

**The Cabinet's
Budget Proposals
2020/2021**



HILLINGDON
LONDON

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CABINET

To all Members of the Cabinet:

Date: TUESDAY, 17 DECEMBER
2019

Time: 7.00 PM

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

**Meeting
Details:** Members of the Public and
Media are welcome to attend
this meeting and observe the
public business discussed.

This meeting will also be
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Council's YouTube Channel.

Ray Puddifoot MBE (Chairman)
Leader of the Council

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

Jonathan Bianco
Finance, Property & Business Services

Keith Burrows
Planning, Transportation & Recycling

Philip Corthorne
Social Services, Housing, Health & Wellbeing

Douglas Mills
Community, Commerce & Regeneration

Richard Lewis
Central Services, Culture & Heritage

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Contact:

Mark Braddock

Tel: 01895 250470

Email: mbraddock@hillington.gov.uk

Putting our residents first

Lloyd White
Head of Democratic Services
London Borough of Hillingdon,
Phase II, Civic Centre, High Street, Uxbridge, UB8 1UW

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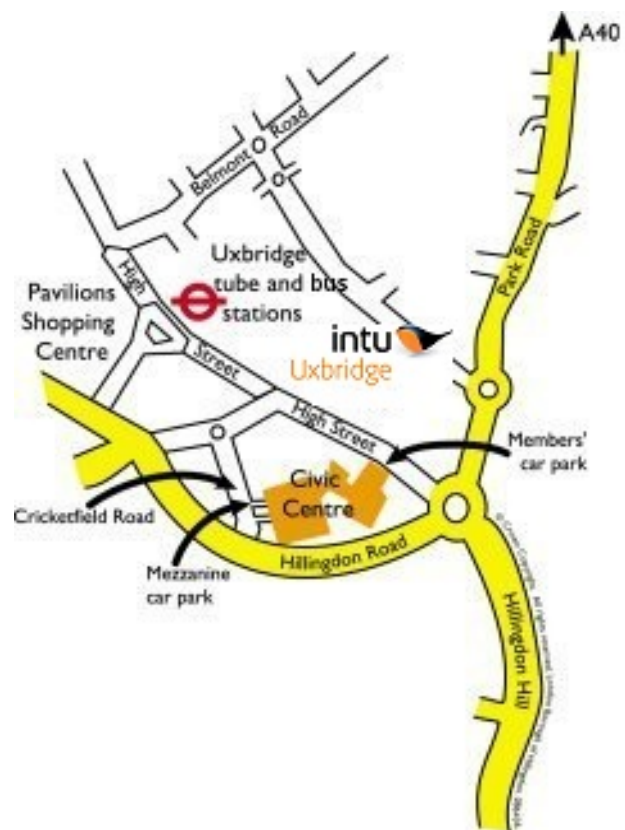
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Agenda

Cabinet Reports - Part 1 (Public)

- 6** The Council's Budget: Medium Term Financial Forecast 2020/21 - 2024/25 (Cllr Ray Puddifoot MBE & Cllr Jonathan Bianco) 1 - 110

BUDGET & POLICY FRAMEWORK (FOR CONSULTATION)

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THE COUNCIL'S BUDGET: MEDIUM TERM FINANCIAL FORECAST 2020/21 - 2024/25

Cabinet Member(s)	Councillor Ray Puddifoot MBE Councillor Jonathan Bianco
Cabinet Portfolio(s)	Leader of the Council Finance, Property & Business Services
Officer Contact(s)	Paul Whaymand, Finance
Papers with report	Appendices 1 to 11

HEADLINES

Summary	<p>This report sets out the Medium Term Financial Forecast (MTFF), which includes draft General Fund and Housing Revenue Account budgets for 2020/21, along with indicative projections for the following four years.</p> <p>Budget proposals for 2020/21 include a 3.8% increase in the headline rate of Council Tax. This comprises a core Council Tax increase of 1.8% based on 90% of the 2% anticipated increase across London alongside a 2% increase relating to an Adult Social Care Precept to fund ongoing pressures within Adult Social Care.</p> <p>The budget proposals also include protection for the over 65's from the 1.8% increase in core Council Tax through the continuation of the Older Person's Council Tax Discount for the fourteenth successive year.</p>
Putting our Residents First	<p>This report supports the following Council objectives of: <i>Our People; Our Natural Environment; Our Built Environment; Our Heritage and Civic Pride; Strong Financial Management.</i></p> <p>The Medium Term Financial Forecast is the financial plan for the Council and contains the funding strategy for delivering the Council's objectives.</p>
Financial Cost	<p>A 3.8% Council Tax increase, utilising the Social Care Precept to fund ongoing demand in this area, with a cash discount available for the over 65s protecting this vulnerable group for a fourteenth consecutive year, with additional support being continued via the Council Tax Reduction Scheme to support eligible residents.</p>
Relevant Policy Overview Committee	<p>Corporate Services, Commerce & Communities Residents, Education and Environmental Services Social Care, Housing and Public Health</p>
Relevant Ward(s)	All

RECOMMENDATIONS

That Cabinet:

- 1) Approve the draft General Fund and Housing Revenue Account budgets and capital programme proposals for 2020/21 and beyond as the basis for consultation with Policy Overview Committees and other stakeholders.
- 2) Approve the proposed amendments to Fees and Charges, included at Appendix 8, as the basis for consultation with Policy Overview Committees and other stakeholders.
- 3) Request the comments of individual Policy Overview Committees on the draft budget proposals relating to their areas of responsibility, to be collated into a single report back to Cabinet from the Corporate Services, Commerce & Communities Policy Overview Committee.
- 4) Note that confirmation of the Local Government Finance Settlement is awaited from HM Government and this will be taken into consideration in the final budget proposal considered by Cabinet in February 2020.
- 5) Authorise the Corporate Director of Finance, in consultation with the Leader of the Council, to respond on behalf of the Council to the consultation on the provisional Local Government Finance Settlement and to the Mayor of London's budget consultation.
- 6) Having due regard to the Equalities Impact Assessment at Appendix 11a, approve for recommendation to full Council the following amendments to the Council's local Council Tax Reduction Scheme with a view to reforming the scheme with effect from April 2020:
 - a) Introduction of a Banding Scheme for Working Age Claimants, including simplification of non-dependent deductions and earnings disregards;
 - b) Reducing the capital limit for the scheme from £16k to £6k in line with Universal Credit,
 - c) Establishing a £1 minimum weekly award, and;
 - d) Maintaining current protections for those households in receipt of higher levels of support within the current scheme due to having more than two children prior to 31 March 2018.

Reasons for recommendation

The recommendations have been framed to comply with the Budget and Policy Framework rules. They allow the presentation to Council of recommended budgets for 2020/21. This includes the impact on Council Tax, alongside housing rents and service charges.

The Council has powers only to approve revenue budgets and set Council Tax and housing rents for the following financial year. Medium term revenue budgets are presented to aid future financial planning and support good decision-making, with forecast provided for the next five years and a specific budget strategy for the next three years set out in this document. The Capital Programme is approved over a five year period as the statutory framework provides greater freedoms under the Prudential Code to encourage a longer term approach to capital financing and borrowing decisions.

If approved by Cabinet, these budget proposals will be presented to Policy Overview Committees and local residents for consultation before being presented to Cabinet in February 2020 for recommendation to full Council. Once approved by Council in February 2020 proposals will become effective immediately.

Alongside budget proposals, this report includes a recommendation that Cabinet submit to Council the changes to the Council Tax Reduction Scheme presented in Appendix 11, to make the scheme fit for purpose as Universal Credit is rolled out across the Borough.

Alternative options considered / risk management

In order to comply with the Budget and Policy Framework, the Cabinet needs to publish a draft budget for consultation at this meeting. The Cabinet could, however, choose to vary the proposals set out in the report, with any amendments reflected in the papers consulted upon with Policy Overview Committees during January 2020.

The section of the report on the Development and Risk Contingency considers the key risks and uncertainties that need to be managed and how these have been provided for within the budget strategy.

Policy Overview Committee comments

A full report on the budget process, financial strategy and detailed budget proposals for each of the service Directorates will be taken to the relevant Policy Overview Committees for review in January 2020, with feedback presented to Cabinet alongside the final budget report to Cabinet on 13 February 2020.

SUPPORTING INFORMATION

SUMMARY

1. This is the first report to Cabinet on the development of the Councils 2020/21 budget, which is presented in the context of a challenging medium term outlook requiring total savings of £41,733k over the three years to 2022/23. This report outlines the proposals for 2020/21, alongside a refreshed medium term budget strategy for the three years to 2022/23 and longer term forecasts for budgets in the subsequent two years.
2. Budget proposals for 2020/21 have been developed to deliver a fourteenth successive Council Tax freeze for the over 65's whilst meeting a £17,521k savings requirement through a savings programme delivering £6,713k, a draft 3.8% uplift in Council Tax securing £4,422k, and the release of £6,386k from General Balances. This represents an increased call on reserves above the £5,000k set out in the budget strategy presented to Cabinet and Council in February 2019. However, an improved outturn for 2018/19 and a projected underspend in 2019/20 result in the forecast balances at the end of 2020/21 being £128k higher than assumed in the February 2019 MTF report (£26,792k compared to £26,664k).
3. This position takes into account the favourable outcome of Spending Review 2019, which broadly secures the previously anticipated £10m uplift in funding over the medium term with significant front-loading of new social care grants in 2020/21. The Spending Review and subsequent Queen's Speech indicated that the Government is minded to progress the long awaited review of social care funding, with continuation of the precept representing a key element of their funding strategy.
4. In light of this clear direction of travel from the Government, this draft budget has been prepared around the assumption that Hillingdon adopt the social care precept from 2020/21 at the recommended 2% level. In addition to the precept, it is proposed to maintain the approach of benchmarking core Council Tax increases to 90% of the London average, which is expected to equate to a 1.8% uplift for 2020/21. The combined effect of these two measures would secure £4,422k of additional income for the Council.
5. The combined effect of changes to funding projections, Council Tax assumptions and the savings programme leaves an unfunded budget gap of £6,386k in 2020/21, rising to £19,957k over the medium term. It is therefore proposed that £6,386k of General Balances are released in 2020/21 to deliver a balanced budget in the context of the budget strategy presented below.

Table 1: Draft Budget Strategy 2020/21 to 2022/23

	2019/20	2020/21	2021/22	2022/23	2020/21 - 23
	£'000	£'000	£'000	£'000	£'000
Underlying Savings Requirement	16,119	9,745	12,684	11,528	33,957
Unwind Prior Use of Balances	950	7,776	6,386	3,000	7,776
Total Savings Requirement	17,069	17,521	19,070	14,528	41,733
Current Savings Proposals	(6,609)	(6,713)	(760)	(203)	(7,676)
Proposed 3.8% Council Tax Increase	(2,684)	(4,422)	(4,695)	(4,983)	(14,100)
In-year Call on General Balances	(7,776)	(6,386)	(3,000)	0	N/A
Savings to be identified	0	0	10,615	9,342	19,957
Closing General Balances	(33,178)	(26,792)	(23,792)	(23,792)	N/A

6. The above strategy continues to include the planned release of General Balances while maintaining unallocated reserves within the recommended range for Hillingdon of £15,000k to £32,000k. While a review of the range of risks facing the Council does not indicate a change to this range will be necessary at the moment, there remains a level of uncertainty around treatment of historic retained DSG deficits, which is expanded upon later in this report.
7. Alongside the General Fund budget position, this report refreshes Housing Revenue Account budgets to deliver rent increases of CPI+1% per annum from 2020/21 to 2024/25 to reflect Government policy, whilst providing for substantial investment in new General Needs and Supported Living units. This includes 495 new homes for residents by 2024/25, partly financed through the reinvestment of Right to Buy sale proceeds.
8. An update of the Council's capital programme is also presented in this report, with £444,858k of planned investment in local infrastructure over the period 2019/20 to 2024/25. This includes a new Leisure centre in West Drayton, a major programme of investment in the Borough's highways, a programme of sports club rebuild/refurbishments, a libraries refurbishment programme, provision for investment in Youth infrastructure and the potential purchase of Uxbridge police station. The programme is supported by £120,931k of external funding, £77,883k of capital receipts from the disposal of surplus assets and Community Infrastructure levy alongside £246,044k of Prudential Borrowing.

BACKGROUND

9. The Council continues to operate within the constraints of Government's deficit reduction programme, which has seen a sweeping reduction in central government funding since 2010/11. Alongside this reduction in funding, continuing demographic and demand pressures and a return to an inflationary environment over the medium term will necessitate delivery of further substantial savings. This report to Cabinet on the budget for 2020/21 quantifies the financial challenge faced by the Council over the medium term, and outlines an approach to meeting this challenge whilst continuing to 'Put Residents First'.
10. This is the first report to Cabinet on the budget for 2020/21, building upon the position outlined in the 2019/20 budget report to Council in February 2019. In February the savings requirement for 2020/21 was estimated to be £21,604k, which has been revised downwards to reflect the announcement of £4,117k additional Social Care funding in the Chancellor's September 2019 Spending Review and the favourable impact of deferring planned borrowing alongside a range of smaller adjustments to estimates. The resulting budget gap for 2020/21 therefore stands at £17,521k after unwinding the planned £7,776k draw down from balances for 2019/20, which is to be managed through a combination of £4,422k additional revenue from the proposed Council Tax increase, £6,713k savings and £6,386k release from General Balances to meet the residual gap.
11. Over the three year MTFP period the total budget gap stands at £41,733k, with a budget strategy to manage this through a combination of Council Tax increases, use of General Balances and £27,633k of existing and future savings proposals as set out in the Medium Term section of this report. Longer term projections covering the following two years are included in the report appendices to provide context for decision making and align to the five year outlook for capital investment plans.
12. Groups have been developing savings proposals sufficient to meet this externally driven budget gap and respond to increases in cost pressures. In addition to this work across directorates, a comprehensive review of the corporate elements of the budget has been undertaken since February, capturing funding, inflation and capital financing. During the early summer and again in the autumn, a series of challenge sessions were held to affirm the budget position. Each session followed a similar format reviewing:
 - The 2018/19 outturn, particularly any ongoing issues arising.
 - The current position in 2019/20 - both monitoring and savings delivery.
 - Existing and emerging pressures that need to be addressed in the 2020/21 budget and forecasts for future years.
 - Progress on the development of savings proposals for 2020/21 and beyond.
 - Identification of any potential growth or invest-to-save bids.
 - Capital programme requirements.

13. Alongside, the outputs from these sessions which form the basis of this report, development of the 2020/21 budget builds upon the 2019/20 budget and therefore the current monitoring position provides a useful context as many of the same challenges are expected to continue into the new financial year. In addition, progress towards delivery of existing savings targets is of vital importance in considering both the feasibility of future savings initiatives and the potential need to identify alternative measures in the event that planned savings cannot be secured.

2020/21 GENERAL FUND REVENUE BUDGET

UPDATE ON 2019/20 BUDGET MONITORING POSITION

14. An underspend of £610k is projected across normal operating activities for 2019/20 at Month 7, with no exceptional items identified at this stage. An underspend of £6k is projected against Directorate Operating Budgets with reported pressures being largely offset by compensating underspends. An underspend of £602k across Corporate Operating Budgets relating predominantly to two areas, firstly a favourable variance against capital financing costs of £356k and secondly, the release of historic credit balances held on the Council's Balance Sheet, offsets the small pressure on Directorate Operating Budgets. Grant income is in line with budget, with minor variances as grant allocation amounts are confirmed leading to a minor £2k favourable variance.
15. Within the budget monitoring position, £476k of the £1,000k General Contingency remains uncommitted at Month 7 which remains broadly consistent with the call on this funding stream in previous years. Within the broader contingency position, favourable movements on waste disposal, social care funding, looked after children and asylum are sufficient to contain emerging pressures on mental health placements and SEND transport provision. These demand-led pressures are expected to continue into the new financial year and are expanded upon in the contingency section of this report.
16. Outside core General Fund activity, the only area of activity with scope to materially impact upon the Council's budget strategy is the growing pressure within the Dedicated Schools Grant. As at Month 7, an in-year pressure of £5,092k is reported, resulting in a cumulative deficit of £13,584k by 31 March 2020. While the Department for Education are clear that they do not expect any such deficit to be financed from General Reserves, local authorities are awaiting further detailed guidance from CIPFA and the Government on how this expectation can be delivered in practice. In the meantime, the Council will continue to comply with directions from the Government and await clarification on how the DSG deficit will be dealt with going forward.
17. Strong progress is reported on delivery of the £8,141k 2019/20 savings, with £4,940k savings already banked, £2,331k on track for delivery in full and £870k tracked at amber due to either being in the early stages of delivery or deemed higher risk. All savings are ultimately expected to be banked in full or alternative savings achieved.
18. The current budget monitoring position therefore suggests that the MTFF is starting from a solid baseline, with no significant issues – other than the DSG deficit - within the 2019/20 position unaccounted for within the Budget Strategy.

BUDGET REQUIREMENT

19. The movement from the 2019/20 baseline to the 2020/21 budget requirement is summarised in the following table, incorporating the latest estimates for funding, inflation and growth in demand for services to reach a savings requirement of £17,521k alongside a programme of savings totalling £6,713k, leaving a remaining budget gap of £6,386k after allowing for a 3.8% uplift in Council Tax, which is being addressed by a planned use of balances.

Table 4: 2020/21 Budget Requirement

	Movement from 2019/20 £'000	2020/21 Budget Requirement £'000
Recurrent Funding	(7,562)	(222,078)
Council Tax Increase (3.8%)		(4,422)
One-Off Funding	6,268	(1,368)
Planned Use of General Balances		(6,386)
Total Resources	(1,294)	(234,254)
Roll Forward Budget		229,928
Inflation	6,222	
Corporate Items	664	
Contingency (Service Pressures)	4,260	
Priority Growth	(107)	11,039
Budget Requirement		240,967
Gross Savings Requirement		6,713
Contingency (Management Action)	(677)	
Savings	(6,036)	(6,713)
Net Budget Gap		0

20. This 2020/21 draft budget has been developed in the context of an estimated savings requirement of £41,733k over the three year period to 2022/23 driven by a combination of inflationary cost pressures, growing demand for services and the financing costs arising from the Council's Capital Programme. Appendix 1 presents the medium term outlook with additional commentary later in this report.

FUNDING SOURCES

21. Recurrent funding available to support the budget requirement is projected to total £226,500k in 2020/21. This recurrent funding is supplemented by £7,754k of one-off funding, to provide £234,254k funding for services after considering the proposed Council Tax increase, but before the use of balances. Total funding is projected to increase by £4,326k, with £4,422k of this coming from the proposed Council Tax increase and the benefits of the latest funding increases announced as part of the 2019 Spending Review and other sources being netted down to a reduction of £96k as a result of the decision to end the Pilot status of the London Rating Pool which has cost the Council £5,775k net.

Table 5: Funding Projections

	2019/20	(Increase) / Decrease	2020/21
	£'000	£'000	£'000
Council Tax Base	(114,500)	(1,865)	(116,365)
Council Tax Increase (3.8%)	0	(4,422)	(4,422)
Business Rates Income	(55,859)	(1,144)	(57,003)
Revenue Support Grant	(5,809)	44	(5,765)
Other Government Grants	(38,348)	(4,597)	(42,945)
Recurrent Funding	(214,516)	(11,984)	(226,500)
Collection Fund Surplus	(1,036)	493	(543)
Business Rates Pilot Pool	(6,600)	5,775	(825)
Planned Use of General Balances	(7,776)	1,390	(6,386)
One-Off Funding	(15,412)	7,658	(7,754)
Total Funding	(229,928)	(4,326)	(234,254)

22. The rationale behind current funding assumptions and associated risks are discussed for each revenue stream in turn below. Local income projections reflect latest intelligence around new economic and residential development in the borough, with recent experience indicating limited scope for material variation in these estimates. Projections for grant funding for 2020/21 are primarily based on interpretation of the 2019 Spending Review and figures quoted in the MHCLG allocation consultation ahead of the Provisional Local Government Finance Settlement, including an anticipated £4,117k of new Social Care funding announced by the Chancellor in the Spending Review. Income projections for the London Business Rates Pilot Pool have been replaced with the anticipated benefit of a Non-Pilot Pool across London, with a net benefit of £825k for the Council.

Council Taxbase Projections

23. Income from Council Tax is projected to grow by £1,865k through a 1,637 Band D equivalent or 1.0% growth in the taxbase as a result of continuing residential development across the borough and the reducing cost of the local Council Tax Reduction Scheme as transitional protections are unwound through natural turnover. This taxbase growth provides a mechanism to contribute towards funding the growing demand for services linked to an expanding local population.

Table 6: Council Taxbase Projections

	2019/20 Band D	Change Band D	2020/21 Band D
Residential Properties	122,061	1,214	123,275
MOD Properties	683	0	683
Discounts & Exemptions	(11,556)	239	(11,317)
Empty Property Premium	85	0	85
Gross Council Taxbase	111,273	1,453	112,726
Council Tax Reduction Scheme	(9,788)	200	(9,588)
Allowance for Losses in Collection	(1,015)	(16)	(1,031)
Net Council Taxbase	100,470	1,637	102,107
Council Tax Revenues (£'000)	114,500	1,865	116,365

24. New residential development is expected to deliver a net 1,214 Band D equivalent properties after allowing for maintenance of the current 99% collection rate, with 947 of these properties specifically identified from the pipeline of major developments and the remaining 267 expected to be secured through smaller developments. A further 200 Band D equivalent growth in the taxbase is forecast to be met from a continuation of the trend for reduced uptake of the Council Tax Reduction Scheme through the unwinding of historic protections through normal attrition rates. All of which is netted down by a reduction in Band D equivalents of 16 properties, representing the allowance for the loss of collection, as the Council currently achieves a 99% collection rate.
25. The remaining 239 Band D equivalent growth in the taxbase comes from the cessation of the 21 Day Discounts offered for unoccupied and substantially unfurnished homes. The value of the discount is not deemed to be material against a household's liability and as such, it is proposed to cease the 21 Day Discount from 1 April 2020, which helps the Council to redirect resources within the wider context of the budget strategy, to areas where a greater need exists by maximising funding available to the Council to deploy to frontline services.

Council Tax Increases and the Social Care Precept

26. This draft budget includes a 3.8% increase in the headline rate of Council Tax, securing £4,422k additional funding to support local services at a cost of £43.31 per annum for a Band D household. The 3.8% uplift is based on 90% of the 2% referendum threshold for core Council Tax (1.8%), plus making full use of the 2% Adult Social Care Precept.
27. Following the Spending Review 2019 and updated regulations, the Council has the option to increase basic Council Tax by 2% per annum without triggering a referendum with a steer from Government to implement a Social Precept of up to a further 2.00% for 2020/21. A 1% movement in Council Tax would represent £11.40 per annum on the Council's share of a Band D household and generate £1,161k additional revenue.
28. This proposed uplift includes introducing the Social Care Precept for the first time as it becomes apparent from the Spending Review that this is one of the Government's preferred

mechanisms to fund growth within Social Care, with one third of the £1.5bn additional funding announced by the Chancellor to come from this source. In addition a consultation on the continuation of the precept is due from Government, which would underline their commitment to this being a key funding stream for future growth in the cost of social care.

29. The remaining 1.8% reflects Hillingdon's ongoing policy of differentiation across neighbouring boroughs against a likely 2% uplift across London. This uplift is intended to provide a mechanism to contribute towards inflationary and demand-led growth in the cost of services projected to total £10,482k in 2020/21.
30. The council will be continuing the Older People Discount into 2020/21, increasing discounts awarded in 2019/20 to cover the 1.8% increase in the local Council Tax in 2020/21. This represents the fourteenth year of this scheme.

Business Rates Income

31. Under the current 50% Business Rates Retention system, the Council is projecting to retain £57,003k or 14% of the £395,786k expected to be collected from commercial property across the Borough in 2020/21, which includes a forecast increase in the Rating List of £2,600k yielding an additional £1,297k of gross Business Rates income. Income retained through the 50% system has grown by £1,144k from 2019/20, of which £804k is linked to the 1.7% inflationary uplift on Business Rates bills set by the Government.
32. The Council receives 15% of additional income generated through expansion of the taxbase, which accounts for the remaining £340k uplift in income and increases total retained growth to £8,889k for 2020/21. Together with the £48,114k baseline level of income to be retained locally, this delivers £57,003k to support local services.
33. The remainder of the £395,786k to be collected in 2020/21 is redistributed between Central Government, the Greater London Authority (GLA) and local authorities across England through the Tariff and Levy mechanisms, although continuation of the London Business Rates Retention Pool, even without the pilot status, would see additional sums retained over and above this amount. Assumptions regarding income from the pool are discussed below.

London Business Rates Retention Pool

34. Latest intelligence suggests that the London Business Rates Retention Pool will lose its Pilot status at the end of 2019/20, moving the Pool's retention rate from 75% to 50% effective from 1 April 2020, despite the Government's continued commitment to move to a national 75% retention rate.
35. Following the London Council's Leaders Committee meeting on 8 October 2019, London Leaders have decided to operate a London wide Business Rates Retention Pool without the Pilot status, thereby benefiting Councils across London by maximising the Top Up and Tariff mechanisms under the 50% retention scheme, benefiting Hillingdon by an estimated £825k. This represents a reduction of £5,775k from the level of income secured in 2019/20, with

£3,175k of the reduction being directly attributable to the reduction in retention rate from 75%.

Collection Fund Surpluses

36. In addition to the benefits of the London Pool, a surplus of £543k is projected across the Council's share of the 2019/20 Collection Fund, incorporating a £45k deficit on Council Tax and £588k additional retained Business Rates income. In line with local government accounting requirements, the latest assessment of the likely surplus will be confirmed during January 2020 and released to support the General Fund in 2020/21.

Central Government Grant

37. The position presented in the February 2019 budget report assumed a £1,500k benefit from the 2019 Spending Review. Following the announcement from the Chancellor, this benefit was removed from budget assumptions and replaced with the specific outcomes of the announcement. The announcement included a number of increases to Local Government funding with an additional £4,553k against Government Grants. Projected Government grant income for 2020/21 totals £48,710k, representing around 22% of the £226,500k recurrent funding with the remainder raised locally through Council Tax and Business Rates.
38. The current year, 2019/20, is the fourth and final year of the multi-year settlement entered into in 2016/17. From 2020/21 onwards initial assumptions at the time of setting the 2019/20 budget in February 2019 was for a new multi-year settlement via the 2019 Spending Review and a Fair Funding Review to look at distribution methodology across Local Government. Due to the uncertainty around Brexit, the Government announced a one year settlement, with both the multi-year settlement and Fair Funding Review being delayed, meaning the earliest these two reviews will impact on Local Government funding is 2021/22.
39. The Council's £5,809k Revenue Support Grant allocation for 2019/20 was set out in the multi-year settlement in 2016/17, with budget assumptions in February 2019 assuming continuing reduction into 2020/21. However, as part of the Spending Review, the Chancellor announced a real terms increase, expecting to improve Hillingdon's funding position by £902k based on current inflationary assumptions. Under the current Business Rates Retention system, the Revenue Support Grant and baseline Business Rates income are calculated from the Settlement Funding Assessment.
40. The Public Health Grant is expected to increase to £17,651k for 2020/21, with this increase of £580k being announced as part of the Spending Review. It is anticipated that this additional funding will be reinvested back into the service, with a net nil impact on the overall budget gap, with £118k required to meet inflationary pressures within the service, leaving £462k available for new investment.
41. Better Care Fund projections for 2020/21 total £6,973k, incorporating an additional £250k above February 2019 assumptions following a favourable announcement within the

Spending Review. In addition to this, the Improved Better Care Fund (iBCF) is expected to remain consistent with the 2019/20 position at £6,207k, the Local Government Finance Settlement has confirmed that the Social Care Winter Pressures Grant will be rolled into the iBCF, adding £1,041k to the allocation taking the total up to £7,248k. In addition, the Council's share of the new funding confirmed as part of Spending Review 2019 has been published by the Government, delivering £5,896k.

42. New Homes Bonus income of £3,612k is expected for 2020/21, representing a reduction of £53k on the 2019/20 allocation, primarily resulting from the Government's decision to limit bonus payments to growth above a 0.4% baseline. As part of the Spending Review 2019, the Government confirmed that the 0.4% baseline remains unchanged for 2020/21. Whilst this is an adverse movement year on year, this represents an improvement on the February 2019 budget assumptions by £312k as a result of strong growth in the taxbase and a reduction in long term empty properties.
43. Other corporately managed grants are projected to total £1,565k for 2020/21, representing a decrease of £722k on 2019/20 allocations due to the falling out of the one off levy surplus refund. Within this sum, £1,100k relates to the Housing Benefit Administration Subsidy and £290k funding for the administration of the local Council Tax Support scheme.

Balances and Reserves

44. As of Month 7 budget monitoring, General Balances are projected to total £33,175k at 31 March 2020, assuming unallocated contingency and growth are committed in full. This draft budget proposes to release £6,386k of this sum in 2020/21 and £3,000k over the subsequent two years to smooth the savings requirement. This strategy would therefore apply £9,386k of General Balances, leaving £23,792k uncommitted over the medium term. This is in line with the £23,664k assumed in the February 2019 budget and consistent with the current budget strategy.
45. The Balances and Reserves Policy approved by Cabinet and Council in February 2019 outlined a recommended range of £15,000k to £32,000k for uncommitted General Balances, with the proposed budget strategy meeting this requirement. At this time, no amendment to this headline reserves requirement is proposed although the broad range of risks facing the authority will continue to be monitored.
46. In addition to General Balances, the Council held £28,416k Earmarked Reserves available for general application at 31 March 2019, with the current monitoring position reflecting a net £6,417k release during the current year to leave a balance of £21,999k at outturn. This balance is held to manage a range of specific projects and risk items – such as the insurance reserve – with a number of releases planned for 2020/21, including £1,694k to finance the continuation of the Council Tax Older People's Discount and £633k monies earmarked to manage the costs of responding to Heathrow Airport Development Consent Orders.

INFLATION

47. An inflation requirement of £6,222k has been estimated for 2020/21, with £6,878k of cost increases across £265,813k expenditure budgets subject to inflationary pressures and a corresponding £656k uplift on associated income budgets. The most significant items within this provision are £3,211k on workforce budgets, £2,326k on care placement budgets and £851k on contracted services.

Table 7: Inflation Provision

	2019/20 Baseline £'000	Inflation Rate %	2020/21 Inflation £'000
Workforce Expenditure (including Pension Contributions)	120,646	2.0%	3,211
Added Years Pension Costs	1,892	1.7%	32
Energy	2,306	7.9%	185
Vehicle Fuel	1,100	2.3%	25
Contracted Expenditure	42,591	2.0%	851
Homecare Provision (Adult Social Care)	11,765	3.0%	369
Care Placements (Adult Social Care)	50,848	2.4%	1,444
Care Placements (Children's Services)	21,429	2.0%	513
Business Rates	3,143	2.0%	63
Levies	10,093	2.0%	185
Gross Inflation Provision	265,813		6,878
Less: Externally Funded Items	N/A	Various	(656)
Net Inflation Provision	265,813		6,222

48. The annual Workforce Expenditure uplift has been estimated at 2% based on recent pay awards, which at the time of writing this report is above CPI (1.7% in September 2019) and will be updated as more intelligence becomes available. Whilst payroll uplifts are based on the projected 2% pay award, agency uplifts vary across the services, but are expected to be broadly in line the anticipated pay award. Alongside this, the Employer's Pension Contribution rate has been set to 0% following the 2019 Triennial Valuation of the Pension Fund. Where staff costs are financed from a targeted government grant, or recharged to capital or other funding streams, associated income targets have been updated.
49. Added Years Pension costs, reflecting historic commitments above standard pension entitlements to former employees, are updated annually in line with CPI from the preceding September. As this has now been published, the final figure of £32k has been built into the position against a £1,892k base budget.
50. Energy inflation has been applied to the Council's electricity and gas budgets in line with recent experience, with an uplift of 7.9% or £185k included for 2020/21. Vehicle fuel has been updated by 2.3% or £25k, fuel inflation has been decreasing since April 2019, the rate applied is the average of the last few months to smooth out volatility in the market.

51. Provision of £851k has been included for the Council's £42,591k of externally contracted expenditure, representing a 2.0% uplift on expenditure in line with expectations that CPI will revert back to the Bank of England target and continue to track at that rate by the time contract negotiations begin. As in previous years, it is not expected that this inflation requirement will fall evenly across contracted spend and where appropriate providers will be expected to secure efficiencies where possible, it is therefore proposed that the Director of Finance will continue to approve releases from this provision.
52. In addition to general contracted expenditure, care placement costs across Adult and Children's Social Care of £84,042k are expected to be subject to inflationary pressures. As in previous years, inflation projections are based on an assumption that the salaries-based elements of contracts will be uprated at least in line with the London Living Wage, which saw a 1.9% increase to £10.75 per hour in November 2019. Given the potential challenges in post-Brexit recruitment and retention for a sector heavily reliant on European Union nationals, wage growth of 4% has been assumed in this draft budget which equates to an inflationary uplift of £2,326k. In line with other contracted expenditure, the Director of Finance will continue to approve releases from this provision on a case by case basis.
53. In addition to the above, inflation has been applied to Health contributions to care packages in line with expenditure uplifts offered to suppliers, this is on the basis that Health contribute fixed percentages to care costs on a client by client basis, with uplifts offered to suppliers translating into increased income from the CCG. The uplift applied to these budgets equates to £322k in 2020/21 and is included in the Externally Funded items in table 6.
54. Provision of £63k is included to support inflationary uplifts and unwinding of transitional relief on Business Rates for the Council's own properties in 2020/21. In addition, £185k inflation has been included on the £10,093k levies budget, reflecting a 2% uplift against Concessionary Fares of £8,335k to fund both growth in demand and limited increases in travel card costs, with the remaining levies being uplifted in line with the Council Tax referendum threshold, which from 2020/21 onwards are now in alignment with one another.
55. Where specific income streams are linked to expenditure budgets subject to inflationary pressures, these have been uprated to avoid overstating the net inflation requirement for 2020/21. This £656k includes £323k of Health contributions within Social Care and the impact of inflationary increases in care package costs affecting incomes for those clients contributing to the cost of their care and workforce costs rechargeable to dedicated funding streams.

CORPORATE ITEMS

56. There are a range of issues impacting upon the Council's overall budget and are therefore managed corporately, including movements in the Added Years Pension Costs, Capital Financing Costs, the use of Earmarked Reserves and some smaller items shown in the table below. It is projected that the net cost of these items will increase by £664k in 2020/21.

Table 8: Corporate Items

	2020/21 Corporate Items £'000
Capital Financing Costs	812
Housing Benefit Subsidy (Recovery of Overpayments)	100
Movement in Added Years Pension Costs	(25)
Planned Use of Earmarked Reserves	(285)
Hillingdon First Limited Dividend	(400)
Adjustments to Corporate Budgets	202
Additional Investment in Public Health	462
Total Corporate Items	664

57. An uplift of £812k in respect of capital financing costs is included in this 2020/21 consultation budget. In recent years, the costs of capital financing have been minimised as the Council was able to support investment from internal borrowing of reserves. However the combination of significant capital investment and anticipated releases from Earmarked Reserves (currently utilised for internal borrowing) are expected to necessitate external borrowing continuing through 2019/20 and beyond.
58. The uplift in capital financing costs in 2020/21 is driven by the requirement for £70m new physical borrowing, with £20m of this sum refinancing maturing debt and £50m linked to supporting new capital investment. With the recently announced uplift in the cost of borrowing from the Public Works Loan Board driving a £2,043k uplift in the cost of financing current capital commitments over the medium term, it is proposed to finance £25m of 2020/21 borrowing through local authority markets. This approach will allow short term borrowing at a cost of 1% per annum, rather than higher cost longer term debt at 2.7% per annum, deferring the impact of rising costs into later years.
59. Broader implications of current capital commitments are outlined in the Medium Term Outlook section of this report but essentially any capital expenditure from 2019/20 onwards not fully funded through grant or capital receipts will necessitate physical borrowing and therefore contributes towards the headline savings requirement over the medium term.
60. Within the Housing Benefit Subsidy system, declining levels of outstanding overpayments and associated requirement for doubtful debt provisions, as initiatives such as RTI and FERIS enable more timely changes to benefit awards, are expected to reduce income secured from Government through this route by £100k in 2020/21. Ongoing work reviewing the transition from Housing Benefit to Universal Credit is being reviewed in light of the latest intelligence and demand metrics.
61. This draft budget includes a net reduction of £285k in the use of Earmarked Reserves to support base budget activity, representing the unwinding of the £1,095k of such support included in 2019/20 budgets and financing the cost of the Older People's Discount.

62. In addition, £400k dividend towards support services costs from the Council's property trading company, Hillingdon First Limited has been reflected in this draft budget.
63. Investment in Public Health activity of £462k has been built into the position, after funding £118k of inflationary uplifts in this area, has been reflected in this draft budget in line with the additional funding announced as part of the 2019 Spending Review.

DEVELOPMENT AND RISK CONTINGENCY

64. The Development and Risk Contingency is used to manage budgets relating to volatile or demand-led budgets, where there will remain uncertainty as to the level of resources required until actual demand for services is known at outturn. Rather than inflating Directorate Operating Budgets to cover all potential risk items, these are collated and budgeted for in the round.
65. The following table provides an overview of projections across Development and Risk Contingency, with £5,281k of anticipated increases in demand for services linked to demographic / population-led drivers and a net £1,021k reduction in provision for risk items resulting in a net £4,260k uplift in the 2020/21 budget requirement. Offsetting these pressure items, a number of management actions totalling £677k have been built into the position covering the Social Worker Agency Contract and relating to demand management in Homelessness Prevention.

Table 9: Development and Risk Contingency

	2020/21 Development & Risk Contingency Items £'000
Revised 2019/20 Development and Risk Contingency	10,074
Movement in Demographic Growth Items	5,281
Movement in Risk Items	(1,021)
Proposed Management Action	(677)
Projected 2020/21 Development and Risk Contingency	13,657

66. The following paragraphs provide an overview of items specifically identified within Development and Risk Contingency, identifying key risks and emerging issues where appropriate alongside commentary on proposed management action.

Service Pressures – Demographic Growth Items

67. Waste Disposal Levy and Contracts (£2,407k provision, £850k growth from 2019/20) – Projected costs in respect of waste disposal reflect projected residential development in the borough, alongside increases in the cost of disposal linked to rising landfill taxes and broader market forces with scope for volatility in both volumes and cost during 2020/21.
68. Support for Looked after Children (£3,211k provision, £341k growth from 2019/20) – Growth in numbers of Looked after Children continues to outstrip broader population trends with projected numbers of placements rising from 231 on 1 April 2019 to 239 during 2020/21. Given the high unit cost and complexity of reasons for entering care, this is expected to remain a volatile area going forward.
69. Support for Children with Disabilities (£762k provision, £112k growth from 2019/20) – Alongside Looked after Children, Children with Disabilities continues to see growth in placement numbers necessitating a £112k uplift in the contingency requirement for 2020/21.
70. SEN Transport (£2,873k provision, £2,135k growth from 2019/20) – As evidenced through 2019/20 budget monitoring, there has been a significant increase in the cost of SEN Transport during the current financial year, with an increasing reliance on low occupancy routes reflecting a lack of capacity at in borough SEN Provision. With annual growth of around 10% in numbers of Education, Health and Care Plans, including significant growth in the pre-school and post-18 age groups, further pressure on this service is anticipated.
71. Adult Social Care Placements (£3,842k provision, £1,843k growth from 2019/20) – An uplift in the cost of care placements is projected for 2020/21. The main area of growth is within the Mental Health service, where demand is currently exceeding 2019/20 budget assumptions. Growth in this area, in part, relates to Government initiatives to put mental health on a par with physical health as well as greater awareness of mental health issues nationally. In addition to this, underlying growth of 1.9% in the over 65 population and 2.3% in the population with moderate to severe learning difficulties has been built into the position.
72. This underlying growth in demand is expected to translate into an additional £1,843k net expenditure on care placements as new working age clients transition into the service, with effective management of the front door and service delivery models continuing to support independence and avoiding any uplift in the cost of Older People's Care placements.

Service Pressures – Risk Items

73. Homelessness Prevention (£1,736k provision, no change from 2019/20) – Over the first five months of 2019/20 the use of temporary accommodation (TA) has increased, with a higher percentage increase in the number of clients placed in Bed and Breakfast (B&B) accommodation due to the handback of properties on alternative TA schemes. The average number of clients in B&B in year to date is 180, 50 above the original budget assumptions that set a target of 130 clients. However, measures have been implemented to recover the

position in year, resulting in a current year forecast underspend against contingency. Actions include: maximising supply at zero cost to the General Fund through the use of shortlife, ring-fenced and general needs properties held in the HRA which will reduce expenditure on B&B and Private Sector Placements. Demand levels are projected to be managed through additional prevention casework.

74. Asylum Funding Shortfall (£1,196k provision, £689k decrease from 2019/20) – Home Office funding available to the Council to support Unaccompanied Asylum Seeking Children remains insufficient to meet the full cost of this demand, with £1,196k costs falling to the local taxpayer. The improvement in this position relates to changes in Home Office funding rates.
75. General Contingency (£500k provision, £332k decrease from 2019/20) – In order to manage emerging pressures or other volatility, it is proposed to retain a General Contingency of £500k. Given the substantial growth proposed for specific risk items in 2020/21 and reflecting experience in recent years, it is recommended that this provision be reduced from its 2019/20 level of £832k.

Management Action

76. Homelessness Prevention (£914k management action, £250k favourable from 2019/20) – The Council has been successful in minimising reliance upon more expensive Bed and Breakfast accommodation during 2018/19, which in addition to the service benefits contributes towards a substantial reduction in the net cost of homeless prevention. In addition, continuing use of incentives to secure sustainable tenancies contributes towards this expected saving which will continue to be closely monitored into 2019/20.
77. Social Worker Agency (£0k management action, £277k favourable from 2019/20) – The contracting arrangements for the provision of interim Social Workers and other professionally qualified workers has resulted in a significant drop in the premium paid per worker. In addition to this, the department's outturn position for 2018/19 suggests that staffing budgets are sufficient in this area to cover the cost of agency staff, with budget monitoring in 2019/20 supporting this view, it is therefore being proposed that this item is no longer required.
78. SEN Transport (£150k management action, £150k favourable per annum from 2019/20) – This proposal aims to reduce the overall impact on the Council of the pressures within SEN Transport by contracting a consultant to manage the service, with an anticipated net benefit of £150k reduction in spend through using a more commercial approach.

PRIORITY GROWTH

79. This draft budget includes £543k of funding for Priority Growth items based on new growth proposals identified, with funding held in Earmarked Reserves being available for any new and emerging Priority Growth proposals during the year, proposals incorporated in the budget at this time are:
- i. £130k for three new officers in the Anti-Social Behaviour and Environment Team (ASBET).
 - ii. £113k for a Planning Lawyer.
 - iii. £79k for a lead officer to support the Council deliver its additional duties as a result of the Environment Bill.
 - iv. £60k for Patrol Officers at Little Britain Lake.
 - v. £56k for a Military History Curator to support work at both the Battle of Britain Bunker and across the Borough.
 - vi. £55k for the Licensing Team to support Animal Welfare as a result of changes in legislation.
 - vii. £50k to strengthen the Council's Domestic Violence support.

SAVINGS PROGRAMME

80. Taking into account the uplift in funding of £4,326k, the £6,386k drawdown from General Balances and £677k management action on contingency items, savings of £6,036k are proposed from Directorate Operating Budgets. Table 10 provides a summary of these proposals by Directorate and type of saving.

Table 10: Savings Proposals

	Chief Executive's Office	Finance Directorate	Residents Services	Social Care	Cross-Cutting Initiatives	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Service Transformation	(31)	(228)	(625)	(1,146)	0	(2,030)
Effective Procurement	0	0	(1,186)	(732)	0	(1,918)
Income Generation & Commercialisation	0	0	(981)	0	0	(981)
Zero Based Reviews	0	0	0	(617)	(490)	(1,107)
Savings Proposals	(31)	(228)	(2,792)	(2,495)	(490)	(6,036)

81. The following paragraphs provide an overview of savings proposals included in this draft budget. These include efficiency savings and other measures reducing the cost of service delivery without impacting upon service. As in previous years, savings measures fall into four broad themes:
- i. Service Transformation represents the majority of proposed savings, with items presented in this category ranging from the full year effect of previously implemented

proposals, the implementation of recently agreed BID Reviews and the expected benefits arising from potential new BID Reviews.

- ii. Effective Procurement savings are similarly made up of full year effect items and proposed reviews of delivery models in a number of areas.
- iii. Income Generation & Commercialisation proposals include brought forward items for which plans are already in place, and proposed amendments to Fees and Charges discussed in the dedicated section below.
- iv. Savings proposals from Zero Based Reviews represent budgets, which have been identified as being surplus to requirements through the line-by-line review of outturn 2018/19 and similar exercises being undertaken by Finance.

Pump Priming Savings and Flexible Use of Capital Receipts

82. The Council is currently permitted to finance the costs associated with service transformation from Capital Receipts, with both one-off implementation costs and the support for service transformation, including the BID team, being funded from this resource. This draft budget has been prepared on the basis that such implementation costs for the 2020/21 savings programme, estimated at £3,750k, will be financed from a combination of Capital Receipts and Earmarked Reserves as appropriate.

Chief Executive's Office

83. A total of £31k service transformation savings proposals have been presented in relation to the Chief Executive's Office for 2020/21 from a remodelling of Human Resources. Full year effects from the proposal are expected to increase these savings in future years to deliver £49k by 2021/22.

Finance

84. Within Finance, £228k of proposals are presented for 2020/21 through service transformation from the Exchequer and Business Assurances Services service review. A further £190k full year effect is expected from the Exchequer and Business Assurances Services service review, taking the total full year effect saving for Finance to £418k.

Residents Services

85. Savings proposals totalling £2,792k are presented for Residents Services in 2020/21, including £625k service transformation items, £1,186k from procurement efficiencies and £981k from income generation and commercialisation. Further proposals with longer implementation times are expected to secure an additional £355k savings in 2020/21, bringing the total savings proposals for Residents Services to £3,147k.
86. Service Transformation proposals include a £400k reduction in spend against waste and recycling disposal costs through increasing the percentage of waste collected for recycling.

A further £125k is expected from the BID review for Digital Strategy, increasing to £263k by 2021/22 through channel shift of calls and face-to-face contacts to an online platform. The remaining £100k balance of the £625k Transformation savings comes from a proposal to introduce a Selective Landlord Licensing Scheme to be applied to designated areas of the Borough to promote improved standards in the private rented sector.

87. The £986k procurement efficiency saving presented within this report relates to the tendering of the Leisure Management Contract and the anticipated uplift in the management fee from the preferred bidder. An additional £200k has been built into the position from the transitioning from running dual applications across Microsoft Office and Google as the Council transitions to a single product, Microsoft Office 365.
88. Income generation and commercialisation proposals totalling £981k for 2020/21 include an anticipated £901k increase in Fees & Charges from the annual benchmarking exercise which is expanded upon below, a further £80k net income from invest to save schemes proposed to increase Cemeteries income by increasing the availability of niches and plaques.

Social Care

89. Across Social Care, savings proposals totalling £2,495k have been put forward, with £1,146k of these proposals relating to Service Transformation, with a further £732k coming from Effective Procurement and the remaining £617k being delivered by Zero Based Reviews. In addition to the £2,495k of proposals in 2020/21, a further £100k of full year effect saving is included for 2021/22.
90. Within Service Transformation, 2 BID reviews are proposed for consideration including a review of Children and Family Development Services (£213k) to come from reshaping service delivery, with a full year effect of £313k achieved by 2021/22 and a review of the Occupational Therapy service delivery model (£269k) indicating efficiencies from moving to a mixed service delivery with a part outsourced, part in-house service model.
91. Two further savings are proposed within Service Transformation including a SEND review targeting early intervention and support (£161k) with a transfer of posts from the General Fund to the Dedicated Schools Grant (DSG), with efficiencies within the DSG expected to absorb the additional cost and a transfer of the Mental Health Service's team to be managed in-house (£123k) with £110k relating to the impact of withdrawing from the Section 75 Agreement and a minor £13k relating to staffing costs.
92. The final element within the Service Transformation total is a £380k saving expected to come from a BID review of the Social Care support function, which has been broken down into 4 workstreams covering:
 - i. the Early Intervention and Prevention Service;
 - ii. Brokerage;

- iii. the impact of the roll out of the new Liquid Logic system (with the main focus starting on the SEND service);
 - iv. Continuous review of Social Care structures to be considered as part of the Social Care Programme Board workload.
93. The £732k Effective Procurement saving centres around the review of the Children's semi-independent living provision and contracts, with the rationalisation of existing contracts including the decommissioning of Olympic House (£424k), more effective use of existing provision, releasing Ventura House to be fully utilised by Housing (£295k) and maximising the use of block contracts, thereby producing an efficiency against spot purchases (£13k).
94. Zero Based Review savings reflect £617k spend on client equipment that will be funded from capital grant within the broader Better Care Fund, producing a net benefit for the department's revenue position.

Cross Cutting

95. Cross cutting initiatives include the recently completed review of the Managed Vacancy Factor that has identified £490k of zero based budgeting savings where high turnover in certain areas of the Council mean that the Managed Vacancy Factor can be increased without impacting on service standards.

FEES AND CHARGES

96. The Council is empowered to seek income from Fees and Charges to service users across a wide range of activities. Some of these Fees and Charges are set by the Government or other stakeholders, but many others are set at the discretion of the Council, based on Cabinet's recommendations. The Council continues to operate a system of differential charges through the Hillingdon First card, which enables preferential rates to be offered to local residents.
97. The Council continues to benchmark Fees and Charges against those of neighbouring authorities and other service providers, with charges being set at a maximum of 90% of the relevant benchmark for residents, and at benchmark for non-residents where applicable. As the Council has frozen many charges since 2011, while other providers apply annual uplifts, periodic benchmarking at 90% can result in larger rises in a single year than seen in other authorities. This realignment of charges incorporates £901k additional income, with £492k of this sum already agreed earlier in 2019/20 and £409k of new proposals for implementation in 2020/21.
98. Proposals already agreed and contributing £492k towards the Income Generation & Commercialisation savings total include:
- i. Licensing - October Cabinet approved revisions to Shop Front Tables and Chairs fees and Temporary Street Trading Pitches, with these changes forecast to deliver £20k in 2020/20, increasing to £24k by 2022/23.
 - ii. Highways Crossovers - A new charging structure for vehicle crossover fees and charges was approved as part of July 2019 Cabinet, generating increased income of £98k. The agreed proposals included the introduction of two new charges for crossover application fees for planned works and Supervision fees for ad-hoc crossovers, with uplifts applied to two existing charges.
 - iii. Bay Suspensions: Revised rates became effective from mid-October following approval in September's Cabinet to increase fees to match the Council's three nearest neighbours of Ealing, Hounslow and Harrow is expected to deliver a £213k saving, with the majority of parking bay suspensions being for essential works, including utility and telecommunications works, or for commercial purposes including construction and large deliveries.
 - iv. Season Tickets - Revisions to the Council's season ticket offer in Grainges and Cedars car parks, particularly in consideration of promotion and marketing opportunities, setting of maximum season ticket allocations per site, and the review of fees and charge was agreed in November Cabinet, with additional income built into the fees and charges saving of £104k.

- v. Pay by Phone / New Pay & Display Machines - Following the introduction of Pay by Phone technology earlier this year, and, although difficult to estimate the potential impact, income lost through parking suspensions following theft and vandalism to machines totalled £113k in 2018/19, with £57k of this value being built into the savings proposals for 2020/21, with the remaining £56k forecast to be achieved by 2021/22.
99. New proposals presented as part of this budget report contribute £409k and include:
- i. Breakspear Crematorium & Cemeteries – Following a benchmarking review of our nearest neighbours and following Hillingdon’s approach to charging at 90% of the Borough’s nearest neighbours, charges have been increased to reflect this approach. This will increase income by £29k per annum, but the Crematorium increases will be phased over three years to limit the impact in year.
 - ii. New Years Green Lane Civic Amenities Site – A similar benchmarking approach has been taken to Trade and DIY waste charges, with a 90% benchmark approach expected to yield an additional £18k of income.
 - iii. Parking – A number of increases are being proposed to parking charges across the Borough for non residents including incremental uplifts at the Cedars and Grainges car parks, on-street and off-street parking, resident permits and visitor vouchers, all of which are projected to increase income by £219k in year 1, increasing to £376k by 2022/23. Parking charges will again remain frozen for residents.
 - iv. Temporary Traffic Regulation Orders - The Council authorises Temporary Traffic Regulation Orders (TTROs) when it is necessary to prohibit or control vehicular and/or pedestrian traffic along a highway because of planned works or public events, which are on or near a road. Increasing charges in line with the Council’s three nearest neighbouring boroughs would increase income by £107k in 2020/21.
 - v. Highway Crossovers - In addition to the uplifts approved by Cabinet in July 2019, further incremental uplifts are proposed as part of a second phase of uplifts to deliver £36k in new income for 2020/21, with application fees being in line with the 90% benchmark approach and other recharges being based on standard indexation and inflationary uplifts.

2018/19 to 2023/24 CAPITAL PROGRAMME

Proposed Changes to Capital Programme and Funding

100. This report outlines a number of proposed changes to the Council's Capital Programme over the period 2019/20 to 2024/25, which would increase total investment to £444,858k to be funded through a combination of grants, developer contributions, capital receipts and £246,044k of borrowing – with this borrowing representing 55% of capital investment. The following table provides an overview of proposed amendments to the programme, with further detail on major changes provided in the following paragraphs and an overview of the programme set out in Appendix 9.

Table 11: Proposed Capital Programme Updates

2019/20 to 2024/25 Capital Programme	Capital Expenditure £'000	Capital Financing		
		Grants & Conts £'000	Capital Receipts & CIL £'000	Prudential Borrowing £'000
Approved Capital Programme	407,062	109,390	72,601	225,071
Month 6 Variance	206	359	45	(198)
MTFF Changes				
Purchase of Uxbridge police station	5,000			5,000
Property Works Programme	4,848			4,848
Social Care Equipment	4,448	1,324		3,124
Sports Clubs Refurbishments	3,750			3,750
Cranford Park	2,597	2,382		215
Youth Provision	2,500			2,500
Civic Centre Programme	2,442			2,442
Corp Tech & Innovation	2,284			2,284
Environmental Projects	2,151	1,750		401
Shopping Parades Initiative	2,098	113		1,985
Highways Structural Works	2,000			2,000
Uxbridge Mortuary Extension	1,231	615		616
Purchase of Vehicles	649			649
Battle of Britain bunker increase	560			560
Uniter Building Refurbishment	390		390	0
CCTV Programme	342			342
Equipment Capitalisation	260			260
Woodside GP surgery	(1,939)			(1,939)
Yiewsley Development	(6,779)		(5,982)	(797)
Secondary Schools Expansions	(16,866)	(5,250)		(11,616)
Add 2024/25 Programmes of Works & Contingency	25,624	10,000	14,874	750
Refresh of Capital Receipts, CIL & S106		248	(4,045)	3,797
Revised Capital Programme	444,858	120,931	77,883	246,044
Movement from Approved Programme	37,796	11,541	5,282	20,973

- i. Uxbridge Police Station – Purchase of the Uxbridge Police Station at a cost of £5,000k.
- ii. Property Works Programme – Additional investment required of £4,848k for the upkeep of various Council properties across the borough over the next five years.
- iii. Social Care Equipment – This proposal is centred around making more effective use of the Better Care Fund (BCF) and Disabled Facilities Grant (DFG) by switching this capital resource for revenue monies currently managed by the CCG. This approach sees £4,448k additional expenditure routed through the Council’s capital programme, ensuring that the grant is fully deployed and delivering a £617k saving to the General Fund on top of banking the £570k at risk element of the 2018/19 saving for maximising CCG income.
- iv. With agreement from the CCG in place, this proposal has been made to add £4,448k to Capital budgets, and will also ensure the Council maximise its use of the DFG, reducing the net increase in the Capital Programme by £1,324k.
- v. Sports Club Refurbishment – Proposed investment of £3,750k in Sports Clubs across the Borough to promote the health and wellbeing of the Borough’s residents.
- vi. Cranford Park – The bid entails the repair and regeneration of the historic buildings and landscape at Cranford Park along with the introduction of visitor facilities at a total cost to the Capital Programme of £2,597k, attracting £2,382k of National Lottery Heritage Funding.
- vii. Youth Provision – Due to the success of this programme that was originally planned to finish in 2019/20, an additional investment of £500k per annum has been built into the Capital Programme over the next five years, adding a total of £2,500k to the budget.
- viii. Civic Centre Programme – Increased investment required for continuing upkeep of Civic Centre based on identified works over next five years adds £2,442k.
- ix. Corporate Technology & Innovation – A £2,284k additional ICT investment is required to fund a desktop and laptop refresh project, associated Windows 10 licenses and Cloud migration costs.
- x. Environmental Projects - a £1,750k programme of investment including pollution screens for the borough’s schools. Plus an additional £401k for other projects including additional columbaria chambers at Northwood Cemetery, increased burial plots at Cherry Lane and additional Garden niches and memorial mushrooms at Breakspear Crematorium.
- xi. Shopping Parade Initiatives – Future rollout of the popular shop front grant scheme to local neighbourhood parades, with new initiatives at 8 different sites, adding £2,098k to the Capital Programme. This is partly funded by £703k income (£590k TfL grant

transferred from within the current programme and £113k contribution from shopkeepers).

- xii. Highways Structural Works – It is planned to increase investment in Highways Structural Work by an additional £2,000k, taking planned investment to £10,000k for the 2020/21 financial year.
- xiii. Uxbridge Mortuary Extension – It is planned to extend the building, increasing space for training, post mortems, body reception and fridges at a cost of £1,231k, with a 50% contribution being sought from the London Borough of Ealing generating £615k towards the project as the mortuary covers both authorities' populations.
- xiv. Purchase of Vehicles – £649k is added for the latest estimates of the rolling vehicle replacement programme requirement from 2019-25.
- xv. Battle of Britain Bunker – A review of potential risks around the refurbishment of this heritage building has indicated the need for additional contingency provision to manage risks such as water ingress, £500k has been included in this draft programme to provide this contingency. In addition £60k has been provided for the purchase of equipment for the Battle of Britain museum.
- xvi. Uniter Building Refurbishment – £390k investment in a refurbish programme at the Uniter Building.
- xvii. CCTV – The existing programme has been increased by £342k to support the ongoing CCTV programme across the Borough.
- xviii. Equipment Capitalisation – Increase in equipment capitalisation budget required as forecast demand for the supply of bulk waste and recycling bins to customers of the Business Waste Service is expected to increase in 2020/21 adding £260k.
- xix. Woodside Surgery – Following feedback from Hillingdon Clinical Commissioning Group, it is being proposed that the Woodside Surgery is removed from the Capital Programme, reducing the overall spend by £1,939k, with evidence suggesting that there is sufficient level of supply in the area.
- xx. Yiewsley Development – The approved budget is based on original plans for 72 discounted market sale units (General Fund) and 12 supported housing units (HRA) at two development sites, Falling Lane and Otterfield Road. Further investigation of options for these two developments has identified scope to intensify the development to include 107 units and potentially deliver an element through a development partner, resulting in a net £797k increase in the projected surplus on the project.
- xxi. Secondary Schools Expansions – A £16,866k reduction in expenditure projections for new secondary provision based upon the latest pupil place planning forecasts, with a corresponding £5,250k reduction in Government Grant support. As with all aspects of

the Capital Programme, this item is subject to a level of volatility due to levels of demand, market forces and the risks inherent in projects managed by third parties.

101. In addition to these service-led proposals for additions to the Capital Programme, the above table also outlines changes to funding assumptions and incorporates the impact of extending commitments into the 2024/25 financial year. In considering the funding strategy for the Capital Programme and its associated revenue implications, it is necessary to include commitments in the current financial year in order to capture a comprehensive view of the Council's programme of investment. The following table sets out the latest funding strategy for this draft Capital Programme.

Table 12: Capital Programme Funding Strategy

	2019/20 £'000	2020/21 £'000	2021/22 to 2024/25 £'000	Total £'000
Capital Expenditure	85,461	88,218	271,179	444,858
Prudential Borrowing	45,203	60,603	140,238	246,044
Capital Receipts	6,581	6,413	43,389	56,383
Community Infrastructure Levy	4,000	3,500	14,000	21,500
Council Resources	55,784	70,516	197,627	323,927
Government Grants & Other Contributions	29,677	17,702	73,552	120,931
Capital Financing	85,461	88,218	271,179	444,858

102. The Council will seek to minimise reliance upon Prudential Borrowing by prioritising use of grants and other third party funding, maximising application of developer contributions and where possible utilising capital receipts. The following paragraphs outline the approach taken to managing the ongoing costs associated with the planned use of Prudential Borrowing.

Prudential Borrowing and Impact upon Revenue Budget

103. In approving a Capital Programme, the Council is required to operate within the Prudential Framework requiring that both individual schemes and the overall programme are tested for affordability, sustainability and prudence. Projects to be financed from the planned £246,044k borrowing fall into three broad financing strategies, with a fourth category of investment to be financed from future Council Tax revenues:

- i. £19,228k investment linked to the generation of specific capital receipts on completion of the project, such as the Yiewsley Development;
- ii. £50,000k investment in the Council's wholly owned property trading company, Hillingdon First Limited, with ongoing debt financing costs to be funded through dividends, interest and principal payments to the Council;
- iii. £11,359k invest-to-save projects intended to deliver revenue efficiencies sufficient to fully fund associated debt financing costs, such projects include investment in transformational ICT projects, and;
- iv. £165,457k investment in assets linked to service delivery, with significant elements of this sum including £44,000k for a theatre on the former RAF Uxbridge site, £53,537k for Highways Structural Works, £35,741k to meet demand for school places and £32,000k for a new West Drayton Leisure Centre.

104. Debt financing costs and any associated revenue savings will be reflected in the Council's revenue budgets as appropriate, with the £165,457k investment in assets linked to service delivery representing the most significant element of the £12,445k uplift in capital financing costs captured in the MTFF over the period to 2024/25. This sum will rise from a total cost of £5,700k in 2019/20 to £17,885k by 2024/25 as the full borrowing requirement feeds through into revenue. There is scope to minimise this future revenue cost through rationalisation of programme commitments, securing alternative funding or increasing capital receipts, with a £10,000k reduction in the borrowing requirement equating to £575k per annum of financing savings to revenue.

BUDGET STRATEGY 2020/21 TO 2022/23

MEDIUM TERM OUTLOOK

105. In line with the position for 2020/21, the medium term savings requirement is driven primarily by inflation, demand-led pressures managed through contingency and capital financing costs. The uplift in funding is projected over this period as a result of steady growth in the Council Tax base and the front loaded additional resources announced in Spending Review 2019. Latest projections for this period indicate a £33,957k overall savings requirement as set out below, which is to be managed through a combination of savings and Council Tax increases.

Table 13: Medium Term Outlook

	2020/21	2021/22	2022/23	2020/21 - 23
	£'000	£'000	£'000	£'000
Changes in Recurrent Funding	(7,562)	(1,144)	(2,546)	(11,252)
Changes in One-Off Funding	6,268	1,368	0	7,636
Inflation	6,222	5,861	6,198	18,281
Corporate Items	664	3,193	4,396	8,253
Contingency (Service Pressures)	4,260	3,406	3,480	11,146
Priority Growth	(107)	0	0	(107)
Underlying Savings Requirement	9,745	12,684	11,528	33,957

106. Anticipated growth in recurrent funding of £11,252k over the period to 2022/23 reflects £4,599k additional Council Tax coming from a 3.1% growth in residential properties. In addition, the medium term outlook includes an expected £3,486k additional income from locally retained business rates driven by £2,748k from assumed inflationary uplifts and £738k from growth in the Rating List. Other movements within recurrent funding include an anticipated £3,162k increase in grants in line with indications with Spending Review 2019.

107. As a result of the above growth assumptions, the Council is expecting to be in receipt of £47,324k grant funding alongside £50,058k of baseline business rates giving a total of £97,382k of Government-directed funding. This includes £56,057k allocated through the Settlement Funding Assessment, £20,309k of dedicated social care funding through mechanisms such as the Better Care Fund, £17,651k of Public Health monies and £3,365k of other smaller grants. As with all areas of the MTF, there remain a number of potential risks around these funding streams:

- i. In line with the direction of travel outlined in Spending Review 2019, projections assume inflationary uplifts will be awarded across the majority of funding streams. These uplifts represent £2,938k of 2022/23 projections.
- ii. The upcoming Fair Funding Review will refresh relative shares of all major funding streams, including social care monies, and although indications are that this exercise will result in a general transfer of resources from urban to rural authorities this effect is

likely to be less severe for Hillingdon given its position on the edge of the capital. It is expected that this exercise will see a net uplift in Hillingdon's core funding to reflect the relative growth in population – although this will likely be required to offset the impact of resetting the Business Rates Retention system.

- iii. The reset of the Business Rates Retention system will put the Council's £9,287k per annum growth by 2022/23 at risk as these monies are clawed back from authorities increasing their tax base since 2013/14 and recycled into formula funding. As noted above, it is anticipated that this loss will be mitigated through population gains in the main funding formula.

- 108. The decline in one-off funding reflects the anticipated decision of Government to terminate the London Business Rates Pilot Pool on 31 March 2020, reducing one-off funding by £6,600k in 2020/21. This impact has been partially mitigated by £825k from the proposal to form a Non-Pilot Pool across London. Alongside this, other movements in one-off funding include the 2019/20 Collection Fund surplus (£543k).
- 109. Inflationary growth of £18,281k is anticipated over the period to 2022/23, with workforce costs, social care placements and other contracted expenditure representing the key components. Pay awards of 2.0% per annum from 2020/21 have been built into the position over the 3 year period alongside a 0.5% uplift in pension contributions in the final year of the MTFF contributing £8,736k to the savings requirement. With expected London Living Wage growth of 4.0% per annum over the medium term being the key driver behind an expected £8,558k uplift in the cost of care placements. The remainder of this pressure reflects 2% per annum uplift on contracted services, alongside continuation of current trends in energy costs.
- 110. As noted earlier in this report, the uplift in financing costs necessary to support historic and current capital investment plans represents the single largest element of the £8,253k provided for corporate items over the period to 2022/23. Total forecast borrowing of £246,044k includes £165,457k in support of schemes without specific funding strategies in place. This equates to financing costs of £11,499k per annum by 2022/23, rising to £17,625k beyond the current MTFF period.
- 111. Increased demand for services linked to a growing population is expected to require £11,146k additional expenditure by 2022/23, including £4,034k of funding for Adult Social Care, £3,003k uplift in the cost of SEN Transport, £2,030k of growth in support for children in care, and £2,650k additional waste disposal costs, and being offset by reductions in other contingency provisions.
- 112. The combined effect of these forecasts would be a budget gap of £33,957k, with proposals for Council Tax increases over the medium term and savings already identified during the 2020/21 budget cycle reducing the remaining savings requirement for the financial years 201/22 and 2022/23 to £19,957k as outlined below.

2019/20 to 2022/23 BUDGET STRATEGY

113. Budget proposals for 2020/21 and capital investment plans have been developed in the context of the medium term outlook for the Council's finances, with the combined impact of inflationary pressures, growing demand for services and increasing capital financing costs generating a £33,957k saving requirement over the period to 2022/23. In addition to this new savings requirement, the £7,776k use of reserves to support the 2019/20 base budget will be unwound to increase the headline gap of £41,733k.
114. The Council's draft budget strategy aims to meet this requirement over the medium term through delivery of efficiency savings under the banner of the Business Improvement Delivery (BID) Programme and Council Tax increases below the London average. General Balances will be applied to align the profile of growth and savings to deliver balanced budgets, while maintaining unallocated reserves between £15,000k and £32,000k.
115. The following table sets out this draft budget strategy, with £7,676k already identified savings and an assumed £14,100k additional income from Council Tax uplifts leaving a residual savings target of £19,957k to be bridged in 2021/22 and 2022/23. In addition, £9,386k General Balances will be released to smooth this savings requirement, leaving £23,792k uncommitted General Balances – in line with the £23,664k projection arising from the February 2019 budget strategy.

Table 14: Draft Budget Strategy 2019/20 to 2022/23

	2019/20	2020/21	2021/22	2022/23	2020/21 – 23
	£'000	£'000	£'000	£'000	£'000
Underlying Savings Requirement	16,119	9,745	12,684	11,528	33,957
Unwind Prior Use of Balances	950	7,776	6,386	3,000	7,776
Total Savings Requirement	17,069	17,521	19,070	14,528	41,733
Current Savings Proposals	(6,609)	(6,713)	(760)	(203)	(7,676)
Proposed 3.8% Council Tax Increase	(2,684)	(4,422)	(4,695)	(4,983)	(14,100)
In-year Call on General Balances	(7,776)	(6,386)	(3,000)	0	N/A
Savings to be identified	0	0	10,615	9,342	19,957
Closing General Balances	(33,178)	(26,792)	(23,792)	(23,792)	N/A

116. The following paragraphs provide commentary on the assumptions included in this budget strategy around Council Tax, use of balances and savings.

COUNCIL TAX POLICY AND THE SOCIAL CARE PRECEPT

117. This draft budget includes a 3.8% increase in the headline rate of Council Tax over the MTF period, securing £14,100k additional funding to support local services. In line with the recommended approach for 2020/21, this uplift is based on 90% of the 2% referendum threshold (1.8%), plus making full use of the 2% Social Care Precept.

118. As previously noted, it is becoming increasingly apparent that the Social Care precept is part of the Government's approach to financing growing demand for Social Care. Given the limited scope for any Government to repeat the substantial uplift in grant funding announced for 2020/21, it is likely that the precept could be the only uplift for care funding available over the following two years – although the forthcoming consultation and white paper are expected to clarify this.

BALANCES AND RESERVES STRATEGY

119. The Balances and Reserves Policy approved by Cabinet and Council in February 2019 outlined a recommended range of £15,000k to £32,000k for uncommitted General Balances, with the proposed budget strategy meeting this requirement. At this time, no amendment to this headline reserves requirement is proposed although the broad range of risks facing the authority will continue to be monitored.

120. Given that General Balances are projected to total £33,178k at 31 March 2020 this provides up to £18,178k of capacity to defer savings into later years where this is necessary. The draft budget strategy above proposes releasing a further £9,386k of this sum to enable the majority of the savings requirement to be reprofiled into 2021/22 and 2022/23, leaving £23,792k General Balances available to manage emerging risks.

121. At present it is not proposed to draw down further sums from General Balances until the risk around accounting treatment for DSG deficits is clarified and ideally mitigated. While the Department for Education and CIPFA are indicating that the intention is to not finance deficits from general resources, officers are awaiting detailed guidance on how this will be delivered in practice and how this will address the DSG deficit going forward.

SAVINGS REQUIREMENT AND BUSINESS IMPROVEMENT DELIVERY (BID) PROGRAMME

122. On the basis of the current medium term outlook and assuming that the approaches to Council Tax increases and use of General Balances outlined above are approved, this would leave a savings requirement of £27,633k over the period to 2022/23. The full year effect of proposals outlined in the 2020/21 section of this report would secure £7,676k of this sum, leaving £19,957k to be identified.
123. Successfully identifying this level of savings over the next two years will necessitate a significant increase in the savings programme, with savings for 2019/20 and 2020/21 only totalling £13,322k. Given that the step change in central government is now already factored into the MTFF, the likelihood of needing to make this level of savings is now much higher. However, total savings delivered since 2010 are in the order of £140m, which suggests that further savings of £19,957k from a Council of this size should be deliverable.

Table 15: Savings Programme (2017/18 to 2020/21)

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Service Transformation	7,222	3,936	2,816	2,030	16,004
Effective Procurement	2,171	1,385	0	1,918	5,474
Zero Based Reviews	4,691	2,536	1,470	1,107	9,804
Preventing Demand	407	2,695	1,281	677	5,060
Commercialisation & Maximising Income	1,017	103	1,874	981	3,975
Policy Decisions	0	0	0	0	0
Gross Savings Programme	15,508	10,655	7,441	6,713	40,317
Rebasing Legacy Items	0	0	(832)	0	(832)
Net Savings Programme	15,508	10,655	6,609	6,713	39,485

HOUSING REVENUE ACCOUNT

124. The budget proposals for 2020/21 are based on the ninth full year of self-financing for the Housing Revenue Account. Under self-financing, the regulations maintain a ring-fence around the Council's provision of housing, the cost of which is fully supported by rental income.
125. This budget includes rent increases of CPI+1% per annum from 2020/21 to 2024/25 to reflect Government policy, whilst providing for substantial investment in new General Needs and Supported Living units. There is also no change to the HRA rent policy.

Update on 2019/20 Budget

126. Development of the 2020/21 Housing Revenue Account budget builds upon the 2019/20 budget and therefore the current monitoring position provides a useful context, highlighting areas of uncertainty which will impact upon the future of the HRA. As at Month 7, a drawdown from HRA General Balances of £1,214k is projected in the HRA, a favourable variance of £31k compared to the budget, giving forecast HRA General Balances of £17,046k at 31st March 2020, with the use of reserves funding investment in new housing stock.
127. The headline monitoring position at Month 7 incorporates underspends of £610k mainly in relation to planned works offsetting a £579k adverse variance predominantly from rental income. The latter reflecting slippage on income streams from new stock.

Budget Requirement 2020/21

128. The movement from the 2019/20 baseline to the 2020/21 budget requirement is summarised below, with rental income projections and budget requirement levels updated and refreshed. The budget includes a contribution to support in-year capital investment of £18,733k. This secures increased investment in new housing stock, with the underlying financial position of the HRA remains robust.

Table 16: HRA Budget Requirement

	£'000	£'000
Funding Sources		
Rental Income	57,872	
Total Resources		57,872
Budget Requirement 2019/20	38,611	
Inflation	482	
Corporate Items	430	
Savings	(384)	
Budget Requirement 2020/21		39,139
Contribution to Finance Capital Programme		18,733
Contribution to Earmarked Reserves		2,041
Surplus / (Deficit)		(2,041)

129. Appendix 10a to this report shows the 2019/20 approved budget and the 2020/21 draft budget. The rental income shows an increase of £1,686k from £56,186k in 2019/20 to £57,872k in 2020/21 due to a modest increase in stock and annual rent. The rental increase funds inflation on operational budgets of £482k and corporate items of £430k in 2020/21. The remaining balance from the increase in rental income is £774k and alongside 2020/21 savings of £384k helps to finance the capital programme, whilst holding £2,041k in an Earmarked Reserve and maintaining the HRA General Balances at £15,000k.
130. Appendix 10a to this report continues this presentation over the MTF period 2020/21 - 2024/25, with unallocated HRA General Balances maintained at a minimum level of £15,000k – with an additional £2,041k balances held as an Earmarked Reserve to manage risks in the Works to Stock programme. Rental income assumptions for 2024/25 are expected to achieve £64,862k, meeting repayment of debt under self-financing of £15,407k, contribution to fund capital expenditure on existing and new stock of £18,733k and repairs & management costs of £30,722k.

Rental Income

131. Rental income projections have been fully refreshed to take account of revised estimates for the movement in the numbers of properties due to new builds, properties being sold under the RTB scheme. This budget has been prepared on the assumption that the RTB sales are 50 per annum from 2020/21 to 2023/24 and 40 for 2024/25.
132. Rental increases revert to CPI + 1% in 2020/21 in line with the MHCLG confirmation in October 2018 of a 5 year rent settlement whereby the social housing rent increase will be limited to CPI + 1% per annum between 2020/21 to 2024/25. At this stage it is assumed that the 1% provision for income losses arising from void properties will remain at this level, resulting in net dwelling rents of £57,872k in 2020/21.

Balances and Reserves

133. HRA General Balances are projected to reach £17,041k by 31st March 2020, representing 29% of total resources for 2020/21. It is proposed to keep the minimum level of HRA balances set at £15,000k with sums over and above this amount earmarked to provide a contingency for managing the Works to Stock programme. The minimum level of balances is approximately 26% of total resources. The Major Repairs Reserve (MRR) will be utilised to support capital investment and it is not planned to retain any uncommitted MRR balances over the medium term.

Inflation

134. A net inflation provision of £482k is included in the 2020/21 budget. This relates to inflation of £373k on salary and operating costs of which £150k is for agency worker regulations, £299k on repairs and planned maintenance and £190k inflation on charges to tenants and leaseholders. The impact of inflationary increases on charges to tenants and leaseholders has been incorporated into Appendix 10d of this report.

Corporate Items

135. Movements contained within Corporate Items total £430k in 2020/21 as shown in Appendix 10a. This consists of realignment of budgets relating to building safety £131k, caretaking provision of £129k, tenancy services provision of £91k, HRA waste recycling costs of £44k and extra care sites cleaning contracts of £35k.

Development & Risk Contingency

136. The HRA budget includes contingency budgets totalling £1,260k to meet emerging risks and pressures during 2020/21. This budget remains unchanged and is for future development provision of £180k; General Contingency of £680k which includes £500k for housing regeneration costs; and bad debts provision of £400k.

Savings

137. The 2020/21 proposed savings totalling £384k are shown in Appendix 10c and relate to housing service efficiency reviews £196k; zero based reviews £140k and the full year effect of prior year BID review savings £48k.

Medium Term Outlook

138. On the basis of current assumptions and projections, the financial standing of the HRA is expected to remain robust over the MTFE period and over the longer 30 year business plan period. This modelling assumes that the current legislative, policy, economic and housing market conditions do not materially change over the medium term.

139. Rental income is projected to remain reasonably steady over the period to 2024/25, reaching £64,862k as a result of CPI + 1% per annum increases in headline rents for sitting tenants.

This projection assumes that void rates will remain at 1%, with property numbers increasing by 255 as 240 properties are sold and 495 developed or acquired over the MTFF period.

Table 17: Projected Movement in Housing Stock

	2020/21	2021/22	2022/23	2023/24	2024/25	Change
Projected Opening Stock	10,103	10,146	10,226	10,326	10,330	N/A
Forecast Right-to-Buy Sales	(50)	(50)	(50)	(50)	(40)	(240)
New General Needs Units	79	69	97	54	68	367
New Supported Housing Units	0	12	0	0	0	12
Shared Ownership	14	49	53	0	0	116
Projected Closing Stock	10,146	10,226	10,326	10,330	10,358	255
Projected Average Stock	10,125	10,186	10,276	10,328	10,344	N/A

140. Projected property sales relate to the continuation of existing RTB discounts, with numbers of sales expected to be 50 per annum from 2020/21 to 2023/24 and then reducing to 40 in 2024/25, although volumes of sales will be dependent upon market conditions.
141. By 2024/25 inflationary growth in workforce repairs and other costs, alongside other movements in the cost of delivering revenue services within the HRA will result in a £40,943k budget requirement. Taking account of the on-going capital investment in maintaining existing stock estimated at £12,943k, this would leave a balance of £10,976k from annual rental income available to finance investment in new stock while maintaining the HRA General Balances at current levels to meet any emerging pressures.
142. The draft capital programme set out below outlines £137,739k of investment to deliver the 495 assumed new build properties or acquisitions over the MTFF. Under the current 1:1 replacement scheme, the Council is able to finance up to 30% of this investment from the proceeds of Right to Buy sales, currently within a three year period after the sale, although at this stage local authorities are still awaiting the outcome of the Government's consultation on the use of RTB receipts and the timescales to consume the receipts. Capital Receipts including from Right-to-Buy sales provide £49,236k towards this investment, with £46,228k financed from direct revenue contributions, £2,039k from GLA grant and the remaining £42,277k to be met from Prudential Borrowing.
143. The HRA was subject to a cap on the overall level of borrowing. As part of the Government's Budget on 29th October 2018, the HRA borrowing cap was abolished with immediate effect. However as before, the primary constraint on borrowing to support further investment in new stock remains the affordability and sustainability tests within the Prudential Code, whereby it is necessary to demonstrate that future rental income and growth in asset values will be sufficient to repay borrowing related to specific new projects.
144. Borrowing of £42,277k is forecasted to be required to fund the 2020/21 -2024/25 HRA capital programme, as shown in the table below. The borrowing would be undertaken with reference to the Prudential Framework, with proposed schemes being tested for affordability,

sustainability and prudence over the 30 year business plan period. The forecast cost of the £42,277k borrowing is anticipated to be contained within existing budgets.

Table 18: Projected Borrowing

	2020/21	2021/22	2022/23	2023/24	2024/25	Total 2020/21- 2024/25
	£'000	£'000	£'000	£'000	£'000	£'000
Projected Borrowing	21,860	6,093	4,950	6,525	2,849	42,277

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

Background to Capital Programme

145. The HRA Capital Programme remains focused on the twin objectives of maintaining existing stock and construction of new dwellings. An overview of the revised programme is contained in Appendix 10e.

2020/21 - 2024/25 CAPITAL PROGRAMME

146. The HRA Capital programme budget includes £63,457k for the other HRA programmes of work including provision for investment in existing housing stock of £53,699k and £9,758k of funding for major adaptations to properties. This level of provision reflects the latest programme of works proposals including inflation aligned to BCIS indices.

147. The capital programme contains provision of £137,739k to fund delivery of 495 new homes within the HRA over the period to 2024/25 and a further breakdown by project is shown in Appendix 10f. These new build units will be financed from a combination of Capital Receipts from Right-to-Buy property sales retained under the 1:1 Replacement Agreement and non Right-to Buy receipts, direct revenue contributions from the HRA, GLA grant and borrowing. This new build programme consists of the following elements:

- i. For general needs housing (HRA), a provision of £118,291k is included to support the construction or purchase of 367 new properties within the HRA, funded through 30% Right-to-Buy proceeds £35,487k, and 70% from revenue contributions £40,527k and borrowing £42,277k.
- ii. This programme provides broad provision for both schemes that are internally developed and acquisitions of new build houses from private developers and buy-backs of ex Council stock previously sold through Right-to-Buy. A number of these acquisitions and developments are yet to be identified but there are a number of schemes that are being actively progressed. Some of the key projects include: 19 units at Acol Crescent, 33 units at the mixed tenure site at Belmore Allotments which also includes a further 53 shared ownership units, 27 new units across Maple & Popular and the Willow tree site plus 15 units across a range of 4 smaller sites.

- iii. A budget of £15,673k has been built into the programme for New Build Shared Ownership, funded from capital receipts of £12,616k, revenue contribution of £1,018k and GLA grant of £2,039k, to deliver 116 units; which includes 27 new units at the Woodside Day Centre site, the 53 units at Belmore noted above, a further 17 units at Maple & Popular, 14 units at Acol Crescent and 5 units at Moorfield Road.
 - iv. A budget of £3,775k includes funding the 12 units that are planned for the Yiewsley site and final year costs for the Parkview site. These will be funded from Capital receipts of £1,133k and revenue contributions of £2,642k.
148. The feasibility of a major Estate Regeneration Programme is currently being worked up and if viable will be added to the HRA Capital Programme for February Cabinet.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon Hillingdon residents, service users and communities?

149. The Medium Term Financial Forecast sets out the resources available for delivering the Council's objectives. The effects on residents, service users and communities are therefore extremely wide ranging and managed through the performance targets and outcomes that will be delivered through the resources approved through the budget setting process. The budget proposals for 2019/20 have been developed to maintain service provision through a 3.8% increase in Council Tax, whilst levying the social care precept for the first time and continuing the value of the Council Tax discount for over 65s, protecting this vulnerable group for the fourteenth successive year.
150. This draft budget has been developed with due regard to growing demand and the impacts ongoing reductions in Government support for local services since the Government's austerity measures began in 2010, while minimising the impact on the level of service provision to residents. Overall, the package of proposals is designed to secure the most effective combination of service outcomes across the whole of the Council's business by improving Value for Money in delivery and maximising funding, procurement, efficiency and service gains where possible.

Consultation carried out or required

151. Following consideration at Cabinet, this report will form the basis of consultation with Policy Overview Committees during January 2020. Comments from the Policy Overview Committees will be reported back to Cabinet by the Corporate Services, Commerce & Communities Policy Overview Committee when Cabinet meets on 13 February 2020. Cabinet will then agree a set of budget proposals for recommendation to the annual Council Tax setting meeting of full Council on 20 February 2020.
152. The Council also has a statutory responsibility to consult on its budget proposals with business ratepayers in the Borough, which will be undertaken alongside a wider public consultation of these proposals during the remainder of December 2019 and January 2020. Schools Forum will also be consulted on those proposals that have a potential impact on schools budgets. Where appropriate, individual service Groups will also be undertaking consultation with service users, staff and other stakeholders over this period on the key elements of their service proposals prior to full implementation in the new financial year.

CORPORATE CONSIDERATIONS

Corporate Finance

153. This is a Corporate Finance report and corporate financial implications are noted throughout.

Legal

154. The Cabinet is responsible for the preparation of the Council's Budget. Therefore, the Budget and Policy Framework Procedure Rules, as set out in the Constitution, require it to make proposals on its budgets in accordance with the timetable which it has publicised.

155. The Cabinet is free to amend the proposals in this report as it wishes. It must nevertheless have regard to the need for the budget to be soundly based, adequate to fund the expected level of service provision next year, and to provide for unexpected events through contingencies and balances.

156. Following this meeting, the Cabinet's proposals will be published and will form the basis of consultation with Policy Overview Committees and other consultees such as business ratepayers in the Borough and the Schools Forum who will have a period of six weeks to put forward their views.

157. The Cabinet will ultimately consider any responses from the Policy Overview Committees and other consultees and take them into account in drawing up firm proposals for submission to full Council at its meeting on 20 February 2020. Its report will reflect the comments made by consultees and its response to them.

158. With regard to the proposed amendments to the Council Tax Reduction Scheme, the Borough Solicitor confirms that the Council's consultation has complied with Schedule 1A to the Local Government Finance Act 1992 and that the proposed amendments also comply with the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2013. In considering whether to agree the amendments, the Council must have regard to the Equalities Impact Assessment and the summary of consultation responses as set out in the report as well as the overall impact of the changes to Borough residents.

Comments from other relevant service areas

159. The draft budget proposals included in this report result from a substantial corporate process involving all service Groups. In particular, individual Corporate Directors and CMT collectively have endorsed the proposals in this report. The implications for all services of the individual budget proposals are set out in detail in the attached appendices.

APPENDICES

Appendices 1 - 7 - 2020/21 to 2023/24 General Fund MTFF (Corporate Summary) 2019/20, including schedules of Development & Risk Contingency, Priority Growth and Savings;

Appendix 8 - Proposed Amendments to General Fund Fees & Charges Schedule;

Appendix 9 - 2018/19 to 2023/24 General Fund Capital Programme;

Appendix 10 - 2019/20 to 2023/24 Housing Revenue Account MTFF, Amendments to Fees & Charges Schedule and Capital Programme;

Appendix 11 – Council Tax Reduction Scheme proposal;

Appendix 11a – Council Tax Reduction Scheme proposal Equalities Impact Assessment

BACKGROUND PAPERS

Report to Cabinet (14 February 2019) and Council (21 February 2019) - The Council's Budget: Medium Term Financial Forecast 2019/20 - 2022/23

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The Council's Budget (2020/21 - 2024/25) - Medium Term Financial Forecast

General Fund Budget Corporate Summary	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Three Year Outlook £'000	Five Year Outlook £'000
Resources								
Increase in Council Tax (%)	2.40%	1.80%	1.80%	1.80%	1.80%	1.80%		
Increase in Social Care Precept (%)	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%		
Band D Council Tax (£)	£1,139.64	£1,182.95	£1,227.90	£1,274.56	£1,322.99	£1,373.26	£134.92	£233.62
Increase in Council Tax Base (Band D)	1,400	1,637	1,199	1,200	1,200	1,200		
Council Tax Base (Band D)	100,470	102,107	103,306	104,506	105,706	106,906	4,036	6,436
<i>Change from Tax Base (£'000)</i>		1,865	3,232	4,599	5,967	7,334	4,599	7,334
<i>Change from Tax Increase (£'000)</i>	0	4,422	9,117	14,100	19,381	24,976	14,100	24,976
Council Tax Revenues	114,500	120,787	126,849	133,199	139,848	146,810	18,699	32,310
Baseline Business Rates Income	47,310	48,114	49,076	50,058	51,059	52,080	2,748	4,770
Retained Business Rates Growth	8,549	8,889	9,105	9,287	9,473	9,662	738	1,113
Business Rates Income	55,859	57,003	58,181	59,345	60,532	61,742	3,486	5,883
Revenue Support Grant	5,809	5,765	5,881	5,999	6,119	6,500	190	691
Other Central Government Funding	38,348	42,945	41,428	41,325	41,223	41,023	2,977	2,675
Corporate Grant Income	44,157	48,710	47,309	47,324	47,342	47,523	3,167	3,366
Total Recurrent Funding	214,516	226,500	232,339	239,868	247,722	256,075	25,352	41,559
Movement in Recurrent Funding	3,146	11,984	5,839	7,529	7,854	8,353		
Collection Fund Surplus / (Deficit)	1,036	543	0	0	0	0	(1,036)	(1,036)
Additional Yield from London Pool	6,600	825	0	0	0	0	(6,600)	(6,600)
Planned Use of General Balances	7,776	6,386	3,000	0	0	0	(7,776)	(7,776)
Total One-Off Funding	15,412	7,754	3,000	0	0	0	(15,412)	(15,412)
Total Resources	229,928	234,254	235,339	239,868	247,722	256,075	9,940	26,147
Movement in Resources	9,597	4,326	1,085	4,529	7,854	8,353		

The Council's Budget (2020/21 - 2024/25) - Medium Term Financial Forecast

General Fund Budget Corporate Summary	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Three Year Outlook £'000	Five Year Outlook £'000
General Balances								
<i>Minimum Level of General Balances</i>	15,000	15,000	15,000	15,000	15,000	15,000	0	0
<i>Flexible General Balances</i>	18,178	11,792	8,792	8,792	8,792	8,792	(9,386)	(9,386)
Total Closing General Balances	33,178	26,792	23,792	23,792	23,792	23,792	(9,386)	(9,386)
Budget Requirement								
Roll Forward Budget	220,336	229,928	234,254	245,954	259,825	272,907		
Inflation	7,352	6,222	5,861	6,198	6,351	6,504	18,281	31,136
Corporate Items	1,200	664	3,193	4,396	3,325	2,951	8,253	14,529
Contingency (Service Pressures)	6,207	4,260	3,406	3,480	3,556	3,592	11,146	18,294
Contingency (Management Action)	(1,281)	(677)	(150)	(150)	(150)	(150)	(977)	(1,277)
Priority Growth	1,442	(107)	0	0	0	0	(107)	(107)
Savings Proposals	(5,328)	(6,036)	(610)	(53)	0	0	(6,699)	(6,699)
Total Budget Requirement	229,928	234,254	245,954	259,825	272,907	285,804	29,897	55,876
Savings Requirement								
Underlying Savings Requirement	(16,119)	(9,745)	(12,684)	(11,528)	(10,659)	(10,289)	(33,957)	(54,905)
Unwind Prior Use of Balances	(950)	(7,776)	(6,386)	(3,000)	0	0	(7,776)	(7,776)
Total Savings Requirement	(17,069)	(17,521)	(19,070)	(14,528)	(10,659)	(10,289)	(41,733)	(62,681)
Savings & Management Action	6,609	6,713	760	203	150	150	7,676	7,976
Council Tax Increase	2,684	4,422	4,695	4,983	5,281	5,595	14,100	24,976
Planned Use of Balances	7,776	6,386	3,000	0	0	0	0	0
Remaining Budget (Gap) / Surplus	0	0	(10,615)	(9,342)	(5,228)	(4,544)	(19,957)	(29,729)

The Council's Budget (2020/21 - 2024/25) - Medium Term Financial Forecast

General Fund Budget Funding Projections	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Three Year Outlook £'000	Five Year Outlook £'000
Council Tax Base (Band D)								
Residential Properties	122,061	123,275	124,287	125,299	126,311	127,323	3,238	5,262
MOD Properties	683	683	683	683	683	683	0	0
Discounts & Exemptions	(11,556)	(11,317)	(11,317)	(11,317)	(11,317)	(11,317)	239	239
Empty Property Premium	85	85	85	85	85	85	0	0
Gross Council Tax Base	111,273	112,726	113,738	114,750	115,762	116,774	3,477	5,501
Council Tax Reduction Scheme	(9,788)	(9,588)	(9,388)	(9,188)	(8,988)	(8,788)	600	1,000
Collection Rate (%)	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%	0.00%	0.00%
Allowance for Losses in Collection	(1,015)	(1,031)	(1,044)	(1,056)	(1,068)	(1,080)	(41)	(65)
Net Council Tax Base	100,470	102,107	103,306	104,506	105,706	106,906	4,036	6,436
Increase in Council Tax Base	1,400	1,637	1,199	1,200	1,200	1,200	4,036	6,436
Business Rates Revenues								
Inflationary Uplift (%)	2.30%	1.70%	2.00%	2.00%	2.00%	2.00%	-0.30%	-0.30%
Implied Multiplier (0.xxx)	0.491	0.499	0.509	0.519	0.529	0.540	0.028	0.049
Annual Growth in Rating List	3,367	2,600	500	0	0	0	(3,367)	(3,367)
Cash Value of Annual Growth	1,653	1,297	255	0	0	0	(1,653)	(1,653)
Non-Domestic Rating Income	370,274	377,866	385,678	393,392	401,260	409,285	23,118	39,011
Notional Section 31 Grant Income	17,620	17,920	18,278	18,644	19,017	19,397	1,024	1,777
Forecast Business Rates Yield	387,894	395,786	403,956	412,036	420,277	428,682	24,142	40,788
Local Share of Business Rates Yield	30%	30%	30%	30%	30%	30%	0	0
	116,368	118,736	121,187	123,611	126,083	128,605	7,243	12,237
Less: Baseline Business Rates Income	(47,310)	(48,114)	(49,076)	(50,058)	(51,059)	(52,080)	(2,748)	(4,770)
Less: Business Rates Tariff	(51,960)	(52,843)	(53,900)	(54,978)	(56,078)	(57,200)	(3,018)	(5,240)
Growth on Local Share	17,098	17,779	18,211	18,575	18,946	19,325	1,477	2,227
Levy on Growth	50%	50%	50%	50%	50%	50%	0	0
	(8,549)	(8,890)	(9,106)	(9,288)	(9,473)	(9,663)	(739)	(1,114)
Retained Growth	8,549	8,889	9,105	9,287	9,473	9,662	738	1,113

The Council's Budget (2020/21 - 2024/25) - Medium Term Financial Forecast

General Fund Budget Funding Projections	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Three Year Outlook £'000	Five Year Outlook £'000
Settlement Funding Assessment								
Baseline Business Rates Income	47,310	48,114	49,076	50,058	51,059	52,080	2,748	4,770
Revenue Support Grant	5,809	5,765	5,881	5,999	6,119	6,500	190	691
Settlement Funding Assessment	53,119	53,879	54,957	56,057	57,178	58,580	2,938	5,461
Other Central Government Funding								
Public Health Grant	17,071	17,651	17,651	17,651	17,651	17,651	580	580
Better Care Fund	6,298	6,973	7,068	7,165	7,263	7,263	867	965
Improved Better Care Fund	6,207	7,248	7,248	7,248	7,248	7,248	1,041	1,041
Additional Social Care Funding	2,820	5,896	5,896	5,896	5,896	5,896	3,076	3,076
New Homes Bonus	3,665	3,612	2,200	2,200	2,200	2,200	(1,465)	(1,465)
Housing Benefit Administration Subsidy	1,114	1,100	900	700	500	300	(414)	(814)
Release of Levy Account Surplus	713	0	0	0	0	0	(713)	(713)
Council Tax Administration Grant	290	290	290	290	290	290	0	0
Local Voices & Community Reform	142	142	142	142	142	142	0	0
Lead Local Authority Flood Grant	17	17	17	17	17	17	0	0
Extended Rights to Free Travel	11	16	16	16	16	16	5	5
Other Central Government Funding	38,348	42,945	41,428	41,325	41,223	41,023	2,977	2,675

General Fund Budget Inflation Provision	Base Budget	Annual Movement in Budget Requirement					Three Year Outlook	Five Year Outlook
		2020/21	2021/22	2022/23	2023/24	2024/25		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Inflation Rates</u>								
Workforce Expenditure (including Pension Contributions)	N/A	2.0%	2.0%	2.5%	2.5%	2.5%	6.5%	11.5%
Added Years Pension Costs	N/A	1.7%	2.0%	2.0%	2.0%	2.0%	5.7%	9.7%
Energy	N/A	7.9%	5.0%	5.0%	5.0%	5.0%	17.9%	27.9%
Vehicle Fuel	N/A	2.3%	5.0%	5.0%	5.0%	5.0%	12.3%	22.3%
Contracted Expenditure	N/A	2.0%	2.0%	2.0%	2.0%	2.0%	6.0%	10.0%
Homecare Provision (Adult Social Care)	N/A	3.0%	3.0%	3.0%	3.0%	3.0%	9.0%	15.0%
Care Placements (Adult Social Care)	N/A	2.4%	2.4%	2.4%	2.4%	2.4%	7.2%	12.0%
Care Placements (Children's Services)	N/A	2.0%	2.0%	2.0%	2.0%	2.0%	6.0%	10.0%
Business Rates	N/A	2.0%	2.0%	2.0%	2.0%	2.0%	6.0%	10.0%
Levies	N/A	2.0%	2.0%	2.0%	2.0%	2.0%	6.0%	10.0%

General Fund Budget Inflation Provision	Base Budget £'000	Annual Movement in Budget Requirement					Three Year Outlook £'000	Five Year Outlook £'000
		2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000		
Inflation Projections								
Workforce Expenditure (including Pension Contributions)	120,646	3,211	2,449	3,076	3,154	3,232	8,736	15,122
Added Years Pension Costs	1,892	32	39	39	40	41	110	191
Energy	2,306	185	126	131	139	145	442	726
Vehicle Fuel	1,100	25	56	59	62	65	140	267
Contracted Expenditure	42,591	851	1,223	905	928	952	2,979	4,859
Homecare Provision (Adult Social Care)	11,765	369	380	391	403	414	1,140	1,957
Care Placements (Adult Social Care)	50,848	1,444	1,480	1,515	1,552	1,589	4,439	7,580
Care Placements (Children's Services)	21,429	513	525	538	550	564	1,576	2,690
Business Rates	3,143	63	64	66	67	68	193	328
Levies	10,093	185	188	192	196	200	565	961
Gross Inflation Requirement	265,813	6,878	6,530	6,912	7,091	7,270	20,320	34,681
Less: Externally Funded Items	N/A	(656)	(668)	(713)	(739)	(765)	(2,037)	(3,541)
Less: Adjustments to Inflation Provision	N/A	0	(1)	(1)	(1)	(1)	(2)	(4)
Total Inflation Provision	265,813	6,222	5,861	6,198	6,351	6,504	18,281	31,136

General Fund Budget Corporate Items	Annual Movement in Budget Requirement					Three Year Outlook	Five Year Outlook
	2020/21	2021/22	2022/23	2023/24	2024/25		
	£'000	£'000	£'000	£'000	£'000		
<u>New Burdens & Transfers of Responsibility</u>							
Additional Investment in Public Health	462	0	0	0	0	462	462
Troubled Families Programme	0	658	0	0	0	658	658
<u>Adjustments to Financing & Corporate Budgets</u>							
Capital Financing Costs	812	2,460	3,047	3,250	2,876	6,319	12,445
Housing Benefit Subsidy (Recovery of Overpayments)	100	100	100	100	100	300	500
Flexible Use of Capital Receipts to finance Service Transformation	0	0	1,274	0	0	1,274	1,274
Movement in Added Years Pension Costs	(25)	(25)	(25)	(25)	(25)	(75)	(125)
Planned Use of Earmarked Reserves	(285)	0	0	0	0	(285)	(285)
Hillingdon First Limited Dividend	(400)	0	0	0	0	(400)	(400)
Total Corporate Items	664	3,193	4,396	3,325	2,951	8,253	14,529

General Fund Budget Development & Risk Contingency	2019/20	Annual Movement in Budget Requirement					Three Year	Five Year
	Provision	2020/21	2021/22	2022/23	2023/24	2024/25	Outlook	Outlook
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Service Pressures								
Waste Disposal Levy & Contracts	1,557	850	900	900	900	900	2,650	4,450
Support for Looked After Children	2,870	341	656	682	709	709	1,679	3,097
Support for Children with Disabilities	650	112	117	122	127	132	351	610
SEN Transport	738	2,135	645	673	703	734	3,453	4,890
Adult Social Care Placements	1,999	1,843	1,088	1,103	1,117	1,117	4,034	6,268
Demographic Growth Items	7,814	5,281	3,406	3,480	3,556	3,592	12,167	19,315
Homelessness Prevention	1,736	0	0	0	0	0	0	0
High Speed 2 & Heathrow Expansion	0	0	0	0	0	0	0	0
Challenge Funds	0	0	0	0	0	0	0	0
Asylum Funding Shortfall	1,885	(689)	0	0	0	0	(689)	(689)
Social Worker Agency	0	0	0	0	0	0	0	0
Additional Investment Income	(400)	0	0	0	0	0	0	0
Agency Worker Regulations	0	0	0	0	0	0	0	0
General Contingency	832	(332)	0	0	0	0	(332)	(332)
Risk Items	4,053	(1,021)	0	0	0	0	(1,021)	(1,021)
Total Service Pressures	11,867	4,260	3,406	3,480	3,556	3,592	11,146	18,294
Management Action								
Waste Disposal Levy & Contracts	(357)	0	0	0	0	0	0	0
SEN Transport	0	(150)	(150)	(150)	(150)	(150)	(450)	(750)
Homelessness Prevention	(664)	(250)	0	0	0	0	(250)	(250)
Social Worker Agency Contract	277	(277)	0	0	0	0	(277)	(277)
Adult Social Care Placements	(1,049)	0	0	0	0	0	0	0
Total Management Action	(1,793)	(677)	(150)	(150)	(150)	(150)	(977)	(1,277)
Net Contingency Requirement	10,074	3,583	3,256	3,330	3,406	3,442	10,169	17,017

General Fund Budget Priority Growth	Annual Movement in Budget Requirement					Three Year Outlook	Five Year Outlook
	2020/21	2021/22	2022/23	2023/24	2024/25		
	£'000	£'000	£'000	£'000	£'000		
Brought Forward Unallocated Priority Growth	210	0	0	0	0	210	210
Write Back One-off 2019/20 Growth	440	0	0	0	0	440	440
New Priority Growth	(107)	0	0	0	0	(107)	(107)
Available Priority Growth	543	0	0	0	0	543	543
<u>New Priority Growth Initiatives</u>							
Anti-Social Behaviour and Environment Team Investment	(130)	0	0	0	0	(130)	(130)
Planning Lawyer	(113)	0	0	0	0	(113)	(113)
Lead Officer for the Environmental Bill	(79)	0	0	0	0	(79)	(79)
Patrol Officers at Little Britain Lake	(60)	0	0	0	0	(60)	(60)
Military History Curator	(56)	0	0	0	0	(56)	(56)
Licensing Review	(55)	0	0	0	0	(55)	(55)
Domestic Violence Support	(50)	0	0	0	0	(50)	(50)
Remaining Unallocated Priority Growth	0	0	0	0	0	0	0

General Fund Budget Savings Proposals	Annual Movement in Budget Requirement					Three Year Outlook	Five Year Outlook
	2020/21	2021/22	2022/23	2023/24	2024/25		
	£'000	£'000	£'000	£'000	£'000		
Savings Proposals by Directorate							
Chief Executive's Office	(31)	(18)	0	0	0	(49)	(49)
Finance Directorate	(228)	(190)	0	0	0	(418)	(418)
Residents Services	(2,792)	(302)	(53)	0	0	(3,147)	(3,147)
Social Care	(2,495)	(100)	0	0	0	(2,595)	(2,595)
Cross-Cutting Initiatives	(490)	0	0	0	0	(490)	(490)
Specific Savings Proposals	(6,036)	(610)	(53)	0	0	(6,699)	(6,699)
Savings Proposals by Theme							
Service Transformation	(2,030)	(446)	0	0	0	(2,476)	(2,476)
Effective Procurement	(1,918)	0	0	0	0	(1,918)	(1,918)
Income Generation & Commercialisation	(981)	(164)	(53)	0	0	(1,198)	(1,198)
Zero Based Reviews	(1,107)	0	0	0	0	(1,107)	(1,107)
Policy Decisions	0	0	0	0	0	0	0
Specific Savings Proposals	(6,036)	(610)	(53)	0	0	(6,699)	(6,699)

General Fund Budget Savings Programme (Chief Executive's Office)	Annual Movement in Budget Requirement					Three Year Outlook	Five Year Outlook	
	2020/21	2021/22	2022/23	2023/24	2024/25			
	£'000	£'000	£'000	£'000	£'000			
Savings Programme by Theme								
Service Transformation (T)	(31)	(18)	0	0	0	(49)	(49)	
Effective Procurement (P)	0	0	0	0	0	0	0	
Income Generation & Commercialisation (C)	0	0	0	0	0	0	0	
Zero Based Reviews (Z)	0	0	0	0	0	0	0	
Policy Decisions (D)	0	0	0	0	0	0	0	
Total Chief Executive's Office Savings	(31)	(18)	0	0	0	(49)	(49)	
Savings Proposals								
BID Review of Human Resources								
<i>Restructure of HR, Payroll and L&D services to flatten management structures and realignment of team resources to meet work demands produced by each directorate.</i>	(T)	(31)	(18)	0	0	0	(49)	(49)
Total Chief Executive's Office Savings	(31)	(18)	0	0	0	(49)	(49)	

General Fund Budget Savings Programme (Finance Directorate)	Annual Movement in Budget Requirement					Three Year Outlook	Five Year Outlook	
	2020/21	2021/22	2022/23	2023/24	2023/24			
	£'000	£'000	£'000	£'000	£'000			
Savings Programme by Theme								
Service Transformation (T)	(228)	(190)	0	0	0	(418)	(418)	
Effective Procurement (P)	0	0	0	0	0	0	0	
Income Generation & Commercialisation (C)	0	0	0	0	0	0	0	
Zero Based Reviews (Z)	0	0	0	0	0	0	0	
Policy Decisions (D)	0	0	0	0	0	0	0	
Total Finance Directorate Savings	(228)	(190)	0	0	0	(418)	(418)	
Savings Proposals								
E&BAS Service Review								
Further BID reviews of Exchequer Services and Business Assurance	(T)	(228)	(190)	0	0	0	(418)	(418)
Total Finance Directorate Savings		(228)	(190)	0	0	0	(418)	(418)

General Fund Budget Savings Programme (Residents Services)		Annual Movement in Budget Requirement					Three Year Outlook	Five Year Outlook
		2020/21	2021/22	2022/23	2023/24	2024/25		
		£'000	£'000	£'000	£'000	£'000		
Savings Programme by Theme								
Service Transformation (T)		(625)	(138)	0	0	0	(763)	(763)
Effective Procurement (P)		(1,186)	0	0	0	0	(1,186)	(1,186)
Income Generation & Commercialisation (C)		(981)	(164)	(53)	0	0	(1,198)	(1,198)
Zero Based Reviews (Z)		0	0	0	0	0	0	0
Policy Decisions (D)		0	0	0	0	0	0	0
Total Residents Services Savings		(2,792)	(302)	(53)	0	0	(3,147)	(3,147)
Savings Proposals								
Waste & Recycling - Disposal Costs								
<i>Reflection of a range of initiatives to boost recycling rates, expected to result in a sustained reduction in disposal costs</i>		(T) (400)	0	0	0	0	(400)	(400)
Digital Strategy								
<i>The second phase of the planned implementation of the BID Digital Transformation strategy, expanding on the success of the new website and increasing the opportunities for residents to undertake online transactions, thus reducing the level of calls and face to face contacts required and in turn reducing staffing volumes within the Contact centre and back office.</i>		(T) (125)	(138)	0	0	0	(263)	(263)
Selective Landlord Licensing scheme								
<i>A Selective Licensing scheme applied in a designated area(s) of the Borough will be a driver for improving standards of tenancy and property management in the private rented sector. Fees charged will fund an inspection and enforcement regime which will be backed by penalty charges for substandard housing.</i>		(T) (100)	0	0	0	0	(100)	(100)

General Fund Budget Savings Programme (Residents Services)		Annual Movement in Budget Requirement					Three Year Outlook	Five Year Outlook
		2020/21	2021/22	2022/23	2023/24	2024/25		
		£'000	£'000	£'000	£'000	£'000		
Leisure Management Contract Tender								
<i>Uplift in Council fee income for provision of Sport & Leisure Facilities Management</i>	(P)	(986)	0	0	0	0	(986)	(986)
ICT								
<i>ICT procurement efficiency of migration from Google Gsuite to Office 365</i>	(P)	(200)	0	0	0	0	(200)	(200)
Fees and Charges								
<i>Annual inflationary review of Fees and Charges, within existing policy parameters. Details on specific proposals are included within the attached briefing note.</i>	(C)	(901)	(164)	(53)	0	0	(1,118)	(1,118)
Invest to Save - Cemeteries income generation								
<i>Installation of memorial interment areas including Garden Niches at Breakspear Crematorium, Memorial Mushrooms for children's Peter Pan garden.</i>	(C)	(80)	0	0	0	0	(80)	(80)
Total Residents Services Savings		(2,792)	(302)	(53)	0	0	(3,147)	(3,147)

General Fund Budget Savings Programme (Social Care)	Annual Movement in Budget Requirement					Three Year Outlook	Five Year Outlook	
	2020/21	2021/22	2022/23	2023/24	2024/25			
	£'000	£'000	£'000	£'000	£'000			
Savings Programme by Theme								
Service Transformation (T)	(1,146)	(100)	0	0	0	(1,246)	(1,246)	
Effective Procurement (P)	(732)	0	0	0	0	(732)	(732)	
Income Generation & Commercialisation (C)	0	0	0	0	0	0	0	
Zero Based Reviews (Z)	(617)	0	0	0	0	(617)	(617)	
Policy Decisions (D)	0	0	0	0	0	0	0	
Total Social Care Savings	(2,495)	(100)	0	0	0	(2,595)	(2,595)	
Savings Proposals								
Optimum Services Delivery Model For Children & Family Development Services								
<i>To undertake a BID Review of Children & Families Development Services</i>	(T)	(213)	(100)	0	0	0	(313)	(313)
Review of Occupational Therapy Service Delivery Model								
<i>To undertake a major review of the Occupational Therapy Service processes and practice and market test against external providers</i>	(T)	(269)	0	0	0	0	(269)	(269)
SEND – Improved Early Intervention & Support								
<i>To undertake a major review of the SEND Staffing structure to support the delivery of a new SEND Pathway model</i>	(T)	(161)	0	0	0	0	(161)	(161)
Mental Health Team to be Managed In-House								
<i>To undertake a review of the Mental Health staffing structure and transfer Social Workers back In House from the S75 Agreement with the Central and North West London (CNWL) Mental Health Trust</i>	(T)	(123)	0	0	0	0	(123)	(123)
Improved Efficiency of Social Care Support Function								
<i>To undertake a further BID Reviews across Social Care Staffing structures, through a planned and managed approach</i>	(T)	(380)	0	0	0	0	(380)	(380)

General Fund Budget Savings Programme (Social Care)		Annual Movement in Budget Requirement					Three Year Outlook	Five Year Outlook
		2020/21	2021/22	2022/23	2023/24	2024/25		
		£'000	£'000	£'000	£'000	£'000		
Review of Children's Semi-Independent Living Provision and Contracts								
<i>To undertake a review of all Semi-Independent Living provision and contracts with a view to rationalising the accommodation and improving the throughput pathway model.</i>	(P)	(732)	0	0	0	0	(732)	(732)
Effective use of Disabled Facilities Grant								
<i>To maximise the use of the Disabled Facilities Capital Grant allocation through an agreed joint approach with Hillingdon Clinical Commissioning Group (CCG)</i>	(Z)	(617)	0	0	0	0	(617)	(617)
Total Social Care Savings		(2,495)	(100)	0	0	0	(2,595)	(2,595)

General Fund Budget Savings Programme (Cross-Cutting)	Annual Movement in Budget Requirement					Three Year Outlook	Five Year Outlook
	2020/21	2021/22	2022/23	2023/24	2024/25		
	£'000	£'000	£'000	£'000	£'000		
Savings Programme by Theme							
Service Transformation (T)	0	0	0	0	0	0	0
Effective Procurement (P)	0	0	0	0	0	0	0
Income Generation & Commercialisation (C)	0	0	0	0	0	0	0
Zero Based Reviews (Z)	(490)	0	0	0	0	(490)	(490)
Policy Decisions (D)	0	0	0	0	0	0	0
Total Cross-Cutting Savings	(490)	0	0	0	0	(490)	(490)
Savings Proposals							
Managed Vacancy Factor (MVF) Review							
<i>A review of the Council's staffing position indicates that actual spend against plan is lower than currently budgeted for due to high turnover in certain areas and that this saving can be delivered with no impact on frontline services.</i>	(Z)	(490)	0	0	0	0	(490)
Total Cross-Cutting Savings		(490)	0	0	0	0	(490)

Type of Fee / Charge	Type	Current Charge Residents	Current Charge Non-Residents	Vat Status	Proposed Charge Residents	Increase	Proposed Charge Non Residents	Increase	Date of last change to charge	Effective Date
6. Highways										
Minor Highways Fees										
Vehicle Crossings (Average crossing)	R	945.00	N/A	NB	992.00	4.97%	N/A	N/A	01-Apr-19	01-Apr-20
Vehicle crossing application fee (non-refundable)	R	72.00	N/A	NB	79.00	9.72%	N/A	N/A	01-Apr-19	01-Apr-20
Non-Refundable application Fee (planned works crossovers)	R	72.00	N/A	NB	79.00	9.72%	N/A	N/A	25-Jul-19	01-Apr-20
Traffic Management										
Complete Road Closure - by notice										
24 hours	B	200.00	200.00	STD	1150.00	475.00%	1150.00	475.00%	01-Apr-11	01-Apr-20
Complete Road Closure - by order										
7 days	B	1000.00	1000.00	STD	2680.00	168.00%	2680.00	168.00%	01-Apr-11	01-Apr-20
15. Breakspear Crematorium										
Cremation of retained organs										
Scattering of Ashes	R	51.00	51.00	EXP	57.00	11.76%	57.00	11.76%	01-Apr-17	01-Apr-20
Trees & Shrubs - rose trees inc 5 years lease	R	307.00	307.00	STD	352.00	14.66%	352.00	14.66%	01-Apr-17	01-Apr-20
Trees & Shrubs - ornamental trees (10 years)	R	416.00	416.00	STD	433.00	4.09%	433.00	4.09%	01-Apr-17	01-Apr-20
Memorial Cards - 2 line entry	R	42.00	42.00	STD	47.00	11.90%	47.00	11.90%	01-Apr-17	01-Apr-20
Memorial Cards - 5 line entry	R	63.00	63.00	STD	68.00	7.94%	68.00	7.94%	01-Apr-17	01-Apr-20

Type
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Type of Fee / Charge	Type	Current Charge Residents	Current Charge Non-Residents	Vat Status	Proposed Charge Residents	Increase	Proposed Charge Non Residents	Increase	Date of last change to charge	Effective Date
16. Cemeteries										
Adult Interments (persons exceeding 17 years of age at death) - In New Private Graves										
Depth for 1 interment	R	695.50	1282.50	EXP	707.00	1.65%	1305.00	1.75%	01-Apr-17	01-Apr-20
Depth for 2 interment	R	760.00	1397.00	EXP	780.00	2.63%	1438.00	2.93%	01-Apr-17	01-Apr-20
Adult Interments (persons exceeding 17 years of age at death) - In Re-Opened Private Graves										
Depth for 1 interment	R	873.00	1626.00	EXP	918.00	5.15%	1716.00	5.54%	01-Apr-19	01-Apr-20
Depth for 2 interment	R	940.00	1729.00	EXP	963.00	2.45%	1775.00	2.66%	01-Apr-17	01-Apr-20
Interment of Cremated Remains (within full private graves)										
When the grave is closed to full interments	R	320.00	600.00	EXP	336.00	5.00%	631.00	5.17%	01-Apr-19	01-Apr-20
Exclusive rights of burial (Conventional Graves)										
Grave space measuring 9 feet by 4 feet	R	2270.00	5157.00	EXP	2544.00	12.07%	5704.00	10.61%	01-Apr-19	01-Apr-20
Exclusive rights of burial (Lawn Section Graves)										
Grave space measuring 9 feet by 4 feet	R	1726.00	3659.00	EXP	1808.00	4.75%	3822.00	4.45%	01-Apr-19	01-Apr-20
28. Trade Refuse										
Trade waste at CA sites	B	197.00	197.00	NB	209.00	6.09%	209.00	6.09%	01-Apr-19	01-Apr-20
34. Parking										
On-Street Parking: (1) Town Centres										
<i>The maximum stay period on-street in Uxbridge is 2 hrs. All of the existing and proposed charges are based on the cost of parking for each 15 mins</i>										
Uxbridge										
Per 15 mins up to 2 hours	M	0.30	0.80	NB	0.30	0.00%	1.00	25.00%	31-Jan-11	01-Apr-20
West Drayton / Yiewsley, Hayes (Coldharbour Lane and Station Rd), Northwood Hills, Eastcote, Ruislip.										
<i>These schemes have various maximum stay durations of either 2 hours or 4 hours.:</i>										
30 mins up to 2hrs, then per 20 mins up to maximum stay	M	0.20	0.70	NB	0.20	0.00%	0.90	28.57%	31-Jan-11	01-Apr-20
	M	0.20	0.70	NB	0.20	0.00%	0.90	28.57%	31-Jan-11	01-Apr-20

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Type of Fee / Charge	Type	Current Charge Residents	Current Charge Non-Residents	Vat Status	Proposed Charge Residents	Increase	Proposed Charge Non-Residents	Increase	Date of last change to charge	Effective Date
On-Street Parking: (1) Local Centres and Parades										
Hillingdon Circus; Uxbridge Rd / Lees Rd; South Ruislip; North Hillingdon (Hercies RD); Crescent Parade; New Pond Parade; Ickenham, Dellfield Parade, Hillingdon Hill										
<i>These schemes have various maximum stay durations between 2 hrs and 4 hrs</i>										
per 30 mins up to 2 hrs, then per 20 mins up to maximum stay	M	0.20	0.70	NB	0.20	0.00%	0.90	28.57%	31-Jan-11	01-Apr-20
	M	0.20	0.70	NB	0.20	0.00%	0.90	28.57%	31-Jan-11	01-Apr-20
On-Street Parking: (2) Local Centres and Parades										
Belmore Parade										
<i>This scheme has a duration of 10 hrs and 40 mins</i>										
per 30 mins up to 2 hrs, then per 20 mins up to 4 hrs, then per 20 mins up to maximum stay	M	0.20	0.70	NB	0.20	0.00%	0.90	28.57%	31-Jan-11	01-Apr-20
	M	0.20	0.70	NB	0.20	0.00%	0.90	28.57%	31-Jan-11	01-Apr-20
	M	0.20	0.60	NB	0.20	0.00%	0.80	33.33%	31-Jan-11	01-Apr-20
Parking Schemes										
Heathrow; Hayes (Mount Rd and Nield Rd); Longford; Uxbridge South; Hillingdon Hospital; Cowley (Station Rd and Huxley Cl); Uxbridge North (Park Rd); West Drayton										
<i>These schemes have various maximum stay durations between 30 mins and 8 hrs</i>										
Outside shops:										
per 30 mins up to maximum stay	M	0.20	0.70	NB	0.20	0.00%	0.90	28.57%	31-Jan-11	01-Apr-20
Other Places:										
per 20 mins up to maximum stay	M	0.20	0.60	NB	0.20	0.00%	0.80	33.33%	31-Jan-11	01-Apr-20
Parking permits										
Resident - second and other cars	R	40.00	N/A	NB	65.00	62.50%	N/A	0.00%	31-Jan-11	01-Apr-20

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Type of Fee / Charge	Type	Current Charge Residents	Current Charge Non-Residents	Vat Status	Proposed Charge Residents	Increase	Proposed Charge Non-Residents	Increase	Date of last change to charge	Effective Date
Per sheet of 10 Visitor Vouchers	R	5.00	0.00	NB	11.00	120.00%	N/A	0.00%	31-Jan-11	01-Apr-20
Off Street Parking										
Kingsend South and Kingsend North, Ruislip - Limited Stay										
up to 1 hour (Kingsend South)	M	0.60	1.00	STD	0.60	0.00%	1.20	20.00%	31-Jan-11	01-Apr-20
up to 2 hours (Kingsend South)	M	1.00	1.50	STD	1.00	0.00%	1.70	13.33%	31-Jan-11	01-Apr-20
up to 1 hour	M	0.20	1.00	STD	0.20	0.00%	1.20	20.00%	31-Jan-11	01-Apr-20
up to 90 mins	M	0.40	1.50	STD	0.40	0.00%	1.70	13.33%	31-Jan-11	01-Apr-20
up to 2 hours	M	0.60	1.70	STD	0.60	0.00%	1.90	11.76%	31-Jan-11	01-Apr-20
Oaklands Gate, Northwood and Falling Lane, Yiewsley - Limited Stay										
Up to 1 hour	M	0.20	1.00	STD	0.20	0.00%	1.20	20.00%	31-Jan-11	01-Apr-20
Up to 90 mins	M	0.40	1.30	STD	0.40	0.00%	1.50	15.38%	31-Jan-11	01-Apr-20
Up to 2 hours	M	0.60	1.70	STD	0.60	0.00%	1.90	11.76%	31-Jan-11	01-Apr-20
Up to 3 hours	M	1.00	2.50	STD	1.00	0.00%	2.70	8.00%	31-Jan-11	01-Apr-20
Up to 4 hours	M	1.80	4.40	STD	1.80	0.00%	4.60	4.55%	31-Jan-11	01-Apr-20
Rockingham Recreation Ground, Uxbridge, Sidmouth Drive car park, Ruislip Gardens, Harefield House - Limited Stay										
<i>This car park has a maximum stay of 4 hours</i>										
1st 30 mins, then	M	0.00	0.00	STD	0.00	0.00%	0.00	0.00%	31-Jan-11	01-Apr-20
Up to 1 hour	M	0.20	1.00	STD	0.20	0.00%	1.20	20.00%	31-Jan-11	01-Apr-20
Up to 90 mins	M	0.40	1.70	STD	0.40	0.00%	1.90	11.76%	31-Jan-11	01-Apr-20
Up to 2 hours	M	0.60	2.40	STD	0.60	0.00%	2.60	8.33%	31-Jan-11	01-Apr-20
per 20 mins up to 4 hours	M	0.20	0.70	STD	0.20	0.00%	0.90	28.57%	31-Jan-11	01-Apr-20
Kingsend South, Ruislip - Long Stay										
Up to 1 hour	M	0.60	1.00	STD	0.60	0.00%	1.20	20.00%	31-Jan-11	01-Apr-20
Up to 2 hours	M	1.00	1.50	STD	1.00	0.00%	1.70	13.33%	31-Jan-11	01-Apr-20
Up to 3 hours	M	1.20	2.90	STD	1.20	0.00%	3.10	6.90%	31-Jan-11	01-Apr-20
Up to 4 hours	M	2.00	4.90	STD	2.00	0.00%	5.10	4.08%	31-Jan-11	01-Apr-20
Over 4 hours	M	2.20	5.50	STD	2.20	0.00%	5.70	3.64%	31-Jan-11	01-Apr-20

Type of Fee / Charge	Type	Current Charge Residents	Current Charge Non-Residents	Vat Status	Proposed Charge Residents	Increase	Proposed Charge Non Residents	Increase	Date of last change to charge	Effective Date
Other Borough Car Parks: Blyth Road, Hayes; Community Close, Ickenham; Fairfield Rd, Yiewsley; Long Lane; Hillingdon; Civic Hall, Hayes; Linden Avenue, Ruislip Manor; Devon Parade, Eastcote; Devonshire Lodge, Eastcote; Green Lane, Northwood.										
Up to 1 hour	M	0.20	0.70	STD	0.20	0.00%	0.90	28.57%	31-Jan-11	01-Apr-20
Up to 90 mins	M	0.40	1.40	STD	0.40	0.00%	1.60	14.29%	31-Jan-11	01-Apr-20
Up to 2 hours	M	0.60	2.10	STD	0.60	0.00%	2.30	9.52%	31-Jan-11	01-Apr-20
Up to 3 hours	M	1.00	3.00	STD	1.00	0.00%	3.20	6.67%	31-Jan-11	01-Apr-20
Up to 4 hours	M	2.00	5.20	STD	2.00	0.00%	5.40	3.85%	31-Jan-11	01-Apr-20
Up to 9 hours (Over 4 hours for Blyth Road)	M	3.70	8.70	STD	3.70	0.00%	8.90	2.30%	31-Jan-11	01-Apr-20
Over 9 hours	M	6.20	12.00	STD	6.20	0.00%	12.20	1.67%	31-Jan-11	01-Apr-20
Long Stay Reduced Charge: Long Drive, South Ruislip; Brandville Rd, West Drayton; Pembroke Gardens, Ruislip Manor; Pump Lane, Hayes; North View, Eastcote; St Martins Approach, Ruislip.										
Up to 1 hour	M	0.20	0.70	STD	0.20	0.00%	0.90	28.57%	31-Jan-11	01-Apr-20
Up to 90 mins	M	0.40	1.40	STD	0.40	0.00%	1.60	14.29%	31-Jan-11	01-Apr-20
Up to 2 hours	M	0.60	2.10	STD	0.60	0.00%	2.30	9.52%	31-Jan-11	01-Apr-20
Up to 3 hours	M	1.00	3.50	STD	1.00	0.00%	3.70	5.71%	31-Jan-11	01-Apr-20
Up to 4 hours	M	1.80	5.20	STD	1.80	0.00%	5.40	3.85%	31-Jan-11	01-Apr-20
Over 4 hours	M	2.00	5.70	STD	2.00	0.00%	5.90	3.51%	31-Jan-11	01-Apr-20
Leisure Centre Car Parks: (Subject to agreement with the operators where relevant)										
Up to 1 hour	M	0.20	0.50	STD	0.20	0.00%	0.70	40.00%	31-Jan-11	01-Apr-20
Up to 90 mins	M	0.40	1.00	STD	0.40	0.00%	1.20	20.00%	31-Jan-11	01-Apr-20
Up to 2 hours	M	0.60	1.50	STD	0.60	0.00%	1.70	13.33%	31-Jan-11	01-Apr-20
Up to 3 hours	M	1.00	2.30	STD	1.00	0.00%	2.50	8.70%	31-Jan-11	01-Apr-20
Up to 4 hours	M	2.00	4.50	STD	2.00	0.00%	4.70	4.44%	31-Jan-11	01-Apr-20
Up to 6 hours	M	2.60	5.50	STD	2.60	0.00%	5.70	3.64%	31-Jan-11	01-Apr-20
Up to 9 hours	M	3.70	8.00	STD	3.70	0.00%	8.20	2.50%	31-Jan-11	01-Apr-20
Over 9 hours	M	6.20	11.00	STD	6.20	0.00%	11.20	1.82%	31-Jan-11	01-Apr-20

Type of Fee / Charge	Type	Current Charge Residents	Current Charge Non-Residents	Vat Status	Proposed Charge Residents	Increase	Proposed Charge Non-Residents	Increase	Date of last change to charge	Effective Date
Uxbridge Multi-Storey Car Parks: Cedars Car Park, Uxbridge; Grainges Car Park, Uxbridge										
Up to 2 hours	M	1.00	2.00	STD	1.00	0.00%	2.10	5.00%	01-Apr-19	01-Apr-20
Up to 3 hours	M	2.00	2.90	STD	2.00	0.00%	3.00	3.45%	01-Apr-19	01-Apr-20
Up to 4 hours	M	2.50	3.80	STD	2.50	0.00%	3.90	2.63%	01-Apr-19	01-Apr-20
Up to 5 hours	M	3.20	4.20	STD	3.20	0.00%	4.30	2.38%	01-Apr-19	01-Apr-20
Sunday (all day)	M	2.00	2.70	STD	2.00	0.00%	2.80	3.70%	31-Jan-11	01-Apr-20
Civic Centre Car Park (open on Saturdays only)										
Up to 2 hours	M	0.90	1.40	STD	0.90	0.00%	1.60	14.29%	31-Jan-11	01-Apr-20
Up to 4 hours	M	1.80	3.00	STD	1.80	0.00%	3.20	6.67%	31-Jan-11	01-Apr-20
Over 4 hours	M	3.50	5.50	STD	3.50	0.00%	5.70	3.64%	31-Jan-11	01-Apr-20

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General Fund Budget Capital Programme Summary	Annual Movement in Budget Requirement						TOTAL
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
	£'000	£'000	£'000	£'000	£'000	£'000	
Capital Expenditure							
Major Projects	31,297	45,457	59,629	58,344	28,234	11,000	233,961
Programme of Works	52,664	41,261	28,435	28,799	25,614	25,124	201,897
Contingency	1,500	1,500	1,500	1,500	1,500	1,500	9,000
Total Capital Expenditure	85,461	88,218	89,564	88,643	55,348	37,624	444,858
Capital Financing							
Grants & Contributions	(29,677)	(17,702)	(22,942)	(21,833)	(16,377)	(12,400)	(120,931)
Council Resourced Investment							
Community Infrastructure Levy	(4,000)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(21,500)
Capital Receipts	(6,581)	(6,413)	(2,444)	(11,368)	(18,203)	(11,374)	(56,383)
Prudential Borrowing	(45,203)	(60,603)	(60,678)	(51,942)	(17,268)	(10,350)	(246,044)

Prior Year Budget £'000	Project	2019-2025 Project Budget £'000	Total 2019-25 Grants and Contributions £'000	2019/20 to 2024/25 Capital Programme			Contribution to Revenue Financing Costs £'000
				Council Resources - Self Financing Schemes £'000	Council Resources - for Invest to Save Schemes £'000	Council Resources - Service Provision £'000	
	Major Projects						
	<u>Education & Children Services</u>						
5,097	Secondary Schools Expansions	21,172	(11,664)	0	0	(9,508)	546
0	Additional Temporary Classrooms	6,650	(2,250)	0	0	(4,400)	253
0	Schools SRP	3,958	(3,958)	0	0	0	0
12,952	New Primary Schools Expansions	3,592	(2,162)	0	0	(1,430)	82
0	Meadow School	240	0	0	0	(240)	14
45,742	Secondary Schools Replacement	119	0	0	0	(119)	7
137,159	Former Primary School Expansions	10	0	0	0	(10)	1
	<u>Community, Commerce and Regeneration</u>						
0	New Theatre	44,000	(1,050)	0	0	(42,950)	2,467
0	New West Drayton Leisure Centre	32,000	(488)	0	0	(31,512)	1,810
723	Hillingdon Outdoor Activity Centre	25,777	(25,777)	0	0	0	0
0	New Museum	5,632	(750)	0	0	(4,882)	280
542	Shopping Parades Initiative	3,041	(774)	0	0	(2,267)	130
7,294	Hayes Town Centre Improvements	1,980	(1,674)	0	0	(306)	18
57	Battle of Britain Underground Bunker	1,557	0	0	0	(1,557)	89
23	RAGC Expansion	1,391	0	0	0	(1,391)	80
0	Uxbridge Mortuary Extension	1,231	(615)	0	0	(616)	35
2	1 & 2 Merrimans Housing Project	619	0	0	0	(619)	36
27	Uxbridge Cemetery Gatehouse	547	0	0	0	(547)	31
1,466	Uxbridge Change of Heart	530	0	0	0	(530)	30
0	Uniter Building Refurbishment	390	0	0	0	(390)	22
3,092	Gateway Hillingdon	358	0	0	0	(358)	21
0	Botwell Leisure Centre Football Pitch	200	0	0	0	(200)	11
	<u>Planning, Transportation and Recycling</u>						
0	Cranford Park Heritage Lottery Project	2,524	(2,374)	0	0	(150)	9
	Cranford Park car park extension	73	(8)	0	0	(65)	4

Prior Year Budget £'000	Project	2019-2025 Project Budget £'000	Total 2019-25 Grants and Contributions £'000	2019/20 to 2024/25 Capital Programme			Contribution to Revenue Financing Costs £'000
				Council Resources - Self Financing Schemes £'000	Council Resources - for Invest to Save Schemes £'000	Council Resources - Service Provision £'000	
	<u>Finance, Property and Business Services</u>						
0	Housing Company Financing	50,000	0	(50,000)	0	0	0
68	Yiewsley Site Development	16,167	0	(16,167)	0	0	0
0	Belmore Allotments Development	4,605	(1,544)	(3,061)	0	0	0
0	Purchase of Uxbridge police station	5,000	0	0	0	(5,000)	287
1,163	Bessingby Football/Boxing Clubhouse	432	0	0	0	(432)	25
2,550	Cedars & Grainges Car Park Improvement Works	121	0	0	0	(121)	7
6,749	Battle of Britain Education and Visitors Centre	32	0	0	0	(32)	2
417	Ruislip Lido Railway Society Workshop Replacement	13	0	0	0	(13)	1
225,123	Total Major Projects	233,961	(55,088)	(69,228)	0	(109,645)	6,297
	Programme of Works						
N/A	Highways Structural Works	53,537	(2,274)	0	0	(51,263)	2,944
N/A	Transport for London	21,472	(21,472)	0	0	0	0
N/A	Disabled Facilities Grant	17,112	(17,112)	0	0	0	0
N/A	Equipment Capitalisation - Social Care	12,967	(9,437)	0	0	(3,530)	203
N/A	School Building Condition Works	12,278	(10,144)	0	0	(2,134)	123
N/A	Purchase of Vehicles	12,021	0	0	0	(12,021)	690
N/A	Corporate Technology and Innovation	11,793	0	0	(9,184)	(2,609)	150
N/A	Property Works Programme	10,442	(100)	0	0	(10,342)	594
N/A	Civic Centre Works Programme	8,535	0	0	(900)	(7,635)	438
N/A	Chrysalis Programme	6,124	0	0	0	(6,124)	352
N/A	Sports Clubs Rebuild / Refurbishments	4,784	0	0	0	(4,784)	275

Prior Year Budget	Project	2019-2025 Project Budget	Total 2019-25 Grants and Contributions	2019/20 to 2024/25 Capital Programme			Contribution to Revenue Financing Costs
				Council Resources - Self Financing Schemes	Council Resources - for Invest to Save Schemes	Council Resources - Service Provision	
£'000		£'000	£'000	£'000	£'000	£'000	£'000
N/A	Equipment Capitalisation - General	4,746	0	0	0	(4,746)	273
N/A	Environmental and Recreational Initiatives	3,246	(2,040)	0	(235)	(971)	56
N/A	Leisure Centre Refurbishment	3,101	0	0	0	(3,101)	178
N/A	Libraries Refurbishment Programme	3,000	(68)	0	0	(2,932)	168
N/A	Street Lighting Replacement	2,876	0	0	0	(2,876)	165
N/A	Devolved Capital to Schools	1,918	(1,918)	0	0	0	0
N/A	CCTV Programme	1,495	0	0	0	(1,495)	86
N/A	Youth Provision	3,925	0	0	0	(3,925)	225
N/A	Leader's Initiative	1,329	0	0	0	(1,329)	76
N/A	Car Park Pay & Display Machines Replacement	1,040	0	0	(1,040)	0	0
N/A	Road Safety	939	0	0	0	(939)	54
N/A	Playground Replacement Programme	750	0	0	0	(750)	43
N/A	HS2 Road Safety Fund	645	(645)	0	0	0	0
N/A	Harlington Road Depot Improvements	639	0	0	0	(639)	37
N/A	PSRG / LPRG	580	(30)	0	0	(550)	32
N/A	Section 106 Projects	533	(533)	0	0	0	0
N/A	Public Health England Capital Grant - Alcohol Fund	70	(70)	0	0	0	0
	Total Programme of Works	201,897	(65,843)	0	(11,359)	(124,695)	7,161
	Development & Risk Contingency						
N/A	General Contingency	9,000	0	0	0	(9,000)	517
	Total Development & Risk Contingency	9,000	0	0	0	(9,000)	517
225,123	Total GF Capital Programme	444,858	(120,931)	(69,228)	(11,359)	(243,340)	13,974
	Of which; Community Infrastructure Levy			0	0	(21,500)	(1,235)
	Of which; Capital Receipts for General Purposes			0	0	(33,027)	(1,897)
	Of which; Capital Receipts from Self-financing Schemes			0	0	(23,356)	(1,341)
	Of which; Prudential Borrowing			(69,228)	(11,359)	(165,457)	9,502
	Add: Financing costs from previous Capital Investment						2,943
	Projected Growth in Capital Financing Charges (2020/21 to 2024/25)						12,445

Prior Year Budget £'000	Project	2019/20 Project Budget £'006	2020/21 Project Budget £'005	2021/22 Project Budget £'004	2022/23 Project Budget £'003	2023/24 Project Budget £'002	2024/25 Project Budget £'001	2019-2025 Project Budget £'000
	Major Projects							
	<u>Education & Children Services</u>							
5,097	Secondary Schools Expansions	12,292	5,000	2,880	1,000	0	0	21,172
0	Additional Temporary Classrooms	0	2,850	3,800	0	0	0	6,650
0	Schools SRP	500	2,000	1,458	0	0	0	3,958
12,952	New Primary Schools Expansions	2,889	703	0	0	0	0	3,592
0	Meadow School	240	0	0	0	0	0	240
45,742	Secondary Schools Replacement	119	0	0	0	0	0	119
137,159	Former Primary School Expansions	10	0	0	0	0	0	10
	<u>Community, Commerce and Regeneration</u>							
0	New Theatre	0	1,000	7,500	15,000	15,000	5,500	44,000
0	New West Drayton Leisure Centre	900	3,000	10,000	10,000	5,250	2,850	32,000
723	Hillingdon Outdoor Activity Centre	50	2,000	6,000	10,000	5,077	2,650	25,777
0	New Museum	50	500	1,275	2,500	1,307	0	5,632
542	Shopping Parades Initiative	145	600	711	1,585	0	0	3,041
7,294	Hayes Town Centre Improvements	980	1,000	0	0	0	0	1,980
57	Battle of Britain Underground Bunker	260	1,247	50	0	0	0	1,557
23	RAGC Expansion	100	850	441	0	0	0	1,391
0	Uxbridge Mortuary Extension	0	1,000	231	0	0	0	1,231
2	1 & 2 Merrimans Housing Project	20	470	129	0	0	0	619
27	Uxbridge Cemetery Gatehouse	10	100	350	87	0	0	547
1,466	Uxbridge Change of Heart	530	0	0	0	0	0	530
0	Uniter Building Refurbishment	285	105	0	0	0	0	390
3,092	Gateway Hillingdon	358	0	0	0	0	0	358
0	Botwell Leisure Centre Football Pitch	0	0	200	0	0	0	200
	<u>Planning, Transportation and Recycling</u>							
0	Cranford Park Heritage Lottery Project	0	420	2,104	0	0	0	2,524
	Cranford Park car park extension	0	73	0	0	0	0	73

Prior Year Budget £'000	Project	2019/20 Project Budget £'006	2020/21 Project Budget £'005	2021/22 Project Budget £'004	2022/23 Project Budget £'003	2023/24 Project Budget £'002	2024/25 Project Budget £'001	2019-2025 Project Budget £'000
	<u>Finance, Property and Business Services</u>							
0	Housing Company Financing	10,000	15,000	15,000	10,000	0	0	50,000
68	Yiewsley Site Development	1,000	2,500	7,500	3,567	1,600	0	16,167
0	Belmore Allotments Development	0	0	0	4,605	0	0	4,605
0	Purchase of Uxbridge police station	0	5,000	0	0	0	0	5,000
1,163	Bessingby Football/Boxing Clubhouse	393	39	0	0	0	0	432
2,550	Cedars & Grainges Car Park Improvement Works	121	0	0	0	0	0	121
6,749	Battle of Britain Education and Visitors Centre	32	0	0	0	0	0	32
417	Ruislip Lido Railway Society Workshop Replacement	13	0	0	0	0	0	13
225,123	Total Major Projects	31,297	45,457	59,629	58,344	28,234	11,000	233,961
	Programme of Works							
N/A	Highways Structural Works	11,537	10,000	8,000	8,000	8,000	8,000	53,537
N/A	Transport for London	4,697	3,373	3,178	3,278	3,473	3,473	21,472
N/A	Disabled Facilities Grant	2,852	2,852	2,852	2,852	2,852	2,852	17,112
N/A	Equipment Capitalisation - Social Care	1,172	2,359	2,359	2,359	2,359	2,359	12,967
N/A	School Building Condition Works	4,328	1,750	1,550	1,550	1,550	1,550	12,278
N/A	Purchase of Vehicles	7,585	374	645	2,810	0	607	12,021
N/A	Corporate Technology and Innovation	4,289	4,048	864	864	864	864	11,793
N/A	Property Works Programme	1,805	2,878	1,898	1,527	1,267	1,067	10,442
N/A	Civic Centre Works Programme	2,686	2,828	806	790	760	665	8,535
N/A	Chrysalis Programme	1,124	1,000	1,000	1,000	1,000	1,000	6,124
N/A	Sports Clubs Rebuild / Refurbishments	1,034	750	750	750	750	750	4,784

Prior Year Budget	Project	2019/20 Project Budget	2020/21 Project Budget	2021/22 Project Budget	2022/23 Project Budget	2023/24 Project Budget	2024/25 Project Budget	2019-2025 Project Budget
£'000		£'006	£'005	£'004	£'003	£'002	£'001	£'000
N/A	Equipment Capitalisation - General	921	765	765	765	765	765	4,746
N/A	Environmental and Recreational Initiatives	845	901	500	500	500	0	3,246
N/A	Leisure Centre Refurbishment	500	1,450	1,151	0	0	0	3,101
N/A	Libraries Refurbishment Programme	1,000	2,000	0	0	0	0	3,000
N/A	Street Lighting Replacement	547	850	595	582	302	0	2,876
N/A	Devolved Capital to Schools	759	271	222	222	222	222	1,918
N/A	CCTV Programme	503	892	100	0	0	0	1,495
N/A	Youth Provision	1,425	500	500	500	500	500	3,925
N/A	Leader's Initiative	329	200	200	200	200	200	1,329
N/A	Car Park Pay & Display Machines Replacement	520	520	0	0	0	0	1,040
N/A	Road Safety	189	150	150	150	150	150	939
N/A	Playground Replacement Programme	250	250	250	0	0	0	750
N/A	HS2 Road Safety Fund	645	0	0	0	0	0	645
N/A	Harlington Road Depot Improvements	439	200	0	0	0	0	639
N/A	PSRG / LPRG	80	100	100	100	100	100	580
N/A	Section 106 Projects	533	0	0	0	0	0	533
N/A	Public Health England Capital Grant - Alcohol Fund	70	0	0	0	0	0	70
	Total Programme of Works	52,664	41,261	28,435	28,799	25,614	25,124	201,897
	Development & Risk Contingency							
N/A	General Contingency	1,500	1,500	1,500	1,500	1,500	1,500	9,000
	Total Development & Risk Contingency	1,500	1,500	1,500	1,500	1,500	1,500	9,000
225,123	Total GF Capital Programme	85,461	88,218	89,564	88,643	55,348	37,624	444,858

<u>Housing Revenue Account</u> <u>Corporate Summary</u>	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	<i>Five Year Outlook</i> £'000
Resources							
Increase / (Decrease) in average Weekly Rents (%)*	0.4%	3.2%	2.9%	2.0%	2.0%	2.1%	
Average Weekly Rent (£)	£106.90	£110.73	£113.99	£116.27	£118.63	£121.14	£14.24
Increase/(Decrease) in Number of Dwellings	44	34	58	87	52	16	(28)
Average Number of Dwellings	10,154	10,125	10,186	10,276	10,328	10,344	190
Gross Dwelling Rents	56,754	58,457	60,543	62,300	63,886	65,517	8,763
Void Risk Contingency	(568)	(585)	(605)	(623)	(639)	(655)	(87)
Net Dwelling Rents	56,186	57,872	59,938	61,677	63,247	64,862	8,676
Total Resources	56,186	57,872	59,938	61,677	63,247	64,862	8,676
Budget Requirement							
Roll Forward Budget	38,641	38,611	39,139	39,510	39,961	40,399	1,758
Inflation	313	482	396	451	438	544	2,311
Corporate Items	552	430	0	0	0	0	430
Contingency	(480)	0	0	0	0	0	0
Savings	(415)	(384)	(25)	0	0	0	(409)
Total Budget Requirement	38,611	39,139	39,510	39,961	40,399	40,943	2,332
Contribution to Finance Capital Programme	18,820	18,733	20,428	21,716	22,848	23,919	5,099
Contribution to Earmarked Reserve	0	2,041	0	0	0	0	0
(Drawdown) / Contribution to Reserves	(1,245)	(2,041)	0	0	0	0	
Opening HRA General Balance	18,260	17,041	15,000	15,000	15,000	15,000	(2,041)
Closing HRA General Balance	17,041	15,000	15,000	15,000	15,000	15,000	(2,041)

* Rent figures quoted above are inclusive of new build rents, average rents for existing tenancies are projected to increase by CPI + 1% per annum from 2020/21 to 2024/25.

<u>Housing Revenue Account - Corporate Items</u>	Annual Movement in Budget Requirement					Five Year Outlook £'000
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	
Realignment of Budgets to reflect current service needs	430	0	0	0	0	430
Capital Charges	0	0	0	0	0	0
Interest on Balances	0	0	0	0	0	0
Total Corporate Items	430	0	0	0	0	430

<u>Housing Revenue Account - Development & Risk Contingency</u>	Annual Movement in Budget Requirement					Four Year Outlook £'000
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	
Potential Calls						
Bad Debts Provision and Future Developments Provision	0	0	0	0	0	0
General Contingency including Housing Zone	0	0	0	0	0	0
Total Potential Calls	0	0	0	0	0	0
Financing						
Base Budget	0	0	0	0	0	0
Contingency released to Directorate Budgets	0	0	0	0	0	0
Increase / Decrease in Contingency	0	0	0	0	0	0
Total Financing	0	0	0	0	0	0
Managed Risk Gap in Contingency	0	0	0	0	0	0

<u>Housing Revenue Account (HRA) - Savings</u>	Annual Movement in Budget Requirement					Five Year Outlook
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £(000s)	£'000
<u>Full Year Effect of Prior Year Savings</u>						
<i>Cumulative Impact of Existing Savings Proposals</i>	(48)	0	0	0	0	(48)
Full Year Effect of Prior Year Savings	(48)	0	0	0	0	(48)
<u>New Savings Proposals</u>						
<u>Housing Service Efficiency Review</u>						
<i>Savings arising from implementation of reviews across the service</i>	(196)	(25)	0	0	0	(221)
<u>HRA Zero Based Review</u>						
<i>Outputs from Zero Based Budgeting across the HRA</i>	(140)	0	0	0	0	(140)
<u>Further BID Reviews / Service Transformation</u>						
<i>Full year effect of BID Reviews and Service Transformation activity undertaken during 2019/20 & 2020/21 and initial impact of new BID Programme Initiatives</i>	0	0	0	0	0	0
New Savings Proposals	(336)	(25)	0	0	0	(361)
Total HRA Savings	(384)	(25)	0	0	0	(409)

Type of Fee / Charge	Type	Current Charge Residents £	Current Charge Non-Residents £	Vat Status	Proposed Charge Residents £	Increase %	Proposed Charge Non-Residents £	Increase %	Date of last change to charge	Effective Date
44. Housing Revenue Account										
Development & Assets										
Service Charges										
CCTV Maintenance (per week)	R	0.77	N/A	NB	0.78	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Laundry Machines in Sheltered Housing Units - Servicing and Maintenance (per week)	R	0.81	N/A	NB	0.82	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Estates & Tenancy Management										
Parking Rents										
Car Ports (Council Tenants) (per week)	R	8.40	N/A	NB	8.54	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Car Ports (Private) (per week)	R	10.08	10.08	STD	10.25	1.7%	10.25	1.7%	01-Apr-19	06-Apr-20
Hard Standings / Parking Spaces (Council Tenants) (per week)	R	4.82	N/A	NB	4.90	1.7%	N/A	N/A	01-Apr-19	06-Apr-20

Type of Fee / Charge	Type	Current Charge Residents £	Current Charge Non-Residents £	Vat Status	Proposed Charge Residents £	Increase %	Proposed Charge Non-Residents £	Increase %	Date of last change to charge	Effective Date
Hard Standings / Parking Spaces (Private) (per week)	R	5.79	5.79	STD	5.89	1.7%	5.89	1.7%	01-Apr-19	06-Apr-20
Grounds Maintenance and Gardening										
Grounds Maintenance (minimum) (per week)	R	1.32	N/A	NB	1.34	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Grounds Maintenance (maximum) (per week)	R	4.51	N/A	NB	4.59	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Hedge Cutting - Standard Frequency (per week - optional)	R	0.82	N/A	NB	0.83	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Lawn Mowing - Standard Frequency (per week - optional)	R	4.10	N/A	NB	4.17	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Bed Maintenance - Standard Frequency (per week - optional)	R	0.55	N/A	NB	0.56	1.7%	N/A	N/A	01-Apr-19	06-Apr-20

Type of Fee / Charge	Type	Current Charge Residents £	Current Charge Non-Residents £	Vat Status	Proposed Charge Residents £	Increase %	Proposed Charge Non-Residents £	Increase %	Date of last change to charge	Effective Date
Heating Charges										
Communal Electric (per week)	R	1.68	N/A	NB	1.71	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Sheltered Heating - Communal Element (per week)	R	3.66	N/A	NB	3.72	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Sheltered Heating - Property Element (Bedsit) (per week)	R	5.72	N/A	NB	5.82	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Sheltered Heating - Property Element (One Bedroom) (per week)	R	8.63	N/A	NB	8.78	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Sheltered Heating - Property Element (Two or More Bedrooms) (per week)	R	9.87	N/A	NB	10.04	1.7%	N/A	N/A	01-Apr-19	06-Apr-20

Type of Fee / Charge	Type	Current Charge Residents £	Current Charge Non-Residents £	Vat Status	Proposed Charge Residents £	Increase %	Proposed Charge Non-Residents £	Increase %	Date of last change to charge	Effective Date
District Heating - Communal Element (minimum) (per week)	R	1.40	N/A	NB	1.42	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
District Heating - Communal Element (maximum) (per week)	R	4.42	N/A	NB	4.50	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
District Heating - Property Element (minimum) (per week)	R	6.32	N/A	NB	6.43	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
District Heating - Property Element (maximum) (per week)	R	15.27	N/A	NB	15.53	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Peachey Close - Electricity (per week)	R	11.42	N/A	NB	11.61	1.7%	N/A	N/A	01-Apr-19	06-Apr-20

Type of Fee / Charge	Type	Current Charge Residents £	Current Charge Non-Residents £	Vat Status	Proposed Charge Residents £	Increase %	Proposed Charge Non-Residents £	Increase %	Date of last change to charge	Effective Date
Other Services										
Electric Scooter Charging Point - Queen's Lodge, Cliftonville, Kent (per month)	R	N/A	6.04	STD	N/A	N/A	6.14	1.7%	01-Apr-19	06-Apr-20
Leaseholder Solicitors Enquiries	R	110.42	N/A	STD	112.30	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Residents Services (Housing)										
Caretaking										
Caretaking - Band A (per week)	R	11.51	N/A	NB	11.71	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Caretaking - Band B (per week)	R	7.45	N/A	NB	7.58	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Caretaking - Band C (per week)	R	5.17	N/A	NB	5.26	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Caretaking - Band D (per week)	R	4.02	N/A	NB	4.09	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Caretaking - Band E (per week)	R	2.87	N/A	NB	2.92	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Caretaking - Band F (per week)	R	1.73	N/A	NB	1.76	1.7%	N/A	N/A	01-Apr-19	06-Apr-20

Type of Fee / Charge	Type	Current Charge Residents £	Current Charge Non-Residents £	Vat Status	Proposed Charge Residents £	Increase %	Proposed Charge Non-Residents £	Increase %	Date of last change to charge	Effective Date
Caretaking - Sheltered Housing (per week)	R	5.73	N/A	NB	5.83	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Caretaking - Queen's Lodge, Cliftonville, Kent (per week)	R	N/A	7.23	NB	N/A	N/A	7.35	1.7%	01-Apr-19	06-Apr-20
Extra Care Housing										
Triscott House - Management Support Charge (per week)	R	26.12	N/A	NB	26.56	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Triscott House - Cleaning Charge (per week)	R	9.93	N/A	NB	10.10	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Triscott House - Grounds Maintenance (per week)	R	2.28	N/A	NB	2.32	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Marlborough Crescent										
Enhanced housing management charge (per bed space per week)	R	2.38	N/A	NB	2.42	1.7%	N/A	N/A	01-Apr-19	06-Apr-20

Type of Fee / Charge	Type	Current Charge Residents £	Current Charge Non-Residents £	Vat Status	Proposed Charge Residents £	Increase %	Proposed Charge Non-Residents £	Increase %	Date of last change to charge	Effective Date
Electrical usage (per bed space per week)	R	4.65	N/A	NB	4.73	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Water usage Studio (per property type per week)	R	2.48	N/A	NB	2.52	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Water usage 1 Bed (per property type per week)	R	4.67	N/A	NB	4.75	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Water usage 3 Bed (per property type per week)	R	6.20	N/A	NB	6.31	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Water usage 4 Bed (per property type per week)	R	7.31	N/A	NB	7.43	1.7%	N/A	N/A	01-Apr-19	06-Apr-20
Caretaking (per bed space per week)	R	2.24	N/A	NB	2.28	1.7%	N/A	N/a	01-Apr-19	06-Apr-20
Furniture and furnishings (per property per week)	R	1.04	N/A	NB	1.06	1.7%	N/A	N/A	01-Apr-19	06-Apr-20

Project Total £'000	Project	2020/21 Draft Budget £'000	2021/22 Draft Budget £'000	2022/23 Draft Budget £'000	2023/24 Draft Budget £'000	2024/25 Draft Budget £'000
	Major Projects					
118,291	New General Needs Housing Stock	24,445	24,081	26,543	23,472	19,750
15,673	New Build - Shared Ownership	12,027	2,384	1,262	0	0
3,775	New Build - Supported Housing Provision	3,775	0	0	0	0
137,739	Total Major Projects	40,247	26,465	27,805	23,472	19,750
	HRA Programmes of Work					
53,699	Works to Stock programme	9,338	11,661	10,900	10,900	10,900
9,758	Major Adaptations to Property	1,817	1,881	1,974	2,043	2,043
63,457	Total Works to Stock	11,155	13,542	12,874	12,943	12,943
201,196	Total HRA Capital Programme	51,402	40,007	40,679	36,415	32,693
	Financed by:					
107,644	Revenue Contributions	18,733	20,428	21,716	22,848	23,919
42,277	Prudential Borrowing	21,860	6,093	4,950	6,525	2,849
2,039	GLA Grant	589	1,450	0	0	0
49,236	Capital Receipts	10,220	12,036	14,013	7,042	5,925
201,196	Total	51,402	40,007	40,679	36,415	32,693

Project Total £'000	Scheme	Unit Numbers	2020/21 Draft Budget £'000	2021/22 Draft Budget £'000	2022/23 Draft Budget £'000	2023/24 Draft Budget £'000	2024/25 Draft Budget £'000
663	Acol Crescent Development	33	663	0	0	0	0
0	Housing Programme	0	0	0	0	0	0
9,700	Belmore Allotments	86	8,438	0	1,262	0	0
3,586	Maple and Poplar Day Centre	34	3,287	299	0	0	0
1,862	Willow Tree	10	1,690	172	0	0	0
2,255	Housing Programme - Tranche 4	14	1,849	346	60	0	0
1,560	Nelson Road	6	1,511	49	0	0	0
257	Great Benty (Note 1)	2	257	0	0	0	0
0	Coleridge Way Acquisition	0	0	0	0	0	0
108,935	Acquisitions & Internal developments	254	15,631	23,599	26,483	23,472	19,750
0	Bartram Close (Note 2)	0	0	0	0	0	0
4,876	Woodside Development	27	2,876	2,000	0	0	0
270	3 sites (Meadowfield, West End Rd and Otterfield Rd)	17	270	0	0	0	0
0	Grassy Meadow	0	0	0	0	0	0
988	Parkview	0	988	0	0	0	0
2,787	Yiewsley	12	2,787	0	0	0	0
137,739		495	40,247	26,465	27,805	23,472	19,750
118,291	New General Needs Housing Stock	367	24,445	24,081	26,543	23,472	19,750
15,673	New Build - Shared Ownership	116	12,027	2,384	1,262	0	0
3,775	New Build - Supported Housing	12	3,775	0	0	0	0
137,739		495	40,247	26,465	27,805	23,472	19,750

APPENDIX 11

REVIEW OF WORKING AGE COUNCIL TAX REDUCTION SCHEME FOR 2020/21

SUMMARY

1. The ongoing rollout of Universal Credit will adversely affect the operation and administration of the local Council Tax Reduction (CTR) Scheme for working age claimants, increasing duplication of effort on the part of the claimant and increasing the administrative burden on the Council. In order to mitigate this growing burden on both claimants and the Council, a number of proposals for reform of the local CTR Scheme have been developed while maintaining the overall level of support provided to working age claimants at £7.9m per annum.
2. In July 2019, Cabinet approved a public consultation exercise to seek views on proposed reforms, with the Council writing to all 9,498 working age households in receipt of CTR and publicising the consultation through the website and social media. This exercise garnered 79 responses, with a positive or neutral response on all proposals, with both the content of responses received and the very low number of responses reflecting the limited impact of proposed reforms on household entitlements.
3. An Equalities Impact Assessment has been undertaken and appended to this report, with this exercise indicating that no groups with protected characteristics are materially adversely affected by the proposed reforms to the CTR Scheme. In addition, the Greater London Authority (who fund 21.95% of the scheme through their share of the Council Tax) are broadly supportive of the reforms.
4. In light of feedback from the public and Greater London Authority, and taking into account the outcomes of the Equalities Impact Assessment, it is therefore recommended that Cabinet approve the following amendments to the CTR Scheme for consideration by full Council at its January meeting. Subject to the approval of these recommendations at full Council, proposed reforms will come into effect from 1 April 2020 and be reflected on Council Tax bills issued for the new financial year.

RECOMMENDATIONS

That Cabinet:

Having due regard to the Equalities Impact Assessment at Appendix 11a, approve for recommendation to full Council the following amendments to the Council's local Council Tax Reduction Scheme with a view to reforming the scheme with effect from April 2020:

- a) Introduction of a Banding Scheme for Working Age Claimants, including simplification of non-dependent deductions and earnings disregards;
- b) Reducing the capital limit for the scheme from £16k to £6k in line with Universal Credit,
- c) Establishing a £1 minimum weekly award, and;
- d) Maintaining current protections for those households in receipt of higher levels of support within the current scheme due to having more than two children prior to 31 March 2018.

Reasons for Recommendation and Alternative Options Considered

5. The proposed reforms to the working age CTR Scheme are intended to mitigate the growing administrative burden associated with the roll out of Universal Credit, where interactions between the national benefit and the local scheme are resulting in higher numbers of changes in assessed awards and duplication of effort on the part of both claimant and the Council. The central reform is the move towards an income banding scheme, with similar schemes having been successfully rolled out during 2019/20 in 28 authorities across the country.
6. The Council could opt to maintain the current scheme for working age CTR claims, which would remove the requirement to design, implement and consult upon a new scheme. However, this will, from a claimants perspective, maintain an overly complex scheme that can result in frequent changes in a claimants council tax liability which can be difficult to understand.
7. There is also scope to limit roll out of the new scheme in 2020/21 to those CTR claimants in receipt of Universal Credit, with further claimants transferring to the new scheme as migration to Universal Credit is completed. At present, this would see 1,570 of the 9,498 claims migrating although it is likely that this figure would rise by 1 April 2020. However, this would result in three schemes being run in parallel (one for Universal Credit claimants, one for non-Universal Credit claimants and one for pensioners) and would result in people transferring between schemes as they move to Universal Credit over the next few years.

BACKGROUND

8. Local Council Tax Reduction (CTR) Schemes were introduced in April 2013 as a replacement to the former Council Tax Benefit regime, with a nationally determined offer for pensioners and local authorities granted autonomy to deliver a local scheme for working age claimants. Local schemes, including that operated in Hillingdon, were modelled on Council Tax Benefit, which itself had been closely aligned to the Housing Benefit system – minimising duplication of effort for both the Council and claimants entitled to both forms of support.
9. The current CTR offer for working age claimants provides for up to 90% reduction in the Council Tax liability for a household defined as vulnerable, or 75% for other households, with the exact level of reduction assessed on the basis of household income and a formulaic assessment of the cost of living. This assessment requires verification of the earnings, and in some cases living expenses and other information, for the claimant, their partner and any non-dependent adults living within the household. Currently, 9,498 working age households are in receipt of CTR at an annual cost of £7.9m.
10. At present, a number of working age CTR claimants are also in receipt of Housing Benefit, which continues to be administered by the local authority on behalf of the Department for Work and Pensions (DWP). As the majority of information required from claimants to support a CTR application mirrors the requirements of the Housing Benefit scheme, the claimant is therefore able to provide information once in order to receive both entitlements.
11. Housing Benefit is one of six legacy benefits being combined into Universal Credit, with administration being managed centrally by DWP rather than through local authorities.

Hillingdon went live with full service Universal Credit on 24 October 2018, after which date all new claims for support with housing costs are routed through Universal Credit while the Council managed the existing caseload. Latest indications are that managed migration of remaining Housing Benefit claims from the Council will be completed between 2020 and 2024.

12. Currently, 1,570 of the 9,498 working age CTR claimants are also in receipt of Universal Credit with this number set to rise through both natural turnover of claims and the managed migration from Housing Benefit. These claimants are being asked to provide similar information to both DWP and the Council, with the Council no longer able to capitalise on economies of scale in assessing both entitlements in parallel.
13. In addition to duplication of effort between DWP and the Council, combining legacy benefits into Universal Credit has led to greater volatility in income for claimants, which under the current CTR scheme necessitates the Council reassessing an individual's entitlement. This represents both an additional administrative burden on the Council and can result in frequent changes to a household's Council Tax liability.

PROPOSALS FOR REFORM

14. In order to address the above issues arising from the roll out of Universal Credit, a number of proposals for the reform of Hillingdon's CTR Scheme have been developed for implementation from April 2020. These proposals are intended to maintain the aggregate level of support provided to local working age households at £7.9m per annum while reducing duplication of effort on the part of the claimant and the administrative burden on the Council. There are three distinct elements to these reforms, which are expanded upon below:
 - a) Introduction of a Banding Scheme for Working Age Claimants, including a simplification of earnings disregards;
 - b) Reducing the capital limit for the scheme from £16k to £6k in line with Universal Credit, and,
 - c) Establishing a £1 minimum weekly award, and;
 - d) Maintaining current protections for those households in receipt of higher levels of support within the current scheme due to having more than two children prior to 31 March 2018.
15. These reforms will not impact upon pensioners receiving CTR support, who would remain subject to the existing nationally defined scheme. Proposed reforms to working age support have been developed to maintain the overall level of support granted at approximately £152k per week or £7.9m per annum, although the move towards a simplified system and lowering of the capital limit has scope to impact upon individual claimants' awards.

Introduction of a Banding Scheme for Working Age Claimants

16. The central element of proposed reforms for April 2020 is the introduction of an income banding scheme, whereby the level of support provided to a household will be assessed on the basis of weekly income against a series of bandings depending on the composition of the household. This draft banding grid being consulted upon for April 2020 implementation is set out below.

Table 1: Proposed Banding Scheme

Household Type:	Based on weekly income amount								CTRS Reduction
	Single		Couples		Family 1 Child		Family 2 or more Children		
CTR Banding	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	
Band 1	£0.00	£125.00	£0.00	£220.00	£0.00	£340.00	£0.00	£520.00	100%
Band 2	£0.00	£180.00	£0.00	£250.00	£0.00	£330.00	£0.00	£500.00	90%
Band 3	£0.00	£90.00	£0.00	£130.00	£0.00	£150.00	£0.00	£260.00	75%
Band 4	£90.01	£120.00	£130.01	£170.00	£150.01	£210.00	£260.01	£340.00	55%
Band 5	£120.01	£150.00	£170.01	£210.00	£210.01	£270.00	£340.01	£420.00	35%
Band 6	£150.01	£180.00	£210.01	£250.00	£270.01	£330.00	£420.01	£500.00	15%

17. The Banding Scheme will be grouped in two categories, with the majority of claimants with a vulnerable status being allocated to Band 2 and Band 1 being utilised for those meeting the existing criteria for 100% relief. All claimants not meeting the eligibility criteria for vulnerable will be assigned to a band between 3 and 6 on the basis of household income.
18. Under the current system, households will receive a discount of between 0% and 75% (90% for those classed as vulnerable), with the specific level of discount varying due to changes in individual circumstances. Under the banding scheme, so long as income received by the household remains within the thresholds of their band, minor changes in income will not result in a changes in CTR entitlement. This is expected to significantly reduce the impact of frequent changes in Universal Credit entitlement on the level of CTR being provided.
19. In moving to a banding scheme, it is not proposed to change the types of income judged relevant to the assessment of CTR entitlement, for example, specific disability benefits such as elements of Personal Independence Payment or Disability Living Allowance, and support for housing costs through either Housing Benefit or Universal Credit will continue to be disregarded. In addition, the current system of earning disregards will be reformed to move to a single £25 per week disregard for all claimants, making the scheme easier to understand and administer.
20. Within the current scheme a number of non-dependent disregards are in place, scaling back the level of CTR support provided in cases where other members of the household are deemed to be contributing towards the Council Tax liability. At present, there are a range of specific deductions on CTR support ranging from zero to £19.50 per week, as part of the broader simplification of the scheme it is proposed to set all non-dependent disregards to £5 per week. This is intended to remove the requirement to gather information on the status of non-dependent residents and therefore reduce the administrative burden for both claimants and the Council.
21. It is proposed to maintain the current definition of a vulnerable household, with all those meeting this criteria being entitled to a reduction of up to 90% of their Council Tax liability. While under the current scheme tapering mechanisms reduce entitlement for vulnerable households with higher income, a banding scheme would effectively provide a 90% reduction to all households meeting these criteria regardless of their earnings. It is therefore proposed to introduce an income threshold above which a household would be ineligible for CTR support, it is currently proposed to set this at the same level for all households – both vulnerable and non-vulnerable.

Reducing the capital limit for the scheme from £16k to £6k

22. Under the current CTR scheme, households with capital of less than £16k (excluding the value of their home) are entitled to support, with those holding between £6k and £16k subject to a taper – reducing the level of support for every £1 above £6k. This approach requires independent verification of savings by the Council where those receiving Universal Credit will have already provided this information to the DWP. By lowering the limit for capital to £6k and abolishing the taper, this additional verification work will no longer be required as information shared by DWP would be sufficient to identify whether households meet the threshold.

Establishing a £1 minimum weekly award

23. In addition, it is proposed to establish a £1 minimum weekly award in order to avoid cases whereby households are rebilled for a marginal change in their Council Tax liability. This is intended to reduce administrative costs and provide greater stability for the individual claimant.

Maintaining current protections for those households in receipt of higher levels of support within the current scheme due to having more than two children prior to 31 March 2018

24. In January 2018, the Council's CTR Scheme was brought into line with the Government's approach to child dependents for Universal Credit and Housing Benefits whereby no additional entitlement was payable to households with more than two child dependents. At the time, the Council implemented transitional protection for those households already in receipt of higher levels of support due to having three or more children. It is recommended that this transitional protection is maintained under the proposed banding scheme.

Impact Assessment of Proposed Reforms

25. The above proposals have been developed to deliver a simpler, less administratively burdensome CTR scheme while maintaining both the current level of investment in the scheme and avoiding significant levels of redistribution between claimants. The following table provides an overview of the impact of the above changes on the 9,498 households currently in receipt of CTR support, analysed by household type and vulnerable status.

Table 2: Impact Assessment of Proposed Banding Scheme

Household Type	Number of Claims	Current Award (£)	Proposed Award (£)	Variance (£)	Variance (%)
Single	3,708	59,475.61	57,852.78	-1,566.89	-2.63%
Couples	522	10,236.29	10,650.06	413.77	4.04%
Family 1 Child	1,766	26,798.37	27,866.73	1,068.36	3.99%
Family 2 or more Children	3,502	55,176.89	56,057.45	4,374.46	7.93%
Total	9,498	151,687.16	152,427.02	4,289.71	2.83%

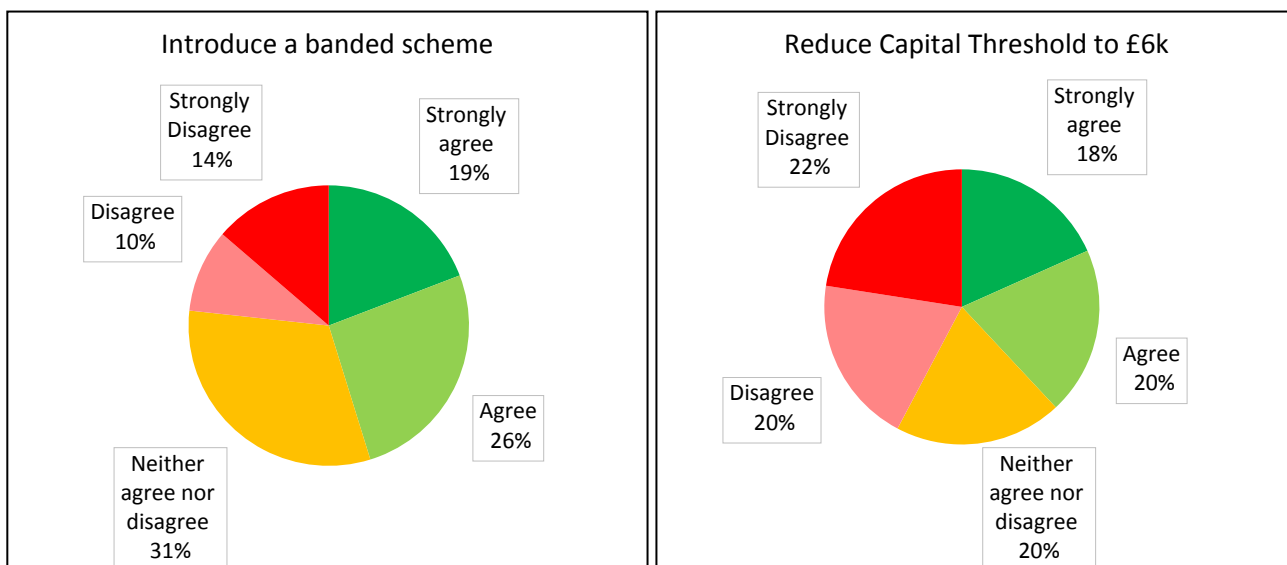
26. Of the 9,498 claims, 448 households will see a reduction in their weekly CTR entitlement of more than £5, with these losses linked specifically to cases where income exceeds the upper limits set out in the banding scheme or capital exceeds the £6k limit. This has translated into increased awards across other claims, including favourable movements in relation to disregarding the carers allowance.

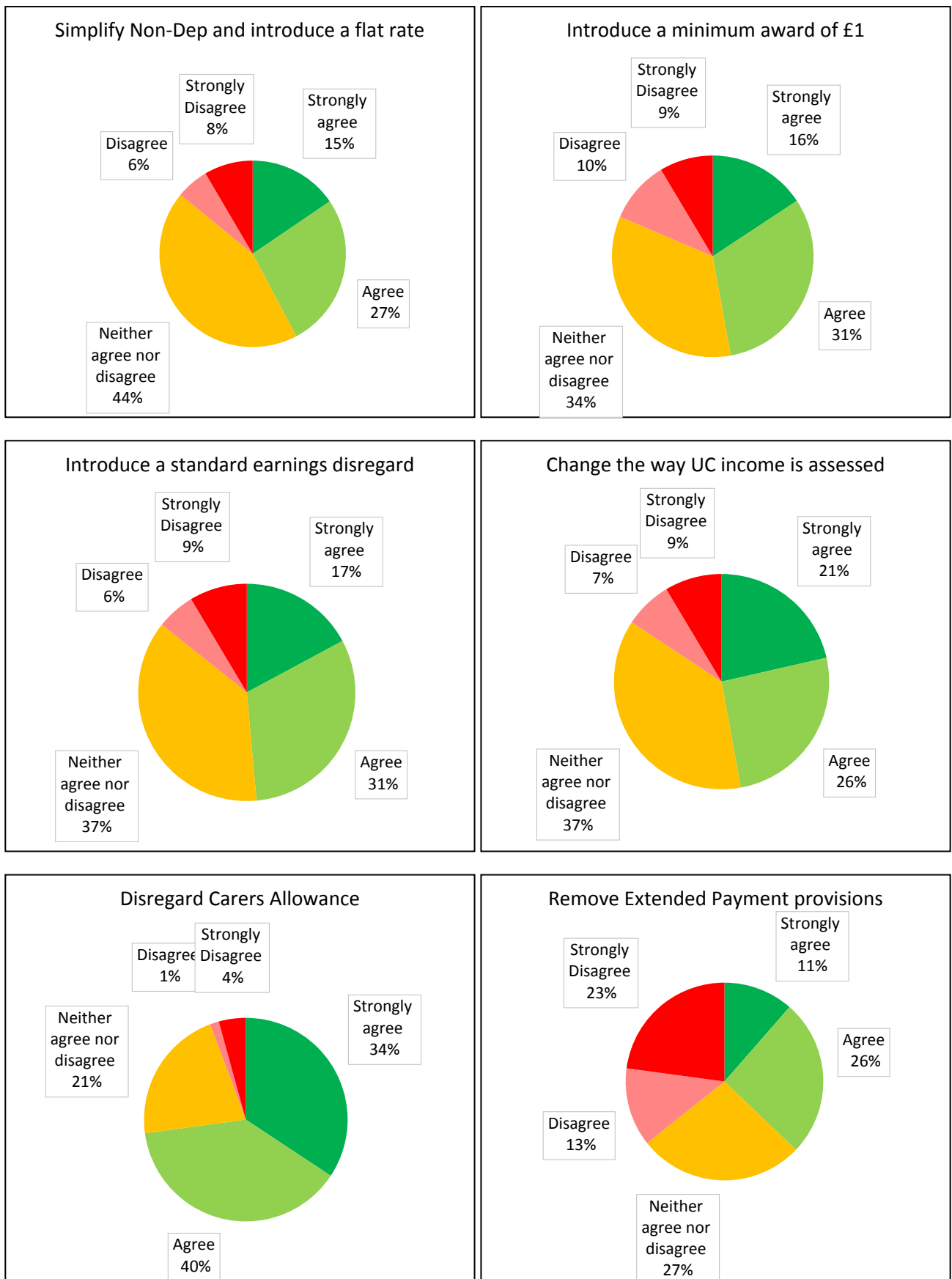
27. Alongside this high level overview, a comprehensive Equalities Impact Assessment has been undertaken with the full document included at Appendix 11a for consideration by Cabinet Members in the context of recommending proposals for approval at full Council in January 2020. This exercise confirms that no groups with protected characteristics are materially adversely affected by the proposed reforms to the CTR Scheme.

Outcome of Public Consultation and Feedback from Greater London Authority

28. As approved by Cabinet in July 2019, a public consultation exercise was undertaken during the six weeks between 23 September 2019 and 3 November 2019, with the Council writing to all 9,498 households in receipt of CTR support, and advertising the consultation on both the website and social media platforms. This exercise garnered 79 responses, with a positive or neutral response on all proposals, with both the content of responses received and the very low number of responses reflecting the limited impact of proposed reforms on household entitlements.

29. The consultation sought views on eight specific aspects of the scheme design, with a plurality of responses either strongly agreeing or agreeing with the proposals in all cases except for reducing the capital threshold to £6k. In all cases, neither agree nor disagree represented a significant proportion of responses (between 20% and 44%), which together with the limited number of responses indicates that the Council has been successful in minimising adverse impacts while maintaining overall levels of investment in the CTR Scheme. The following charts provide an overview of consultation responses:





30. Feedback on limiting eligibility to the scheme to those with less than £6k capital focused upon the requirement for claimants to maintain savings as a safety net, noting in particular the cash requirements for securing a rented tenancy. Given the range of targeted support available from the Council for individuals in such circumstances, including Discretionary Housing Payments, it is proposed that the £6k capital limit is maintained.

31. In addition to the public consultation exercise, the Council sought views from the Greater London Authority as their 21.95% share of Council Tax funds an equivalent share of Hillingdon's CTR Scheme. The Greater London Authority were supportive of the Council's proposed move to a banding scheme, welcoming the greater clarity and certainty for households and endorsing the proposal to maintain funding for the scheme at current levels. In addition to commenting on specific proposals for the CTR Scheme, the response suggested that the Council could increase the empty homes premium to invest further funds in the CTR Scheme, however given the limited additional income likely to be forthcoming through this mechanism no change to the premium is recommended at this time.

TIMETABLE AND NEXT STEPS

32. In order to implement a reformed scheme for April 2020, proposed revisions to the CTR Scheme would need to be approved by full Council alongside the Council Tax Base in January 2020, based on recommendations from Cabinet. A public consultation has, therefore been completed during autumn 2019, with this report recommending that Cabinet endorse the proposed reforms for presentation to full Council at its January 2020 meeting.
33. Alongside the development of the revised scheme and associated public consultation, officers have been working closely with the Council's Revenues and Benefits ICT systems provider to ensure that appropriate systems functionality is in place to implement the recommended scheme. This work is underway, with necessary system enhancements and appropriate testing to be completed in advance of the issuing of annual Council Tax bills in advance of the new financial year.



Appendix 11a: Council Tax Reduction Scheme Equality and Human Rights Impact Assessment

STEP A) Description of what is to be assessed and its relevance to equality

What is being assessed? Please tick

Review of a service Staff restructure Decommissioning a service
Changing a policy Tendering for a new service A strategy or plan

A review of the Council Tax Reduction Scheme

Who is accountable? E.g. Head of Service or Corporate Director

Sunita Ghudial, Head of Benefits

Date assessment completed and approved by accountable person

4 December 2019

Names and job titles of people carrying out the assessment

Sunita Ghudial, Head of Benefits
Vicky Trott, Equality, Diversity and Inclusion Manager

A.1) What are the main aims and intended benefits of what you are assessing?

The aim of the Council Tax Reduction (CTR) Scheme is to help low income residents in the borough by reducing the amount of council tax they are liable to pay. Around

16,000 households in the borough receive CTR, just over 9,000 of which are working age.

This support has been available since April 2013 when the government abolished the national council tax benefit scheme. The scheme is designed to assist those in most need of financial support by offering a reduction in council tax.

Since the roll out of Universal Credit it has become evident that the number of changes in circumstances issued by the Department of Work and Pensions (DWP) has increased significantly, this in turn has had a direct impact on Council Tax Reduction scheme.

The impact has been reviewed and modelled for the 2019/20 financial year. It is apparent that unless changes are made to the scheme the increased number of change of circumstances will result in higher volumes of bills and correspondence being issued to customers, which will lead to confusion for customers due to the reissues of bills on one or more occasions; this will in turn increase the costs of administering the scheme and it is expected that this will impact on Council Tax collection rates. Customers will increasingly not know how much to pay in their instalments.

The key aims for replacing the Council's current local CTR scheme with a new CTR income based 'grid' scheme are:

- Easier to understand
- Efficient to administer
- Work alongside Universal Credit
- To Incentivise work
- Protect the most vulnerable including the disabled and children.

National principles

- No change in the current level of award for pensioners (people who have reached the qualifying age for state pension credit) as this group is protected by separate legislation
- Consideration of continuing support for other vulnerable groups; and
- Local schemes should support work incentives, and in particular avoid disincentives to move into work

Underpinning principles

- Everyone will be liable to pay something (excluding pensioners and those entitled to war widow's pension, war disability pension or armed forces and reserve forces compensation scheme)
- Making work pay
- Restrictions on maximum support
- Expectation that other adult occupiers within the household will contribute
- Simplified administration arrangements

Scheme design

Pensioners will be unaffected by this change as their CTR will be calculated as prescribed by legislation.

Households who receive a war widow's pension, war disability pension or payments under the armed forces and reserve forces compensation scheme will still have this income or payments disregarded under the proposed scheme and will receive a reduction of 100% against their liability as long as their other income totals less than the upper level in Band 1 - subject to the capital limit, non dependent deductions and other conditions.

The proposed changes to the CTR scheme, for 'working age' claimants is set out below:

- It is proposed that a simplified income based 'grid' scheme will be introduced. Working-age households will receive a percentage reduction of either 90%, 75%, 55%, 35% or 15% depending on the level of their income and the income band they fall into.
- To simplify the capital/savings rules and reduce the capital limit to £6,000
- Simplify non-dependant deductions with the introduction of one flat rate
- Change the minimum award of CTR to £1 per week
- To remove the current earnings disregards and replace them with a standard £25 per week disregard irrespective of a person's circumstances
- To change the way we assess Universal Credit income
- To disregard Carer's Allowance which is currently taken into account as income
- To remove the extended payment provisions

A.2) Who are the service users or staff affected by what you are assessing? What is their equality profile?

Total population of Council Tax Reduction Scheme claimants

As at September 2019 there were 113,019 properties within the borough with a Council Tax liability. At that time, Hillingdon had 14,973 households receiving CTR, showing that 13.25% of total households receive Council Tax Reduction.

Of the 14,973 households receiving CTR, the breakdown of impacted groups is as follows: 5,475 are pensioners; with 9,498 being working age (of which, 4,193 are classed as vulnerable). This information is provided in greater detail below:

Table 1: Breakdown of current CTR scheme customer profile

Category of Customer	Number	Yearly (£)	% of Total
Working Age Vulnerable	4,193	4,248,082	44.1%
Working Age Non-Vulnerable	5,305	3,660,886	55.9%
	9,498	7,908,969	100.0%

Table 2: The following tables show the effects of the new banding proposals with regards to the age band.

Age range	Claimant Count	% of Claimants	% of Population	Average of Current CTRS £	Average of Banded CTRS £	Average of Variance £	Sum of Variance %
18-19	24	0.3%	3.9%	12.68	12.78	0.09	0.7%
20-29	1,066	11.2%	14.8%	14.32	14.75	0.43	3.0%
30-39	2,310	24.3%	15.9%	15.12	15.77	0.65	4.3%
40-49	2,605	27.4%	13.5%	15.79	16.68	0.89	5.6%
50-64	3,493	36.8%	16.1%	17.20	17.20	0.00	0.0%
Grand Total	9,498	100%	60.3%	15.97	16.42	0.45	2.8%

Table 3: The below table shows the impact of the proposals broken down by ethnicity

Ethnicity	Claimant Count	% of Claimants	% of Population	Average of Current CTRS £	Average of Banded CTRS £	Average of Variance £	Sum of Variance %
White (including white other)	3,226	34.0%	50.3%	16.31	16.44	0.12	1%
Other	783	8.2%	5.2%	15.31	16.36	1.05	7%
Black African	481	5.1%	Not Available in ONS Data	15.04	15.81	0.77	5%
Other Asian (including Asian Mixed and other)	337	3.5%	2.1%	14.37	15.70	1.33	9%
Indian	313	3.3%	5.1%	16.77	17.26	0.50	3%
Pakistani	269	2.8%	2.9%	16.55	17.16	0.61	4%
Black Caribbean	212	2.2%	18.2%	15.93	16.03	0.10	1%
Bangladeshi	80	0.8%	4.2%	15.39	17.59	2.21	14%
Black Other (including Black Mixed and other)	74	0.8%	1.2%	14.84	15.80	0.96	6%
Chinese	15	0.2%	1.8%	13.59	15.07	1.48	11%
Traveller	6	0.1%	9%	17.82	17.86	0.04	0%
Not Known	3,702	39.0%	N/A	17.82	17.86	0.04	0%
Grand Total	9,498	100.0%	100.0%	15.97	16.42	0.45	3%

Table 4: The following table shows the impact of the proposals broken down by sex

Sex	Claimant Count	% of Claimants	% of Population	Average of Current CTRS £	Average of Banded CTRS £	Average of Variance £	Sum of Variance %
Female	6,157	65%	49.3%	16.08	16.66	0.58	3.6%
Male	3,341	35%	50.7%	15.77	15.99	0.22	1.4%
Grand Total	9,498	100%	100.0%				

A.3) Who are the stakeholders in this assessment and what is their interest in it?

Stakeholders	Interest
Council Tax Reduction Claimants	To ensure any changes to the scheme are applied in a fair and transparent manner following a full consultation process.
Local Interest Groups e.g CAB, DASH, Hillingdon Carers	These groups may work with the affected claimants and will need to have the right information to provide support and advice.
Hillingdon Residents	Not implementing the scheme may put increased financial pressures on other Council services which may have an impact on some Hillingdon residents.
<ul style="list-style-type: none"> ● Deputy Director of Exchequer & Business Assurance Services ● Corporate Director of Finance ● Chief Executive ● Head of Benefits ● Cabinet Member for Finance, Property and Business Services ● Council Cabinet ● Leader of the Council 	To ensure any changes to the scheme are applied in a lawful, fair and transparent manner following a full consultation process and that the administration of the scheme is providing value for money to the council and Hillingdon residents.
The Precepting Authorities	Legal requirement. We collect Council Tax on their behalf, with precepting authorities funding 21.95% of the scheme.

A.4) Which protected characteristics or community issues are relevant to the assessment? ✓ in the box.

Age	✓	Sex	✓
Disability	✓	Sexual Orientation	
Gender reassignment			
Marriage or civil partnership		Carers	✓
Pregnancy or maternity		Community Cohesion	
Race/Ethnicity	✓	Community Safety	
Religion or belief		Human Rights	

STEP B) Consideration of information; data, research, consultation, engagement

B.1) Consideration of information and data - what have you got and what is it telling you?

Impact of the proposals by equality characteristic

Age - The data shows that those claimants aged 30 to 49 (51.7% of claimants) are more likely to be affected by the proposals when compared to the working age borough population of 60.3% (based on ONS population data for 20-64 year olds).

When looking at the sum of variance of the new average banded scheme, no age group are adversely impacted by the proposals.

Disability - The data shows that 45.53% of CTR scheme working age claimants have a disability which is more than double the amount of total borough working age population at 16.6%¹. Those with this characteristic will remain in the protected band and not be directly affected by the proposals.

When looking at the sum of variance of the new average banded scheme, all age brackets will gain from the new scheme and receive on average £0.45p more per week.

¹ ONS Employment Rates by Disability, taken from the Annual Population Survey (2018)

Ethnicity/Race - Data is available for 61.0% of working age claimants with 39.0% unknown. It would therefore not be appropriate to draw any statistical significance as to the impact of the proposals by ethnic group.

When looking at the sum of variance of the new average banded scheme, all ethnicities will gain from the new scheme and receive on average £0.45p more per week.

Sex - The data indicates that women are over represented in claiming CTR when compared to the working age borough population as a whole (64.8% to 49.3%²). As a result, the proposals are likely to impact women more than men.

However, when looking at the sum of variance of the new average banded scheme, female claimants will receive 3.6% or £0.58 more per week.

Male claimants will receive on average £0.22 more per week.

Consultation

B.2) Did you carry out any consultation or engagement as part of this assessment?

Please tick NO YES

No specific consultation has been carried out as part of this assessment however a full public consultation on the changes to the scheme was undertaken.

Full details can be found in the Appendix attached.

B.3) Provide any other information to consider as part of the assessment

Proposed Scheme details

Introduce an Income Band Grid scheme for all applicants of working age.

It is proposed that a simplified income based 'grid' scheme will be introduced as set out in the table below.

The table explains how an applicant's weekly income places them into an income band. This income band then sets the maximum council tax award a claimant can receive.

² ONS Sub-National Population Projections (2016 based), 2019

Under the current scheme, a CTR claimant could see a gradual change to the amount of assistance they receive as their circumstances change. Under the proposed banded scheme the amount of assistance received will only alter if:

- the claimant's circumstances change to such an extent that they would move between income bands;
- the claimant moves between the household groups set out in the table;
- there is a change in the number of non-dependents in the household;
- a change in liability e.g. if a discount is withdrawn;
- a combination of the above

Based on weekly income									
Household type:	Single		Couples		Family 1 child		Family 2 or more children		
CTR banding	Lower limit	Upper limit	Lower Limit	Upper Limit	Lower Limit	Upper limit	Lower Limit	Upper limit	CTRS Reduction
Band 1	£0.00	£180.00	£0.00	£250.00	£0.00	£330.00	£0.00	£500.00	100%
Band 2	£0.00	£180.00	£0.00	£250.00	£0.00	£330.00	£0.00	£500.00	90%
Band 3	£0.00	£90.00	£0.00	£130.00	£0.00	£150.00	£0.00	£260.00	75%
Band 4	£90.01	£120.00	£130.01	£170.00	£150.01	£210.00	£260.01	£340.00	55%
Band 5	£120.01	£150.00	£170.01	£210.00	£210.01	£270.00	£340.01	£420.00	35%
Band 6	£150.01	£180.00	£210.01	£250.00	£270.01	£330.00	£420.01	£500.00	15%

If the income level exceeds the upper limit, the entitlement will be zero

The key principles of the grid/scheme (subject to capital limit)

- The level of reduction (as shown in the grid) will be based on the total net income (determined by the council in accordance with the scheme rules) of the applicant and their partner;
- Income levels can vary in accordance with household size and applicants will still receive the same level of reduction;
- Applicants who receive a war widow's pension, war disability pension or payments under the armed forces and reserve forces compensation scheme will still have this income or payments disregarded under the proposed scheme and will be in Band 1, receiving a reduction of 100% against their liability as long as any other income totals less than the upper level in Band 1;

- d) Where applicants, their partner or any children in the household are in receipt of Disability Living Allowance; Personal Independence Payments and/or Attendance Allowance and where the net income (excluding the above income) is less than the upper level in Band 2, they will receive an award of 90% of their council tax liability;
- e) Applicants, or their partners, in receipt of ESA Support Component or whom are registered blind and have a net income of less than the upper level in Band 2 will receive an award of a reduction of 90% of their council tax liability.;

Transitional Protection

From April 2018 the number of child dependants taken into account for CTR were brought in line with the government changes for Universal Credit and housing benefit. This limited the number of child dependants included in the CTR assessment to two. Transitional protection was awarded if the applicant was in receipt of CTR/Child Tax Credit for more than two children prior to 31 March 2018.

We propose to continue with this transitional protection for those that are currently protected under the existing scheme, which means these applicants will continue to receive an equivalent protection under the proposed new CTR Scheme. Applicants will continue to receive this protection until there is a break in their claim.

To simplify the capital/savings rules and reduce the capital limit to £6,000

The current scheme has a capital/savings limit of £16,000 and has complex rules in respect of the assessment of capital. It is proposed that the capital limit is reduced to £6,000.

This change is being proposed in order to reduce the amount of verification of capital for customers who have more than £6,000.

For those customers whose savings that fall between £6,000 and £16,000 they will not be able to receive Council Tax Reduction. They will be able to reclaim Council Tax Reduction once their savings fall below the £6,000 level.

Simplify non-dependant deductions with the introduction of one flat rate

Currently where an applicant and their partner (if they have one) has other adults living with them such as adult sons, daughters, elderly relatives or another person over the age of 18, their CTR may be reduced. Any charge made is called a non-dependant deduction.

The current charges for non-dependant deductions vary from no deduction up to £19.50 per week, depending on the income of the non-dependant. Any applicant or their partner (if they have one) receiving Disability Living Allowance Care Component or Personal Independence Daily Living Payments will continue to be exempt from any non-dependant deductions being made from their support.

This change to the scheme would introduce a single standard deduction of £5.00 per week for each non-dependant in the household, regardless of their income.

To change the minimum award of CTR to £1 per week

The current scheme has a provision, which allows the council to pay any reduction that is 1 pence per week or more. This, in effect, means that any small change to an applicant's entitlement, no matter how small, will change their council tax liability and their monthly instalments leading to multiple council tax demands being issued and instalments being reset. The proposed change will set a minimum award of £1 per week. When any entitlement is calculated as less than £1 per week, no reduction will be given.

To remove the current earnings disregards and replace them with a standard £25 per week disregard irrespective of a person's circumstances

Where applicants or their partner (if they have one) work, an earnings disregard is applied depending on their individual circumstances. The current standard weekly disregards (only one is awarded) are £5 for a single person, £10 for a couple, £20 if they meet certain conditions such as disablement, part-time special employments, or £25 for lone parents. If applicants work additional hours, in some circumstances they may receive an additional £17.10 disregard per week.

The proposed change to the scheme would be to replace the above disregards with a standard single disregard of £25 per week. The revised flat-rate earnings disregard will make the scheme easier to understand and administer.

To change the way we assess Universal Credit income

The housing costs element, childcare costs element and carer element will be disregarded from the award of Universal Credit. Any deductions and advanced payments will be added back to the Universal Credit income. A person in receipt of Universal Credit without earnings or any other income will automatically fall in band 3 (unless they meet the criteria for bands 1 or 2).

To disregard Carer's Allowance which is currently taken into account as income

Where applicants (or their partner if they have one) receives Carer's Allowance for looking after a person who is ill or disabled, the Carer's Allowance payment they receive is considered as income for CTR. This is partially offset by an award of Carer's Premium within the current scheme. With the move to an 'income grid scheme' the use of premiums will end. The council feels that it is fair, in these cases, to fully disregard any payment of Carer's Allowance received.

To remove the extended payment provisions

In certain cases, where applicants have been in receipt of prescribed benefits (such as Income Support, Jobseekers Allowance or Employment and Support Allowance) and move into work which ends or reduces their entitlement, CTR can be paid for an additional 4 weeks after commencing work or increasing their hours. Similar provisions do not exist for Universal Credit claimants. As Universal Credit is to replace those existing (legacy) benefits, the council feels that these provisions are no longer appropriate.

The proposed reforms to the working age CTR Scheme are intended to mitigate the growing administrative burden associated with the rollout of Universal Credit, where interaction between the national benefit and the local scheme are resulting in higher number of changes in assessed awards and duplication of effort on the part of both claimant and the Council.

Without changing the way the current scheme is operated, it would be increasingly incompatible with the practical operation of the Universal Credit Scheme.

National policy context

From April 2013, local authorities across England were given the power to devise their own systems of Council Tax Support (CTS) for working-age adults. It replaced the national system of the Council Tax Benefit (CTB), which ensured that the poorest households did not have to pay council tax. Each year the local authority decides how CTR should work in their area. There is a legal requirement for the Secretary of State to carry out a review of all CTR schemes in England.

Legal context

The council has a public duty to pay due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations (Equality Act 2010).

Financial Context

The proposed scheme has been designed to be 'revenue neutral', meaning that the proposals included in the revisions have not been designed to alter the Council's financial support to eligible claimants, with the main objective being the simplification of the processing of claims to support the increasing roll out of Universal Credit across the Borough.

As per the tables above, the revised scheme has led to a slight increase in the overall spend by the Council, with a 3% increase in the total awards after applying the proposed changes to all live cases at the time the modelling was carried out.

CTR Scheme Funding

The CTR Scheme forms part of the base budget within Council Tax as presented by the Council in the overall position of the Collection Fund, this is the name of the fund given to the Council's Tax raising activities including both Council Tax and Business Rates.

C) Assessment

What did you find in B1? Who is affected? Is there, or likely to be, an impact on certain groups?

C.1) Describe any **NEGATIVE** impacts (actual or potential):

Equality Group	Impact on this group and actions you need to take
Age	The data shows that no age band is adversely impacted by the proposals.
Ethnicity / Race	The data shows that no ethnic group will be adversely impacted by the proposals.

C.2) Describe any **POSITIVE** impacts

Equality Group	Impact on this group and actions you need to take
Disability	More claimants will receive a clear 90% reduction in their Council Tax. At present they are means tested with a further reduction on the 90%. The scheme will disregard Carers Allowance.
Ethnicity / Race	Bangladeshi claimants will receive on average 14% or £2.21 more per week.
Those in receipt of state pension	Pensioners are protected from changes in support introduced as part of the CTR Scheme.
Claimants in receipt of War widow's pension, war disability pension or armed forces and reserve forces compensation scheme.	This group will still have this income or payments disregarded under the proposed scheme and will be in Band 1, receiving a reduction of 100% against their liability as long as any other income totals less than the upper level in Band 1.
Carers	Carers will have the whole of their Carer's Allowance or Carer Element of Universal Credit disregarded. This will remain or become a benefit to the claimant.

D) Conclusions

The council has taken care to review and update the CTR Scheme to ensure that it is simple, efficient and meets the requirements made under the Government's statement of intent.


The proposed banding scheme has been developed to deliver a simpler, less administratively burdensome CTR scheme while maintaining both the current level of investment in the scheme.

The data shows that no characteristic reviewed as part of the proposed changes have been adversely impacted, including age, ethnicity and sex.

The proposed changes will not affect pensioners. This is mandatory as legislation prescribes that CTR schemes in respect of pensioners must adhere to one national scheme.

The council is proposing a scheme which will be adopted will be adopted on 1 April 2020 and will be in place for the duration of 2020/21, during which time its impact will be monitored.

Signed:



Date: 4 December 2019

Name and position: Sunita Ghudial - Head of Benefits

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