context, the assessment of alternatives, the financial and economic case, the environmental impacts, connections to Heathrow and the justification for the particular route being proposed.' The TSC also point out that there should be an appraisal of the Y (phase 2) before any decision is made on phase 1.

8. Given all these areas which need to be addressed, the TSC agreed to call on the Government to consider and to clarify these matters before it reaches any decision on HS2. In effect, the TSC is saying that the Government should not make a decision until it has carried out further work.

9. Given the all party support for the concept of HS2, it was inevitable that the TSC report would not reject the HS2 proposal in its entirety. However the TSC does appear to call for a significant amount of extra work to be undertaken on a number of aspects of the proposal. This effectively amounts to a more comprehensive consultation and appraisal to allow for a more considered decision by the Secretary of State.

Campaign by local residents

10. Immediately following the announcement of the preferred route the Council was contacted by some residents from Ruislip who were keen to oppose the scheme. They grew in number and formed the residents group 'Ruislip against HS2'. With increased publicity, an increased number of local groups started to form such as 'Harefield Against HS2'. The Council agreed to recognise and work with these groups in the same way as it had previously worked with residents groups during the 3rd Runway Campaign. The separate residents groups later formed together in alliance known as 'Hillingdon against HS2' although the groups have also kept their own identity. A banner to highlight the HS2 campaign was placed on the Civic Centre on 18th August 2011.

11. 'Hillingdon against HS2' have been engaged in a vigorous and high profile campaign and have held a number of events, including a march through Ruislip and handing in a petition at 10 Downing Street. They have also used Council car parks and street stalls to raise awareness and gain support. They have received good local and national media coverage during their campaign and Council members and officers enjoy a good working relationship with the members of the group and have continued to support and advise them throughout.

Other publicity to raise awareness

12. The Cabinet Member for Planning, Transportation and Recycling took part in a BBC interview on 27th Sept at Hillingdon Outdoor Activities Centres (HOAC). This was regarding why the Council was against HS2 and what the impact would be to HOAC.

13. Communications leads for the 51M Group councils are meeting regularly to ensure the communications strategy is delivered. As well as the wider group, regional communications activity is being planned through London and the South East and the Midlands. A briefing document was prepared for use by all the 51M group members and a leaflet encouraging people to write to their local MP was also produced and distributed. The 51M group website has been continually updated with new material and links to media activity.

14. An event, most likely at the House of Commons is being planned at which awareness of the impact of the HS2 proposals will be highlighted to those MPs who may not have yet committed to the 'no' campaign.

15. Specifically in Hillingdon, media activity is being delivered locally as well as regionally to keep HS2 high on the media agenda. The Leader of the Council has led the campaign on behalf of the Council and continues to meet regularly with Government Ministers and Council Leaders.

Parliamentary issues

16. Members are aware that the concept of HS2 is supported by all three main political parties. Despite originally saying that Labour were reviewing its commitment to the scheme, the Labour Party's Shadow Transport Secretary Maria Eagle confirmed the party's support at the Labour Party Conference in Sept 2011. A letter stating that the Labour Party had reservations about the scheme, but would not seek to oppose the scheme in Parliament, was received by the 51M group on 25th October 2011.

17. Philip Hammond moved to Secretary of State for Defence being replaced by former Treasury Minister Justine Greening. Members will be aware that the Council already has an established working relationship with Justine Greening from the 3rd Runway Campaign, although this reorganisation is unlikely to change the Government's apparent intentions

18. A Parliamentary debate on the proposed HS2 rail scheme went ahead on 13 October 2011. Whilst the debate was not well attended by MPs, the overwhelming majority of speakers were firmly against the scheme, including MPs from inner London such as Frank Dobson (MP for Holborn and St Pancras) and the north such as Fiona Bryce (MP for Congleton). It appeared that those supporting the scheme were still unable to give any clear evidence in support of their views.

Issues regarding the work of HS2 Ltd

19. On 26 July 2011 DfT instructed HS2 Ltd to analyse the consultation responses, advice on the issues raised in the consultation and update the business case. Working in partnership with 51M and following sound legal advice, it was agreed that the DfT's instruction to HS2 Ltd amounts to a very unfair process. Therefore a letter was sent to the

Government on behalf of 51M by the legal advisor on 4th August 2011 raising this issue of 'fairness' of the instruction.

20. On 11 October, the Council received a letter from HS2 Ltd stating that 'operating under the remit set out by the Secretary of State in his letter of 26th July 2011 of making preparations to enable the next phase of work on the London to West Midlands section (should the project proceed), we are setting up a series of meetings for local authority officers in November 2011 to discuss how we work closely with local authorities in the next stage'. The Council was therefore invited to attend a meeting at the HS2 Ltd offices on 1st November.

21. The view of the Leader of the Council was that it would be inappropriate, and a waste of resources, to meet with HS2 Ltd for the purpose of furthering the proposal before a decision has been made by the Secretary of State. A letter was therefore sent on 14th October 2011 to HS2 Ltd, again by working in partnership with 51M and following sound legal advice, to advise HS2 Ltd that we have made it clear that our consultation response has been made on the basis that the consultation is genuine and that the Secretary of State will approach the decision with an open mind. We explained that we have also expressed concerns in our consultation response regarding issues surrounding the consultation process itself. We pointed out that in the circumstances, we consider it would be inappropriate, and a waste of resources, to meet for the purpose of furthering the proposal before a decision has been made by the Secretary of State. In addition we noted that HS2 Ltd may have a private interest in a future for the HS2 proposal, but this does not justify their attempt to prematurely and unnecessarily harness local authority assistance and resources.

Preparation for a legal challenge

22. In the event that the Government decides to proceed with the current proposal for high speed 2, 51M will seek independent legal advice on whether there are any grounds for making an application to judicially review the Secretary of State's decision. Judicial review is likely to be the main option as this allows the courts to supervise bodies exercising public functions to ensure that they act lawfully and fairly. The scope of judicial review is limited both in its availability and function and the role of the court in judicial review proceedings is not to remake the decision being challenged, or (except for the purpose of considering its lawfulness) to inquire into the merits of that decision, but to conduct a review of the process by which the decision was reached in order to assess whether that decision was vitiated by some flaw.

23. The timing of an application for permission to apply for judicial review must be made promptly and in any event within three months from the date when grounds for the application first arose. Any application made will need to clearly identify the grounds for judicial review and be supported by a convincing case.

24. The recognised grounds currently available for judicial review can broadly be classified under four heads:

- Illegality: which arises when a decision-maker exercises a power wrongly or improperly purports to exercise a power that it does not have (*Ultra Vires*). Using this ground it is possible to challenge, amongst other decisions, such as Acts of Parliament and delegated legislation that are inconsistent with EU law; UK delegated legislation that is inconsistent with an Act of Parliament or a decision of a public body that is inconsistent with EU law, an Act of Parliament or delegated legislation.

- Irrationality: where the decision "is so unreasonable that no reasonable authority could ever have come to it" (Wednesbury unreasonableness)
- Procedural unfairness: which will arise if the decision-maker has not properly observed the relevant statutory procedures, such as a failure to consult or to give reasons, such as a flawed consultation process.
- Legitimate expectation: which arises because a public authority may, by its own statements and/or conduct, be required to act in a certain way, where persons have an expectation as to the way in which it will act.

25. The question of remedies is often critical in judicial review proceedings, as it may determine not only whether it is worthwhile bringing a claim, but also whether permission will be granted to bring the claim in the first instance. With regard to judicial review proceedings, a claimant may seek one or more of three forms of final relief, all of which are discretionary.

- An order quashing the decision in question (quashing order)
- An order restraining the body under review from acting beyond its powers (prohibiting order).
- An order requiring the body under review to carry out its legal duties (mandatory order).

26. However, owing to the very nature of judicial review, in many cases, even if there has been a serious procedural flaw in a decision-making process, the best a claimant could hope for would be for the court to remit the decision back to the decision-maker to look at it again on a proper basis and there is every chance that the decision-maker may still lawfully come to the same decision as it did the first time.

Financial Implications

As outlined above the Council is part of a consortium of 18 Local Authorities that have agreed to share the costs of the specialist consultancy 51M, with different Authorities undertaking to support the fund to different values. Hillingdon Council initially committed to fund up to £100,000 of costs. This has been earmarked within the Risk contingency to meet the council's commitment to this fighting fund. The Leader of the Council has indicated that he will ask Cabinet to commit a further sum of £100,000 from Risk Contingency when required.

4. EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

The proposed HS2 Rail Line is likely to be the most significant development proposal in Hillingdon since the 3rd Runway. The HS2 route runs straight through the Borough. About 60% of the route is through built up areas and 40% goes through the open Green Belt. None of it is in tunnel. The effects on residents, service users and communities will therefore be significant.

Consultation Carried Out or Required

High Speed 2 is a Government proposal and notwithstanding this, Hillingdon Council held residents meetings on 2nd December 2010, 24th March 2011, 9th June 2011 and 14th July 2011. The Council also included a reply card in the May/June 2011 edition of Hillingdon People magazine, asking people whether they 'do not support the Government's current proposals for HS2 because there is not sufficient justification on economic or environmental grounds for it' or whether they do 'support the Government's current proposals for HS2'. The overwhelming majority of residents oppose the proposals for High Speed 2 and therefore the Council is committed to taking further action if the Government decides to proceed with the scheme.

5. CORPORATE IMPLICATIONS

Corporate Finance

Corporate Finance has reviewed this report and is satisfied that £100,000 has been included in the 2011/12 Development and risk contingency to meet the costs of any challenge against the High Speed 2 rail link. It should be noted that there could be a possible further call on the general contingency, in the event of costs increasing or any political decision made to further contribute to the High Speed 2 rail link challenge fund.

Monitoring of this contingency, will be done through the monthly budgetary monitoring process and resourcing needs for future years will be identified through the Medium Term Financial Forecast (MTFF).

Legal

If legal action is to be commenced in relation to the Government's decision, it would have to be done by way of a judicial review in the High Court. Any application for judicial review must be brought promptly and in any event within three months of the date that the grounds for the application first arose. Therefore, if the Council decides to commence judicial review proceedings, either on its own or jointly, it must do so within these time limits.

If the Government make a decision to proceed with the current proposal for high speed rail, Leading Counsel's advice will need to be sought on behalf of the 51M group to establish whether there are sufficient grounds to launch a challenge, balancing the costs against the benefits of doing so.

Once a decision has been issued by Government and Leading Counsel's advice obtained, a further update will be provided to Cabinet. This is likely to be early 2012.

Corporate Landlord

Property within the ownership of London Borough of Hillingdon will be significantly affected by High Speed 2 as set out in the Cabinet report of July 2011.

6. BACKGROUND PAPERS

Transport Select Committee (TSC) report on High Speed Rail - published on 8th November 2011

Previous Cabinet Reports

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ARMED FORCES COMMUNITY COVENANT

Cabinet Members	Councillor Ray Puddifoot Councillor Douglas Mills
Cabinet Portfolios	Leader of the Council Improvement, Partnerships and Community Safety
Officer Contact	Glenda Greenfield / Lyn Summers Planning, Environment, Education and Community Services
Papers with report	None.

1. HEADLINE INFORMATION

Purpose of report	<p>A Community Covenant is a voluntary statement of mutual support between a civilian community and its local Armed Forces Community. It is intended to complement, at local level, the Armed Forces Covenant, which outlines the moral obligation between the Nation, the Government and the Armed Forces.</p> <p>The aim of the Community Covenant is to encourage local communities to support the Service Community in their area and promote understanding and awareness amongst the public of issues affecting the Armed Forces Community. It is also to encourage support for the Armed Forces Community working and residing in the borough and to recognise and remember the sacrifices made by its members. This includes in-Service and ex-Service personnel their families and widow(er)s</p> <p>It is supported by the Community Covenant Grant Scheme which has been established to financially support projects, at the local level, which strengthen the ties or the mutual understanding between members of the Armed Forces Community and the wider community in which they live.</p>
Contribution to our plans and strategies	This delivers local partnership working
Financial Cost	There are no direct financial implications arising from the recommendations of this report.
Relevant Policy Overview Committee	Corporate Services and Partnership.
Ward(s) affected	All

2. RECOMMENDATION

That Cabinet:

- 1. Welcomes the principle of a local Armed Forces Community Covenant;**
- 2. Delegates authority to the Leader of the Council to sign up to and establish an Armed Forces Community Covenant between the Borough and the Local Armed Forces Community and;**
- 3. Delegates authority to the Deputy Chief Executive and Corporate Director of Planning, Environment, Education and Community Services, in consultation with the Leader of the Council and local Armed Services, to agree and submit any bids for the Community Covenant Grant Scheme.**

Reasons for recommendation

The Covenant outlines the Government's aspiration that the Armed Forces Community should face no disadvantage compared to other citizens in the provision of public and commercial services. The Government will consider positive measures to enable equality of outcome with other citizens, as well as consider special treatment for the injured and bereaved, as proper return for their sacrifice. Cabinet is asked to agree the principle of the local Community Covenant and delegate the necessary decisions to Members and Officers to pursue this.

Alternative options considered / risk management

To not adopt an Armed Forces Community Covenant.

Comments of Policy Overview Committee(s)

None at this stage

3. INFORMATION

Supporting information

3.1 The Community Covenant

A Community Covenant is a voluntary statement of mutual support between a civilian community and its local Armed Forces Community. It is intended to complement, at local level, the Armed Forces Covenant, which outlines the moral obligation between the Nation, the Government and the Armed Forces.

The aim of the Community Covenant is to encourage local communities to support the Service community in their area and promote understanding and awareness amongst the public of issues affecting the Armed Forces Community.

People have become involved in supporting the Service community through Service charities, or more recently by participating in Armed Forces Day. The Community Covenant scheme aims to build on this local level of support.

The aims of the Armed Forces Community Covenant are to:

- encourage local communities to support the Armed Forces community in their areas
- nurture public understanding and awareness amongst the public of issues affecting the Armed Forces community
- recognise and remember the sacrifices faced by the Armed Forces Community
- encourage activities which help to integrate the Armed Forces Community into local life
- to encourage the Armed Forces Community to help and support the wider community, whether through participation in events and joint projects, or other forms of engagement

3.2 Participants in the Community Covenant

The Community Covenant represents a relationship between the Armed Forces Community and any or all of the following:

- public service providers (Local Authority and health service providers etc)
- private industry (such as shops, restaurants, non-public service providers)
- Charities and veterans groups
- Community groups
- Individual members of the public

3.3 Established Covenants

The Community Covenant has been launched in four locations in England – Hampshire, Portsmouth, North Yorkshire and Oxfordshire. In addition Vale of Glamorgan in Wales is the first authority to launch a community covenant in Wales.

3.4 Developing a Local Community Covenant

All Local Authorities in England are being provided with government guidance and encouraged to establish a Community Covenant in their area.

The establishment of Civil/Military partnerships is an excellent low-cost way to demonstrate support for the Armed Forces community. It builds an understanding of the needs of the Armed Forces and ensures the needs of the Armed Forces community are considered in planning local services.

It is expected that most Community Covenants will be led at Local Authority level.

3.5 The Community Covenant pledge

This document sets out what a Community Covenant seeks to achieve in a particular area and this will be signed by representatives from all parts of the Community. In most cases the lead signatories will be a senior representative from the Local Authority and one from the Services who will sign on behalf of the Armed Forces Community.

The standard document is a high level statement of support and Local Authorities are encouraged to make a copy available on their website once signed.

3.6 Public Service support

Public Service providers are already delivering a number of tailored services for the Service community. Additional support can take a variety of forms and will be determined by the capacity of the Local Authority. Examples of best practice include:

- Establishment of Civil/Military Partnership Boards
- Providing opportunities for the Armed Forces to talk about their experiences on operations
- Support to employment of Service leavers and Service families by drawing together local employers for recruitment fairs
- Free/discounted access to leisure facilities and discounts in shops and restaurants
- Armed Forces Involvement within Community Projects

3.7 Business support

A number of organisations already offer discounts through the Forces Discount scheme (www.forcesdiscounts-mod.co.uk) and businesses may choose to join this existing scheme or create their own. Additional support might take the form of support to employment for the families of Service personnel who can at times find themselves faced with difficulty securing employment when moving to a new location.

3.8 Local community support

By promoting activity that integrates the Service community into local life, this will help to make the Service community feel part of the community instead of it simply being somewhere they live for the term of a posting. This might include running youth groups or sports clubs that include Service children, establishing support networks for Service families who often find themselves isolated when Serving partners are on operations

3.9 Local Armed Forces involvement

The Community Covenant is intended to be a two-way arrangement and there should be opportunities for the Armed Forces to support their local communities in a variety of ways, such as getting involved in community regeneration projects or taking part in educational and sporting events or enabling the community to use their facilities e.g. the music recording studio at RAF Northolt.

3.10 The Community Covenant Grant scheme

On 16 May 2011 the Defence Secretary announced that £30M of central Government funding over the next four years to support the Community Covenant.

The Community Covenant Grant Scheme will financially support projects, at the local level, which strengthen the ties or the mutual understanding between members of the Armed Forces Community and the wider community in which they live.

The Grant Scheme will consider applications for projects that deliver tangible results and meet the overall aims of the Community Covenant Scheme. It will be administered by the Ministry of Defence on behalf of Her Majesty's Government.

Applications must be submitted jointly by at least two parties to the local Community Covenant: one from the Armed Forces Community (such as a Service unit, a veterans' group, or a families organisation), and one from the wider community (such as a Local Authority or service provider, a commercial organisation, or a private individual).

The grant scheme will consider applications for funding between £100 and £250,000, to be spent on projects which promote closer ties with, or a greater understanding of, the military in the local community. Examples could be:

- a public exhibition showing recent activity of the local Armed Forces unit, such as a tour in Afghanistan
- one-off activities such as an activity camp involving the Armed Forces and young people
- a community outreach project that brings together veterans with their non-Service equivalents to highlight what support is available to them in their local community.

The first panel sat in October 2011, and the next panel will sit in December 2011. (The deadline for bids to reach the MOD Covenant Team is 30 November 2011). Bidding panels will also take place in March 2012 and at quarterly intervals thereafter. The fund will only be open to communities which have adopted a Community Covenant, but this will not be sufficient in itself – the nature of the project will be the key consideration.

Financial implications

There are no direct financial implications arising from the recommendations of this report.

The Community Covenant Grant scheme has been launched by the MOD which invites communities to apply for funding to run projects which strengthen the bonds between the Armed Forces and the public. Bids can only be submitted from areas which already have a Community Covenant in place. There will be match funding opportunity available.

Up to £30m over four financial years has been set aside to help communities undertake projects that promote greater understanding between the military and civilian populations.

The grant scheme will consider applications for funding between £100 and £250,000, to be spent on projects which promote closer ties with, or a greater understanding of, the military in the local community.

4. EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

4.1 What will be the effect of the recommendation?

- The Community Covenant will encourage local communities to support the Service community in their area and promote understanding and awareness amongst the public of issues affecting the Armed Forces Community.
- It will encourage the Armed Forces Community to help and support the wider community, whether through participation in events and joint projects, or other forms of engagement with the local community.
- It will give an opportunity for local businesses, the voluntary sector or community groups to engage with the armed services community, veterans and service families.

4.2 Consultation Carried Out or Required

The Armed Services Covenant is a Government initiative, which has the support of all political parties. Consultation with Armed Forces Services groups, veterans' groups and charities and local businesses/community groups would be prudent. Advice and guidance on best practice is available from the initial four local authorities in England who have adopted the scheme, and is being promoted through the LGA and MOD websites.

Officers will work with the Leader of the Council to identify relevant and suitable partners to work with to develop the Hillingdon Covenant.

5. CORPORATE IMPLICATIONS

Corporate Finance

Corporate Finance has reviewed the report and is satisfied that there are no direct financial implications arising from the recommendations of the report. It should be noted that bids for funding can only be submitted from areas which have a Community Covenant in place.

Legal Services

The power to take the measures recommended in this report above derives from the council's power under Part 1 of the Local Government Act 2000 to do anything it considers likely to improve or promote the social or economic wellbeing of its area. The power may be exercised for the benefit of all or any persons resident in the council's area. Additionally, exercise of the power must be consistent with the Sustainable Community Strategy for the London Borough of Hillingdon. In this instance, two priorities identified by the Strategy (improving health, housing and social care and where opportunities are open to all) render the exercise of the council's well-being powers relevant in relation to the Council's Armed Forces Community Covenant.

6. BACKGROUND PAPERS

Armed Services Covenant (MOD document)

Community Covenant Pledge template (MOD document)

Community Covenant Grant scheme criteria and guidance (MOD document)

GIFT FUNDING ARRANGEMENTS - SPENHILL REGENERATION

Cabinet Member	Councillor Keith Burrows
Cabinet Portfolio	Planning, Transportation and Recycling
Officer Contact	James Rodger Planning, Environment, Education and Community Services
Papers with report	None

1. HEADLINE INFORMATION

Purpose of report	<p>This report considers a proposed offer of a gift from Spenhill Regeneration Ltd in accordance with the provisions of Section 93 of the Local Government Act 2003. The gift is required to assist in meeting the Council's reasonable and justifiable costs associated with the discharge of its planning function; in particular it would be used to fund an independent highway consultant to review The Transport Assessment which includes complex data and highway modelling .</p> <p>This will ensure additional resources are dedicated consistent with the importance of this project to the local community and the wider area. It is recommended that the gift be accepted.</p>
Contribution to our plans and strategies	The recommendations will assist the planning process to realise the objectives of the Sustainable Community Strategy.
Financial Cost	The offer of £10,000 gift funding from Spenhill Regeneration Ltd will cover the costs of an independent transport consultant to review the Transport Assessment which includes complex data and highway modelling for a proposed Tesco superstore, retail units a hotel and housing at the Master Brewer site, Hillingdon Circus. This will provide additional resources to the Council to enable it to carry out its statutory planning functions.
Relevant Policy Overview Committee	Residents' and Environmental Services
Ward(s) affected	Hillingdon East and surrounding wards.

2. RECOMMENDATION

That Cabinet:

- 1) Accepts the offer of a gift from Spenhill Regeneration Ltd (who are connected to Tesco Plc) in accordance with the provisions of Section 93 of the Local Government Act 2003 and;

- 2) **Delegates authority to the Deputy Chief Executive and Corporate Director of Planning, Environment, Education and Community Services, in consultation with the Cabinet Member for Planning, Transportation and Recycling, to appoint the necessary consultant(s) required as set out in the report.**

3. INFORMATION

Reasons for recommendation

It has been a long standing practice of the Council to request that developers pay for the cost of independent assessment of financial appraisals that are used to determine what level of affordable housing an applicant can provide. Tesco has submitted two planning applications which involve a complex Transport Assessment that assesses the combined impact of the two developments. Agreement has been reached with Tesco that they will gift fund the appointment of a transport consultant to validate the transport assessment (all the technical aspects of the data/modelling in the transport assessment will be looked at and the consultant will advise if he thinks the transport assessment has been carried out correctly, and as appropriate any work required to make the assessment valid). It is considered essential that the highway aspects of the planning application are considered in detail and the use of a consultant will assist the Council in this regard. It will also enable the applications to be determined without unnecessary delay.

It is therefore considered appropriate that the Council should accept an offer of a gift to contribute towards the reasonable and justifiable costs of carrying out the above identified planning functions.

Alternative options considered / risk management

- I. Refuse the gift from Spenhill Regeneration Ltd. This would not be in the best interests of the local communities or the council.
- II. Request changes to the proposed gift from Spenhill Regeneration Ltd. Spenhill Regeneration Ltd are unlikely to increase their offer.

Comments of Policy Overview Committee(s)

None at this stage.

Supporting Information

Former NATS site

1. The former Master Brewer Site is located south of the A40 with Uxbridge Town Centre approximately 2.3 km south-west. To the south of the site is Freezeland Way and beyond this Hillingdon Circus Junction and North Hillingdon Local Centre. Spenhill Regeneration Ltd (who are connected to Tesco) have lodged two separate planning applications which collectively are for:
"Mixed use redevelopment of the former Master Brewer Site comprising the erection of a foodstore, measuring 3312 sq.m (GFA) (Use Class A1), with 198 car parking spaces and 32 cycle spaces, an additional 3 retail units, measuring 1034 sq.m (GFA), (Use Class A1 to A5); a safer neighbourhoods unit, measuring 100 sq.m (GFA) (Use Class D1); an 84 bedroom hotel (Use Class C1) and 22 parking spaces and 4 cycle spaces; 53 residential

units (use class C30 with 56 parking spaces and 60 cycle spaces and associated highways alterations together with landscape improvements.”

2. The Councils highway engineer has prepared a brief to employ a consultant and to illustrate the complex nature of the transport assessment work to be reviewed the consultant would be required to review the following matters (which it should be stressed are not a complete list of the matters to be considered):
 - Latest traffic modelling submitted by the applicant.
 - The validity and suitability of the trip rate data utilized
 - Acceptability of assumptions regarding pass by and destination trips
 - The assignment of development trips on the highway network,
 - Traffic growth over time.
 - The suitability of the modelling scenarios in terms of the network and development peaks.
 - The assumptions and conclusions of the impact of development traffic flows on the adjacent links and at key links and junctions within the affected area.
 - Assumptions regarding committed highway and development proposals that could affect local traffic conditions.
 - The validity of the input and output data and the conclusions of the Transport
 - Assessment that the proposals can be adequately accommodated without serious detriment on the highway network.
 - Proposed site access layout.
 - Acceptability of expected reserve capacity, delays and queue lengths at junctions/signals.
 - Safety assessment of revised junction arrangements.
 - Level of parking provision and justification.
 - Pedestrian routes and linkages.
 - The extent of the study area.
 - The impact of the development on existing public transport services.
3. In order to meet the reasonable and justifiable costs to Council, and to ensure that dedicated resources are provided to ensure the best outcomes for the project, it is considered appropriate that the Council should accept an offer of a gift in the order of £10,000 from Spenhill Regeneration Ltd. The gift funding that is received would be strictly ring-fenced to ensure that it is spent in accordance with the terms of the gift, and the planning functions associated with the Master Brewer site (re: The appointment of a transport consultant to validate the applicants Transport Assessment).
4. Whilst the acceptance of a gift cannot in any way influence the outcome of the planning applications, in this case it will assist with considering the validity of the applicants Transport Assessment, particularly given the complexity of the subject matter. It should also be noted that this is a high profile application which the Council would wish to ensure is rigorously scrutinised.
5. The Council has recently accepted gift funding in relation to various planning delivery agreements, and planning initiatives. The alternative, to refuse the gift funding, would involve meeting the costs of the assessment through the existing planning budget.
6. Should comments be received by the Local Planning Authority from third parties such as Resident Associations relating to the validity of the Transport Assessment, which are relevant to considering the transport impacts of the proposal, Council officers will require that such matters are considered by the consultant. In this regard the consultant will be

required to not just consider the submitted Transport Assessment but any relevant third party comments arising from the consultation process that relate to the Transport Assessment.

7. Standard procurement rules will be followed and Cabinet is requested to give officers the necessary authority to appoint the chosen consultant. Officers consider that the gift funding should cover the cost of validating the Transport Assessment.
8. The Cabinet is recommended to accept the gift funding of £10,000. If funding is not provided externally by Spenhill Regeneration Ltd then these on-going costs will need to be met from existing Council resources.

Financial Implications

The offer of £10,000 gift funding from Spenhill Regeneration Ltd will cover the costs of an independent transport consultant to review the Transport Assessment which includes complex data and highway modelling for a proposed Tesco superstore, retail units a hotel and housing at the Master Brewer site, Hillingdon Circus. This will provide additional resources to the Council to enable it to carry out its statutory planning functions.

4. EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

It is considered that the use of the specialist transport consultant will both assist the Council in validating the Transport Assessment but also help provide an evidence base to interest third parties to identify that the Council has rigorously considered the highway implications of the development proposal. In this regard there are not considered to be any negative impacts on residents, service users and communities of accepting the gift funding.

Consultation Carried Out or Required

None

5. CORPORATE IMPLICATIONS

Corporate Finance

Corporate Finance has reviewed this report and is satisfied with the financial implications as stated. The offer of £10,000 from Spenhill Regeneration Ltd will provide additional resources for the Council to carry out its statutory planning functions.

Legal

Section 139 of the Local Government Act 1972 empowers the Council to accept gifts for the purpose of discharging any of their functions. This would include accepting a gift to enable the Council to discharge its planning functions. However, the nature of the transaction in this case is more akin to a payment for the provision of services and therefore Section 139 of the 1972 Act should not be relied upon.

The Council also has powers under Section 93 of the Local Government Act 2003 to charge a person for providing a service provided that the Council is not obliged to provide that service in any event. This report indicates that the service to be provided to Spenhill Regeneration Limited

would be to expedite the planning application: that goes over and above what the Council would be statutorily required to provide in handling planning applications and giving application advice. The amount charged should not exceed the cost of providing the service. Officers have indicated in this report that the entirety of the monies from Spenhill Regeneration Limited will be used to engage the services of the transport consultant.

The Council's constitution states that Cabinet shall be responsible for fixing of fees and charges for Council services which would include the one-off bespoke services that are described in this report.

Corporate Landlord

The Corporate Landlord is in support of the recommendations of this report.

Relevant Service Groups

No other service groups are directly impacted by the recommendation.

6. BACKGROUND PAPERS

Planning Policy Statement 1 – Delivery Sustainable Development

Department of Communities and Local Government Guidance Circular 03/09 – Costs awards in Appeals and other Planning Procedures.

Department of Communities and Local Government Guidance - *Constructive talk - Investing in pre-application discussions*.

Department of Communities and Local Government - Guidance Note on Implementing Planning Performance Agreements 2007.

Department of Communities and Local Government “Member Involvement in Planning Decisions”, published in January 2007.

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GIFT FUNDING ARRANGEMENTS - INLAND HOMES

Cabinet Member	Councillor Keith Burrows
Cabinet Portfolio	Planning, Transportation and Recycling
Officer Contact	Matthew Duigan / James Rodger Planning, Environment, Education and Community Services
Papers with report	None

1. HEADLINE INFORMATION

Purpose of report	This report considers the offer of a gift from Western Homes in accordance with the provisions of Section 93 of the Local Government Act 2003 and Section 139 of the Local Government Act 1972. The gift is required to assist in meeting the Council's reasonable and justifiable costs associated with the discharge of its planning function, in providing a high quality planning application service assessing and the reserved matters and pre-commencement conditions discharge applications for a part of the second phase of the redevelopment of the former National Air Traffic Services (NATS) site, Porters Way, West Drayton, specifically relating to the development of a care home. This will ensure additional resources are dedicated consistent with the importance of this project to the local community and the wider area. It is recommended that the gift be accepted.
Contribution to our plans and strategies	The recommendations will assist the planning process to realise the objectives of the Sustainable Community Strategy.
Financial Cost	The offer of £15,000 gift funding from Inland Homes will cover the costs assessing and determining the second portion of the second phase reserved matters and associated pre-commencement conditions applications. This will provide additional resources to the Council to enable it to carry out its statutory planning functions.
Relevant Policy Overview Committee	Residents' and Environmental Services
Ward(s) affected	West Drayton and the surrounding wards.

2. RECOMMENDATION

That Cabinet accepts the offer of a gift from Inland Homes in accordance with the provisions of Section 93 of the Local Government Act 2003.

3. INFORMATION

Reasons for recommendation

The former National Air Traffic Services (NATS) site is a large site in the area of 12.72ha that is available for re-development. Rippon Development Services (RDS), agents for Inland Homes, have obtained outline planning permission for a residential led redevelopment.

The applicant has now sold the right to develop a portion of phase 2 of the development to Gold Care Management Services. This portion of the development involves a (Class C2) Nursing Home. The developer (Gold Care Management Services in conjunction with Inland Homes) now need reserved matters and pre-commencement condition applications determined to implement the construction of this portion of the second phase. The processing of these applications will incur costs to the Council. The gift funding offer from Inland Homes will greatly assist the Council in meeting those costs.

As part of fulfilling the requirements of assessment and determination, there will be the need for on-going meetings, and the provision of consistent and timely advice throughout the process. In the case of the reserved matters application, there is an additional requirement for public consultation and finally, to report the matter to Central and South Planning Committee for a decision. It is considered essential to have a dedicated officer for the project, and additional resources are needed to support that function. It is therefore considered appropriate that the Council should accept an offer of a gift to contribute towards the reasonable and justifiable costs of carrying out these planning functions.

Alternative options considered / risk management

- I. Refuse the gift from Inland Homes. This would not be in the best interests of the local communities or the council.
- II. Request changes to the proposed gift from Inland Homes. Inland Homes are unlikely to increase their offer.

Comments of Policy Overview Committee(s)

None at this stage.

Supporting Information

Former NATS site

1. The former NATS site is a large site of 12.72ha at Porters Way, West Drayton. The site has the potential to provide 773 dwellings, and to significantly improve the aesthetic appeal of the site and the immediate area, and contribute to improving services and facilities in the local area, particularly if the planning process is managed effectively. The Council therefore considered it necessary to prepare supplementary planning guidance for the site. A Supplementary Planning Document (SPD) was adopted by Cabinet at its meeting in September 2009.
2. Outline planning permission for the development was issued on 1st October 2010 (LBH application Ref: 5107/APP/2009/2348). Subsequently reserved matters permission has been granted in relation to the first phase of the scheme.

3. The current situation is that the reserved matters approval has been given for the first phase and part of the second phase of development, further reserved matters approval is now being sought for another part of the second phase of the development. The second phase involves a number of different development elements, including the provision of a nursing home. Gold Care Management Services have acquired the right to develop the Care Home from Inland Homes and along with Inland Homes, approached the Council for pre-application advice in relation to the design of their proposals for the Care Home. The pre-application scheme demonstrates a design which is largely in accordance with the outline proposals and would (subject to minor amendments) be compliant with relevant planning policies.
4. The applicant has requested that the Council enter into a Planning Delivery Agreement for the determination of the reserved matters application for the Nursing Homes and the discharge of pre-commencement conditions associated with the same. Gift funding to cover costs associated with this work is offered by the developer to the amount of £15,000. This would meet the costs of a temporary project officer.
5. In order to meet the reasonable and justifiable costs to Council, and to ensure that dedicated resources are provided to ensure the best outcomes for the project, it is considered appropriate that the Council should accept an offer of a gift in the order of £15,000 from Inland Homes. The gift funding that is received would be strictly ring-fenced to ensure that it is spent in accordance with the terms of the gift, and the planning functions associated with the former NATS site.
6. Whilst the acceptance of a gift cannot in any way influence the outcome of the reserved matters and pre-commencement conditions applications, it can provide an adequate staffing resource to enable the development proposals to be afforded a higher level of priority than may otherwise be possible, particularly given the complexity and importance of this project. In this regard, a temporary dedicated project officer would enable the resolution of issues and help realise the expectations of the Council through the planning process, to inform any application at the earliest possible stage, and also to provide a central contact for the community and key stakeholders.
7. The Council has recently accepted gift funding in relation to various planning delivery agreements, and planning initiatives, including the reserved matters and discharge of conditions relating to the first phase of the NATS redevelopment and part of the second phase (relating to 89 dwellings).
8. The alternative, to refuse the gift funding, would involve meeting the costs of the assessment through the existing planning budget, which is not likely to achieve the same objectives, given the current constraints on that budget and the competing priorities of other workstreams.
9. The acceptance of the gift would facilitate the dedication of additional resources to provide planning assessment and to offer an important customer service to the community, as the dedicated officer would take a proactive approach to engaging with the community and various key stakeholders, ensuring the best possible planning outcomes through the reserved matters application process.
10. The Cabinet is recommended to accept the gift funding of £15,000. If funding is not provided externally by Inland Homes then these on-going costs will need to be met from existing Council resources.

Financial Implications

The offer of £15,000 gift funding from Inland Homes will cover the costs of assessing and determining reserved matters and pre-commencement conditions discharge applications for part of the second phase of the redevelopment of the former National Air Traffic Services (NATS) site, Porters Way, West Drayton. This will provide additional resources to the Council to enable it to carry out its statutory planning functions.

4. EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

In terms of service user outputs the gift offers the opportunity to provide a higher standard of service than may otherwise be possible. A dedicated project officer would be proactive in engaging with various stakeholders, a central point of contact for enquiries and add value to the overall process. The project officer would facilitate the sharing of information, coordinating responses from Council to Inland Homes and other stakeholders and ensure a consistent approach to deliver the best outcomes for redevelopment of the site. Such an approach is consistent with the latest guidance from government, and is in the best interests of achieving Councils objectives, as set out in the Sustainable Community Strategy.

Consultation Carried Out or Required

None

5. CORPORATE IMPLICATIONS

Corporate Finance

Corporate Finance has reviewed this report and is satisfied with the financial implications as stated. The offer of £15,000 from Inland Homes will provide additional resources for the Council to carry out its statutory planning functions.

Legal

Section 93 of the Local Government Act 2003 provides a general power to local authorities to charge for discretionary services. Discretionary Services are those services that an authority has the power, but is not obliged, to provide. This power aims to encourage local authorities to provide more wide ranging and new and innovative services for their communities. The Council may utilise this power if:

- the Council already has the power to provide the service, but is not mandated or has a duty to provide;
- the recipient of the discretionary service has agreed to its provision and to pay for it;

Charges may be set differentially, so that different people are charged different amounts. The Council is not required to charge for discretionary services. They may provide them for free if they have the resources to do so. However, by virtue of Section 93 (4) there are limitations to the cost of recovery in that for “each kind of service” the income from charges for that service does not exceed the costs of provision. Each Council can decide the methodology they wish to adopt for assessing the costs.

In planning terms, the effect of the above legislation is that the Council can provide extensions to statutory services including a range of advisory services linked to planning and development control. These are not a statutory requirement, but can make an important contribution to the operation of the statutory services. The Council are entitled to receive income for provision of the discretionary services so long as it does not exceed the cost of providing the service.

To conform to government guidance the PPA ought to be negotiated by officers and properly formalised. In terms of member involvement, Members and officer should have regard to the helpful guidance on Members pre-application involvement set out in the Department of Communities and Local Government “Member Involvement in Planning Decisions”, published in

Corporate Landlord

No objection

6. BACKGROUND PAPERS

Planning Policy Statement 1 – Delivery Sustainable Development

Department of Communities and Local Government Guidance Circular 03/09 – Costs awards in Appeals and other Planning Procedures.

Department of Communities and Local Government Guidance - *Constructive talk - Investing in pre-application discussions*.

Department of Communities and Local Government - Guidance Note on Implementing Planning Performance Agreements 2007.

Department of Communities and Local Government “Member Involvement in Planning Decisions”, published in January 2007.

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REVIEW OF TOWN TWINNING

Cabinet Members	Councillor Henry Higgins Councillor Douglas Mills
Cabinet Portfolios	Culture, Sport & Leisure / Improvements, Partnerships & Community Safety
Officer Contact	Howard Griffin, Planning, Environment, Education & Community Services
Papers with report	Appendix 1 - Working Group Report

1. HEADLINE INFORMATION

Summary	This report provides information on the outcomes of the Member/Officer Working Group led by Councillor George Cooper to explore partnership arrangements with Hillingdon's twinned authorities.
Contribution to our plans and strategies	This report contributes to the Council's priorities for promotion of a Historically important and modern Borough.
Financial Cost	There are no direct financial implications arising from this report.
Relevant Policy Overview Committee	Residents' & Environmental Services
Ward(s) affected	All.

2. RECOMMENDATIONS

That the Cabinet:

1. Notes the findings of the Working Group;
2. Instructs officers to end the arrangement with Emden in Germany by mutual agreement;
3. Agrees, subject to annual review, to maintain an annual budget for town twinning;
4. Notes the Town Twinning Guidelines for the use of resources and;
5. Requests that the Leader of the Council formally assign responsibility, as lead members, for the provision and direction of town twinning jointly to the Cabinet Members for Culture, Sport & Leisure and Improvement, Partnership & Community Safety.

Reasons for the recommendations

The Working Group set up following the Cabinet decision of 17th February 2011 gathered the views of various witnesses and feedback from representatives of the twinned authorities involved. The findings were essentially that there is a need for strong Member involvement and for focused officer support. The Working Group also found that there was a desire to update arrangements, keeping them relevant to Hillingdon's priorities. Views were expressed that supporting two authorities in Germany is unsustainable, and that a tripartite arrangement with Mantes and Schleswig provides the best option for future development.

Alternative options considered / risk management

1. To abolish all twinning activity;

Terminating all twinning activity would generate an annual saving of £8,700 plus savings in officer time, depending on activity levels.

The Working Group found that residents who had taken part in twinning activities clearly valued the experience. Therefore, this option has not been put forward as a recommendation.

2. To expand links with Emden rather than Schleswig;

This option has been discounted because:

- Links with Mantes-La-Jolie and Schleswig provide greater opportunity for expansion;
- Mantes-La-Jolie and Schleswig have shown an interest in regional opportunities.
- There is an existing partnership with Mantes-La-Jolie and Schleswig for multi-lateral exchanges which attracts EU grant funding.
- A break in the partnership with Schleswig in favour of Emden would result in Mantes-La-Jolie being unable to continue to support a link with Hillingdon, due to its on-going relationship with Schleswig.
- Despite some success in re-establishing the link with Emden, contact remains limited. Whilst Emden may offer better connections with manufacturing, Schleswig has clearly demonstrated a greater willingness and commitment to seek expansion of the current links, including building on the recent trade fair held in Mantes, which both Hillingdon and Schleswig attended.

Policy Overview Committee comments

This report is in response to the RESPOC report taken to Cabinet on 17 February 2011, which included the recommendation to set up a Working Group to further investigate options for future delivery. The Committee met on 15 November 2011 to consider the attached Working Group report and thanked the Working Group for their diligence in preparing the report and wholeheartedly agreed to support the recommendations made to Cabinet.

3. INFORMATION

3.1 Supporting Information

Hillingdon inherited its current twinning arrangements, with two authorities in Germany, and one in France, following its formation in 1965 from a number of smaller authorities. Following the review by RESPOC, and as recommended at the Cabinet meeting on 17th February 2011, a Member and Officer Working Group was established to examine the benefits, developments and arrangements of twinning. The Working Group reviewed the extent of the links with the three authorities, and invited various individuals, groups and other local organisations to supply their comments about twinning activity and its merits.

The Working Group undertook the following tasks: -

- A review of recent links with all three twin authorities;
- A review of the use of current budget provision and officer time;
- Consultation with residents that have benefited from the current links;
- Eliciting feedback from the twin authorities;
- Examining opportunities for external funding of projects;
- Examining opportunities to expand twinning activity to wider regional areas.

3.2 Council Funding for Twinning Projects

Currently there is an annual budget of £8,700 for approved activity, including the annual youth programme, official visits to and from Hillingdon, community led activities and partnership or match funding in support of external grants. The Local Government (Overseas Assistance) Act 1993 controls spending in this area. For twinning activity, a limit is set at twice the amount spent or budgeted for in the previous financial year.

3.3 External Funding Options

The European Commission Twinning Programme - 'Europe for Citizens'. This supports activities and organisations promoting "active European citizenship" and promotes direct exchanges between residents, their participation in twinning activities and networking between twinned authorities.

The European Union 'Youth in Action' Programme. The programme promotes mobility within and beyond the EU's borders, non-formal learning and intercultural dialogue, and encourages the inclusion of all young people regardless of their educational, social and cultural backgrounds.

European grants do not always finance the full cost of projects and organisers may need to show commitment by finding partnership funding. Application processes may be drawn out and projects need to be planned well in advance in order to ensure that strict grant conditions are met.

The Comenius Programme. Part of the British Council's Lifelong Learning Programme, Comenius provides opportunities for schools and colleges to introduce or strengthen the European dimension in their curriculum.

Comenius Regio partnerships allow local authorities to participate directly. It is hoped that through this initiative, a programme may be set up with Uxbridge College, which is currently finalising an application to this fund with a similar institution in Schleswig.

There may be opportunities to exploit grants for twinning activities. These funds could be used to extend the reach of current projects, or develop new ones. However, it should be noted that grant funded projects are resource intensive, requiring additional monitoring and returns, officer input, and negotiation with the participating twin towns.

3.4 Financial Implications

There are no direct financial implications arising from this report.

4. EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

4.1 Implementing the recommendations of this report should:

1. Rationalise existing arrangements to enable more projects with a wider reach.
2. Refocus resources and deliver projects that demonstrate better returns.
3. Potentially promote tourism from abroad and encourage civic pride;
4. Provide opportunities for young people to have positive experiences of other cultures before they are influenced by negative stereotypical images.

4.2 Consultation Carried Out or Required

To identify the current situation, gain feedback from participants and to identify any potential added benefits, the Working Group consulted representatives from the twinned authorities, and a wide range of community, business and educational organisations. The consultation process included a workshop at the Civic Centre and also written submissions. All consultees were posed questions set by the Working Group.

Summary of Feedback Received

The Working Group's recommendations in the report at appendix 1 effectively outline the feedback from the consultees. A list of the consultees can be found in appendix 1. The full consultation responses can be found in the background papers to this report.

5. CORPORATE IMPLICATIONS

Corporate Finance

Corporate Finance has reviewed this report and is satisfied that the financial implication properly reflects the direct resource implications for the Council.

Legal

The Local Government Act 1972 gives power to councils to enter into twinning arrangements and to expend money on them. It is therefore open to Cabinet to confirm arrangements related to twinning.

The Leader of the Council can make for new arrangements to the Cabinet Scheme of Delegations, thereby enabling him to assign new responsibilities to Cabinet Members.

Corporate Landlord

Not applicable.

6. BACKGROUND PAPERS

Cabinet report on RESPOC review of twinning, 17 February 2011

Detailed Consultation Responses:

1. Emden
2. Mantes- Le- Jolie
3. Schleswig
4. Ruislip Manor Chamber of Commerce
5. Individual Consultees

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HILLINGDON
LONDON

**A Review of the benefits, developments and
arrangements of the London Borough of Hillingdon's
Town Twinning relationships**

Members on the Working Group

Cllr George Cooper (Chairman)
Cllr Judith Cooper (Vice-Chairman)
Cllr Josephine Barrett
Cllr Judy Kelly
Cllr Susan O'Brien



INVESTOR IN PEOPLE

Report on Findings of the Town Twinning Working Party

1.0 Background

The town twinning working party was set up following a Cabinet decision of 17th February 2011. The working party gathered the views of various witnesses and feedback from representatives of the twinned authorities involved.

2.0 Aims of the Working Party

The working party's aims were to examine the benefits, developments and arrangements of twinning. The working party reviewed the extent of the links with the three authorities, and invited various individuals, groups and other local organisations to supply their comments about twinning activity and its merits.

The following groups and individuals were consulted;

- Tony Docherty – Ruislip Rangers Youth Football Club
- Jenny Glen – Youth Service
- Ahmed Sidiqqi – Member of Hillingdon Youth Council
- John Arnold – District Commissioner Uxbridge Scouts
- Les Drussel – Ruislip Manor Chamber of Commerce
- Cllr Shirley Harper-O'Neill
- Rainer Raup – Schleswig Council
- Jens Gerdes – Emden Council
- Nadège Racagel – Mantes-La-Jolie Council
- Gervase Craven – University of the Third Age / Petanque Club
- Graham Marshall – University of the Third Age
- Jill Rhodes – Former Councillor and past Mayor
- Chris Head – Head of Modern Foreign Languages at Uxbridge High

The detailed consultation responses are available as background papers.

3.0 Findings

To better publicise and develop town twinning in Hillingdon, the working party made the recommendations below. As well as making these 11 basic recommendations, the working party developed the set of guidelines referred to in point 11. The guidelines can be found at the end of this report.

1. That there is a need to retain the existing annual budget to support exchange programmes and to match fund any external bids.
2. That there is a need for more focused support and co-ordination from officers.

3. That clear direction is important. This could be achieved by having a lead member as advocate for town twinning and would provide continuity of support to the Mayor, who acts as organisational president for town twinning.
4. That there is a need to update and re-brand twinning activity, keep exchanges relevant to Hillingdon's priorities and to widen the reach of the scheme, encouraging input and ownership by residents.
5. Hillingdon needs to reaffirm its commitment to twinning and so restore confidence of the other twinned authorities.
6. That supporting two authorities in Germany is unsustainable and that the tripartite arrangement with Mantes and Schleswig is rather unique, providing the best option to expand delivery.
7. That the limited awareness of the twinning arrangements needs to be tackled, with more use of Council's website and regular articles in Hillingdon People. Officer links with schools and other organisations should also be developed. The working party noted that when groups were aware, they had made frequent use of the connections and clearly benefited from them.
8. That an officer contact and lead Member would help coordinate work inside and outside the Council, monitor delivery, publicise and expand current activity.
9. That there is a well established programme in Mantes and Schleswig allowing discussion and planning of key activities and a will to expand opportunities for residents. E.g. the trade fair in Mantes-La-Jolie.
10. That having two twinned authorities in Germany (Emden and Schleswig) leads to duplication of events in that country. The working party noted that links with Emden had been very limited in recent years, and there was no programme in place, as is the case with Schleswig and Mantes.
11. That there should be clear guidelines for Members and officers to provide consistency and the efficient use of resources. The guidelines would help ensure that twinning activity is of a high quality and a benefit to residents. These guidelines are shown below.

Town Twinning - Guidelines for use of Resources

1. Purpose of Document

- 1.1 This document is intended to ensure that twinning activity supported by the Council is of a high quality and makes effective use of resources. It provides guidance on the use of financial and other resources for twinning activities and includes advice on planning for council organised events and for those organised by local groups.

2.0 Background

- 2.1 To bring residents of member countries closer together, the European Commission introduced a programme to support twinning schemes as a way of involving people and their elected representatives. Twinning proposals can be aimed at the development of co-operation between communities, sporting or cultural exchanges, the promotion of tourism or development of economic ties.
- 2.2 In 1958, Schleswig in Germany, Mantes-La-Jolie in France and Hayes and Harlington Council agreed to enter into twinning arrangements. A similar arrangement between Emden, Germany and the then Uxbridge Council was made in 1961. Following the creation of the London Borough of Hillingdon in 1965, these agreements effectively then covered all areas of the new borough.
- 2.3 A co-ordinating officer and lead Member will maximise opportunities on behalf of the Council, taking into account the following:
- Promoting of links that contribute to Civic Pride;
 - Promotion of opportunities for personal development through exchanges;
 - Assist and enable schools, local organisations and individuals in twinned authorities to maintain and form new links;
 - Development of policy on the criteria and level of financial assistance to be awarded;
 - Monitoring of twinning activities.
- 2.4 Twinning activity must demonstrate a clear public benefit; show that it contributes to the principles of the original agreement, facilitate learning and understanding and use public money accountably. Key to the success of twinning arrangements is involvement by local residents in each of the twinned authorities and expenditure must be in furtherance of this purpose only.
- ### **3 Responsibility for Twinning Activity**
- 3.1 The lead Member will act as advocate for twinning, with co-ordination of links via the Mayor's Office. However, specific Council services will be tasked to be actively involved with projects etc.

- 3.2 Key Council service areas involved include Arts, Culture, Sports & Leisure; Youth Services & Education; Partnerships; Events. Other Council services and external groups may also be identified and invited to take part as appropriate, such as educational establishments, chambers of commerce, commercial or professional organisations, residents groups and voluntary or charitable organisations.

4. Council Budget for Twinning Activity

- 4.1 The allocated budget can only be used for reasonable expenditure arising from twinning arrangements. To ensure transparency and accountability, and to maximise the budget available, the following questions should be considered before approval.
- i) How will the activity meet the objectives of bringing residents from Hillingdon and the twinned authorities closer together?
 - ii) Has the best use of the itinerary during the planned visit been used to help meet these objectives?
 - iii) Is the visit likely to result in further exchanges?
 - iv) Will the visit promote projects in the following areas?
 - Civic Pride
 - Tourism
 - Sport, Arts and culture
 - Education
 - Commerce
 - v) If not it must be possible to demonstrate how it will contribute to Hillingdon Council's corporate objectives, or those of the twinned authorities. Alternatively, it must be shown that the proposed activity has resulted from discussion / communication arising from official requests and meetings between the authorities.

5. Official Planning Meetings

- 5.1 Twinning visits include an official invitation to the Mayor and will take place annually, with each authority acting as host, in turn. Visits will generally take place over a 3 or 4 day period, including a weekend (Thursday – Sunday). However, whenever possible, the duration of the events should be the minimum required.
- 5.2 In preparing for official planning meetings, the Mayor's office will confirm with the lead Member to agree the make up of the Hillingdon group. In the event that the Mayor or Deputy Mayor cannot attend, the group will be lead by another representative from the administration.

- 5.3 Annual meetings to discuss and agree the twinning programme may include up to 6 people. The Mayor (who is the organisational president for twinning) will lead the group.
- 5.4 Funding for visits will only extend to a maximum of three persons, including the Mayor, one other Member and an Officer. However, deputies are permitted providing only the maximum of three are funded from the twinning budget. Should an invitation for more than three persons be received, others in the group must self fund their travel.
- 5.5 Planning visits will normally include local venues and places of interest. Where appropriate, visits to other venues of a more regional nature that are still relevant may also be included.
- 5.6 The itinerary for a Mayoral visit in Hillingdon will usually include a reception in the Mayor's Parlour, to which local representatives and relevant community groups having an interest in twinning events will be invited. During host visits, it may be appropriate to invite other representatives to meet the visiting delegations.
- 5.7 The overriding purpose must be a 'working' visit. However, for host visits in Hillingdon, providing the main themes for the meeting are adequately covered, some free time may be built into the itinerary for the visitors.

6. Funding for Other Twinning Events

- 6.1 Key to the success of any twinning arrangement is the involvement of residents, community groups and other organisations and agencies that can link with their counterparts. The annual programme of activities agreed should include as many members of the community e.g. schools or youth groups, local associations, commerce and clubs as possible.
- 6.2 To receive Council funding (either full or partial) the purpose of the exchange needs to match the criteria listed earlier. Contributions from the twinning budget may be made where reasonable and appropriate, on a similar basis to that for official planning visits. In any case, where the Council provides funding towards an exchange, the appropriate service representative should work with the Mayor's office to assist with planning and management of activities.
- 6.3 Where possible, the Council will seek to secure external funding to support the twinning programme, either directly, or by assisting local organisations to apply for funding as part of their project, in liaison with the Council's external funding officer.

7. Role of the Mayor's Office

- 7.1 Contact with the host borough in respect of the annual planning visit should be through the Mayor's Office.
- 7.2 For official planning visits, the Mayor's Office will invite Mayors of the twinned authorities, and also invite guests to the Mayor's Parlour / official dinner events.
- 7.3 The nominated contact officer will co-ordinate local organisations wishing to form links, providing assistance where possible, and including funding if this is within the agreed rules and properly authorised. The organisations will be expected to make their own arrangements for hosting or travelling.

8. Travel and Other Costs

- 8.1 The Local Government Act 1972 allows local authorities to cover the travel and related costs of Councillors making official visits overseas, and allows for the costs of receiving and entertaining official guests from overseas. Twinning activity must demonstrate a clear public benefit and contribute to the principles listed earlier.
- 8.2 The purpose of the Council's twinning budget is:
 - To provide funds for the Mayor and official delegation to travel to and from the twinned authority for the main official visit.
 - To provide funds to pay expenses while visitors from the twinned authorities are staying in Hillingdon.
 - To facilitate the agreed programme of twinning activities.
- 8.3 It has been agreed between Hillingdon and the twinned authorities that the host should cover the reasonable expenses of guests, once they arrive.
- 8.4 For a visit to Hillingdon, eligible costs would be:

Transport: Use of public transport, private vehicles, hire of standard mini-busses or taxis for movement to and from the airport and around the borough.

Accommodation: Room(s) to be booked at a standard local hotel for the visiting party, for the duration of the stay.

Food/ Refreshments: Main meals included. Other bar bills are excluded, being the responsibility of the individuals involved.

Entertainment: Reasonable and appropriate expenses arising from pre-planned entertainment organised as part of the agreed itinerary. This should principally include local venues and places of interest in Hillingdon and its environs.

- 8.5 For visits to the twinned authorities, expenditure incurred by Hillingdon must be limited to economy standard return air or rail tickets, necessary travel to and from accommodation, and any additional insurance needed for the Mayor's Chain of Office, if it is taken on the trip.
- 8.6 Incidental expenditure on bar bills, hotel bills and extras must be paid for personally and not charged to the Council, apart from reasonable subsistence costs, which will be paid up to the maximum in the policy relating to such claims.

9. Personal Expenses

- 9.1 Personal expenses may not normally be claimed. It is the responsibility of the hosts to provide all accommodation, meals, and basic refreshments. Any expenditure such as additional drinks, entertainment, travel during free time, shopping, etc. must be paid for personally.

10. Conduct

- 10.1 The Code of Conduct for Council Employees and the Behaviour Code for Members will apply in respect of all twinning activities. The guidance in this document should be considered alongside all other policies that apply when undertaking Council business.

11. Gifts

- 11.1 The codes of conduct for Council employees and Councillors state that all gifts and hospitality should be recorded in the register of gifts and hospitality. No special arrangements apply to town twinning, and all participants must consult relevant policy documents to ensure compliance.
- 11.2 The Mayor, and others attending, must courteously decline inappropriate or excessive gifts or hospitality.
- 11.3 As a matter of courtesy, the Mayor should present a gift to the Mayor of the host authority, which will be selected and purchased in consultation with the Mayor's office, and funded by the twinning budget.
- 11.4 It may also be appropriate to present a gift of nominal value to other representatives of the host authority. This should be a suitable civic token, purchased using the twinning budget.

12. Extension of Visits

- 12.1 Should a participant wish to extend a stay in a twinned authority beyond the planned itinerary, then additional expenses arising must be met by that individual. This includes funding additional travel arrangements to airports etc. Any such additional arrangements must be made by the participant.

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PROPOSED SELF-FINANCING IMPLEMENTATION FOR THE HOUSING REVENUE ACCOUNT (HRA)

Cabinet Members	Councillor Jonathan Bianco Councillor Philip Corthorne
Cabinet Portfolios	Finance, Property and Business Services. Social Services, Health and Housing
Officer Contact	Neil Stubbings – Social Care, Health and Housing
Papers with report	None

1. HEADLINE INFORMATION

Purpose of report	To agree a broad strategic direction for the HRA under Self-financing.
Contribution to our plans and strategies	This project will directly contribute to the council's objectives of: <ul style="list-style-type: none">• Making better use of HRA property.• Achieving value for money – providing financial benefit to the Council by providing inward investment.• Helping to meet housing targets within the Local Development Framework (LDF)
Financial Cost	There are no direct costs but the HRA finances are expected to improve in the medium and long term.
Relevant Policy Overview Committee	Social Services, Health and Housing
Ward(s) affected	All Wards

2. RECOMMENDATIONS

That Cabinet:

1. Note that, subject to the enactment of the Localism Bill, the financial regime for the HRA will significantly change from April 2012;
2. Note that a further report based on the actual self financing settlement will be brought before Cabinet in February as part of the 2012-13 rent and budget setting process;

3. **Agree a broad strategy for the HRA which involves the development of supported housing and planned investment in the housing stock and;**
4. **Delegate authority to the Chief Financial Officer and Corporate Director of Adult Social Care, Health and Housing, in consultation with the Leader of the Council and Cabinet Members for Finance, Property and Business Services & Social Services, Health and Housing, to agree and submit the Council's response to the Government's draft self-financing determination.**

Reasons for recommendation

To make use of the strategic opportunity provided by this new financial regime for the HRA to develop supported housing accommodation to meet service and financial (MTFF) priorities and to gain approval for the key priority areas for investment in existing council housing stock.

Alternative options considered / risk management

As this is a mandatory scheme required by legislation, no alternatives have been considered. Risk management issues are contained within the body of the report.

Comments of Policy Overview Committee(s)

None at this stage.

3. INFORMATION

Supporting Information

This report provides information on the likely impact of Government plans to implement self-financing for the Housing Revenue Account (HRA). It includes a broad outline of the investment plans for Council housing.

The change to a new system follows the Government HRA review which was prompted by increasing dissatisfaction with the current subsidy system. The report sets out the process and timetable for the changeover and proposes a broad strategy for a long term business plan for the HRA to respond to and take advantage of the self-financing regime that is due to be implemented from 1st April 2012. The core elements of the strategy centre on the maintenance of existing dwellings to an acceptable standard expected from a responsible landlord and the development of supported housing units to improve the lives of people who would otherwise have to be placed in more costly residential care accommodation.

The new self-financing regime provides opportunities but also has risks attached which need to be taken into account. The Treasury Management Strategy for HRA debt as a

result of this change will be dealt with as part of a formal budget report once the final figures are received. It is expected that Hillingdon will be required to take on approximately £172m of debt in return for keeping at least £15.6m (and rising) annually in negative subsidy payments to central Government.

Cabinet will also be provided with a final report based on the actual self financing settlement with the government in February 2012 as part of the 2012/13 rent and budget setting process detailing the 10 year investment proposals for the HRA based on the broad strategy within this report.

Essentially, the changes mean the provision of Council housing becomes a multi-million pound business funded through the payment of rent and other charges rather than a service funded through government allowances and subsidy.

Background

Cabinet received the report, *National Housing Revenue Account (HRA) Review*, in June 2010 outlining the previous Government's proposal to reform the Housing Revenue Account finance regime. The report provided a briefing on the main financial benefit that would potentially be available to the Council for the HRA.

Under the current system Department of Communities and Local Government (CLG) publishes an annual Determination which sets out the subsidy position for all local housing authorities. The subsidy figure is calculated by the use of a complex formula which is used to represent various elements of an authority's HRA. This involves working out notional amounts for rent and other minor items of income such as interest receivable as well as expenditure amounts such as costs for management, maintenance and major repairs. The individual expenditure elements are based on a formula that is meant to reflect need after taking into account a number of elements such as geographical cost factors as well as size and type of dwellings.

The current system leaves a significant number of authorities in deficit and HRA subsidy is payable by Government to the individual authorities to balance the HRA (positive subsidy authorities). This money is taken from local authorities who are deemed to have more funding (negative subsidy authorities) of which Hillingdon is one. Understandably the losers in particular put pressure on the Government to modify the formulae but this only resulted in different sets of gainers and losers for the following year.

National HRA Review

In response to the criticism the CLG set up a review of HRA finances in 2008. This culminated in a paper from CLG which included technical details of debt settlement based on a Net Present Value calculation of future subsidy projections based on increased allowances. It also assumed rents would continue to be based on the Government's rent restructure policy with convergence of social housing rents during 2015/16. The offer set out the following principles:

- Government acknowledged underfunding especially for repairs and maintenance and major repairs, and
- Accepted that costs in London are higher

The new Coalition Government also took the view that the HRA system is inherently unfair and resolved to progress the reform of the HRA. The principles established in the earlier consultation were generally kept with the main difference being that a voluntary settlement was being considered by the last Government whilst the current settlement is being imposed by statute.

Government plans for bringing in the mandatory self-financing regime to replace the current HRA Subsidy system have been included in the Localism Bill which is currently going through parliament and expected to receive Royal Assent in November this year.

The self-financing implementation guidelines published by CLG confirm the broad parameters which will form the basis of the new system to replace the current HRA Subsidy regime. Instead of working out HRA subsidy on an annual basis and then enforcing this through an annual determination the current proposals will result in a long term self financing settlement that will put an end to the HRA subsidy regime.

The new settlement is based on the Government making assumptions about the income individual authorities will receive over the next 30 years under the rent restructuring regime. Assumptions have also been made about expenditure allowances for management, maintenance and major repairs and other costs that currently form part of the annual subsidy determination. For most councils, such a calculation produces a surplus and this, when discounted, effectively represents a buyout sum which will be converted to a debt figure. In this way, instead of paying an annual (negative) subsidy amount to the Government, Hillingdon will pay a lump sum by taking on a loan. The self-financing settlement is however, based on more generous expenditure allowances, which are not available if the current system is retained and as a consequence the settlement is more favourable than the current regime.

Self Financing implementation in Hillingdon

Hillingdon's indicative position will significantly improve and a direct comparison with the subsidy system is shown in appendix 1. An extract from appendix 1 which has been updated by the 28th July Cabinet 2011 decision to invest in the Supported Housing Programme is set out in the table below.

	1	2	3	4	5
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
	Projection £(000)	Projection £(000)	Projection £(000)	Projection £(000)	Projection £(000)
Subsidy Payable to Government	15,492	16,922	19,440	22,135	24,950
Interest on Additional Debt	9,466	9,335	9,197	9,052	8,898
Surplus	6,027	7,587	10,243	13,083	16,052
Principal	2,376	2,507	2,644	2,790	2,943
Cash Flow	3,651	5,081	7,599	10,294	13,109
Supported Housing Programme	511	600	688	268	267
Net Cashflow	3,140	4,481	6,911	10,026	12,842

The table shows an indicative 5 year projection that is based on a direct comparison with the current HRA based on the subsidy system but also includes the financial implications of the July 2011 Cabinet decision to approve the Supported Housing Programme.

A more detailed self financing projection needs to take account of a number of other factors. These include elements that are considered in the remainder of this report and include:

- treasury management issues including proposals for the repayment of existing as well as the new self-financing debt;
- allowances for mitigating future financial and operational risks and;
- strategic opportunities including plans for the management of the existing stock.

Appendix 2 sets out a 10 year projection that takes these into account these factors.

Treasury Management Strategy

This will be dealt with as part of the budget report once the actual debt figure is known and will include risk management issues.

Key Issues and Risks

Notwithstanding the potential increase in resources, there are significant risks that need to be addressed. These relate to future borrowing, Right to Buy (RTB) receipts regulations and future income stability.

Future HRA Borrowing

One of the key issues for the Treasury was the likelihood of an escalation in borrowing within the HRA as councils benefiting financially from the review proposals undertake new build capital projects. This would increase the Public Sector Borrowing Requirement (PSBR), which would have a corresponding adverse impact on the Government's macro economic policy. Consequently, CLG will not allow further borrowing in the near future. However, as indicated above the self-financing settlement will determine an additional borrowing requirement which will then be added to current subsidy borrowing requirement. As our actual current HRA borrowing is £40m lower than that assumed for subsidy purposes, our actual total debt level after the self-financing transaction has been carried out will be around £40m lower. This will, as a consequence, provide Hillingdon with a £40m headroom to borrow for investment purposes.

RTB Receipts

The Government intention, according to documents published to date, is to retain the present rules for RTB sales whereby 75% of any net receipts are passed to the Treasury. This is contentious as these receipts should be available to councils for recycling into affordable housing. By undertaking this action the Government will receive 75% of the receipts from the sales whilst the HRA will be left with a debt to repay but without any asset from which to generate income to service the debt. Under current RTB regulations this risk may be mitigated by relatively low number of RTB sales.

This position characterised by a low level of RTB sales could change significantly as a result of proposals for the RTB scheme which have recently been announced by the current government. The previous Government reduced the discount and this in turn reduced the take-up of the RTB scheme. The Government intends to bring in a more generous scheme and the money from council house sales would be invested into building new affordable homes. The level of the new right-to-buy discounts is not yet

known but will depend on the length of tenancy and a ceiling on the total amount. The details are expected soon but at this stage the likelihood is for RTB sales increasing leaving the HRA without any asset from which to generate income to service the debt that will still remain as the government want RTB receipts to be used for new affordable housing projects. The announcement from Government is that authorities will be allocated sufficient capital to pay off the debt for each property sold however this does not correlate with the intention to use receipts to build new affordable housing.

Such changes could have a significant impact on the likely 30 year revenue projections which underpins the HRA finance settlement. The current indicative settlement includes RTB forecast based on the 2010/11 out-turns. As indicated above these are likely to be underestimated so a fair settlement would have take account of revised forecasts of RTB sales. The impact of the discounts will also need to be gauged as it can affect the overall valuation of the HRA stock, which in turn has an impact on revenue items such as rent levels. As there would be a time lag between this policy and the new homes coming on stream, the likely impact of this change in policy will need to be assessed once the details are available.

London Councils are seeking clarification from officials and ministers and officers will continue to make representations to seek clarification of this and to try to ensure the potential impact of these changes are reflected in the final detail of the settlement.

Loss of income

A loss of income may arise from changes in Government policy in housing benefit and tenure regulations. Changes in housing benefit and rent policies would have an impact on the HRA as the income is dependent on rent policy and, as around 60% of our tenants are in receipt of housing benefit, any adverse policy change could have a material change on future resources. That is, there will be a shortfall in income if housing benefit for council tenants is capped below rent levels for HRA tenants. However, it should be noted that such changes could equally apply to the current HRA Subsidy regime.

The models in this report make due allowance for these additional risks as a result of these changes. In total it is recommended that these contingencies are increased from their current base:

- I. Increase in property risk contingency from £300k to £500k
- II. Increase void contingency by £526k rising to £600k
- III. Increase in bad debts provision by £531k rising to £600k

Management of Risks

In order to mitigate the impact of the risks detailed above, the following financial policies can be adopted:

- Adjustment of property risk contingency.
- Adjustment of void assumption resulting in a revision of rent income
- Increase in bad debts provision.
- Revise minimum balance strategy.

- Reduce the level of debt by paying off principle – as part of a Treasury Management strategy for the HRA
- Reduce the level of investment in the stock and services

The Strategic Challenge

The settlement will increase resources for most councils. Taking all factors into account and based on the indicative settlement data provided by CLG, there is a need to draw up a long term plan covering 30 years to take advantage of the opportunity provided by the change in regime. The changes essentially mean that the council is now running a multi-million pound housing company funded through rents and other charges as opposed to a housing service funded through allowances and subsidy.

Providing we meet the technical timetable and the risks detailed above are adequately managed, a "steady state" response would result in the Council increasing HRA balances whilst maintaining current levels of investment and service. Such an option is not recommended as it would fail to take advantage of the strategic opportunities and would result in historic under funding of certain areas remaining. As this is now a housing business based on rental income, the overall business plan must focus on maintaining the rental income which relies on the underlying principle of maintaining the basic asset at a lettable standard.

The self-financing regime even with the HRA ring-fence regulations will continue to provide strategic opportunities to meet some key long-term challenges, including:

- supporting other General Fund areas especially by providing supported housing;
- meeting the maintenance needs of the existing stock that will remain over the long term.

Supported Housing

Supported housing provides the best strategic option for reducing current and future pressures within the adult social care area of the General Fund. Although the properties will have a significant financial benefit for the General Fund within the adult social care area, the development proposals included in this report will be carried out within the HRA. The proposed schemes will be mainly financed from borrowing which will be paid from rental streams over a 40 year period. Such a proposal to develop and provide supported housing from the HRA will provide alternative accommodation instead of more expensive residential care within the social care area. This will have a significant impact in delivering MTF savings as well as helping to reduce future pressures on the General Fund.

Such a strategy will meet both preventative objectives and, as stated above meet current savings objectives too. Further detailed appraisals will quantify the savings, however as an illustration net savings are likely to be around £13k per annum per placement for older people and £19k per annum per placement for people with learning disability. So for example a 20 flat extra care housing development for people with learning disabilities would yield £380k savings per annum with an improved quality of life for each individual supported in their own flat rather than being in a care home placement.

The impact on the HRA will depend on factors such as the availability of land and the rent policy that is adopted. These two factors will determine whether the HRA would have to absorb some costs to facilitate the development of supported housing. On the basis of work carried out for the April 2011 Cabinet report, the HRA would incur some costs if social rents, in line with those charged under the rent restructuring formula for existing council dwellings. However, if intermediate rents were charged then the schemes would essentially be self-financing. The Council is currently in the process of finishing two strategic builds namely Triscott House and Ickenham Park to provide 47 and 48 units of supported accommodation respectively which will support the adult social care MTFF strategy.

In addition to making a contribution to the key challenges set out above the council could choose to fund and build units to support the adult social care agenda and it is intended that if approved these proposals will be brought to Members as part of the MTFF cycle for 2012-13 to 2014-15.

Maintenance of existing stock

As noted above, the spending plans in the area of dwelling stock maintenance have been constrained by the budget available under the current HRA finance regime. The indicative amounts for future years set out in the annual rent setting report represent the minimum required to keep the stock lettable. However, this minimum level does not allow sufficient investment in the stock to fully meet needs.

The self-financing regime will explicitly increase management and maintenance as well as the major repairs allowances in recognition of national level of under funding for these key aspects of the Council housing. There is an expectation from Government that establishing a sustainable maintenance plan, as part of a wider asset management strategy, will be a core element of the long term business plan. Five key asset management challenges have been identified for the stock which must be address as part of the 30 year business plan and indicative amounts for each of the key challenges have been included in Appendix 2 lines 33 to 37. These amounts are only indicative and final proposals for expenditure would be included within budget setting reports to Cabinet in February 2012.

The first key challenge is to ensure property compliance and meet all applicable statutory requirements that provide for the health and safety of the occupants in their homes such as gas, electrical and fire safety. The essential elements of this work are currently being delivered, but there is the need for additional funds to achieve full compliance.

The second key challenge is maintaining the decent homes standard. The decent homes standard was achieved by the end of March 2008. However, a number of properties were not completed due to tenant refusal. On top of this all the properties that had elements that were not old enough to be considered non-decent will need to be checked every year subsequent to 2010 to ensure that they remain decent.

The third key challenge is how to best use the existing stock to facilitate the care and support model that the department has adopted – supporting independence and avoiding the creation of dependency relationships – by helping to meet the need for supported

housing. A longer term solution to interim bed requirements is also being developed and may include the remodelling or redevelopment of the Council's assets such as sheltered housing units. There remains a continuing need to adapt properties to meet the needs of tenants and others in their households with disabilities. There are other works required and desired that go beyond maintenance of the existing stock fabric. In the main these are the development of new housing to meet need, which remains a priority for the council, and the requirement to re-model or change existing stock, such as bedsits, to make them acceptable and lettable.

The fourth key challenge is the energy efficiency of the housing stock. Tenants in fuel poverty should have affordable warmth, and we need to respond to the need to make council housing stock more energy efficient to reduce energy use and reduce carbon dioxide emissions. The approach will continue to be to improve the basic measures, adopting a fabric first approach – getting the fabric of the properties as efficient as possible as well as going down the route of 'engineering' solutions such as photovoltaic panels or ground source heat pumps where the opportunities arise. This challenge demands more resource if these objectives are to be achieved.

The fifth key challenge is to tackle the issues facing many of the estates - a decent home in a decent place. The parts of the estate that we manage that make the environment a more pleasant place to live are essential to the wellbeing of the residents and the community. Funding restrictions mean that for the moment, estate improvements are under funded and delivered in a targeted manner. There is now an opportunity to pilot an approach on estates that aims to improve the environment through investment in better lighting, fencing and security, brightening up the internal shared spaces, improving signage, repairing or removing sheds and garage blocks, tackling parking issues, remodelling drying areas, planting or landscaping the outside spaces, repair and redecoration.

Timetable

Self-financing is being introduced as part of the Localism Bill which is currently progressing through Parliament. This will allow the Secretary of State to dismantle the current HRA subsidy system and replace it with self-financing. As the bill progressed through Parliament a technical exercise to determine the settlement for each authority has been carried out by the CLG and is nearing completion. The broad timetable to enable implementation of the self-financing regime in April 2012 is set out in the table below.

Milestone	Activity / Task
Nov 2011	Royal Assent for Localism Bill
Dec 2011	Draft Self Financing Determination
Jan 2012	Final Determination Published
28 March 2012	Debt transactions with DCLG

A draft self-financing determination is to be published in November. This will need to be thoroughly reviewed as soon as possible but no later than the end of December. An

appropriate response then needs to be sent to CLG by the deadline that will be notified to us in November but which is likely to be around mid-December.

4. EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

The impact of the proposals from Government have the potential to provide additional resources within the HRA for investment in the council housing stock for the benefit of the tenants and residents. As detailed in this report, a further report will be provided to Cabinet once the final determinations have been received from Government.

Consultation carried out or required

Further consultation will be carried out as required with tenants and residents once the final outcomes are confirmed.

5. CORPORATE IMPLICATIONS

Corporate Finance

This report is a joint report between Housing and Corporate Finance. As such Corporate Finance is satisfied that the financial implications are as set out in the body of the report. However, the final implications will not be known until the settlement is announced in December 11 and the final treasury management strategy for taking on the debt is also finalised. Both these will be reported to Cabinet as part of the budget setting process for 2012/13.

Legal

The operation of the Housing Revenue Account ["HRA"] for local housing authorities has to date been governed by the Local Government and Housing Act 1989.

The Coalition Government decided to replace the current HRA system and therefore in February 2011 it published a paper, 'Implementing self-financing for Council Housing' which set out the rationale, methodology and financial parameters for the introduction of HRA self-financing in England and it confirmed that the new system will commence in April 2012.

The Government's proposals for reform are set out in Part 6, Chapter 3 of the Localism Bill. This report sets out how the new system will work in practice in Hillingdon and it fully accords with the provisions of the Localism Bill.

Corporate Landlord

The Corporate Landlord is in support of the recommendations within this report.

6. BACKGROUND PAPERS

Finance papers held within Corporate Finance.

Appendix 1

Subsidy v. Additional Interest on Debt 15 Year Projection

Input Data

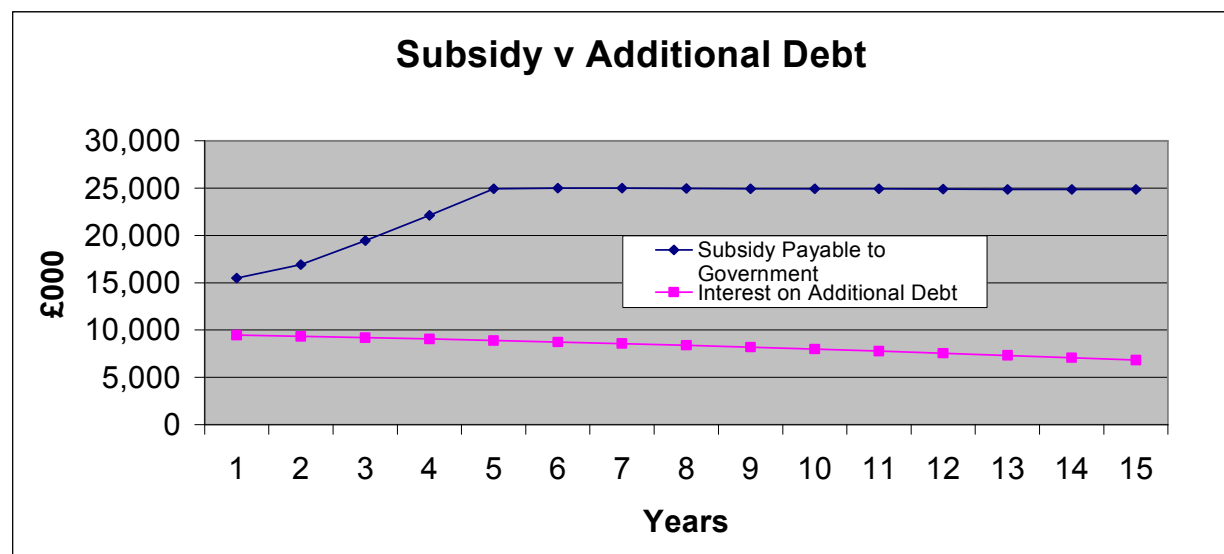
Additional Debt @ 6.5% NPV £172,100 K

Notes

Interest Rate 5.50%

Number of Years for Repayment 30

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	Projection £(000)	Projection £(000)	Projection £(000)	Projection £(000)	Projection £(000)	Projection £(000)	Projection £(000)	Projection £(000)	Projection £(000)	Projection £(000)	Projection £(000)	Projection £(000)	Projection £(000)	Projection £(000)	Projection £(000)
Subsidy Payable to Government	15,492	16,922	19,440	22,135	24,950	25,011	24,990	24,968	24,958	24,940	24,922	24,904	24,886	24,868	24,850
Interest on Additional Debt	9,466	9,335	9,197	9,052	8,898	8,736	8,565	8,385	8,195	7,995	7,783	7,560	7,324	7,076	6,814
Surplus	6,027	7,587	10,243	13,083	16,052	16,275	16,425	16,583	16,763	16,945	17,139	17,344	17,562	17,792	18,036
Principal	2,376	2,507	2,644	2,790	2,943	3,105	3,276	3,456	3,646	3,847	4,058	4,282	4,517	4,766	5,028
Cash Flow	3,651	5,081	7,599	10,294	13,109	13,170	13,149	13,127	13,117	13,099	13,081	13,063	13,045	13,027	13,009



Self-financing 10 year projection (5.5% interest rate)

With Existing Rents & New Build (HRA Pipeline Programme)

Last Year	Line		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2010/11	Ref	HRA 10 Year Projection	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Outturn			LATEST PRJCTN	LATEST PRJCTN	LATEST PRJCTN	LATEST PRJCTN	LATEST PRJCTN	LATEST PRJCTN	LATEST PRJCTN	LATEST PRJCTN	LATEST PRJCTN	LATEST PRJCTN
8,597	1	General Services	9,973	9,773	9,773	9,773	9,773	9,773	9,773	9,773	9,773	9,773
6,330	2	Special Services	6,687	6,687	6,687	6,687	6,687	6,687	6,687	6,687	6,687	6,687
11,175	3	Repairs Services - Responsive	11,403	11,403	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048
	4	Repairs Services - Major	9,185	8,700	8,700	8,165	8,350	8,350	7,950	7,950	7,950	7,950
		NEW BUILD (Management and										
0	5	Maintenance cost)	96	96	97	98	99	100	101	102	102	102
26,102	6	HRA OPERATIONS	37,344	36,660	36,305	35,771	35,957	35,958	35,559	35,560	35,560	35,560
11,319	7	Subsidy Payment to Government	15,492	0	0	0	0	0	0	0	0	0
8,647	8	Capital Charges	2,538	0	0	0	0	0	0	0	0	0
		Change to Financing Arrangements										
	9	Interest on existing Loans		3,520	3,471	3,420	3,366	3,309	3,249	3,185	3,118	3,048
	10	Interest on Allocated Debt		9,466	9,335	9,197	9,052	8,898	8,736	8,565	8,385	8,195
	11	Principal repayment existing Loans		884	932	983	1,037	1,095	1,155	1,218	1,285	1,356
	12	Principal repayment Allocated Debt		2,376	2,507	2,644	2,790	2,943	3,105	3,276	3,456	3,646
		Incremental Debt Pemium + Debt										
	13	Management Expenses		263	255	248	242	236	230	226	221	188
19,966	14	Sub Total - Financing	18,030	16,509	16,500	16,492	16,487	16,481	16,475	16,470	16,465	16,433
2,626	15	Capital Funded From Revenue (RCCO)	2,365	2,150	2,150	2,235	2,050	2,050	2,050	2,050	2,050	2,050
	16	Current Bad Debt Expense	300	300	300	300	300	300	300	300	300	300
	17	Additional Bad Debt Expense		531	552	575	599	599	599	599	599	599
1,030	18	Other Expenditure	710	260	260	260	260	260	260	260	260	260
	19	Property Risk Contingency	300	500	500	500	500	500	500	500	500	500
49,724	20	TOTAL EXPENDITURE	59,049	56,910	56,568	56,134	56,153	56,148	55,744	55,739	55,734	55,702
(48,126)	21	Dwelling Income	(50,850)	(53,104)	(55,239)	(57,515)	(59,884)	(59,884)	(59,884)	(59,884)	(59,884)	(59,884)
(6,981)	22	Other Income	(6,124)	(5,480)	(5,480)	(5,480)	(5,480)	(5,480)	(5,480)	(5,480)	(5,480)	(5,480)
	23	Void Risk Contingency		526	547	569	593	593	593	593	593	593
(55,107)	24	TOTAL INCOME	(56,974)	(58,058)	(60,172)	(62,425)	(64,771)	(64,771)	(64,771)	(64,771)	(64,771)	(64,771)
(5,383)	25	In-Year (Surplus) / Deficit	2,076	(1,148)	(3,603)	(6,291)	(8,618)	(8,623)	(9,028)	(9,032)	(9,037)	(9,069)
(6,045)	26	LBH HRA cash reserve B/fwr	(12,983)	(10,846)	(11,994)	(15,598)	(21,889)	(30,507)	(39,131)	(48,158)	(57,191)	(66,228)
(1,494)	27	Ex HH Ltd cash reserves										
(61)	28	Earmarked Reserve	61									
(12,983)	29	Total HRA CASH reserves Bal C/fwr	(10,846)	(11,994)	(15,598)	(21,889)	(30,507)	(39,131)	(48,158)	(57,191)	(66,228)	(75,297)
		<i>Supported Housing (Approved by 28 July 2011 Cabinet)</i>										
	30	New Supported Housing (Principal Repayment)	0	60	123	190	201	212	223	236	249	262
	31	New Supported Housing (Net Expenditure)	0	451	477	498	67	55	44	99	153	206
	32	Supported Housing Sub Total	0	511	600	688	268	267	267	335	402	468
		<i>Proposed Key challenge expenditure</i>										
	33	Property Compliance	95	206	2,867	2,166	1,996	1,401	801	49	201	201
	34	Maintaining Decent Homes	39	1,009	1,058	1,135	685	635	550	550	550	550
	35	Existing Supported Housing Maintenance		750	1,025	1,025	1,125	1,125	1,120	1,070	1,070	1,070
	36	Energy Efficiency		0	1,103	1,113	1,113	1,113	1,113	1,113	1,113	1,113
	37	Decent Home in a Decent Place	105	0	935	910	760	760	760	760	760	760
		Key challenge Sub Total	239	1,965	6,988	6,349	5,679	5,034	4,344	3,542	3,694	3,694
0	38	Total	239	2,476	7,588	7,037	5,947	5,301	4,611	3,877	4,096	4,162
		HRA Balance c/fwr if New Supported										
(12,983)	39	Housing and Key Challenges approved	(10,607)	(9,518)	(5,534)	(4,788)	(7,459)	(10,782)	(15,198)	(20,354)	(25,295)	(30,202)

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COUNCIL BUDGET - MONTH 6 2011/12 REVENUE AND CAPITAL MONITORING

Cabinet Member	Councillor Jonathan Bianco
Cabinet Portfolio	Finance, Property and Business Services
Report Author	Paul Whaymand, Central Services
Papers with report	None

1. HEADLINE INFORMATION

Purpose of report	The report sets out the Council's overall 2011/12 revenue & capital position, as forecast at the end of Month 6 (September). The in-year revenue position is forecast as an underspend of £2,060k. Total capital expenditure for 2011-15 is forecast to be £3,444k lower than the revised budget, with a forecast underspend in 2011/12 of £33,591k, which is largely attributed to rephasing.
Contribution to our plans and strategies	Achieving value for money is an important element of the Council's medium term financial plan.
Financial Cost	N/A
Relevant Policy Overview Committee	Corporate Services and Partnerships
Ward(s) affected	All

2. RECOMMENDATIONS

That Cabinet:

1. Note the forecast budget position for revenue and capital as at Month 6
2. Note the treasury 6 month update at Appendix B and agree the amendment to the 2011/12 Treasury Management Strategy
3. Approve the retaining of agency staff as detailed in Appendix C
4. Approve award of grant funding to the Willow Tree Centre in the form of match funding up to the value of £300k

3. INFORMATION

Reasons for Recommendations

1. The reason for the monitoring recommendation is to ensure that the Council achieves its budgetary objectives. The report informs Cabinet of the latest forecast revenue and capital position for the current year 2011/12.

2. Recommendation 5 is included to enable match funding up to £300k to the Willow Tree Centre within approved capital release from the capital budget approved by Council in February 2010. At the time of writing, match funding to the value of £226k has been raised.

Alternative options considered

3. There are no other options proposed for consideration.

SUMMARY

A) Revenue

4. The in year revenue monitoring position as at Month 6 (September) shows that forecast net expenditure for the year 2011/12 is £2,060k less than the budget, which represents an adverse movement of £129k from Month 5. There is a £60k forecast underspend on directorate budgets comprising a pressure of £816k (£180k favourable) in SCH&H, offset by a £82k underspend (£30k favourable) in PEECS, a £543k underspend (£339k adverse) on contingency and a £252k underspend (no change) in Central Services. The remaining overspend is offset by the projected underspend in capital financing costs of £2,000k due to budgets set aside in advance for schools capital financing and other priority projects, which are not forecast to be needed in this financial year.
5. Although the budget position is showing an underspend there are significant budgetary risks remaining. The Government consulted over the summer on potentially further top-slicing local authority revenue support grant to fund a national shortfall in funding for Academy schools. The consultation indicated that they were considering applying this top-slice in the current financial year as well as ongoing. If the Government go ahead with top-slicing in-year this could worsen the current year's budget position by up to £1.3m.
6. The balances brought forward at 31st March 2011 were £17,022k. £1,793k of this sum was applied in support of the 2011/12 budget as part of the budget strategy, as agreed at Council Tax setting. The forecast balances as at 31st March 2012 are £17,289k, as a result of the budgeted drawdown from balances (-£1,793k) and the forecast in-year underspend (£2,060k).

B) Capital

7. Forecast General Fund capital expenditure for 2011/12 is £61,452k, from a revised budget of £95,043k. The majority of this variance relates to expected rephasing of £29,340k Council Resourced expenditure into 2012/13 (Month 5 £27,483).
8. The Council Resourced programme for 2011-15, consisting of current projects and future programmes of works, is currently reporting a net pressure of £540k (compared with Month 5 £407k), consisting of £3,073k pressures and £2,533k of unrequired budget (full details in table 7). £4,000k of unallocated contingency remains in the Capital Programme for this period.
9. General Fund Capital Receipts for 2011/12 are projected to be lower than that forecast for the approved budget, with £6,512k expected from an approved budget of £21,319k. The associated revenue impact is mitigated in the short term by significant rephasing of capital expenditure. However the current forecast shortfall of £6,242k over the period 2011-15 will result in an increased call on Prudential Borrowing above the level included in the approved capital programme.
10. Latest forecasts on the HRA capital programme indicate a 2011/12 outturn of £13,380k (Month 6 £13,408k) from a revised budget of £15,122k. The reported variance consists of £994k underspend and £748k relating to a rephasing of expenditure into 2012/13.

A) REVENUE

11. Table 1 indicates the overall impact of the expenditure forecast now reported on the approved budget and the resulting balances position.

Table 1

2011/12 Original Budget	Budget Change s		2011/12 (As at Month 6)		% Var of budget	Variances (+ adv/- fav)		
			Current Budget	Forecast		Variance (As at Month 6)	Variance (As at Month 5)	Change from Month 5
£'000	£'000		£'000	£'000		£'000	£'000	£'000
239,453	-2,279	Directorates Budgets on normal activities	237,175	237,115	0%	-60	-189	+129
-42,915	2,279	Corporate Budgets on normal activities	-40,636	-42,636	5%	-2,000	-2,000	0
196,539	0	Total net expenditure	196,539	194,479	-1%	-2,060	-2,189	129
-194,746	0	Budget Requirement	-194,746	-194,746		0	0	0
1,793	0	Net total	1,793	-267		-2,060	-2,189	129
-17,022		Balances b/f 1/4/011	-17,022	-17,022		0	0	0
		Transfer from earmarked reserves				0	0	0
-15,229	0	Balances c/f 31/3/12	-15,229	-17,289		-2,060	-2,189	+129

Directorates' Forecast Expenditure Month 6

12. Table 2 shows further details on the budget, forecast and variance at directorate level. Further detail on each directorate is shown in Appendix A. The group forecasts exclude sums provided for in contingency which are set out in table 3.

Table 2

2011/12 Original Budget	Budget changes	2011/12 Current Budget (as at Month 6)	Directorate		2011/12 Forecast (as at Month 6)	% Var of budget	Variances (+ adv/- fav)		
							Variance (As at Month 6)	Variance (As at Month 5)	Change from Month 5
£'000	£'000	£'000			£'000		£'000	£'000	£'000
326,915	-6,460	320,455	SCHH	Exp	330,317	3%	+9,862	+10,040	-178
-199,190	-1,621	-200,812		Inc	-209,857	5%	-9,045	-9,043	-2
127,724	-8,081	119,643		Total	120,460	1%	+816	+997	-180
396,479	-10,655	385,825	PEECS	Exp	385,215	0%	-610	-550	-60
-301,269	7,093	-294,176		Inc	-293,648	0%	+528	+498	+30
95,210	-3,562	91,648		Total	91,566	0%	-82	-52	-30
9,511	11,459	20,969	CS	Exp	20,745	-1%	-224	-216	-8
-6,578	-2,094	-8,672		Inc	-8,700	0%	-28	-36	+8
2,933	9,364	12,297		Total	12,045	-2%	-252	-252	0
11,786	0	11,786	Contingency		11,243	-5%	-543	-882	+339
1,800	0	1,800	Priority Growth		1,800	0%	0	0	0
239,453	-2,279	237,175	Sub-Total Normal Activities		237,115	0%	-60	-189	+129

13. **Social Care, Health & Housing (SCH&H)** are projecting a **pressure of £816k (£180k improvement)**. The Month 6 position is showing a £303k improvement in Children's Services due to continuing management action being taken to improve pressures previously reported and the Foster Care recruitment drive. This is partially offset by an adverse movement of £122k in Older People's services due to an increased demand for Homecare.
14. **Planning, Environment, Education & Community Services (PEECS)** are forecasting a **favourable variance of £82k (£30k improvement)**. The favourable movement mainly arises from a forecast underspend in Youth & Connexions due to an additional post being held vacant. This is partially offset by an adverse movement in Planning due to a projected shortfall on pre-application advice income, reflecting continuing uncertainty in the housing market.
15. **Central Services (CS)** is forecasting a **£252k favourable variance (No change)** as at Month 6, largely arising from a staffing underspend as the restructure of services are implemented as part of the BID programme.

Progress on the delivery of 2011/12 Savings

16. Analysis of progress on the implementation of savings proposals included in the 2011/12 budget continues to indicate that the Council is largely on track to deliver the majority of the savings. The following table summarises the status for the MTFF projects.

RAG Status	Central Services	PEECS	SCH&H	Cross Cutting	Total October	Total Sept
Blue (banked)	2,543	9,219	8,751	954	21,467	18,209
Green (on-track)	65	1,001	1,197	300	2,563	5,185
Amber (some Slippage Or Risky Project at an Early stage)	26	879	1,121	0	2,026	2,661
Red (serious Delivery problems)	0	933	300	0	1,233	1,233
Redundancy costs		-712	-338		-1,050	-1,050
Total	2,634	11,319	11,031	1,254	26,238	26,238

17. The projected shortfall on those savings classed as red is currently estimated at £1,233k (4.7% of total savings). Alternative savings to cover these shortfalls have been identified in the current year within both PEECS and SCH&H. The majority of this shortfall is due to not being able to fully deliver savings in-year arising from the Connexions review and the re-provision of in-house services in SCH&H. PEECS estimate that of their projects currently assessed as red (£0.933m) there will be an ongoing pressure of £0.813m. However, they have identified sufficient alternative savings from 2012/13 onwards to cover this shortfall. The actual total cumulative shortfall going forward is £537k because there is an ongoing over achievement of £0.276m on their 2010/11 savings proposals. The shortfall in SCH&H savings around the re-provision of in-house services is primarily down to delays in the project starting rather than the strategy being at fault. It is therefore expected that these savings can be delivered in full in 2012/13. A breakdown of these projects is shown in the following table:

Group	Proposal	£000s
PEECS	Corporate Landlord	98
	Youth & Connexions review	687
	Decommission Extended Services Function	148
SCH&H	In House Services – Learning Disability	200
	In House Services – Older people's Services	100
Total		933

18. An additional £3,258k of savings has now been classified as banked during September, giving a banked total of 81.8% of the total savings.

Development & Risk Contingency: £543k underspend (£339k adverse)

19. £11,786k of potential calls on the Development & Risk Contingency was incorporated into the 2011/12 budget. Table 3 shows the amounts that have been allocated or earmarked as at Month 6. The £339k adverse movement in contingency is mainly as a result of an adverse movement in the Asylum funding forecast. During month 7 the £850k provision for employer's pension contributions will be moved from contingency and allocated to service budgets, reducing the net contingency to £10,936k. This sum has been held in contingency pending a decision on a capitalisation bid to central government which has now been rejected.

Table 3

Development and Risk Contingency	2011/12 Budget	Forecast as needed	Variance (+adv / - fav)	Group
2011/12 allocations:	£'000	£'000	£'000	
Commitments:				
General Contingency	1,000	1,000	0	All
Employers' Pension Contributions	850	850	0	All
Pump priming for BID savings	400	400	0	ALL
Uninsured claims	420	420	0	CS
Carbon Reduction Commitment Energy Efficiency Scheme	460	210	-250	PEECS
Development Control Income	350	458	+108	PEECS
Cost Pressures on Recycling Service	150	150	0	PEECS
Local Development Framework legal & consultancy fees	100	75	-25	PEECS
HS2 Challenge contingency	100	100	0	PEECS
Assisted searches	75	25	-50	PEECS
Potential new responsibilities in relation to Flood defence	50	15	-35	PEECS
Building Control Income	50	0	-50	PEECS
Social Care Pressures (Adults)	4,089	4,089	0	SCHH
Increase in Transitional Children due to Demographic Changes	1,254	1,254	0	SCHH
Asylum Funding Shortfall	880	1,597	+717	SCHH
Social Care Pressures (Children's)	500	500	0	SCHH
Contingency against delivery of grants savings	1,058	0	-1,058	ALL
Fuel	0	100	+100	PEECS
Total net contingency	11,786	11,243	-543	

20. At this stage, a large proportion of the total contingency is expected to be required in full. However a net underspend on a few items and the assumption that the £1,058k contingency against delivery of grants savings will not be drawn down have resulted in an overall underspend of £543k. However, this assumes that the £1m held in unallocated contingency is called upon in full between now and the year end which at this stage seems unlikely. Details of these variances are discussed below.
21. There has been a significant downward movement in the number of UASC for whom LBH can claim funding from UKBA due to an individuals change in status, increasing the Asylum funding shortfall forecast to £1,597k. This relates to children who have Exhausted All Appeals (EAA) or have been naturalised. Grant funding is no longer claimable for this group but the Authority still has a duty support them.
22. Up to and including month 4 this cohort had averaged 20 per month however, in the last 2 months there has been a significant increase to 33 in August and is now standing at 50 clients in September. Within this number those being naturalised has shown a near 40% increase from a total of 46 in Q1 to 63 in Q2. Neither LBH nor UKBA can influence a client claiming naturalisation which results in grant funding ceasing but ongoing liabilities under Leaving Care duties, potentially up to 24 years of age.
23. The forecast position for Development Control Income is a pressure of £458k, which is £108k greater than the sum held in contingency. The major application forecast has an adverse movement of £15k compared to the previous month. Minor applications recovered by £7k in Month 6 but are still 16% lower than the 4 year average. The forecast for other applications has worsened by £2k from Month 5 and applications are 1% below the 4 year average. Although not reported against this contingency, the pre-application income from developers shows a pressure of £30k, reflecting continuing uncertainty in the housing market.
24. The Flood and Water Management Act has conferred new responsibilities upon local authorities and the funding that the Council has received as part of the grant settlement for 2011/12 is £127k. The Council has completed the Preliminary Flood Risk Appraisal and this has been signed off by the Environment Agency. Recruitment will shortly begin for a flood management officer to fulfil the Council's ongoing responsibilities. However, the recruitment timetable means that the £50k previously forecast can be reduced to £15k for the current year.
25. The fuel budget across the group has been increased by £108k for 2011/12 as part of the MTFF process. However, prices have continued to rise in 2011 and analysis shows that fuel budget is already under pressure at the current bulk purchase price of £1.13 per litre. A range of projections have been modelled, the worse case scenario showing a pressure of £165k and best case scenario of £87k over the increased budget. A pressure of £100k is therefore considered to be the most likely pressure at this point, given the current economic situation and the possibility of further increases.
26. BID revenue pump priming allocated figure to date is £321k, but at Month 6 is it assumed the full £400k allocation will be needed.

Priority Growth: Nil variance (no change)

27. £1,000k was included in the 2011/12 budget for priority growth and £800k for HIP Initiatives. Table 4 summarises the position with regards to each element of priority growth.

Table 4

Priority Growth	2011/12 Budget	Agreed draw downs	Commitments	Unallocated
<i>2011/12 Unallocated Priority Growth at start of the year</i>	£'000	£'000	£'000	£'000
HIP Initiatives New budget:	800			
Agreed:				
Environmental projects		17		
Heritage projects		88		
HIP Initiatives unallocated balance	800	105	0	695
Unallocated non specific growth	1,000			
Ward budget scheme		330		
Gold bursaries		20		
Balance of unallocated growth	1,000	350	0	650
Total	1,800	455	0	1,345

28. HIP Steering Group has approved £105k of allocations so far this year leaving £695k as yet unallocated within the HIP initiatives budget. Cabinet have also agreed the recommendation to allocate £330k of priority growth to fund a new Ward budget scheme and £20k of priority growth to fund Gold Bursaries. This leaves £650k of priority growth budget unallocated. However, the Month 6 forecast assumes that the remaining unallocated budgets for both HIP contingency and priority growth will be spent in full.

Corporate Budgets' Forecasts: £2,000k underspend (no change)

29. Table 5 shows budget, forecast and variance reported on corporate budgets as at Month 6.

Table 5

2011/12 Original Budget	Budget Changes	2011/12 Current Budget (as at Month 6)	Corporate Budgets	2011/12 Forecast Outturn (as at Month 6)	Variances (+ adv/- fav)		
					Variance (As at Month 6)	Variance (As at Month 5)	Change from Month 5
£'000	£'000	£'000		£'000	£'000	£'000	£'000
-400	400	0	Unallocated savings	0	0	0	0
10,697	-524	10,172	Financing Costs	8,172	-2,000	-2,000	0
			FRS 17 Pension				
-3,322	0	-3,322	Adjustment	-3,322	0	0	0
-35,169	2,875	-32,294	Asset Management A/c	-32,294	0	0	0
			Levy's & other corp				
10,836	-383	10,453	budgets	10,453	0	0	0
-25,556	-87	-25,643	Corporate Govt Grants	-25,643	0	0	0
-42,915	2,281	-40,634	Corporate Budgets	-42,634	-2,000	-2,000	0

30. Financing costs show a forecast underspend of £2,000k at Month 6. This is due to £2,000k being set aside for capital financing for schools or other priority projects which is not likely to be needed in 2011/12.
31. Debt financing and investment income remain forecast to be in line with the budget. The six month Treasury Management report is attached at Appendix B.

B) CAPITAL

General Fund Capital Programme

Programme Monitoring

32. Table 6 sets out the latest forecast outturn on current General Fund capital projects. Forecasts for future years include live capital projects and programmes of works as included in the draft programmes for 2012/13 to 2014/15 reported to Cabinet and Council in February 2011. Financial implications included within this report do not take into account further programme development yet to be approved by members, impacts of which will be managed through the MTFF process.

Table 6:

General Fund Capital Programme	2011/12	2012/13	2013/14	2014/15	Total (Mth 6)	Total (Mth 5)
Original Budget	78,907	34,364	29,420	28,305	170,996	170,996
Revised Budget	95,043	34,364	29,420	28,305	187,132	187,018
Forecast Outturn	61,452	66,268	28,663	27,305	183,688	183,441
Council Resourced Variance – see table 7	(31,338)	29,635	(757)	(1,000)	(3,460)	(3,593)
External Grants Variance	(2,194)	2,194	-	-	-	-
Other Resources Variance	(59)	75	-	-	16	16
Programme Variance	(33,591)	31,904	(757)	(1,000)	(3,444)	(3,577)

33. Capital expenditure incurred to 30 September 2011 was £14,008k, 22.8% of forecast outturn (Month 5 £9,637k). As previously reported there is significant expenditure forecast for quarters 3 and 4, with a number of major projects expected to complete in early 2012/13, continuing school expansion works aiming to complete by Summer 2012 and more than £4m of Council and TfL funded infrastructure works to be completed by March 2012.
34. Quarter 2 schools returns have been included in the above YTD expenditure figure, and revised outturn forecasts indicating that £1,439k Devolved Formula Capital grant will be carried forward by schools into 2012/13.
35. £505k of Corporate Construction Team project management fees has been incurred to 30 September, representing 6.2% of relevant year to date expenditure. The full year of cost of such fees is forecast to be £1,010k or 2.9% of latest forecast outturn (2010/11 £858k or 6.4% of outturn).
36. Table 7 below sets out variances against the approved Council Resourced programme, with movements from Month 4 detailed below:

Table 7:

Council Resourced Variance	2011/12	2012/13	2013/14	2014/15	Total (Mth 6)	Total (Mth 5)
Pressures:						
Primary School Expansions - Phase 1	-	786	243	-	1,029	1,029
Primary School Expansions - Rosedale Temporary	-	9	-	-	9	9
Botwell Green Leisure Centre	1,187	-	-	-	1,187	1,187
Farm Barns	26	-	-	-	26	26
Highgrove Pool Phase II	-	500	-	-	500	500
Hillingdon Sports & Leisure Centre	274	-	-	-	274	274
Libraries Refurbishment	48	-	-	-	48	48
Total Council Resourced Pressures:	1,535	1,295	243	-	3,073	3,073
Underspends:						
Primary School Expansions - Phase 1A Temporary	(273)	-	-	-	(273)	(126)
Ruislip High School - Expansion	-	-	-	-	-	(280)
Laurel Lane (Longmead) Primary School Expansion	(247)	-	-	-	(247)	(247)
Suspended Projects:						
Arundel Road Development HIP	(2,013)	-	-	-	(2,013)	(2,013)
Total Council Resourced Underspends:	(2,533)	-	-	-	(2,533)	(2,666)
Projected Rephasing:	(29,340)	29,340	-	-	-	-
Main Programme Variance:	(30,338)	30,635	243	-	540	407
General Contingency:	(1,000)	(1,000)	(1,000)	(1,000)	(4,000)	(4,000)
Council Resourced Variance:	(31,338)	29,635	(757)	(1,000)	(3,460)	(3,593)

37. Forecast outturn positions continue to be refined, with a £2,157k increase in rephasing from 2011/12 to £29,340k. This most recent increase in rephasing relates to Environmental Assets, Winston Churchill Hall Refurbishment and CCTV Programme which are now expected to run into 2012/13 and further rephasing on the Central Library Refurbishment project.
38. Final accounts have been received from the main contractor on Botwell Green Leisure Centre and disputed amounts are currently being reviewed by external quantity surveyors, with the previously forecast pressure of £1,187k still expected.
39. Although a memorandum of understanding has been received from the main contractor at Hillingdon Sports and Leisure Centre, snagging issues remain to be resolved and the Council is not yet in a position to settle the contract.
40. Project officers now report that the underspend of £280k previously forecast on the Ruislip High School Expansion will fund a number of variations to the specification, including grilles required for health and safety reasons, out of hours working and additional quantity surveyor support.
41. Underspends reported in table 7 are sufficient to off-set unfunded pressures without an increase in borrowing and associated revenue financing costs over and above that currently provided within the MTFF. Specific revenue resources have been identified to fund the increase in scope at Highgrove Pool.
42. In addition to variances reported above, there is a potential pressure on completed Children's Centre Phase 3 projects of up to £100k arising from a number of contract variations which are detailed below. There may be scope to absorb at least some of this pressure within the

Children's Centre programme and it would be possible to fund any residual pressure from DfE Capital Maintenance grant previously allocated to schools Urgent Building Condition Projects.

Capital Financing

Table 8:

Capital Receipts	2011/12	2012/13	2013/14	2014/15	Total (Mth 6)	Total (Mth 5)
Budget approved February 2011	21,319	21,646	10,851	388	54,204	54,204
Forecast Disposals	6,512	15,930	12,675	12,845	47,962	46,056
Variance	14,807	5,716	(1,824)	(12,457)	6,242	8,148

43. Forecast capital receipts for 2011/12 are estimated to be £6,512k (Month 5 £6,591k), which would be sufficient to fund current year programmes of works unsuitable for financing from Prudential Borrowing. As General Fund capital receipts of only £182k have been achieved by 30 September 2011 and a number of high value capital receipts scheduled for quarter 4 there remains a risk that some receipts will slip into 2012/13.

44. Table 9 summarises forecast prudential borrowing requirement and the future revenue impact of the General Fund capital programme. Revenue impacts are calculated on MRP and estimated interest costs; these are tentative forecasts which will be subject to application of MRP policies, the Council's cash flow management and actual interest payable on outstanding debt.

Table 9:

Prudential Borrowing Forecast	2011/12	2012/13	2013/14	2014/15	Total (Mth 6)	Total (Mth 5)
Revised Budget	36,114	(9,679)	(2,523)	6,825	30,737	30,737
Council Resourced Variance	(29,314)	27,478	(757)	(1,000)	(3,593)	(3,249)
Capital Receipts Variance	14,728	5,617	2,504	(14,701)	8,148	8,635
Forecast Borrowing	21,528	23,416	(776)	(8,876)	35,292	36,123
Variance	(14,586)	33,095	1,747	(15,701)	4,555	5,386
Future Revenue Impact	(1,021)	2,317	122	(1,099)	319	377

45. Substantial rephasing of capital expenditure into 2012/13 is sufficient to off-set the impact of reduced and delayed disposals on the Council's borrowing requirement. Latest MTFF projections included in draft budgets currently under development contain sufficient revenue resources to support the above borrowing in addition to planned future programme development.

Housing Revenue Account Capital Programme

46. Table 10 details the latest forecast outturn for the HRA capital programme, indicating an underspend of £994k (Month 5 £1,006k underspend). This minor movement in outturn is due to final contract settlement on HRA Pipeline Phase 1.

Table 10:

Housing Revenue Account Capital Programme	2011/12	2012/13	2013/14	2014/15	Total (Mth 6)	Total (Mth 5)
Original Budget	14,850	2,326	2,150	2,235	21,561	21,561
Revised Budget	15,122	2,326	2,150	2,235	21,833	21,833
Forecast Outturn	13,380	3,074	2,150	2,235	20,839	20,827
HRA Resourced Variance	(1,516)	748	-	-	(768)	(780)
External Grants Variance	(226)	-	-	-	(226)	(226)
Other Resources Variance	-	-	-	-	-	-
Programme Variance	(1,742)	748	-	-	(994)	(1,006)

47. Year to date expenditure at Month 6 was £5,533k or 41.4% of latest forecast (Month 5 £4,642k), suggesting that the latest forecast outturn of £13,408k will be achieved.

48. Phase 1 Pipeline Projects are now complete, providing 47 additional HRA properties available to residents from August 2011. A minor pressure of £12k is reported against £7,209k budget as a result of adverse weather and highways works, with retention payments to be settled in the New Year.

4. CORPORATE CONSULTATIONS CARRIED OUT

Financial Implications

6. The financial implications are contained in the body of the report.

Corporate Finance

7. This is a Corporate Finance report.

Legal

8. There are no legal implications arising from this report.

5. BACKGROUND PAPERS

9. Monitoring report submissions from Groups.

APPENDIX A – Detailed Group Forecasts

Social Care, Health and Housing (SCH&H)

Revenue: **£816k Pressure** (£180k improvement)

- The month 6 revenue monitoring report for 2011/12 has been compiled following analysis of relevant activity trends and implementation of the MTFF £11.4m savings programme. In summary there is an improvement of £180k from the month 5 position resulting in a forecast of £816k pressure as shown in the table below.

Services		2011/12 (As at Month 6)		% Var of budg et	Variances (+ adv/- fav)		
		Current Budget	Forecast		Variance (As at Month 6)	Variance (As at Month 5)	Change from Month 5
		£'000	£'000		£'000	£'000	£'000
Children & Families Services	Exp	+31,616	+31,373	-1%	-243	+60	-303
	Inc	-3,651	-3,712	2%	-60	-60	0
	Total	+27,965	+27,662	-1%	-303	0	-303
Asylum Services	Exp	+11,895	+11,895	0%	0	0	0
	Inc	-10,851	-10,851	0%	0	0	0
	Total	+1,044	+1,044	0%	0	0	0
Older People's Services	Exp	+37,652	+38,719	3%	+1,068	+946	+122
	Inc	-8,629	-8,887	3%	-258	-258	0
	Total	+29,023	+29,833	3%	+810	+688	+122
Physical & Sensory Disability Services	Exp	+8,751	+8,798	1%	+47	+47	0
	Inc	-507	-696	37%	-190	-190	0
	Total	+8,244	+8,101	-2%	-143	-143	0
Learning Disability Services	Exp	+31,735	+32,132	1%	+397	+397	0
	Inc	-5,494	-5,690	4%	-197	-197	0
	Total	+26,241	+26,442	1%	+201	+201	0
Mental Health Services	Exp	+7,390	+7,438	1%	+47	+44	+3
	Inc	-336	-383	14%	-47	-44	-3
	Total	+7,054	+7,054	0%	0	0	0
Housing Benefits	Exp	+161,640	+167,274	3%	+5,634	+5,635	0
	Inc	-158,115	-163,498	3%	-5,383	-5,383	0
	Total	+3,525	+3,776	7%	+251	+251	0
Housing Needs Services	Exp	+12,741	+15,652	23%	+2,911	+2,911	0
	Inc	-10,021	-12,932	29%	-2,911	-2,911	0
	Total	+2,720	+2,720	0%	0	0	0
SCH&H Other Services	Exp	+17,042	+17,042	0%	0	0	0
	Inc	-3,215	-3,215	0%	0	0	0
	Total	+13,827	+13,827	0%	0	0	0
Total Expenditure		+320,461	+330,323	3%	+9,862	+10,040	-178
Total Income		-200,818	-209,864	5%	-9,045	-9,043	-2
SCH&H Total		+119,643	+120,459	1%	+816	+997	-180

- Overall there is a fall of £180k from the month 5 forecast for social care due to continuing management action taken in respect of Children & Families Services, albeit this is offset by increased pressure in Older People's services.

MTFF Savings

3. The group is delivering a savings programme totalling £11.4m and to date has banked £8.8m (77%). At the present time slippage of £300k has been identified in Adult Social Care (excluding Mental Health) and is included in the forecasts set out below; the management team are exploring options to resolve this potential shortfall. The remainder of the programme is on target to deliver the balance albeit recognising that these represent major changes in service delivery for the group.

Children Services: £303k favourable (£303k improvement)

4. There has been further improvement in the forecast of £303k which is as a result of reduced spend in the P&V sector for Fostering and Residential along with reductions in direct payment packages; management action continues to be taken to contain the pressure previously reported.

Asylum: £717k adverse (£319k adverse)

5. There has been a significant downward movement in the number of UASC for whom LBH can claim funding from UKBA due to an individuals change in status. This relates to children who have Exhausted All Appeals (EAA) or have been Naturalised. Grant funding is no longer claimable for this group but the Authority still has a duty support them.
6. Up to and including M4 this cohort had averaged 20 per month however, in the last 2 months there has been a significant increase to 33 in August and is now standing at 50 clients in September. Within this number those being Naturalised has shown a near 40% increase from a total of 46 in Q1 to 63 in Q2. Neither LBH or UKBA can influence a client claiming Naturalisation which results in grant funding ceasing but ongoing liabilities under Leaving Care duties, potentially up to 24 years of age.

Older People Services: £810k adverse (£122k adverse)

7. The £122k adverse movement primarily relates to increase in demand for Homecare which reverses the trend seen at M5 on this £5m budget.

Physical Disabilities: £143k favourable (no change)

8. There is no movement in the forecast since last month.

Learning Disability: £201k adverse (no change)

9. There is no movement in the forecast since last month.

Housing Benefit: £251k Pressure (no change)

10. As reported in recent months, the adverse movement in Housing Benefit (HB) reflects the 13% increase in caseload since April 2009 which is proving increasingly difficult to accommodate within existing resources. The increase relates to private tenants which are the more complex claims to administer; the added pressures from changes to the Benefit Scheme and; the additional work necessary to prepare for the move to Universal Credit from 2013. This results in a projected overspend on staffing costs of £251k.
11. The overall pressure from applications for HB from the private sector in Q1 of this financial year has slightly eased. If this is sustained in the second half of the year then the net benefits paid out should be contained within budget.

Housing HRA

12. The HRA has a gross budget of £59.3m and is forecasting a £871k favourable position at month 6, an improvement of £349k from the month 5 position.

Services		2011/12 Budget (as at Month 6) £000	2011/12 Forecast (as at Month 6) £000	% Var of budget	Variance (As at Month 6) £'000	Variance (As at Month 5) £000	Change from Month 5 £000
General and Special Services	Exp	+16,930	+16,694	-1%	-236	-157	-79
Repairs Services	Exp	+21,287	+21,078	-1%	-209	-161	-48
Subsidy Payment to Government	Exp	+15,492	+15,482	0%	-10	-10	0
Capital Funded from Revenue (RCCO)	Exp	+2,384	+2,384	0%	0	0	0
Other Expenditure	Exp	+3,178	+3,207	1%	+29	+57	-28
Income	Inc	-56,796	-57,241	1%	-445	-251	-194
In Year (Surplus) / Deficit	Total	+2,475	+1,604	-35%	-871	-522	-349

13. The major reason for the improvement is a favourable movement in the income forecast resulting from an improvement in the pattern of voids performance which is now reasonably established. The voids performance has also contributed to the smaller improvement in Repairs Service budget.

Planning, Environment, Education & Community Services

Revenue: £82k underspend (£30k improvement)

14. The Group has a projected outturn position of £82k underspend, excluding all pressure areas that have identified contingency provisions.

Services		2011/12 (As at Month 6)		% Var of budget	Variances (+ adv/- fav)		
		Current Budget £'000	Forecast £'000		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Change from Month 5 £'000
Corporate Landlord	<i>Exp</i>	5,074	5,164	2%	+90	+90	0
	<i>Inc</i>	-4,546	-4,005	-12%	+541	+541	0
	Total	528	1,159	119%	+631	+631	0
Education	<i>Exp</i>	290,480	289,991	0%	-489	-429	-60
	<i>Inc</i>	-252,736	-252,932	0%	-196	-196	0
	Total	37,744	37,059	-2%	-685	-625	-60
Highways, Transportation & Planning Policy	<i>Exp</i>	16,208	16,148	0%	-60	-60	0
	<i>Inc</i>	-6,125	-6,125	0%	0	0	0
	Total	10,082	10,022	-1%	-60	-60	0
ICT & Business Services	<i>Exp</i>	19,264	19,415	1%	+151	+151	0
	<i>Inc</i>	-11,986	-11,986	0%	0	0	0
	Total	7,279	7,430	2%	+151	+151	0
Planning, Consumer Protection, Sport & Green Spaces	<i>Exp</i>	12,025	12,025	0%	0	0	0
	<i>Inc</i>	-3,911	-3,992	2%	-81	-111	+30
	Total	8,114	8,033	-1%	-81	-111	+30
Public Safety & Environment	<i>Exp</i>	42,774	42,472	-1%	-302	-302	0
	<i>Inc</i>	-14,873	-14,609	-2%	+264	+264	0
	Total	27,901	27,863	0%	-38	-38	0
Total Expenditure		385,825	385,215	0%	-610	-550	-60
Total Income		-294,176	-293,648	0%	+528	+498	+30
PEECS Total		91,648	91,566	0%	-82	-52	-30

Corporate Landlord: £631k overspend (no change)

1. The key pressures for Facilities Management and Property are outlined below and total £533k.
2. There is a forecast pressure of £270k across facilities management, maintenance and Borough-wide maintenance budgets, no change compared to Month 5. The larger proportion of this is due to a pressure against the income target to sell services to the schools and other externally funded services, where schools have opted out and have purchased FM services directly. There are also pressures on maintenance budgets for day to day repairs.
3. The Middlesex Suite is forecasting a pressure of £65k. The pressure has been due to a general slow down in demand set against a challenging income target. The marketing of this service has been reviewed and updated, however, the impact of this is yet to be reflected in additional hire income.
4. The forecast for Harlington Road Depot is £163k. The pressure chiefly relates to a reduction in the intensity of usage. This is due to the movement of some Council services to the Civic

Centre, together with the loss of Hillingdon Homes contributions for space occupation at the depot and use of the Stores facility. A number of space rationalisation measures have been implemented, such as Block A being decommissioned last November, resulting in some minor savings on rates and utilities. A number of further measures will be explored as part of wider review of Depot Management within the BID process.

5. Property Disposal and empty buildings are forecasting a pressure of £35k which relates to the cost of maintaining vacant assets within the Estate.
6. There is a £98k pressure which relates to the underachievement on the 2011/12 MTFF savings target relating to the corporate landlord staffing review.

Education: £685k underspend (£60k improvement)

Schools: *variance not applicable*

7. The Schools Budget is ring-fenced and funded from the DSG. Schools' expenditure is monitored quarterly with any forecast year-end deficits being the subject of detailed discussions with the schools concerned. Schools forecasting deficits are required to work with the Schools Finance Team and supply recovery plans identifying how they intend to eliminate their deficit. It should be noted that the DSG budgets are completely separate to the General Fund and no interaction between these two funds is allowable.
8. Any underspend or overspend of the Schools Budget in 2011/12 would be carried forward as the schools own balances into 2012/13 and would have no effect on the General Fund.
9. The retained DSG element follows the similar procedure but is carried forward as a whole for the Schools Forum then to decide how to allocate it in 2012/13.

Youth & Connexions: £415k overspend (£42k improvement)

10. The Connexions service has a pressure of £687k against the MTFF savings target. A reduced contract price has been agreed that has produced a saving for the current year, and continues to deliver the Connexions service. The Youth Service is now reporting an underspend of £272k, an improvement of £42k compared to Month 5, due to the service having a significant number of staff vacancies, as the service is undergoing a major BID review. These are being held vacant where it does not affect service delivery, and will assist with delivering the 2012/13 full year saving target, as well as providing a one-off in year saving. The improvement of £42k relates to an additional post that has become vacant since the previous report.

Childcare, Early Years and Children Centres: £411k underspend (no change)

11. Part of this service area was previously funded by the ringfenced Sure Start Grant - these budgets have now been incorporated into the base budget.
12. The other part of this service area continues to be DSG funded and includes Hillingdon's three Early Years Centres and 3 & 4 Year Old Nursery grants. The Hillingdon's Early Years Centres are either confirmed Children's Centres or building up to Children's Centre status.
13. Children's Centres budgets have been reviewed and are being reduced by 8.4% giving a BID saving of £411k.

School Improvement Service: £250k underspend (no change)

14. A review of the Standards Fund grant that was carried forward from 2010/11 has identified that it can be applied against the School Improvement Service's staffing costs - this will release base budget to achieve a one-off saving for the current year of £250k.

Education Central Budget: £112k underspend (no change)

15. This area consists of the Education Central Support Cost budget, certain centrally managed items and corporate charges such as debt interest which will be charged at the year-end in line with the budget.
16. There is an underspend on the Barnhill PFI project revenue budget - the original General Fund allocation was to cover a range of associated costs amongst which included the FM contract and legal costs. The revised calculation of PFI credits produces a saving of £310k, no change compared to Month 5.
17. The remainder of the forecast for these items includes £148k representing the MTFF saving on extended schools support that can not be achieved, plus a £50k shortfall on the MTFF saving for the education business support review that is offset by brought forward savings on the group-wide review of support functions reported within Public Safety and Environment below.

Access & Inclusion: £309k underspend (no change)

18. The service is forecasting an underspend of £309k, comprising £300k underspend in the Educational Psychology service, an underspend of £50k in the Pupil Support Service and an underspend of £44k in the Parent Support Service, where there are a number of vacant posts, netted down by a pressure of £85k relating to 'not school' provision. The Educational Psychology position reflects the bringing forward of savings targeted for 2012/13 in order to cover the shortfall on Connexions savings identified above.

Organisation & Resources: £18k underspend (£18k improvement)

19. This service is now reporting an underspend of £18k on staffing budgets due to the impact of staff on maternity leave.

Highways Transportation and Planning Policy: £60k underspend (no change)

20. The service is reporting a £60k favourable position, due to the anticipated net savings resulting from a restructure in the Road Safety service, which is included in the MTFF savings assumptions for 2012/13. However, there are some risk areas for the service division, in particular for street lighting the uncertainty around the energy tariffs and their potential increase which may be greater than budgeted inflation. The rest of the service area is reporting in line with budget.

ICT & Business Services: £151k overspend (no change)

Imported Food: nil variance (no change)

21. This is a service area where significant income targets were set as part of the MTFF savings programme, which reflected the new levies for catch certificates and perishable food certificates and inspections. Although there is limited historic data to base an analysis on, current indications of the projected outturn for these new income streams are broadly in line with targets, allowing for expected seasonal variations. However, there are also risks to be

managed in relation to the targets for the existing business of the service. There was a ban imposed on the import of Egyptian green beans during Quarter 2, the certification of which is a significant source of work for the service, and consequently officers are closely monitoring the strength of the recovery in imports now that the ban has been lifted. There is, nevertheless, the potential for a pressure to emerge on this service if the economic outlook continues to worsen.

SEN Transport: £151k pressure (no change)

22. This is an area that has seen significant pressure in the last financial year and as a result growth monies were allocated to support the service for 2011/12. The service is currently reporting a pressure of £151k, there has been an increase of 15 routes since April, the service is endeavouring to minimise the cost impact by consolidating routes wherever possible.

Planning, Consumer Protection, Sport & Green Spaces: £81k underspend (£30k adverse)

Sport & Green Spaces: nil variance (no change)

23. Although Leisure services are currently forecasting a nil variance there are a number of risks associated with the economic downturn and the consequential financial stress that the contracted leisure providers are experiencing. This has resulted in two providers requesting rent reductions over the last year and although these have been turned down, there is a risk of non-payment. One provider is behind on payments on a contract contributing £280k per annum to the Council.

Planning: £81k underspend (£30k adverse)

24. There is an in-year surplus of £111k against the income target for Section 106 administration fees due to the conclusion of two large agreements.

25. Pre-application advice income from developers shows a pressure of £30k, reflecting continuing uncertainty in the housing market.

Public Safety & Environment: £38k underspend (no change)

Waste Services: £90k underspend (no change)

26. Waste Disposal is forecasting a £90k underspend. The tonnages for the first six months of the year are below the levels anticipated in the variable element of the levy. There is an expectation that this figure could improve as waste tonnages tend to be higher in the first half of the year.

27. Overall the rest of the Waste services are reporting a nil variance, with pressures in kerbside recycling assumed to be met from the contingency sum of £150k. The Trade Waste service has increased its fees and has an associated MTF savings target. The indications from the first six months of the year are that the service has broadly maintained its customer base and the target will be achieved.

Parking: £150k overspend (£50k adverse)

28. New parking charges for non-residents were introduced on 31 January 2011, and although these charges have been implemented, there has been a sharp fall in activity levels over the summer. Consequently there is a projected shortfall of around £150k on off-street parking, an adverse movement of £50k compared to Month 5. This is largely attributable to Cedar

and Grainges multi-storey car parks in Uxbridge town centre, partly reflecting pressures reported last financial year and a further reduction in consumer confidence among shoppers, in view of the worsening economic outlook.

29. There is also a pressure of £50k for on-street parking income reflecting a similar trend in PCN income to last year. There are compensating savings of £50k on the expenditure side, and as a result it is anticipated that the PRA will break even.

Community Safety: £112k underspend (no change)

30. The underspend is due to a realignment of the funding for police officers from the Housing Revenue Account to reflect activity levels.

Libraries: £64k overspend (no change)

31. There is an underlying pressure across the income streams, currently forecast at £64k which can not be contained within the overall Library budget. This relates to reduced fine income due to the implementation of on-line renewals, as well as the ongoing trend reduction in demand for audio-visual material.

Directorate Support: £50k underspend (£50k improvement)

32. The BID reviews of business support and technical administration have been undertaken on a group-wide basis, and have now been implemented producing an additional saving of £50k this financial year, representing the bringing forward of part of the saving already identified for the 2012/13 financial year.

Central Services

Revenue: £252k favourable (No change)

Services		2011/12 (As at Month 6)		% Var of budget	Variances (+ adv/- fav)		
		Current Budget	Forecast		Variance (As at Month 6)	Variance (As at Month 5)	Change from Month 5
		£'000	£'000		£'000	£'000	£'000
Chief Executive/Deputy Chief Executive	<i>Exp</i>	519	514	-1%	-5	-6	+1
	<i>Inc</i>	0	0	0%	0	0	0
	<i>Rechgs</i>	-8	-8	0%	0	0	0
	Total	511	505		-5	-6	+1
Audit & Enforcement	<i>Exp</i>	1,441	1,415	-2%	-26	-26	0
	<i>Inc</i>	0	-4		-4	-4	0
	<i>Rechgs</i>	-898	-898	0%	0	0	0
	Total	543	513		-30	-30	0
Corporate Communications	<i>Exp</i>	919	825	-10%	-94	-94	0
	<i>Inc</i>	-27	-26	-4%	-1	1	0
	<i>Rechgs</i>	-862	-839	-3%	33	33	0
	Total	30	-40		-60	-60	0
Democratic Services	<i>Exp</i>	3,258	3,294	1%	36	36	0
	<i>Inc</i>	-453	-484	7%	-31	-31	0
	<i>Rechgs</i>	412	412	0%	0	0	0
	Total	3,217	3,222		5	5	0
Finance & Procurement Services	<i>Exp</i>	10,701	10,795	1%	94	94	0
	<i>Inc</i>	-522	-528	2%	-6	-10	+4
	<i>Rechgs</i>	-6,064	-6,064	0%	0	0	0
	Total	4,115	4,199		88	84	+4
Human Resources	<i>Exp</i>	5,099	5,071	0%	-28	-24	-4
	<i>Inc</i>	-1,126	-1,144	1%	-18	-20	+2
	<i>Rechgs</i>	-3,702	-3,702	0%	0	0	0
	Total	271	286		-46	-44	-2
Legal Services	<i>Exp</i>	1,934	1,979	2%	45	44	+1
	<i>Inc</i>	-152	-129	-15%	23	23	0
	<i>Rechgs</i>	-1,819	-1,819	0%	0	0	0
	Total	-37	30		68	67	+1
Policy & Performance	<i>Exp</i>	4,495	4,249	-5%	-246	-240	-6
	<i>Inc</i>	-114	-140	25%	-26	-28	+2
	<i>Rechgs</i>	-734	-734	0%	0	0	0
	Total	3,647	3,375	0	-272	-268	-4
Total Expenditure		28,366	28,142	-1%	-224	-216	-8
Total Income		-2,394	-2,455	2%	-61	-69	+8
Total Recharges		-13,675	-13,642	0%	33	33	0
CS Total		12,297	12,045	-2%	-252	-252	0

Audit and Enforcement: £30k favourable (No change)

1. This underspend relates primarily to vacant posts within the teams, the recruitment to which is intended for later in the year and will bring the team to full establishment to ensure that controls are maintained during this period of restructuring.

Finance and Procurement: £88k pressure (Adverse movement £4k)

2. The pressure in finance relates to one-off redundancy costs arising from the BID restructure of the service.

Corporate Communications: £60k favourable (No change)

3. The favourable movement arises from staff vacancies continuing to be held open following the restructure and a review of the funding strategy of Hillingdon People.

Democratic Services: £5k pressure (No change)

4. Overspends within salaries due to the inability to achieve the MVF as a result of a full establishment, have been reduced by an expected over-recovery of income and various non salary underspends.

Policy, Performance and Partnerships: £272k favourable (Improvement £4k)

5. The restructure of the Policy and Performance Team is now complete and set to deliver significant savings. There are also substantial staffing savings within the Partnerships team. These savings will be taken as part of the MTFF 2012/13, but provide an in-year underspend in 2011/12. A review of non-salaries spend across the teams has helped to improve the monitoring position this month.

Human Resources: £46k favourable (Improvement £2k)

6. A review of recharges within the service has resulted in an improvement to the monitoring position in month 6. There are some pressures remaining within salaries due to the MVF.

Legal Services: £68k pressure (Adverse movement £1k)

7. Salary overspends due to MVF and cover required for maternity leave along with a shortfall in the income target for charges to capital schemes make up this overspend. Vacancy savings have contributed to the improvement this month. Reviews of business processes are continuing within Legal, focusing on court cost recovery and business processes within the support team with the aim of delivering savings going forward.

APPENDIX B - Six Month Treasury Report 2011 /12

This report summarises the Council's treasury management activities for the first six months of 2011/12 including borrowing, debt management, investment activity, treasury prudential indicators and the expected budget outturn.

Borrowing and Debt Management

A new £7m fixed rate loan was taken and £1.5m of debt naturally matured. Over the six months, yields have steadily reduced making premiums rise and the premature redemption of debt unviable. The 2011/12 budget for interest costs was £6.07m and the estimated outturn for the year is expected to be £6.04m. The total of loans outstanding as at 30 September was £167.1m with an average rate of 3.60%, which remains one of the lowest average rates in London.

Investment Activity

The UK economy continues to suffer from poor economic growth and the Bank of England has maintained base rates at 0.5%, resulting in short term money market rates remaining low. The average investment balance over the period represented by the Council's reserves, working capital etc, was £108m. The Council's budgeted investment income for the year was estimated at £135k, however high average balance and mixture of deposit periods have resulted in an estimated outturn of £745k. The average rate earned on investments for the six month period was 0.93%, whilst total investments as at 30 September was £113.2m.

Security of capital remains the Council's primary investment objective. Investments during the year included deposits with the Debt Management Office, other local authorities, investments in AAA rated Stable Net Asset Value Money Market Funds and deposits, both instant access and fixed term, with Banks and Building Societies systemically important to the UK banking system.

Adjustments made to the counterparty list included the suspension of Clydesdale Bank following the downgrade of their parent National Australia Bank. Additionally, the maximum maturity limit on new fixed term investments was reduced to three months following growing stress and concern in the finance sector.

Iceland

At 1st April 2011 the outstanding unpaid investments with Icelandic banks were £7.4m with Heritable and £5m with Landsbanki. Since then the administrators of Heritable have issued three dividends totalling £2.1m, with total Heritable dividends now equating to 65% of the principal. Following the latest guidance issued by CIPFA in September 2011 (LAAP Bulletin 82 Update 5) it is expected that 86%-90% of the Heritable principal will be recovered overall.

On 28th October, the Icelandic Supreme Court found in favour of the test case for UK local authorities, awarding them priority creditor status in relation to Landsbanki deposits. Hillingdon being a non-test case was referred to the court earlier this year and were stayed pending the decision of the Supreme Court in the test cases. It is expected that the winding up board of Landsbanki will apply the Supreme Court decision to the non-test cases but this is yet to be confirmed. It is forecast that the recovery amount could be 98%, however the timeline for payment may run until 2018.

Housing Reform

In February 2011, the CLG set out the rationale, methodology and financial parameters for the Reform in Council Housing Finance. Subject to the Localism Bill receiving Royal Assent and a commencement order being passed, final self-financing determinations are expected in January 2012 and the proposed transfer date is 28th March 2012.

The self-financing model provides an indicative sustainable level of opening housing debt and for the council has been estimated at approximately £172m. This figure is due to be confirmed later in the year but is likely to rise due to the inflationary element within the calculation. The Council will be required to fund this amount in the medium term through internal resources and external borrowing either from the PWLB or the market.

Prudential Indicators

As a result of a prudent approach the Council can confirm that it has complied with its Prudential Indicators for 2011/12.

Events post 30 September 2011

On 7 October 2011 the rating agency Moody's downgraded 12 UK financial institutions and of these 3 were on the Council's approved counterparty lending list - Royal Bank of Scotland plc, Nationwide Building Society and Lloyds TSB Bank plc. Then on 13 October 2011 the rating agency, Fitch also downgraded both Royal Bank of Scotland plc and Lloyds TSB Bank plc.

Following these downgrades all three institutions fell below the Council's minimum credit criteria and were suspended for new deposits and liquid funds removed from instant the access account at Royal Bank of Scotland. The Council currently has the following fixed term deposits in place with these institutions:

Bank	Deposit	Rate	Date Placed	Maturity
RBS	£3.0m	1.02%	06-Jun-11	14-Dec-11
Nationwide	£5.1m	1.05%	01-Jul-11	13-Jan-12
Nationwide	£1.6m	1.02%	05-Jul-11	13-Jan-12
Lloyds	£4.0m	1.70%	15-Apr-11	13-Jan-12
Lloyds	£4.4m	1.70%	03-May-11	03-Feb-12
Lloyds	£2.0m	2.65%	16-May-11	27-Jul-12

Currently the Council has no plans to request a break of these deposits and this decision is supported by the Council's treasury advisers Arlingclose. However, the status of the banks will be continually monitored and further action taken if required.

The Council recognises that bank accounts are held with Royal Bank of Scotland and Lloyds TSB Bank in areas outside of the main Treasury function. To accommodate these institutions for operational purposes, until a new strategy is approved in February 2012, an amendment to the current Treasury Management Strategy Statement/Annual Investment Strategy is included below.

Amendment to the 2011/12 Treasury Management Strategy Statement and Annual Investment Strategy

Financial institutions which were approved in the 2011/12 Treasury Management Statement and Annual Investment Strategy but no longer meet the minimum long term credit rating of A+ (or equivalent) may still be used for bank current accounts, Adults at Risk client accounts, short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

Institutions which now fall into this category are classified as non specific investments as they do not meet the "high credit quality" as determined by the Council in its Treasury Management Strategy Statement / Annual Investment Strategy.

Appendix C

Retaining of agency staff for Social Care, Health, and Housing Services

The following agency staff are required to be retained within Social Care and Housing to maintain essential services whilst recruitment is in process or to deliver key improvement projects.

Ref.	Post Title	Start Date	Proposed End Date	2010/11 spend £000	2011/12 Est spend £000	Total Cumulative Spend £000
1	Support Worker (Asylum)	11-May-09	31-Dec-11	38	16	54
2	Senior Social Worker (C&F)	01-Apr-11	01-Jan-12	0	59	59
3	Senior Social Worker (C&F)	07-Apr-10	31-Mar-12	46	56	102
4	Social Worker (Mental Health)	09-Aug-10	31-Mar-12	34	56	90
5	Social Worker (OPS)	02-Aug-10	31-Mar-12	21	60	81
6	Social Worker (OPS)	21-Mar-11	31-Mar-12	1	74	75
7	CWD Team Manager	22-Oct-10	31-Jan-12	25	67	92

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