



HILLINGDON
LONDON



Cabinet

Date: THURSDAY, 16 FEBRUARY
2017

Time: 7.00 PM

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

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

Councillors in the Cabinet

Ray Puddifoot 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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This Agenda is available online at:
www.hillingdon.gov.uk

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Notice

Notice of meeting and any private business

The London Borough of Hillingdon is a modern, transparent Council and through effective Cabinet governance, it seeks to ensure the decisions it takes are done so in public as far as possible. Much of the business on the agenda for this Cabinet meeting will be open to residents, the wider public and media to attend. However, there will be some business to be considered that contains, for example, confidential, commercially sensitive or personal information. Such business is shown in Part 2 of the agenda and is considered in private. Further information on why this is the case can be sought from Democratic Services.

This is formal notice under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to confirm that the Cabinet meeting to be held on:

16 February 2017 at 7pm in Committee Room 6, Civic Centre, Uxbridge

will be held partly in private and that 28 clear days public notice of this meeting has been given. The reason for this is because the private (Part 2) reports listed on the agenda for the meeting will contain either confidential information or exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it. An online and a hard copy notice at the Civic Centre in Uxbridge indicates a number associated with each report with the reason why a particular decision will be taken in private under the categories set out below:

- (1) information relating to any individual
- (2) information which is likely to reveal the identity of an individual
- (3) information relating to the financial or business affairs of any particular person (including the authority holding that information)
- (4) information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
- (5) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- (6) Information which reveals that the authority proposes (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.
- (7) Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Notice of any urgent business

To ensure greater transparency in decision-making, 28 clear days public notice of the decisions to be made both in public and private has been given for these agenda items. Any exceptions to this rule are the urgent business items on the agenda marked *. For such items it was impracticable to give sufficient notice for a variety of business and service reasons. The Chairman of the Executive Scrutiny Committee has been notified in writing about such urgent business.

Notice of any representations received

No representations from the public have been received regarding this meeting.

Date notice issued and of agenda publication

8 February 2017
London Borough of Hillingdon

Agenda

Cabinet Reports - Part 1 (Public)

- 6** The Council's Budget - Medium Term Financial Forecast 2017/18 - 1 - 150
 2021/22 (Cllr Ray Puddifoot MBE & Cllr Jonathan Bianco)
 (for recommendation to Council on 23 February 2017)

THE COUNCIL'S BUDGET: MEDIUM TERM FINANCIAL FORECAST 2017/18 - 2021/22

Cabinet Members	Councillor Ray Puddifoot MBE Councillor Jonathan Bianco
Cabinet Portfolios	Leader of the Council Finance, Property and Business Services
Officer Contact	Paul Whaymand, Finance
Papers with report	Appendices 1 to 15

HEADLINE INFORMATION

Purpose of report	<p>This report sets out the Council's Medium Term Financial Forecast (MTFF), which includes General Fund and Housing Revenue Account budgets for 2017/18, along with indicative projections for the following four years.</p> <p>The revenue budget proposals have been developed to deliver a zero increase in the Hillingdon element of Council Tax for all residents in 2017/18 for the ninth successive year, and for the over 65s for the eleventh successive year, without reducing service provision or levying the Social Care precept for the second successive year, whilst maintaining balances and reserves above the minimum recommended level.</p> <p>The proposed General Fund Capital Programme includes total investment of £276m over the next 5 years with £67m in 2017/18, including significant investment in school facilities.</p> <p>Overall there will be an increase in the level of Council Tax as although the revenue budget proposals result in a freeze on the Hillingdon element at 2016/17 levels, there is a proposed increase of 1.2% on the Greater London Authority (GLA) precept. This equates to a £4.02 increase for Band D properties in the borough.</p> <p>The Housing Revenue Account budget proposals continue to underpin the self financing regime and include rent decreases of 1% in line with Government direction.</p> <p>Cabinet are requested to recommend their budget proposals to Council on 23 February 2017. This is in order to formally set the General Fund revenue budget, the Housing Revenue Account budget, the Capital Programme and Council Tax for the 2017/18 financial year.</p>
Contribution to our plans and strategies	Putting our Residents First: <i>Financial Management; Our People; Our Natural Environment; Our Built Environment.</i>

	The Medium Term Financial Forecast is the financial plan for the Council and contains the funding strategy for delivering the Council's objectives.
Financial Cost	Zero increase in Council Tax for the ninth successive year and an eleventh for over 65s.
Relevant Policy Overview Committee	Corporate Services and Partnerships Children, Young People's & Learning Residents' and Environmental Services Social Services, Housing and Public Health
Ward(s) affected	All

RECOMMENDATIONS

That Cabinet approves for recommendation to Council:

- 1) **The General Fund and Housing Revenue Account budgets and Capital Programmes outlined in appendices 1 to 7;**
- 2) **Proposed amendments to Fees & Charges included at Appendix 8;**
- 3) **The Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Statement for 2017/18 to 2021/22 as detailed in Appendix 10;**
- 4) **The proposed London Borough of Hillingdon Pay Policy Statement for 2017/18 set out at Appendix 11;**
- 5) **The proposed Housing Rents Policy set out at Appendix 12;**
- 6) **That the Council formally opt in to the national scheme for appointing local authority auditors, as detailed in Appendix 13;**
- 7) **That it resolves that Cabinet may utilise the general reserves or balances during 2017/18 in respect of those functions which have been reserved to the Cabinet in Article 7 of the Constitution (as set out in Schedule G of the Constitution - Budget and Policy Framework Procedure Rules).**

That Cabinet notes:

- 8) **The Corporate Director of Finance's comments regarding his responsibilities under the Local Government Act 2003.**

SUMMARY

1. This report represents the output following a comprehensive refresh of the Council's 2017/18 budget and medium term projections through to 2021/22 and with the exception of paragraph 222 relate solely to the Council's element of Council Tax.
2. Budget proposals have been developed to support a ninth successive Council Tax Freeze for all residents and a eleventh year for over 65s whilst avoiding implementation of the Social Care precept and maintaining frontline services - including weekly waste and recycling collection, free burglar alarms, swimming and allotments for the over 65s, continued investment in our award winning parks and open spaces, £1m annual funding for local communities through the Chrysalis programme, as well as a comprehensive library service. This represents a significant achievement in light of continuing cuts to government

funding for local government, estimated at 19% in 2017/18 alone, alongside a growing population driving an ever increasing demand for locally provided services.

3. In freezing Council Tax for a ninth year, savings have been developed under five broad themes, which focus on maintaining the existing service offer: Zero-Based Reviews; Preventing Demand; Service Transformation; Effective Procurement; and Maximising Income.
4. The position outlined in this report reflects the draft budget approved by Cabinet in December 2016 for broader consultation, updated to reflect the impact of reduction of the New Homes Bonus Grant ostensibly intended to fund investment in Social Care which resulted in a cut of £977k in Hillingdon's funding for 2017/18. Alongside a number of other minor adjustments to estimates, this increased savings requirement has been managed through the development of further Zero Based Review Savings in recent weeks.
5. An update on the Council's capital programme is also presented in this report where investment is providing sufficient school places to meet the growing demands from a rapidly rising population. In addition, the capital programme contains funding to deliver a new theatre, museum and bunker visitor centre in Uxbridge, alongside continued investment in the existing local infrastructure - including £3,000k for investment in local Highways during 2017/18.
6. The refreshed Medium Term Financial Forecast, covering 2017/18 and the following four years, presents the scope of the challenge facing the Council in the form of increased demand for services while responding to continuing reductions in central government funding through to the end of the decade. The key driver in responding to this challenge will be the Council's proven policy of sound financial management which will enable the Council to continue to 'Put Residents First' while securing efficiencies equivalent to approximately 30% of the Council's budget.
7. The Housing Revenue Account budget for 2017/18 is also presented, which includes a 1% reduction in rents for existing tenants as required by current Government policy. The associated HRA capital programme outlines a programme of investment to maintain existing stock while securing new units to replace stock sold under Right to Buy arrangements.
8. The Localism Act 2011 requires local authorities to publish a Pay Policy Statement annually. This Pay Policy Statement must set out the authorities' policies for the financial year relating to remuneration of its Chief Officers; remuneration of its lowest paid employees; and the relationship between the remuneration of its Chief Officers and the remuneration of those employees who are not Chief Officers. The proposed 2017/18 policy is included as Appendix 11 to this report.

Reasons for recommendations

9. The recommendations have been framed to comply with the Budget and Policy Framework rules and allow the presentation to Council of recommended budgets for 2017/18, including the impact on Council Tax, housing rents and service charges.
10. Cabinet should give full consideration to the Corporate Director of Finance's comments under the Local Government Act 2003 and the need to ensure sufficient resources are available in balances and contingencies in the event of any significant adverse changes in the Council's funding environment. These comments are set out from paragraph 211 of this report.

11. 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; however, they are not formally approved in setting the budget. 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.
12. Recommendation 5 proposes the adoption of a HRA Rent policy. Appendix 12 sets out the overall HRA rent policy including the rent reduction of 1% for 2017/18. It also includes the delegation of authority to the Leader of the Council and relevant Cabinet portfolio holder to agree affordable rent levels for newly acquired or built properties. This will facilitate more efficient and timely decision making and some flexibility in ensuring the viability of proposed schemes. This is set against the context of a significant construction programme over the MTFF period, comprising of a number of different types of scheme.
13. Recommendation 6 proposes that the Council formally opts into the Public Sector Audit Appointments national collective scheme for the appointment of external auditors for the 2018/19 and later year's accounts. There are significant advantages, particularly in terms of value for money, to be gained from opting in to the national scheme. Details of the scheme are contained within Appendix 13 of this report.
14. Council will be requested to approve the proposals put forward by Cabinet. If approved without further amendment they will be effective immediately.

Alternative options considered / risk management

15. Growth proposals included in the budget could be removed and either the Council Tax requirement reduced or alternative items substituted for them. Similarly, further items could be added to the budget requirement either through additional growth, increased provision for risk, or by reducing the package of savings. Council Tax could then be increased accordingly within the constraints imposed by the Government's capping regime, which would limit any increase to 1.99% of general Council Tax and a further 3.00% in the form of a Social Care Precept. The current budget proposals reflect no increase in the Hillingdon share of Council Tax. A change in the budget requirement of £1,082k either way (increase or decrease) will result in an increase or decrease of 1.0% in the level of the Council Tax, equivalent to £11.13 per annum at Band D level.
16. Members could decide to add or remove new capital schemes from the Capital Programme included in this report. The funding for any additional new schemes would necessarily come from Prudential Borrowing in the first instance. This would have a consequential upward impact on the revenue budget requirement and Council Tax or the level of balances if they are HRA capital projects.
17. Members could decide to vary the proposed Fees and Charges outlined at Appendix 8. Any decision to do so could have an impact on the budget requirement. This would need to be reflected in the budgets to be recommended to Council.
18. The Council may choose to set rents lower than those proposed, however since 2016/17 Government directed local authorities to decrease rents by at least 1%, thereby removing the option to increase rents. Lowering rents even further than proposed would result in less income and a detrimental impact upon balances and be out of line with the agreed business plan for the self financing regime.

19. The Development and Risk Contingency identifies the key risks and uncertain items for which provision is contained within the revenue budget. Reduction of this provision is not recommended. This would otherwise increase the likelihood of unfunded pressures emerging into budget monitoring in the 2017/18 financial year. The Capital Programme also includes a contingency sum to manage financial risk on key schemes. In addition, unallocated balances are held within the range recommended by the Corporate Director of Finance. Whilst further contributions from balances could be made, any reduction in balances to below the lower limit of this range is not recommended.

Policy Overview Committee Comments

20. Each of the Policy Overview Committees has received reports setting out the draft revenue budget and Capital Programme proposals relevant to their remit. These were approved by Cabinet on 15 December 2016 for consultation at the January 2017 round of meetings.
21. Each service Policy Overview Committee referred their comments on to the Corporate Services and Partnerships Policy Overview Committee on 2 February 2017. The Committee's comments to Cabinet are contained in Appendix 14.

BACKGROUND

22. This is the second report to Cabinet on the budget for 2017/18, which refreshes the draft revenue budget and capital programmes approved by Cabinet in December 2016 for consultation with Policy Overview Committees and other stakeholders to take account of new intelligence, including the Local Government Finance Settlement. Changes from the draft budget are outlined below, before an explanation of the full range of budget proposals developed for 2017/18.
23. Budget proposals throughout this report are presented with reference to the savings requirement, which represents the quantum of cost reductions or additional income necessary to contain service expenditure within available resources and therefore deliver a balanced budget. In February 2016 the savings requirement for 2017/18 was estimated to be £18,464k. This was revised upwards to £20,508k, primarily as a result of increased inflationary pressure on the cost of Social Care placements. Taking account of the planned drawdown of £5,000k from General Balances, this leaves a net savings requirement of £15,508k. This represents an increase of £1,120k from the savings requirement included in the draft budget presented in December 2016, and a summary of movements is included from paragraph 32.
24. 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, and is set to continue until at least the end of the decade. 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.
25. Groups have been developing savings proposals sufficient to meet the 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 2015/16 outturn, particularly any on-going issues arising.

- The current position in 2016/17 - both monitoring and savings delivery.
- Existing and emerging pressures which need to be addressed in the 2017/18 budget and forecasts for future years.
- Progress on the development of savings proposals for 2017/18 and beyond.
- Identification of any potential growth or invest-to-save bids.
- Capital programme requirements.

26. This report collates the outputs from these sessions, with sufficient savings proposals having been developed to bridge the budget gap in 2017/18 without recourse to any significant reductions in service levels or levying the Social Care precept while freezing Council Tax for all residents for a ninth successive year and funding the freeze for older persons into a twelfth year in 2018/19.

GENERAL FUND REVENUE BUDGET

Update on 2016/17 Budget

27. Development of the 2017/18 budget builds upon the 2016/17 budget and therefore the current monitoring position provides a useful context and manages many of the same challenges to be expected in 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 where planned savings cannot be secured.

28. An underspend of £1,844k is reported on normal operating activities at Month 9. This position incorporates a £2,835k net underspend across Directorate Operating Budgets, including an element of capitalisation, and a £800k underspend on Corporate Operating Budgets, off-set by contingency pressures of £1,791k, primarily relating to Children's Social Care placements and Asylum services. The following positions are reported on individual Directorate Operating Budgets:

- An underspend of £83k is reported within Administration at Month 9, with the variance principally due a number of vacant posts throughout the Directorate.
- Finance are reporting a £337k underspend at Month 9, as a result of vacancies within the establishment across the group.
- An underspend of £1,369k is reported on Residents Services operating budgets. Within this overall position, a £2,216k staffing underspend is partially off-set by pressures on the Adaptations backlog budgets within Development & Assets and continued income shortfalls at Uxbridge car parks and from Imported Food sampling.
- An underspend of £1,046k is reported across Social Care functions. Across the Group, underspends of £889k within workforce budgets account for the majority of the reported variance, with a number of pressures across non-staffing expenditure being contained through a combination of earmarked reserves and demand management.

29. Good progress is being made against delivery of the majority of the £13,309k savings included in the 2016/17 budget. At Month 9, £12,167k of savings are either banked or on track for delivery, with £1,142k of savings being classed as amber. The amber projects are covered in year with alternative savings and are expected to be deliverable in the longer term. Any necessary rephasing of savings has been reflected in the MTF.

30. Within the reported position at Month 9 it is assumed that £500k uncommitted General Contingency and £654k Unallocated Priority Growth will be utilised to manage as yet unidentified emergent pressures and new initiatives. In the event that these sums are not required, the reported underspend would increase.
31. The reported underspend of £1,844k will reduce the planned £4,216k drawdown from reserves and result in £36,663k being carried forward as General Balances at 31 March 2017. However, the balances carried forward position is likely to be higher than this as the monitoring position includes Unallocated Priority Growth and General Contingency that may not be utilised in the last two months of the year. The Council's Medium Term Financial Forecast assumes that balances will remain between £15,000k and £32,000k to manage emergent risks, with sums above that level earmarked for use to smooth the impact of government funding cuts.

CHANGES SINCE REPORT TO CABINET ON 15 DECEMBER 2016

32. The table and narrative below outlines the changes to the recommended budget proposals from the report considered by Cabinet on 15 December 2016, with new proposals sufficient to off-set the adverse impact of a worse than expected funding settlement for 2017/18. Each of these items is also considered in the relevant section of this report.

Table 1: Changes since December Cabinet

	£'000
Provisional Surplus / (Deficit) - December 2016	0
Funding	
Adult Social Care Support Grant	(1,045)
New Homes Bonus	2,022
Better Care Fund	(47)
Education Services Grant	401
Other Grants	(100)
Corporate Items	
Transfer of Residual Education Functions from Local Government	(257)
Inflation	
Concessionary Fares Levy	(373)
Other Inflation Updates	6
Development and Risk Contingency	
Waste Disposal Levy	(37)
General Contingency	250
Priority Growth	
Bunker / Museum Exhibits	200
Drawdown from Battle of Britain Bunker Grant Funding	(200)
Children's Centres & Early Years Centres Improvement	200
Youth Provision	100
Traveller Incursions	100
Reduction in Unallocated Priority Growth	(100)
Additional Savings Requirement	1,120
Savings	
Additional Zero Based Review Savings	(1,120)
Revised Surplus / (Deficit) - February 2017	0

33. The Provisional Local Government Finance Settlement was published on 15 December 2016, and although core funding received through the Revenue Support Grant and Baseline Business Rates income was unchanged the transfer of funds from New Homes Bonus into the new Adult Social Care Support Grant has adversely impacted upon the Council's funding position - adding a net £977k to the savings requirement. The Council's response to the settlement consultation challenged this cut to funding for a Social Care providing authority, and at the time of publication a response is awaited. Any changes in funding announced after this report is published will be dealt with by amending the planned drawdown from General Balances.
34. The new Adult Social Care Support Grant is a one-off funding stream for 2017/18, which has been allocated from a national pot of £240m across Social Care authorities on the basis of relative need. This resulted in £1,045k being made available for Hillingdon, effectively accelerating roll out of the Enhanced Better Care Fund, from which Hillingdon is expected to benefit in 2018/19. This increased funding for Social Care was financed from within existing resources available for Local Government, with a number of reforms to the New Homes Bonus scheme releasing savings to fund this new commitment.
35. In order to finance the new Adult Social Care Grant, DCLG have proposed two amendments to the New Homes Bonus Scheme - only rewarding development above a national baseline of 0.4% and scaling back the scheme from six to five years in 2017/18 - delivering a £234m saving nationally. These changes reduce the Council's projected 2017/18 grant award by £665k and £1,357k respectively. Previous MTFF assumptions were based on the scheme being reduced to four years from 2018/19, which released sufficient resources to finance the creation of the Enhanced Better Care Fund. The £1,357k reduction will therefore only impact upon 2017/18 funding, while £665k from only rewarding growth above the baseline represents a recurrent pressure to the Council.
36. Indicative allocations of the Better Care Fund to Clinical Commissioning Groups released by the Department of Health show a 1.79% inflationary uplift for 2017/18, rather than the 1% planning assumption build into the December draft budget. This represents a £47k increase in income and corresponding reduction in the savings requirement.
37. Since preparation of the draft budget for December, projections for Education Services Grant income have been updated to reflect £401k less grant income for 2017/18 than previously estimated. Corresponding changes to the pace of functions transferring from the Council are outlined within the Corporate Items section of this report.
38. During January 2017, DWP and DCLG have confirmed allocations for the Housing Benefit and Council Tax Administration Subsidy Grants respectively, with lower than anticipated reductions allowing for a £100k improvement in the outlook for 2017/18.
39. Alongside confirmation of the £401k adverse movement in income projections for Education Services Grant, the decisions of Schools Forum around de-delegations of functions have now been reflected in this budget, reducing the savings requirement by £266k.
40. The Concessionary Fares Settlement has been published, with Hillingdon's levy for 2017/18 being set at £8,258k which is £373k lower than previously expected. This improvement relates to the introduction of the Hopper Fare on buses from September 2016, enabling multiple journeys for a single charge, and lower than anticipated journey volumes over the past year. In addition, the broader inflation provision has been refreshed, adding £6k to the savings requirement.

41. Following the release of 2017/18 budget proposals for West London Waste, the Council's provision for levy costs within Development and Risk Contingency has been adjusted downwards by £36k, reducing the savings requirement accordingly. In addition £250k additional provision has been set aside within General Contingency.
42. The Priority Growth section of this report has been expanded to include £200k provision for purchase of exhibits for the new Bunker and Museum to be funded from external grant funding, £200k additional provision for Children's Centres & Early Years Centres Improvements, £100k accelerated growth to support Youth Provision, and £100k Growth to support the costs of managing Traveller Incursions. In addition, unallocated Priority Growth has been reduced by £100k to leave £254k available from this source to support new initiatives during 2017/18.
43. Finally in relation to 2017/18, continuing review of the Council's base budgets has enabled Zero Based Review savings across the organisation to be increased by £1,120k, bringing the 2017/18 budget back into balance despite the loss of grant funding noted above.
44. Projections to 2021/22 have been refreshed alongside the 2017/18 position, with a net £1,365k adverse movement increasing the savings requirement to £69,749k. This worsening of the position primarily relates to the reductions in future New Homes Bonus income as a result of the introduction of a 0.4% baseline for growth noted above.

Budget Requirement 2017/18

45. The movement from the 2016/17 baseline to the 2017/18 budget requirement is summarised in the following table, which reflects the current position and incorporating movements since the budget was agreed in February 2016. Further details on each of the items accounting for this movement are expanded upon within the report. In order to reflect the changing composition of the Council's funding, the 2016/17 baseline has been restated to include additional grant funding and the planned use of General Balances within Corporate Resources, rather than within the Budget Requirement.

Table 2: Budget Requirement

	Movement from 2016/17	2017/18 Budget Requirement
	£'000	£'000
<u>Funding Sources</u>		
Council Tax and Business Rates Revenues	(3,368)	(158,513)
Collection Fund Surplus	(1,000)	(2,500)
Revenue Support Grant	9,918	(19,513)
Other Central Government Funding	2,627	(35,169)
Planned Use of General Balances	(784)	(5,000)
Total Resources	7,393	(220,695)
<u>Budget Requirement</u>		
Roll Forward Budget		228,088
Inflation	5,863	
Corporate Items	(1,523)	
Contingency	3,675	
New Priority Growth	100	
Savings Proposals	(15,508)	
Budget Requirement 2017/18	(7,393)	220,695
Surplus / (Deficit)	0	0

46. The Corporate Summary attached outlines the budget gap over the full MTFF period, showing the cumulative impact of the trends in funding and service pressures and the resultant savings requirement, which is projected to reach £69,749k by 2021/22. This is driven by an anticipated 41% reduction in core government grants and forecast cost pressures over the same period.

FUNDING SOURCES

47. Total resources available to support the budget requirement are projected to fall by £7,393k for 2017/18. Government funding is set to fall by £12,545k, with growth of £4,368k in locally generated income from Council Tax and Business Rates and an additional £784k to drawn down from General Balances sufficient to reduce the net reduction in resources to £7,393k. Current modelling assumes that the increases in local income are wholly attributable to taxbase growth and do not assume any inflationary uplift in Council Tax.

Table 3: Funding

	2016/17	(Favourable) / Adverse	2017/18
	£'000	£'000	£'000
Council Tax Precept	(106,585)	(1,614)	(108,199)
Council Tax (Surplus) / Deficit	(2,625)	2,125	(500)
Retained Business Rate Receipts	(48,560)	(1,754)	(50,314)
Business Rate (Surplus) / Deficit	1,125	(3,125)	(2,000)
Local Income Streams	(156,645)	(4,368)	(161,013)
Revenue Support Grant	(29,431)	9,918	(19,513)
Other Government Grant	(37,796)	2,627	(35,169)
Government Funding Streams	(67,227)	12,545	(54,682)
Planned Use of Balances	(4,216)	(784)	(5,000)
Total Resources	(228,088)	7,393	(220,695)

48. 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. These projections were fully reflected in the taxbase estimates presented to Council on 19 January 2017. Projections for grant funding is primarily based on allocations published by awarding bodies, including the multi-year settlement offer, and is therefore not expected to vary materially during 2017/18.

Council Tax Income

49. At Month 9, a surplus of £500k is projected on 2016/17 Council Tax income in contrast to larger surpluses recorded in recent years. Strong taxbase growth, declining demand for the Council Tax Reduction Scheme and high collection rates reducing the level of bad debt provision are being off-set by an exceptional one-off pressure on discounts. This relates to the continuation of historic empty property reliefs discounts awarded before these were reduced from 1 April 2016.
50. Implementation of an Empty Property premium is reflected in 2017/18 income projections, subject to approval of this measure as part of the broader budget. The Council has the power to levy a 50% premium on Council Tax for properties which have remained vacant and unfurnished for two years, of which there are currently 156 across the borough and numbers have remained consistently above 100 since 2013/14. This budget assumes an additional £56k income, equivalent to 50 Band D properties from the introduction of a premium with effect from 1 April 2017.

51. In addition to income from the premium, the latest projection assumes an annual 1,400 Band D equivalent increase in the net Council Taxbase, which is consistent with the position presented to members in February 2016. This increase will deliver £1,558k of additional income, which together with the £56k premium yield will increase the precept to £108,199k for 2017/18. It is expected that 1,200 of this increase will relate to new dwellings in the borough and 200 will reflect the continuing trend of declining uptake of CTR Scheme. It is assumed that the budgeted collection rate will remain at 98.5% in the new financial year.

Table 4: Council Taxbase (Band D Equivalent Properties)

	2016/17	Increase / (Decrease)	2017/18
Residential Properties	117,894	1,222	119,116
MOD Properties	704	0	704
Discounts & Exemptions	(10,482)	0	(10,482)
Empty Property Premium	0	50	50
Gross Council Taxbase	108,116	1,272	109,388
Council Tax Reduction Scheme	(10,888)	200	(10,688)
Allowance for Losses in Collection	(1,458)	(22)	(1,480)
Net Council Taxbase	95,770	1,450	97,220

52. Taxbase growth assumptions are assessed against both third party local population projections and local intelligence around new residential development within the borough. Over the current MTFF period, growth of 7,050 properties or 5.2% in the numbers of households is marginally lower than the 6.6% increase in working age population of the borough included in the 2014 Sub-National Population Projections, providing a level of assurance around assumed rates of growth. Similarly, latest intelligence on live developments within the borough suggests that 1,157 of the anticipated 1,222 new dwellings for 2017/18 will be delivered through sites under development or progressing through the planning process, with the remainder being secured principally through the conversion of commercial properties for residential use.
53. Projections in respect of the Council Tax Reduction Scheme and allowance for losses in collection reflect experience over recent years, and remain consistent with the approach taken in setting the 2016/17 taxbase.

Business Rates Income

54. A surplus of approximately £2,000k is projected on Business Rates Revenues for 2016/17, including £1,507k brought forward from 2015/16 in respect of the significant backdated increases in rateable value. It is expected that new properties coming on stream alongside a review of the approach to providing for appeal losses will secure additional income over the remainder of the year and deliver the surplus for release.
55. Projections in respect of Business Rates income for 2017/18 have been refreshed since December 2016 to reflect the impact of the introduction of the 2017 Rating List, and continue to reflect latest intelligence around planned commercial development in line with the December draft budget. Income from Business Rates and associated Section 31 Grants to compensate the Council for nationally determined changes to Business Rates reliefs is expected to total £359,811k, of which 30% or £107,943k is attributable to Hillingdon under the current 50% Business Rates Retention system. Prior to the introduction of pilots for 100% Retention, 50% was payable to Central Government with 20% funding GLA expenditure, with the GLA share increasing in 2017/18 at the expense of Central

Government as Transport activities are funded from retained Business Rates, rather than Government Grant. From this £107,943k share of income, the Council is required to transfer £51,412k to other local authorities around the country through the Tariff in order to reflect historic redistribution of funding, and a further £6,217k to Central Government through the Levy on growth. The net effect of these transfers is to leave £50,314k of locally raised income to support local services, consisting of £44,098k baseline funding equivalent to historic levels of Government Grant and £6,216k of retained growth.

56. Expected commercial development within the borough during 2017/18 is expected to contribute £870k of this retained growth, with a further £2,030k retained income from new developments over the remainder of the MTFP period. This £2,900k of growth over the next five years relates to properties outside Heathrow Airport and is equivalent to a net increase of £17,600k or 4.0% of the current Rateable Value. This equates to a 4.0% annual uplift since 2013/14, and therefore represents a continuation of current trends for commercial development in the borough. Current projections assume no movement in the Business Rates liability of Heathrow Airport due to new development on the site.
57. From 1 April 2017 Business Rates bills will be based on the new 2017/18 Rating List, which shows a 1% increase in Rateable Value for Hillingdon, with a 7.5% reduction across Heathrow Airport properties masking an 11.5% increase across all other hereditaments. As the national rating list has grown by 9.1%, the multiplier is expected to fall by an equivalent amount resulting in Business Rates bills for most commercial property in the borough to rise by 2.5% above inflation over the next five years. Given this limited movement, it is expected that the revaluation will have limited impact on collection rates or the Council's own Business Rates liabilities. Within the current Business Rates Retention system, movement in Business Rates income arising from revaluations do not impact upon the Council's share of revenues and the Tariff payable to Central Government has been reduced by £10,576k to compensate the Council for the move to a new Rating List.
58. Projections in respect of Business Rates income throughout this budget are modelled on maintenance of the current 50% retention system, on the assumption that the move towards 100% retention will be accompanied by either new responsibilities or corresponding reductions in existing grant income streams and therefore not affect funding available for local services.

Central Government Grant

59. Following the provisional Local Government Finance Settlement and subsequent updates from other Government Departments, projections in respect of Government Grant income have been refreshed and £54,682k funding expected for 2017/18. This represents a reduction of £12,545k or 19% on 2016/17 funding levels, and an adverse movement of £1,231k on December 2016 projections due to the new Adult Social Care Support Grant being insufficient to off-set the local loss of New Homes Bonus which was intended to finance the new grant nationally.
60. With the implementation of 100% Business Rates Retention by 2019/20, Revenue Support Grant will cease to exist as a separate funding stream and be absorbed into baseline Business Rates income. Until the mechanics of this transfer have been outlined by DCLG, the residual grant income will continue to be shown separately within the Corporate Summary. The transfer of additional functions into Business Rates as part of this reform will be reviewed and reflected in future refreshes of the MTFP as appropriate.
61. Projections in respect of Revenue Support Grant and Transition Grant are based on the multi-year settlement offer, published by DCLG in February 2016 alongside the final Local

Government Finance Settlement for 2016/17. For 2017/18 Revenue Support Grant is expected to drop by £9,918k to £19,513k, with an additional £515k being made available to the Council to compensate for changes in the distribution of RSG between authorities. This offer of fixed grant allocations, subject to exceptional circumstances, was contingent upon the Council submitting an Efficiency or Sustainability Strategy setting out the approach being taken to balance budgets to DCLG. The Council submitted its plan approved by Cabinet in September and the Government has subsequently confirmed that the multi-year settlement will be applied to Hillingdon. While final funding allocations for 2017/18 will not be confirmed until early 2017, this multi-year offer and announcements by the new Chancellor of the Exchequer around deficit reduction provide a measure of assurance that further cuts should not be forthcoming in the short term.

62. The Public Health Grant is now presented as part of the Council's corporate funding, reflecting the planned removal of the ring-fence from 2018/19. Alongside confirmation of the £18,452k 2016/17 grant award, the Department of Health set out annual reductions totalling £1,380k by 2019/20. A plan is in place to deliver efficiencies from Public Health funded services that mitigates this pressure in both 2016/17 and 2017/18.
63. Indicative Better Care Fund allocations for 2017/18 include a 1.79% inflationary uplift for 2017/18, which is expected to translate into £6,043k funding for Council managed activity. This represents an improvement of £47k on estimates included in December's draft budget report, although remains subject to approval of 2017/18 Better Care Fund plans by both the Council and its local partners. Annual inflation on this core allocation is projected to continue over the MTFF period, with income from 2018/19 supplemented by £10,411k of 'Enhanced Better Care Fund' financed from a topslice of Revenue Support Grant to provide £11,045k by 2021/22.
64. The Provisional Local Government Finance Settlement published in December 2016 included a new Adult Social care Support grant as a one-off funding stream for 2017/18, which has been allocated from a national pot of £240m across Social Care authorities on the basis of relative need. This resulted in £1,045k being made available for Hillingdon, effectively accelerating roll out of the Enhanced Better Care Fund, from which Hillingdon is expected to benefit in 2018/19. This increased funding for Social Care was financed from within existing resources available for Local Government, with a number of reforms to the New Homes Bonus scheme releasing savings to fund this new commitment.
65. In order to finance the new Adult Social Care Grant, DCLG have proposed two amendments to the New Homes Bonus Scheme - only rewarding development above a national baseline of 0.4% and scaling back the scheme from six to five years in 2017/18 - delivering a £234m saving nationally. These changes reduce the Council's projected 2017/18 grant award by £665k and £1,357k respectively. Previous MTFF assumptions were based on the scheme being reduced to four years from 2018/19, which released sufficient resources to finance the creation of the Enhanced Better Care Fund. The loss of £2,022k income for 2017/18 represents a reduction in non-ringfenced funding available to support local services, including Adult Social Care, which has not been recouped through the new funding stream. Income projections for future years take account of the expected scaling back of New Homes Bonus awards from 2018/19 in order to release resources within DCLG budgets to fund the enhanced Better Care Fund, and the on-going effect of only rewarding growth above the 0.4% baseline.
66. Spending Review 2015 set out the intention to further reduce local authorities' role in education, which would drive a £600m reduction in the £815.4m payable through the Education Services Grant. The first £65m of this cut fell in 2016/17, resulting in a loss of

£225k for Hillingdon. During the summer, the DfE confirmed that the grant would be abolished from September 2017, which results in a front-loading of the previously assumed cuts in 2017/18 and 2018/19. Income projections for this grant have been refreshed since December Cabinet, with income for 2017/18 to total £847k. It is assumed that through a combination of transferring expenditure from base budgets into the Dedicated Schools Grant, and reviewing delivery models for specific aspects of the services, will off-set a substantial element of this latest reduction. A number of announcements from the DfE have indicated that additional resources will be available to support School Improvement functions, which in the absence of other contributions towards these functions will be applied to meet the Council's statutory responsibilities for School Improvement.

67. Projections in respect of the Housing Benefit Admin Subsidy Grant (£1,132k) and Council Tax Administration Subsidy (£328k) are based on indicative allocations from DWP and DCLG, and represent an improvement of £100k on local estimates reported to Cabinet in December 2016. In addition, the DCLG Transition Grant (£515k) to reimburse the authority for changes to Revenue Support Grant allocations made in 2016/17 is included in this budget.
68. Latest funding projections do not include any allowance for additional income arising from further integration of Health and Social Care through mechanisms such as the Sustainability and Transformation Plan, around which there remains limited tangible intelligence and all indications are that any material changes would impact from 2020 at the earliest.
69. While funding for Phase 1 of 2014 Care Act Implementation has been subsumed into the Revenue Support Grant from 2016/17, additional grant funding and the associated uplift in expenditure have been factored into the MTFF from 2019/20 to reflect the original timescales for Phase 2 commencing. There remains uncertainty around the pace and scope of Phase 2 implementation, which will be reflected as refreshed intelligence becomes available.
70. In addition to the larger Department of Health funding streams, it is expected that the Local Reform and Community Voices Grant will continue at its current level of £142k per annum.
71. Finally, the DCLG have awarded £15k to the Council for 2017/18 through the Lead Local Authority Flood Grant which has been added to funding projections. This award follows a commitment made by the previous Secretary of State to protect flood funding in real terms over the remainder of this parliament.

BALANCES AND RESERVES

72. The final outturn for 2015/16 represented a £2,000k improvement on the position assumed at the time of budget setting in February 2016, principally arising from the capitalisation of £1,213k equipment expenditure. This improvement has enabled a refresh of planned use of balances, with £5,000k drawdowns in both 2017/18 and 2018/19 now included in this budget.
73. At 31 March 2016 General Balances were £39,005k, with a drawdown of £2,372k projected in 2016/17 and a further £14,500k drawdown profiled over the years 2017/18 to 2020/21, leaving £21,133k uncommitted. At present it is proposed to revise the recommended range for unallocated balances from £15,000k to £32,000k, leaving capacity to release further reserves in order to deliver balanced budgets. Taking account of the £1,844k underspend reported in Month 9 monitoring, up to £7,133k would be available to support the MTFF.

Table 5: Planned Use of Balances

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
Opening Balances	36,633	31,633	26,633	23,633	22,133	36,633
Planned Drawdown	(5,000)	(5,000)	(3,000)	(1,500)	0	(14,500)
Closing Balances	31,633	26,633	23,633	22,133	22,133	N/A

74. Earmarked Reserves provide additional flexibility in the MTFF over and above the use of General Balances, with £16,844k of the £24,209k balance held at 1 April 2016 potentially available to support new investment without increasing the savings requirement. This budget assumes the use of £400k of this flexibility in 2016/17 to support the Council's High Speed 2 and Heathrow Expansion Challenge Funds.

INFLATION

75. Latest projections indicate that inflationary pressures for 2017/18 will contribute £5,863k to the savings requirement, including workforce inflation reflecting an annual 1% pay award and inflation on care placements reflecting pressures within this sector. This represents an increase of £2,067k on estimates for 2017/18 presented to Members in February 2016, with the movement principally driven by pressures within the Social Care Placement market, although estimates have been reduced by £367k since December 2016 due to confirmation of the 2017/18 Concessionary Fares Levy and a minor £6k increase in workforce inflation.

Table 6 - Inflation Provision

	Inflation Rate %	2016/17 £'000
Employee's Pay	1.0%	1,165
Added Years Pension Costs	0.9%	19
Electricity	0.0%	0
Gas	0.0%	0
Vehicle Fuel	0.0%	0
Residential / Nursing Placements	Various	3,403
Homecare Provision	Various	1,500
Other Contracted Services	0.0%	0
Business Rates	0.0%	0
Concessionary Fares	(2.1%)	(174)
Gross Inflation Provision		5,913
Less: Grant Funded Items		(50)
Net Inflation Provision		5,863

76. Provision for employee's pay continues to reflect the assumed 1% per annum inflationary pay awards across permanent employees, agency budgets and Members' allowances at a total cost of £1,165k. This reflects the previously announced awards for Chief Officers and other employees in 2017/18. An increase of 1% in the pay award would add approximately £1,150k to the budget gap. Any impact on the Council's own staffing costs from the roll out of a National Living Wage is assumed to be de-minimis for the purposes of budget setting as all employees are already paid at this level. Any resulting impact on pay rates for agency staff will be contained within relevant service budgets.

77. As in previous years, inflation relating to workforce funded from specific grants is assumed to be managed within the relevant grant and therefore does not impact on the overall budget gap. Following the significant transfer of workforce costs into the General Fund from both the HRA and Schools Budget, a similar approach has now been taken on recharge income targets relating to other funds. This change does not contribute towards the overall reduction in inflation costs, merely defraying an increase in the headline cost of workforce inflation from previous assumptions.
78. The inflation provision for Residential and Homecare placements across Social Care has been increased to £4,903k in 2017/18, reflecting a growing volume of inflation claims from providers which is primarily driven by wage pressures within the sector. In addition to the previously identified impact of upward movement in the National Living Wage within the Homecare sector, both Residential and Homecare are now seeing increases in line with higher London Living Wage.
79. In line with the approach taken for 2016/17 and reflecting experience during the current financial year, only care placement, levy and workforce budgets are being inflated for 2017/18. It is expected that the direct impact upon the Council from rising general inflation can be managed within existing revenue budgets for 2017/18.
80. Early iterations of the MTFF assumed that an inflationary uplift of up to £199k would be required on the Concessionary Fares levy, reflecting local population growth and assumed usage of the Freedom Pass. The Concessionary Fares Settlement has now been published, with Hillingdon's levy for 2017/18 being set at £8,258k which is £373k lower than previously expected. This improvement relates to the introduction of the Hopper Fare on buses from September 2016, enabling multiple journeys for a single charge, and lower than anticipated journey volumes over the past year.

CORPORATE ITEMS

81. There are a range of issues impacting upon the Council's overall budget and therefore managed corporately, including the implications associated with new burdens transferring to the Council, revenue implications of capital investment and the application of balances. Further details on these items included in the 2017/18 budget are explained below.

Table 7: Corporate Items

	2017/18
	£'000
<u>New Burdens & Transfers of Responsibility</u>	
Transfer of Residual Education Functions from Local Government	(1,059)
<u>Adjustments to Funding, Financing & Corporate Budgets</u>	
Movement in Council Tax Older People's Discount	(25)
Rephasing Capital Financing Costs	(750)
Technical Adjustment (Review of Capitalisation)	111
Funding for HIP Initiatives	(200)
Reduced Drawdown from Earmarked Reserves	400
Total Corporate Items	(1,523)

82. As noted within the Government Grants section of this report, the abolition of the Education Services Grant from September 2017 will require the transfer of a number of functions directly into the Dedicated Schools Grant (for which the current annual budget is £740k per

annum), School Improvement Services being fully funded from the new specific DfE grant and a BID Review of residual Education functions to streamline residual functions. These three workstreams are expected to deliver a £1,059k reduction in budgeted expenditure for 2017/18, rising to £1,204k in 2018/19.

- 83. The 2016/17 budget approved by Members in February 2016 included rephasing of £1,400k capital financing budgets, with £650k assumed to be required in 2017/18 to meet additional borrowing costs arising from capital investment. Latest capital expenditure projections, accelerated use of capital receipts within the General Fund and reduced interest income transfers to the HRA will allow £1,100k financing budgets can be slipped from 2017/18. In addition, it is proposed that £300k contingency previously held within budgets for interest and other treasury risks be released to deliver a £750k reduction in capital financing costs.
- 84. The revenue impact of capitalising equipment expenditure is expected to require £111k per annum additional provision within capital financing costs - this represents a reduction of £60k from the position previously reported to Members as a result of expenditure on such equipment reducing in 2017/18. Elsewhere within this report, capital budgets have been reduced from 2017/18 to reflect this lower level of activity.
- 85. The forecast of lower take-up of the Older People's Council Tax discount has been reflected in this budget resulting in a small reduction of £25k per annum. In addition, base budget funding for HIP Initiatives has been rebased to reflect current levels of activity, releasing £200k from 2017/18. The 2016/17 budget included a £400k drawdown from earmarked reserves, which is not assumed to continue into 2017/18.

DEVELOPMENT & RISK CONTINGENCY / SERVICE PRESSURES

- 86. The Development & Risk Contingency is used to manage budgets relating to volatile or demand-led services, where there will remain uncertainty of 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.
- 87. The budget approved in February 2016 assumed a net increase of £2,108k would be required in 2017/18, which has since been revised up by £1,567k to £3,675k. This increase consists of growth in provision for Looked After Children's placements, Adult Social Care placements for transitional children and a new pressure from Deprivation of Liberty Safeguarding assessments.

Table 8: Development & Risk Contingency

	£'000
2016/17 Contingency Budget	18,453
Releases to Operating Budgets	(2,912)
Increase to Contingency Requirement	3,675
2017/18 Contingency Budget	19,216

- 88. Appendix 3 to this report provides a breakdown of the Development & Risk Contingency for 2017/18, with an explanation of key assumptions and risk factors on each item set out below:

- **Uninsured Claims (£50k reduction from 2016/17)** - A reduction to £291k in the provision for uninsured claims is proposed in this budget, which combined with base budget funding would be sufficient to contain £650k of claims annually. There is scope to

finance any exceptional or high value claims over this amount from dedicated earmarked reserves, which currently total £2,415k.

- **Impact of Welfare Reform on Homelessness (£289k reduction from 2016/17)** - Numbers of households within Temporary Accommodation have risen by 8% from 2015/16 levels, although this has been largely mitigated through increased demand management. Challenges in securing a sufficient supply of affordable accommodation has resulted in a continued reliance of higher cost Bed & Breakfast placements, and limited scope for moving clients on which could result in further increased numbers in Temporary Accommodation as 2016/17 progresses. In addition, the roll out of further changes to welfare, including benefit cap reductions from November 2016, is expected to impact upon households presenting as homeless. In response to these challenge, a range of initiatives, including the new placement policy enabling out of borough placements where appropriate, refocusing of the Council's Homelessness & Lettings service following a BID review and closer working with Social Care and Fraud, are currently anticipated to enable the contingency requirement to be managed down by £289k to £1,736k.
- **Waste Disposal Levy & Associated Contracts (£794k increase from 2016/17)** - Underlying waste tonnages continue to grow in line with population growth and increasing economic activity is projected to drive on-going increases in the cost of waste disposal, with the latest modelling producing a £794k uplift in the contingency requirement for 2017/18. This movement is driven by projected growth in the West London Waste Authority Levy to reflect both population growth and the RPI-uprating of Landfill Tax, although final levy costs will remain subject to confirmation throughout 2017/18. Alongside the levy, there remains a level of risk around the Council's own waste disposal contracts which are expected to remain less expensive than WLWA provision but may vary according to prevailing market conditions.
- **High Speed 2 & Heathrow Expansion Challenge Funds (£100k reduction from 2016/17)** - This budget includes £200k to meet costs associated with the Council's on-going opposition to the expansion of Heathrow Airport, with a further £100k included to meet costs relating to High Speed 2.
- **Asylum Funding Shortfall (£564k reduction from 2016/17)** - Ongoing work within Social Care to manage down expenditure on Unaccompanied Asylum Seeking Children (UASC) is expected to reduce the contingency requirement by £564k to £1,648k in 2017/18. This remaining contingency requirement represents the cost of supporting the UASC population not met from Home Office grant and therefore falling upon the local Council Taxpayer. It is projected that numbers of under-18 UASCs will fall from the current 94 during 2017/18 due to aging up, with numbers in care expected to reach 48 by March 2018 - in line with the effective cap within the new National Transfer Agreement. Thereafter client numbers and costs are projected to remain constant across the MTFP period.
- **Children's Social Care Demographic Pressure (£1,564k increase from 2016/17)** - As reported through 2016/17 budget monitoring, the underlying cost of Looked After Children placements is higher than existing budget provision as a result of the complexity of need being seen in current caseloads. The proposed £1,564k increase held in Development and Risk Contingency will result in £5,298k contingency funding for 2017/18, which alongside base budget provision of £5,953k is available to manage the expected caseload of 433 Looked After Children. This 2017/18 baseline reflects

reductions in numbers of residential placements and a move towards in house fostering as set out in 2016/17 savings proposals.

- **Children's Services Structure - Agency Pool (no change from 2016/17)** - Provision is proposed to manage the additional costs associated with use of agency cover for Children's Social Work where permanent recruitment has not yet been completed, or proves more challenging. The provision of £277k is based on the estimated premium associated with 10% of Social Worker and Social Work Management posts being covered by agency staff. This sum will continue to be managed through Development and Risk Contingency to provide transparency around such costs.
- **Special Educational Needs Transport (£184k increase from 2016/17)** - Following the substantial reduction in the cost of SEN Transport included in the 2016/17 budget, expenditure is projected to grow in line with a growing eligible population. Recent experience has shown numbers of Children with a Statement of Special Educational Need or Education, Health and Care Plan have grown faster than general school-age population, which is expected to continue with 5% annum growth resulting in an additional £184k contingency requirement.
- **Transitional Children (£1,211k increase from 2016/17)** - Provision is included within this budget to meet the costs associated with 30 children expected to transition into Adult Social Care placements during 2017/18. The estimated additional cost of £1,211k reflects the full year effect of those children who transitioned in 2016/17, with the schedule of expected transfers refreshed since the previous MTF update. In all cases, it is assumed that the previous cost of care for these clients will reduce as a result of Adult Care Needs assessments.
- **Adult Social Care Demographic Pressures (£353k increase from 2016/17)** - A refresh of the Adult Social Care placements forecast and current commitments indicates a £353k uplift will be required for 2017/18. This results in a Development and Risk Contingency requirement of £785k to supplement the £48,260k base budget provision for placement costs.
- **Winterbourne View (£196k reduction from 2016/17)** - Projected costs for those clients transferring from the National Health Service in response to the Winterbourne View report have been refreshed, reflecting the ongoing dowry funding for the majority of cases and additional support from Hillingdon CCG where appropriate. This results in a residual cost of £197k per annum to the Council, which will be confirmed during 2017/18 upon the transfer of the final clients. The reduction from previous estimates represents the increased level of dowry funding available from the Department of Health.
- **Deprivation of Liberty Safeguards Assessments (new item - £759k increase from 2016/17)** - The Supreme Court decision on the Cheshire West case ruling from March 2014 continues to drive an increase in number of Deprivation of Liberty assessments, with no indication of any sustained funding from Central Government leaving this as a pressure to be managed locally. As the Council builds up experience in managing the volatile demand for assessments, it should be possible to reduce the level of provision within Development and Risk Contingency going forward.
- **Care Act New Burdens Funding (£300k reduction from 2016/17)** - It is proposed to release the £1,031k contingency provision required to fund ongoing Care Act responsibilities into Social Care base budgets, while the £300k applied to meet transitional costs will contribute towards reducing the budget gap for 2017/18.

- **Apprenticeship Levy (new item - £559k increase from 2016/17)** - From 1 April 2017 the Government will introduce an Apprenticeship Levy at 0.5% on all employers with a payroll in excess of £3,000k per annum, the cost of which is estimated at £559k and provided for within Development and Risk Contingency. This levy forms part of the broader agenda to encourage apprenticeships and the proceeds are to be made available to support training costs in those organisations making greater use of apprentices. A cross-cutting BID Review is being undertaken to develop sufficient off-setting efficiencies to mitigate this pressure and is included within the Savings section of this report. This review will look at the scope for changing some of our existing posts to apprentice posts and to register some of our existing training as apprenticeship training so it can be offset against the new levy. The aim is to try and make the proposed changes cost neutral for the Council.
- **General Contingency (£250k reduction from 2016/17)** - This budget contains £750k General Contingency, representing a £250k increase on the position outlined in December 2016.

89. As in previous years, it is recommended that Development and Risk Contingency budgets in respect of prior year demographic growth are released into service budgets with effect from 1 April 2017 to reflect the less volatile nature of this expenditure. It is proposed to transfer funding in respect of the Waste Disposal Levy, Looked After Children, Transitional Children and Adults' Demographic Growth.

PRIORITY GROWTH

90. This budget includes provision of £1,034k of Priority Growth in 2017/18, with £200k allocated to the costs of acquiring exhibits for the new Museum and Bunker developments, £200k provision to support additional investment in Children's Centres & Early Years Centres within the borough, £100k provision for investment in Youth Provision, £140k expected to be required to support the new Museum service from autumn 2018, £100k to provide funding to deal with any potential Traveller Inclusions within the borough, and £40k to meet the full year cost of a Members Enquiry Monitoring Officer. This leaves £254k of base budget provision available to support further new initiatives; with further capacity through earmarked reserves to manage additional commitments over £254k should it be required.
91. The February 2016 budget report assumed that £1,000k of growth would be required to finance capital investment in school expansions, however latest capital expenditure projections indicate that these funds will not be required until 2018/19 at the earliest. Deferral of this growth therefore reduces the savings requirement for 2017/18 by £1,000k.

SAVINGS

92. The refreshed projections in respect of funding, inflation, contingency, corporate budgets and growth results in a £15,508k savings requirement for 2017/18. The following paragraphs of this report provide detail on savings proposals developed to meet this requirement, consisting of £13,839k new savings proposals and £1,669k of full year effect of prior year initiatives. Savings proposals are focused on increased efficiency and effectiveness with no reduction in service provision, and fall into five broad themes, which are outlined below. These themes include; Service Transformation, Effective Procurement, Income Generation & Commercialisation, Preventing Demand and Zero Based Reviews.

93. Delivery of the programme of savings outlined below is expected to require resources to support pump priming and implementation costs, including redundancy payments, capital costs of early retirement and specialist project support amongst other items where relevant. An initial estimate of these costs for 2017/18 is £2,750k, which will be managed through a combination of capital receipts and earmarked reserves where necessary.

Table 9: Savings

	Admin £'000	Finance £'000	Residents Services £'000	Social Care £'000	Cross Cutting £'000	Total £'000
Service Transformation	(170)	(570)	(3,232)	(2,136)	(1,114)	(7,222)
Effective Procurement	0	0	(527)	(1,644)	0	(2,171)
Income Generation & Commercialisation	0	0	(445)	(572)	0	(1,017)
Preventing Demand	0	0	0	(407)	0	(407)
Zero Based Review	(51)	(286)	(1,999)	(2,355)	0	(4,691)
Total Savings	(221)	(856)	(6,203)	(7,114)	(1,114)	(15,508)

94. Alongside the development of new proposals, the full year effect of previously agreed proposals have been reviewed and resulted in increased savings within Social Care. In addition the profile for delivery of new Supported Living provision has been revised to take account of the latest estimates for delivery dates. The resulting impact of these changes is an increase in prior year savings from the £1,655k estimated in February 2016 to £1,669k.
95. Service Transformation represents the majority of proposed 2017/18 savings, with items presented in this category ranging from the full year effect of previously implemented proposals through the implementation of agreed BID Reviews to the expected benefits arising from potential new BID Reviews.
96. Effective Procurement savings are similarly made up of full year effect items and proposed reviews of delivery models in a number of areas.
97. Income Generation & Commercialisation proposals include brought forward items for which plans are already in place, and proposed amendments to Fees & Charges discussed below.
98. Savings proposals in relation to preventing demand are focused on managing Social Care placement expenditure, including the benefits of the Supported Living Programme, and represent a continuation of existing initiatives within Social Care.
99. 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 2015/16 and similar exercises being undertaken by Finance.

Administration

100. A total of £133k new Service Transformation savings proposals have been presented by Administration, relating to implementing the HR BID Review. In addition, £37k savings relating to a previous restructure in HR and £51k Zero Based Review including a review of the small grants budget bring the total 2017/18 proposals for the Group to £221k. Detail on Administration proposals is set out in Appendix 5a.

Finance

101. Savings proposals from Finance total £856k for 2017/18, with new items consisting of £470k Service Transformation proposals and £286k output from Zero Based Reviews. An additional £100k full year effect savings relating to a previous restructure in Operational Finance bring the total 2017/18 proposals for the Group to £856k. Further detail on all proposals is included in Appendix 5b.
102. Service Transformation proposals include the £100k full year effect items relating to the previous restructure in Operational Finance and £72k linked to the implementation of the BID Review consolidating financial support within the Council. The remaining £398k new Service Transformation proposals are at an earlier stage of development proposals and include £298k from capturing the benefits of the new budget management system, £70k from the realignment of transactional functions across Accounting and Revenues & Benefits, £20k from a review of Business Assurance and £10k from the introduction a new digital strategy within Revenues & Benefits where new self service modules for Council Tax, NNDR and Benefits are being introduced.
103. Zero Based Review proposals totalling £286k include £180k from Compensatory Added Years budgets alongside £106k from External Audit Fees and other service budgets.

Residents Services

104. Savings totalling £6,203k have been developed across Residents Services in 2017/18, including £3,232k from Service Transformation, £527k from Effective Procurement, £445k from Income Generation & Commercialisation and £1,999k from Zero Based Reviews and capitalisation. Within this sum, £6,107k of new proposals are supplemented by a net £20k saving from the prior year proposals. An overview of individual proposals is set out in Appendix 5c.
105. Service Transformation proposals totalling £3,232k include savings arising from BID reviews covering Highways & Street Lighting (£1,346k), Phase 2 of the ICT Review (£750k), Business & Technical Support (£354k), a review of the directorate management structure (£250k), a review to secure efficiencies from synergies in the Grounds Maintenance and Street Cleansing operations (£250k), and reviews of Planning & Transportation (£212k), reviews of Housing/Homelessness functions (£131k), Parking Management (£115k), Pollution Control & Food Hygiene (£112k), Environmental Health, ASBIT & Community Safety functions (£74k), Bereavement & Culture services (£52k) and a review of standby arrangements for Emergency Response Officers (£10k). These proposals off-set the depletion of £424k per annum time limited DCLG funding for Weekly Collections, delivering £3,232k towards the broader savings requirement.
106. Proposals in relation to Effective Procurement include £100k of 2016/17 proposals for Facilities Management savings, with a further £332k new proposals through further review of contract arrangements in this area - including use of existing in-house resources where appropriate. In addition £95k savings on Blue Collar agency spend are included to reflect efficiencies in the recently let contract.
107. Income Generation & Commercialisation proposals are expected to deliver £445k savings, including £250k from proposed Fees & Charges changes outlined below and BID reviews to identify options for commercialisation of Trade Waste (£120k) and Building Control (£75k).
108. Zero Based Review savings total £1,999k, including £853k arising from expenditure reviews, £852k from income reviews, £252k from the use of flexibility to capitalise transformation

costs and £122k from estates budgets following the expiry of the Council's lease for Warnford Industrial Estate during 2016/17 and a review of provision for garages development and repairs. These new proposals for 2017/18 totalling £2,079k are off-set by £80k of one-off 2016/17 Zero Based Review savings falling out of the budget.

Social Care

109. Social Care have developed savings proposals totalling £7,114k, including £2,136k Service Transformation proposals, £1,644k from Effective Procurement, £572k from Commercialisation & Income Generation, £407k from Demand Management and £2,355k from Zero Based Reviews and capitalisation. This total includes £1,487k of full year effect savings and £5,627k of new savings. Further details on proposals for Social Care are included in Appendix 5d.
110. Service Transformation proposals consist of £403k savings from 2016/17, including review of the Children's Centre delivery model, and £1,733k new proposals. A planned major review of Social Care Staffing Structures is proposed to deliver £650k savings, with capitalisation of the Social Care Transformation Team previously funded from base budgets able to deliver £513k further savings. Proposed Transformation savings within provider services include £370k from the transfer of services from Merchiston House, £150k from reviewing staffing structures across in-house Children's Home provision and £50k from reviewing post 16 transport provision.
111. The £1,644k of proposals in respect of Effective Procurement includes the £305k Full Year Effect of outsourcing Learning Disability Services and £1,339k new proposals being developed for consideration. The BID Review of the 0 to 19 Healthy Child Programme is expected to deliver savings of £800k through reductions in overheads and administration costs, with a further £539k from a planned BID Review of Supported Living Contracts.
112. The £572k Commercialisation & Income Generation proposals within Social Care all relate to the full year effect of previous savings, including £210k growth in Client Income and £362k increase in Troubled Families Grant income.
113. Demand Management proposals include £207k from the continued delivery of the Supported Living Programme, with an additional £200k of new proposals developed for this budget cycle in relation to reviewing high cost placements and day care provision within the All-Age Disabilities Service.
114. The line-by-line review of 2015/16 outturn and 2016/17 budgets has identified £2,355k Zero Based Review savings for 2017/18, including £360k from applying capital grant to fund to Telecareline equipment.

Cross-Cutting Proposals

115. £1,114k cross-cutting proposals included within this budget are summarised in Appendix 5e. Service Transformation items include a proposal being developed to off-set the £559k Apprenticeship Levy through reviewing the Council's approach to training and use of apprentices and an initial £100k is included to reflect potential savings that could be delivered from a review of workforce Terms and Conditions. This section also includes £455k savings within the Public Health ringfence for 2017/18 to manage the previously announced cut in funding levels.

FEES AND CHARGES

116. 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.

117. Appendix 8 to this report sets out a number of amendments to the Council's schedule of Fees & Charges, which was presented in full to members as part of the February 2016 Cabinet and Council Budget Papers. The Council continues to benchmark Fees & Charges against those of neighbouring authorities and other service providers, with charges being set at a maximum of 90% of the relevant benchmark. As the Council has frozen many charges since 2011, while other providers apply annual uplifts, periodic benchmarking at 90% gives a larger rise to cover that fees yet remain lower than neighbouring authorities. Amendments are proposed in the following areas in line with the draft proposals presented to Cabinet in December 2016:

- Highways Crossovers & Skip Licensing - It is proposed to increase both application fees for Crossover works and charges for Crossovers and Skip Licensing, while remaining under the 90% benchmark;
- Golf Courses - A range of modest increases in charges frozen since 2011 are proposed, while remaining under the 90% benchmark for advertised prices at local courses;
- Bereavement Services - Increasing charges across Breakspear Crematorium and the Council's Cemeteries, while remaining below the 90% benchmark;
- Music Service - It is proposed to increase charges for the Music Service, which have been frozen since 2011, moving towards 90% of neighbouring authorities' charges over a three year period.
- Riding Establishments - Increases to fees for larger establishments (more than 6 animals) to move towards 90% of neighbouring authorities over a two year period;
- Adult Education Services - Tuition Fees for Hillingdon's establishments remain lower than those in neighbouring authorities, with proposals within this budget to increase charges in a move towards the 90% benchmark over a three year period;
- In addition, this schedule includes amendments to HRA service charges noted later in this report.

118. In addition, the following changes have been recommended following publication of the draft budget in December 2016:

- Arts and Theatres - A range of increases to charges for both residents and non-residents, while ensuring charges remain below the 90% benchmark;
- Colne Valley Caravan Park - An increase of £2.50 per week in rent is proposed to recoup the operating costs of new smart meters installed on the site.
- Schools Forum has raised concerns about the three Early Years Centres continuing to run at a loss and the consequential impact on the Schools Budget. A BID review is to be undertaken with the intention of increasing efficiency of operation. However, prior to the review, benchmarking of Early Years Centres against neighbouring boroughs has highlighted that fees are well below 90% of those of other providers. It is therefore proposed to increase Fees to close to the 90% level.

119. Leisure Fees - The Council's Leisure Services providers have indicated that they would prefer to benchmark fees once 2017/18 fees for neighbouring Boroughs have been published. If any increases are proposed as a result of this work they will be subject to separate formal approval and implemented during the 2017/18 financial year.

MEDIUM TERM OUTLOOK

120. The immediate focus of this report remains the delivery of a balanced budget for 2017/18; and while this report sets out an approach to meeting this immediate challenge in, there remains a significant savings requirement to be delivered from 2018/19. Sensitivity analysis of inflation and contingency items indicates limited scope for material favourable movements in the shorter terms, and therefore necessitates development of further savings proposals for delivery in the 2018/19 budget. In the case of funding, the current stance of Government combined with parliamentary timescales all but precludes any fundamental change to either the overall quantum of funding available to local government or its distribution amongst authorities.

121. Beyond 2018/19 there is potentially scope for a range of initiatives, including the move to 100% Business Rates Retention from 2019/20, the fair funding review considering distribution of resources between authorities for 2020/21, and further Health and Social Care integration through either the Better Care Fund or Sustainability and Transformation Plan to reduce the savings requirement for the Council. In addition, more radical options including local government reorganisation or a change in statutory responsibilities would be available to Government in delivering a more sustainable local government sector within a smaller resource envelope.

122. Notwithstanding the significant uncertainty beyond 2018/19, medium term projections for funding, inflation, contingency items and the revenue impact of capital investment have been refreshed and a headline budget gap of £69,749k is now projected by 2021/22, with savings proposals developed to manage £17,103k of this sum. The following paragraphs outline the factors driving this budget gap and a number of potential opportunities to reduce the quantum of savings ultimately required from service budgets.

123. Declining Central Government funding (consisting of grants and the Business Rates Baseline) continues to drive the budget gap, with reductions of £21,695k projected over the MTFP period. This reduction is primarily due to Revenue Support Grant declining from £29,431k in 2016/17 to £6,655k in 2019/20 in line with the multi-year settlement offer. While there has been no indication as to funding levels beyond 2019/20, it is expected that RSG will be rolled into the Business Rates baseline and remain steady in cash terms. In addition, scaling back the New Homes Bonus reward from six years to four years and limiting growth rewarded to development above a 0.4% baseline is expected to add £5,811k to the budget gap. Notional increases in the Better Care Fund totalling £5,334k over this period will be funded from these cuts in Revenue Support Grant and New Homes Bonus, and therefore do not represent a genuine increase in resources available to support Adult Social Care.

124. In Spending Review 2015, the Government outlined a funding settlement for Local Government to 2019/20 which ostensibly protected funding in cash terms at 2015/16 levels through a variety of mechanisms including the Enhanced Better Care Fund and use of flexibility by Councils to raise Council Tax - both in relation to the Social Care precept and more generally. The reductions in funding outlined in the previous paragraph represent the local impact of this funding settlement - referred to as Spending Power - with assumed Council Tax / Social Care precept increases of 3.99% per annum over the period from

2016/17 to 2019/20 balancing these reductions in the Government's view of Local Government Finance as outlined below.

Table 10: 2015 Spending Power Calculations (prior to New Homes Bonus Reforms)

HMT/DCLG 2015 Spending Power Analysis (Applied Hillingdon Projections)	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Baseline Council Tax Revenues <i>1.99% per annum Council Tax Increase</i>	104,070	106,585	108,199	109,757	111,315
<i>2.00% per annum Social Care Precept</i>	N/A	2,121	4,316	6,586	8,932
Baseline Business Rates	42,858	43,214	44,067	45,367	46,819
Local Government Self-Financed Expenditure	146,928 76%	154,052 80%	160,921 85%	168,331 89%	176,046 91%
Revenue Support Grant	39,509	29,431	19,513	13,124	6,655
Enhanced Better Care Fund	N/A	N/A	N/A	2,300	4,700
New Homes Bonus	8,079	9,127	9,127	5,800	5,600
Local Government Departmental Expenditure Limit	47,588 24%	38,558 20%	28,640 15%	21,224 11%	16,955 9%
Local Government Spending (Cash Terms)	194,516	192,610 (1,906)	189,561 (4,955)	189,555 (4,961)	193,001 (1,515)
<i>Assumed Council Tax Increases</i>	0	4,253	8,655	13,207	17,912

125. This funding model outlined by the Government effectively assumes that all inflationary, demographic and locally-led investment would be financed from expenditure reductions in core services, but that a significant proportion of the Local Government sector's contribution to the broader programme of public sector deficit reduction would be met through raising headline rates of Council Tax. Furthermore, recent announcements on limiting the scale of New Homes Bonus to cover only development above a 0.4% growth baseline has reduced funding by £1,835k by 2019/20, indicating that those elements of the funding settlement not specifically protected in the multi-year offer are open to further cuts.
126. Additional funding is being made available regionally by Department of Health to support transformation of health and care services to meet local needs, with local health organisations and local authorities expected to develop Sustainability and Transformation plans in order to gain access this funding. While actual levels of funding for Hillingdon are to be determined, and the majority of funding will likely be managed through the Clinical Commissioning Group, implications for the Council will remain under review and reflected in future MTF updates as necessary. It is likely that the principal financial benefit to the Council from this initiative will be in greater synergies with the local health sector, rather than additional funding.
127. In addition to cuts to funding for core Local Government responsibilities, current indications from the Department of Health are that the Public Health grant will be cut by £1,380k by 2019/20. Public Health reserves of £2,611k are also available to smooth the impact of these reductions if necessary, or to support invest-to-save or transformation expenditure to manage Public Health within this declining resource envelope.
128. While the move towards 100% Business Rates Retention will result in consolidation of a number of funding streams, including Revenue Support Grant, into Business Rates baselines, this is projected to be revenue neutral with any increases in grant award reflecting additional responsibilities. There may be scope to contribute towards bridging the budget gap in cases where the move to 100% Business Rates Retention requires new functions to

be transferred to the Council, either through identifying synergies with existing services or moving to alternative delivery models.

129. Conversely income projections from local taxation remain robust, with retained Business Rates income expected to grow by £2,619k to £7,965k in 2021/22 as a result of a 4% increase in Rateable Value on non-airport properties across the borough. This growth projection is based on the current Development Control pipeline and remains consistent with experience since partial localisation of Business Rates in 2013/14. An additional 1% growth in Rateable Value would be expected to secure a further £650k income.
130. While it is likely that the move from 50% to 100% Business Rates Retention will allow the Council to retain a greater share of growth, any benefit in the medium term would be at least partially off-set by the impact of the planned 're-set' of the system in 2020/21. Given the uncertainties associated with this 're-set', the central scenario for Business Rates income within the MTFF is based upon maintenance of the Council's current 30% share of growth. The move towards 100% Retention is also expected to increase the share of Business Rates payable to the GLA.
131. In July 2016 the Government published a consultation on the roll out of 100% Business Rates Retention which included detail on planned local flexibility to reduce the Business Rates multiplier and therefore bills for local businesses. This power will likely be limited to reducing rates payable by all businesses in the borough, with no scope for the Council to levy additional charges or limit discounts to certain classes of property. For more targeted reductions in Business Rates, the Council has scope to introduce discretionary reliefs under existing regulations.
132. Alongside growth in Business Rates, Council Tax income is projected to rise by £7,846k as a result of a 6,000 Band D Equivalent increase in the taxbase, 1,000 Band D Equivalent decline in demand for the Council Tax Reduction Scheme and 50 Band D Equivalent from introduction of an empty property premium. Taxbase growth reflects sites in the Development Control pipeline, with the 5.2% increase over the MTFF period marginally lower than the 6.1% growth in working age population projected by the Office for National Statistics over the same period. Declining demand for the CTR Scheme reflects a continuation of experience since introduction of the scheme in 2013/14. A 1% or 972 Band Equivalent movement in tax base projections would deliver £1,082k additional income, although would also likely result in an equivalent increase in population-led contingency items at an approximate cost of £1,021k.
133. No allowance has been made within the MTFF for increases in the headline rate of Council Tax; although assuming the maintenance of current regulations annual increases of 1.99% and an additional 2% per annum to 2019/20 in respect of the Social Care Precept could be levied without triggering a local referendum. A 1% increase in Council Tax, equivalent to £11.13 for a Band D household, would secure an additional £1,082k income, with the approach to continuing the Older People's Discount requiring £216k of this sum for any increases in 2017/18 or 2018/19 to leave £866k additional income to fund services.
134. Taking account of £1,500k 2015/16 Collection Fund surplus dropping out over the MTFF period, total resources, excluding use of balances, are projected to fall by £12,449k or 5.6% although this includes £1,179k of additional grant funding for new responsibilities so funding to support existing services is expected to fall by £13,628k or 6.1% by 2021/22.
135. The current planned drawdown from balances contributes a further £4,216k to the budget gap by 2021/22, with the phased reduction in planned drawdowns reducing unallocated General Balances from £39,005k at 1 April 2016 to £22,132k by 31 March 2022. This

leaves £7,132k over the £15,000k minimum recommended level of balances to support further smoothing of the savings requirement if required.

136. Provision to manage inflationary pressures over the MTFF period contributes a further £25,985k to the budget gap, including £12,542k relating to Social Care placements, £8,180k relating to workforce expenditure, £1,423k in respect of the Concessionary Fares Levy and £3,840k across contract and utilities expenditure. This level of inflation is broadly based on the rising inflationary pressures over the MTFF period, with CPI expected to increase to the 2% Bank of England target rate later after 2018/19. Concessionary Fares and contract expenditure are directly affected by headline inflation, with maintenance of CPI at 1% to 2021/22 could release approximately £2,000k.
137. Workforce inflation assumes continuation of the 1% per annum cap on inflationary pay increases within the public sector at a cost of £5,854k to 2021/22, with incremental drift being managed within individual service budgets. A 1% increase in inflationary pay awards would add £1,170k to the budget gap. In addition, pension contributions are assumed to rise by 2% over the MTFF period at a cost of £2,330k, resulting in £8,180k overall workforce inflation. Reductions in the Council's workforce from the current £115,068k payroll would result in a proportionate fall in inflation, with a 10% reduction reducing pay inflation by approximately £117k per annum.
138. Inflationary pressures on care placements costs expected to reflect the combined effect of private sector wage growth at least matching CPI-inflation and for the predominantly lower paid care workforce rising in line with the annual uplifts in the National Living Wage. This is expected to necessitate inflationary growth of £12,542k within the MTFF period. There may be scope to manage an element of this growth through reviewing procurement mechanisms for care placements, although some measures such as a move away from spot purchasing to block booking would result in the Council taking on additional risk in relation to void costs. Given that such a move would result in contract awards in excess of OJEU thresholds, legislative procurement timescales would prevent any material cashable savings from being realised prior to 2019/20.
139. Demand-led growth in service expenditure managed through Development and Risk Contingency is projected to contribute an additional £16,851k to the budget requirement, with Adult Social Care Placements (£8,461k), Waste Disposal (£4,172k), Children's Social Care Placement (£3,259k) and SEN Transport (£1,494k) representing the most significant areas of growing demand. An analysis of this growth between population-led and other factors identified £7,893k of this increase being driven by growth in population. A 1% movement in population projections from the latest 7.7% ONS Subnational Population projection to 2021/22 would add £1,021k to the contingency requirement.
140. Current capital programme commitments, including locally funded school expansions and the St Andrew's Park Theatre development, are projected to require an additional £5,645k for the servicing and repayment of debt. With the unwinding of one-off and short-term savings from the reversal of historic provision for debt repayment, deferral of borrowing and capitalisation of equipment adding a further £3,349k to capital financing budgets from the £4,855k 2016/17 baseline. This overall increase of £8,494k is equivalent to approximately £170,000k of locally financed capital expenditure, with a £10,000k movement in capital expenditure or capital receipts generated equivalent to approximately £500k per annum on-going revenue costs.
141. Overall, this results in a budget gap of £69,749k, with proposals totalling £17,103k over the period included in this report leaving £52,646k to be identified in future years, equivalent to 23% of current service expenditure.

CAPITAL PROGRAMME

Background to Capital Programme

142. The Council's Capital Programme, as approved by Cabinet and Council in February 2016, continues to be focused on the provision of sufficient school places to meet rising demand across the borough. Additionally, provision for major investment on the St Andrew's Park site in Uxbridge is included in the budget alongside the recurrent programme of works to maintain local infrastructure.
143. This report provides an update on the current Capital Programme, refreshed projections for investment in schools expansion from 2017/18, new proposed capital projects and a comprehensive review of all capital financing forecasts. Refreshed school places forecasts indicate lower growth in demand for school places than previously estimated and this has enabled the Schools Expansions programme to be reduced by £38,200k. Other programme expenditure changes and adjustments to the capital financing forecasts bring the gross decrease in the borrowing requirement to £33,835k.
144. This programme has been developed with reference to the Prudential Framework, with proposed schemes and the overall programme being tested for affordability, sustainability and prudence. Given the need to consider the full extent of the Council's commitments, financing and borrowing projections outlined below take account of the latest 2015/16 forecast outturn. All associated revenue implications have been factored into revenue budgets through the MTFE and reflected elsewhere in this report.

Changes since report to Cabinet on 15 December 2016

145. The table and narrative below outlines the changes to the recommended Capital Programme from the report considered by Cabinet on 15 December 2016.

Table 11: Changes to Proposed Capital Programme

	Capital Budget £'000	Prudential Borrowing £'000	Capital Receipts £'000	CIL £'000	Grants & Cont's £'000
Draft Capital Programme - December 2016	326,178	131,357	71,078	30,580	93,163
Yiewsley Development	18,712	(770)	19,482	0	0
Youth Provision	(2,003)	(2,003)	0	0	0
Additional Section 106 Funding	0	(171)	0	0	171
Transport for London Projects	5,955	0	0	0	5,955
Bowls Club Refurbishment	221	221	0	0	221
Battle of Britain Bunker Grant	0	1,000	0	0	(1,000)
Proposed Capital Programme - February 2017	349,063	129,634	90,560	30,580	98,289
Movement from December 2016	22,885	(1,723)	19,482	0	5,126

146. The most significant change to the capital programme since December Cabinet is related to revised proposals which have been prepared for the development of the former Yiewsley pool site, Yiewsley library and adjoining car park and former Yiewsley bowls club. Options include the construction of 72 flats to be marketed for sale under the Discounted Market Sale (DMS) scheme. Under this option, the General Fund would fund the £23,014k cost of the development leading to the creation of 72 flats (£18,632k), a gymnasium (£3,317k) and library (£1,065k).

147. The 72 flats would be marketed for sale under the Discounted Market Sale (DMS) scheme for sale to eligible households at 80% of the market value. The General Fund would be required to fund the upfront costs of development estimated at £23,014k. As there is already £4,302k capital budget set aside in the existing approved programme the increase in funding amounts to £18,712k. Latest estimates for proceeds from the sale of properties are expected to improve the outlook for capital receipts by £19,482k, thus reducing borrowing by a net figure of £770k.
148. A BID review of the Youth Service in the current year has highlighted that the current Youth Centre provision is significantly underutilised which suggests that the provision is not necessarily in line with what young people want. As a result of this finding any further building of youth Centres has been halted. Instead, and to ensure that the Council's youth offer continues to meet the needs of the widest possible cohort of young residents, the Council will engage expert external support to review the service and will make investment decisions accordingly. In advance of this review the existing £5,003k capital budget for Youth Centres has been replaced by £3,000k provision for broader investment in Youth Provision.
149. A further amount of £171k Section 106 monies in respect of affordable housing has been received in the last quarter of 2016/17 and it is proposed to add these to the existing S106 balances of £1,037k identified to support financing of the former Belmore Allotments development. This reduces the prudential borrowing requirement for this scheme.
150. As the TFL financed Hayes Town Centre improvements Major Scheme progresses to the final phase of implementation existing Section 106 balances totalling £573k are planned to be utilised to fund public realm improvements on the periphery of the town centre works including Blyth Road. This will ensure that further improvements from the Hayes & Harlington Crossrail station public realm works are joined up.
151. Section 106 monies amounting to £612k are also proposed to be utilised to complement schemes within the Transport for London Local Implementation Plan. These include works on transport interchanges, accessibility and mobility and reduction of transport impacts.
152. To simplify the budgeting and reporting process it is proposed to treat the Transport for London grant wholly as capital expenditure so that the total grant is recognised in the programme budget. The programme has also been updated to reflect LIP funding for 2017/18 confirmed by TFL in December. This has the effect of increasing the capital expenditure figure by £4,770k from 2017-22. Schemes that are revenue expenditure in nature will continue to be charged to revenue appropriately with adjustments to be made during the financial year end closing process.
153. A review of existing Capital Programme commitments has identified a £221k uplift required on the current programme of Bowls Club Refurbishments, which has been included in this budget.
154. It is proposed to treat the Battle of Britain Bunker grant of £1,000k for revenue purposes resulting in a change in financing of the capital scheme.
155. As the combined impact of these changes is a marginal £1,723k reduction in the Council's future borrowing requirement, no changes are proposed to the on-going revenue budgets for debt servicing and repayment outlined earlier in this report.

Update on Current Programme

156. As at Month 9, a net underspend of £5,961k is reported on the current Capital Programme, with a forecast £2,436k underspend against the Schools Programme and a net underspend of £3,525k across the remainder of the programme.
157. Within the reported position at Month 9, there remains £6,820k of unallocated contingency across the five year MTFF period and £530k uncommitted budget for 2016/17 Environmental and Recreational Initiatives.

2017/18 - 2021/22 CAPITAL PROGRAMME

Schools Expansion Programme

158. The Council's flagship School Expansion Programme remains at the centre of the Capital Programme, with total projected investment of £273,160k to secure 44 additional forms of entry (FE) over the period from 2010 to 2022. This represents a reduction of £38,200k and 6 FE from the position reported to Cabinet and Council in February 2016, reflecting reduced forecast growth in pupil numbers.
159. The Primary School Expansion Programme phases 1, 2 and 3 are now complete, with phase 4 developed in this programme. Growth forecasts indicate that demand for primary school places is plateauing in the north of the borough, with demand sustained in the south. The Phase 4 budget of £27,400k provides for three single form of entry expansions across three sites, however expansion of one site remains on hold as demand is lower than previously anticipated. The expansions of the other two sites are currently going through the planning application process. The construction of the permanent expansions at these two sites will not be complete until September 2018 at the earliest with the interim short term pressure being met through the installation of modular classrooms.
160. As outlined in December 2016, revised population growth forecasts in the Secondary sector have reduced the requirement to this programme from 19FE to 13FE inclusive of a 1FE requirement in 2016/17. The borrowing requirement has therefore reduced by £40,000k, offset by increases of £1,800k additional temporary classrooms required to accommodate pupils during construction works, and 2-3 Specialist Resource Provision units that are anticipated to be required.
161. Confirmed Basic Needs funding within the existing schools expansion programme up to 2018/19 amounts to £10,331k with a further £14,490k in the approved budget currently assumed for the period 2019-21. Based on the revised lower schools places forecast for Secondary Schools expansions (13FE) it is assumed that grant awards for 2019-21 will be proportionately lower than previous assumptions for 19FE and therefore the draft grant budget was reduced in December 2016 by £4,600k leaving £9,890k in assumed grants for the following two years 2019-21. A further £3,000k funding is assumed for 2021/22.

Proposed Additions and Amendments to the Capital Programme

162. Alongside the refreshed School Expansion Programme, proposals for new General Fund capital projects and amendments to existing schemes totalling £25,030k have been developed for consideration and potential inclusion in the Capital Programme. These are outlined in the following paragraphs.

Self Financing Developments

163. Belmore Allotments and Melrose Close Car Park Mixed Tenure Housing Development is a proposed self financing housing development in Hayes under a range of tenures including Discount Market Sale. Out of a total number of 111 units, 30 units of varying sizes would be for private sale (similar to previous housing developments at South Ruislip and Hayes End libraries) and so the build costs would require to be financed from the General Fund. The build costs are estimated at £4,605k however if all the units are sold at 80% of market value it is anticipated that future capital receipts of around £7,700k would be generated which would generate a surplus over and above build costs. There would also be a notional capital receipt to the General Fund from the appropriation of the other portion of the site to the HRA for housing development.
164. Yiewsley Development - as described in more detail earlier in the report, the expenditure budget increases by £18,712k for the proposed housing development, with a related increase in forecast capital receipts.

Main Programme

165. Proposed new additions to the main programme include the following projects:
- A proposal has been submitted by the Ruislip Lido Railway Society to replace their workshop, which is a very outdated corrugated steel dome shaped structure which is deteriorating. The railway now needs a new building that can house a greater number of locomotives than was the case when the original workshop was built. Works have been costed at around £360k.
 - The Uniter Building facility is located on the former site of RAF Uxbridge adjacent to the Battle of Britain Bunker and is currently being used to store the Bunker's collection of historic artefacts. The Council's current storage facility for museum collections in the basement of the Civic Centre is humid with fluctuating temperatures and regular small scale floods and it is therefore proposed to develop a stable and secure storage facility for the Borough's collections at the Uniter Building. However the building has no services such as electricity, water, toilet facilities or telephone lines and would require installation of shelving and other storage units. An initial estimate for the works is £400k.
 - It is proposed to resurface the waste yard at Harlington Road Depot at an estimated cost of £200k, as the existing surface is nearing the end of its useful life.
166. Increases in expenditure budgets required on several existing projects due to revised cost estimates. These include £632k for the construction of a new museum at the St Andrew's RAF Cinema site, a further £432k for the rebuild of Bessingby FC clubhouse, and £150k to support the CCTV programme. In addition, realignment of planned Youth investment reduces future borrowing by £2,003k.
167. As noted earlier in the report there are additional Section 106 monies totalling £573k to develop the next phase of the Hayes Town Centre improvements programme and a capitalisation adjustment from revenue of £160k for Hayes & Harlington Crossrail complementary measures.
168. A further £600k funding provision has been included in 2017/18 for Environmental and Recreational Initiatives which will be allocated for smaller projects of this type that emerge

over the next year. In addition, £221k has been added to the Bowls Club Refurbishment budget to reflect latest cost estimates for programmed works.

Programmes of Works

169. Overall, this report sets out a £27,085k increase in capital investment across the five year programme, inclusive of an amount of £12,587k added for existing programmes for 2021/22. This is partly financed from additional grants and contributions totalling £20,110k. Significant changes being funded from Council resources are on the following programmes:

- Corporate Technology & Innovation proposal to amalgamate the former annual ICT Single Development Plan and one off major ICT investment projects under one new heading. The major increase proposed, £1,850k, relates to the Council moving fully to Windows 10 as a result of Microsoft ending support for Windows 7 in January 2020 and, with improvements to wireless based communication, the proposal to remove all staff desktops and replace with laptops.
- In line with the implemented financial control processes around the release and appropriate capitalisation of equipment expenditure it is proposed to formally recognise capitalisation of equipment in the five year capital programme. Based on current activity levels it is expected that £363k per annum of general equipment and furniture will be capitalised with an equivalent saving on revenue budgets. A further £114k per annum of ICT equipment is budgeted will be capitalised and included in the revised Corporate Technology & Innovation budget. In addition there is £985k Better Care Fund grant allocated to finance MedEquip and Telecareline equipment spend.
- An additional £500k has been added to the 2017/18 Civic Centre Works Programme budget to provide £1,000k capital funding against priorities. These works will be made up of building fabric, heating ventilation and air conditioning, electrical, fire & security measures and lift replacements.
- An additional £2,000k funding in local infrastructure for Highways Structural Works has been included in 2017/18 bringing total investment in locally maintained Highways to £7,000k over the MTFP period.
- There have been recurring underspends against the £450k annual budget for Private Sector Renewal Grants in recent years, so it is proposed to realign the budget to current activity levels, saving £900k over the next four years.
- Since the budget for adaptations for adopted children was created in 2014/15 there has been little demand against it and no new commitments arising in this financial year. It is proposed to remove this budget and manage any future cases from the recurring £1,500k per annum General Contingency budget. This reduces the budget by £800k over the next four years.

Capital Financing and Revenue Implications

170. In considering the funding strategy for the proposed 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. As such the following financing overview covers the period from 2016/17 to 2021/22.

171. Projections in respect of capital income streams have also been refreshed. Table 10 below provides a summary of capital expenditure and financing included in this programme.

Table 12: Capital Financing

	2016/17 £'000	2017/18 to 2021/22 £'000	Total £'000
Schools Programme	30,576	88,614	119,190
Main Programme	15,448	80,342	95,790
Self Financing Developments	50	27,569	27,619
Programme of Works	25,722	71,201	96,923
Development & Risk Contingency	820	7,500	8,320
Capital Expenditure	72,616	275,226	347,842
Prudential Borrowing	41,166	88,468	129,634
Capital Receipts	6,407	84,153	90,560
Community Infrastructure Levy	3,580	27,000	30,580
Council Resources	51,053	199,621	250,774
Government Grants	17,207	70,927	88,134
Other Contributions	4,256	5,899	10,155
Capital Financing	72,616	276,447	349,063

172. Capital Receipts of £90,560k over the period from 2016/17 to 2021/22 are now forecast, with a movement of £14,993k from existing budgets largely due to new receipts arising from the Yiewsley Development. Provision of £13,824k in respect of as yet unidentified surplus assets to be sold from 2017/18 onwards is included in the financing budget. Whilst this remains a risk this represents a reduction of £9,736k on this target as at February 2016, with this being achieved by a combination of increases in market values and identified new disposal sites.
173. Following the introduction of flexibility to apply Capital Receipts to fund transformation projects for the period from 2016/17 to 2018/19, the Council will identify and secure £2,500k additional receipts from asset sales in 2017/18 and 2018/19 to meet such costs, as noted in the savings section of this report.
174. The existing CIL financing budget of £25,080k from 2016/17 to 2020/2021 is mainly driven by forecast levels of residential development over the next five years with smaller elements relating to office, industrial and hotel developments. A further £5,500k is assumed for 2021/22 at a similar level to current assumptions. However there remains some uncertainty over the future level of CIL receipts as they will depend largely on external economic factors over the next five years.
175. Additional Section 106 contributions totalling £2,393k have been identified and added to the Capital Programme, including £1,208k affordable housing contributions to support the General Fund discounted market sale housing development at Belmore Allotments, and £1,185k Highways related balances to supplement the Hayes Town Centre and Transport for London programmes. Additional Education balances totalling £669k have been allocated to the 2016/17 Schools Expansions programme.
176. There continues to be limited information around grant awards beyond 2017/18 however the majority of existing funding streams are expected to continue over the medium term. This position will remain under review and the implications of any variances between actual awards and assumptions reported to Cabinet through the Monthly Budget Monitoring process.
177. As a result of the programme changes outlined in this report, the Council's borrowing requirement over the period to 2021/22 is expected to decrease by £34,835k from

£164,469k to £129,634k, mainly as a result of the decreased forecast demand for Secondary Schools places. The table below sets out the movements in the prudential borrowing requirement arising from the proposed refresh of the General Fund Capital Programme:

Table 13: Prudential Borrowing Requirement

	2016/17 £'000	2017/18 to 2021/22 £'000	Total £'000
Approved Capital Programme	50,948	113,521	164,469
Forecast Outturn Variance Month 7	(24,063)	19,452	(4,611)
School Expansion Programme		(38,200)	(38,200)
Additional Schools Funding		(3,701)	(3,701)
Programme Additions / Changes to existing projects	(250)	25,280	25,030
Programmes of Works Changes		27,085	27,085
General Contingency 2021/22		1,500	1,500
Additional DFG grant	(531)	(2,124)	(2,655)
Additional Capital Receipts	15,631	(30,624)	(14,993)
Grants & Contributions	100	(15,828)	(15,728)
Additional Section 106 Receipts	(669)	(2,393)	(3,062)
CIL 2021/22		(5,500)	(5,500)
Revised Programme	41,166	88,468	129,634
Increased Borrowing Requirement	(9,782)	(25,053)	(34,835)

HOUSING REVENUE ACCOUNT

178. The budget proposals for 2017/18 are based on the sixth full year of self-financing for the Housing Revenue Account. Under self-financing, the regulations maintain a ringfence around the Council's provision of housing, the cost of which is fully supported by rental income.

179. This budget reflects the 1% per annum reduction in rents to reflect Government policy, includes the impact of the High Value Voids Levy based on informal intelligence while providing for substantial investment in new General Needs and Supported Living units.

Changes since report to Cabinet on 15 December 2016

180. No changes are proposed from the HRA budget and Capital Programme approved by Cabinet for wider consultation in December 2016. The proposals within this report have been updated to include proposal of the HRA rent policy to Council for approval.

Update on 2016/17 Budget

181. Development of the 2017/18 Housing Revenue Account budget builds upon the 2016/17 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 9, an underspend of £12,942k is projected on the HRA, a favourable variance of £3,680k compared to the budget, increasing forecast unallocated general balances to £46,886k at 31 March 2017.

182. Variances within the £3,680k reported underspend include: rent and other income favourable variance of £51k, mainly due to improved voids performance; housing

management overspend of £325k; tenant services underspend of £735k, mainly due to caretaking and sheltered housing staffing related costs; planned maintenance and repairs underspend of £3,235k due to the validation, procurement and consultation timetables required to deliver these; and interest and investment income overspend of £16k.

183. There were 75 properties sold under Right to Buy (RTB) arrangements between April and December 2016. Significant investment outlined in the HRA Capital Programme is required to replenish housing stock and avoid repayment of retained receipts with punitive interest charges.

Budget Requirement 2017/18

184. The movement from the 2016/17 baseline to the 2017/18 budget requirement is summarised below, with rental income projections and budget requirement levels refreshed from the position included in the February budget report. The budget includes an increase of £19,038k in the contribution to support in-year capital investment and £11,664k use of General Balances. This planned use of balances reflects increased investment in new housing stock, and the underlying financial position of the HRA remains robust.

Table 14: HRA Budget Requirement

	£'000
<u>Funding Sources</u>	
Dwelling Rents	55,064
Other Income	5,494
Total Resources	60,558
Budget Requirement 2016/17	52,193
Inflation	937
Corporate Items	19,092
Savings	0
Budget Requirement 2017/18	72,222
Surplus / (Deficit)	(11,664)

185. Appendix 7 to this report continues this presentation over the MTF period, with annual surpluses set to reach £2,934k by 2021/22. Rental and Other income assumptions to 2021/22 are expected to achieve £63,296k, repayment of debt under self financing £15,407k, contribution to fund capital expenditure on existing stock of £13,516k and repairs & management costs of £31,436k, creating a surplus of £2,937k available to develop existing stock or support new development.

Rental and Other Income

186. 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, sales to pay for the High Value Voids Levy from 2018/19 and properties being sold under the RTB scheme. This budget has been prepared on the assumption that there is a decline in RTB sales from the peak of 115 to 60 over the medium term.

187. 2016/17 was the first of four years of the 1% rent reduction as part of the Chancellor of the Exchequer's announcement on rent reforms, which requires all housing authorities to cut rents by 1% in each of the next four years 2016/17 - 2019/20, a reversal of the 10-year old previous rental formula allowing annual increases of CPI + 1%. The announcement to reduce rents is part of the Government's wider welfare reform savings, aiming to reduce the

welfare bill by £12bn by 2019/20. Rental increases are assumed to revert to CPI + 1% in 2020/21 and this is reflected in the resource assumption level outlined in Appendix 7. 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 £55,064k.

188. Other income is expected to total £5,494k for 2017/18, mainly relating to service charges which are expected to be increased by CPI (September 2016 i.e. 1%) and are not subject to restrictions imposed by the Chancellor's rent reforms.

Balances and Reserves

189. HRA general balances are projected to reach £46,886 by 31 March 2017, representing 76% of rental and other income for 2017/18. It is proposed to keep the minimum level of HRA balances set at £12,000k with sums over and above this amount earmarked for investment in new or existing stock. The minimum level of balances is approximately 20% of rental and other income and has been estimated following a similar methodology to that applied in the General Fund. 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

190. An inflation provision of £937k included in this budget has been estimated using the same assumptions as for the General Fund inflation provision. This sum includes £314k in respect of inflation on operating cost budgets and £623k on repairs and planned maintenance budgets. The latter sum will be reviewed as procurement work progresses and the future position on a number of significant contracted workstreams becomes clearer.

Corporate Items

191. Movements contained within Corporate Items include changes in provision for capital financing costs, direct contributions to support capital investment, changes in balances and other presentational changes. The net movement of £19,092k shown in Appendix 7a consists of £19,038k increases to contributions to capital and £54k reduction in interest on balances due to a reduction in cash balances.

Development & Risk Contingency

192. The HRA budget includes contingency budgets totalling £1,738k to meet emerging risks and pressures during 2017/18. Within this sum £1,058k is identified as General Contingency with a further £680k provisionally earmarked for costs within the Repairs Service. At present there are no specific commitments against the General Contingency provision. The development and risk contingency budget will also be used, if required, to increase the level of the bad debt provision.

High Value Voids Levy

193. The Government indicated during 2015 that as part of agreeing a deal with Housing Associations to start a Right to Buy scheme the funding for this from Government would be generated from Councils selling their high value void properties. The November 2016 Autumn Statement outlined a five-year regional pilot of Right to Buy in the housing association sector, which DCLG ministers have since confirmed means no levy will be raised in 2017/18 outside these pilot areas of which Hillingdon is not part. Given the remaining uncertainty around the implementation of the levy, this budget reflects a prudent approach

with the first year of the levy assumed to be 2018/19. It is assumed that the levies payments will be met from the proceeds of selling high value void properties; with the resulting marginal annual reduction in housing stock reflected in future rental income projections.

Medium Term Outlook

194. On the basis of current assumptions and projections, the financial standing of the HRA is expected to remain sound over the MTFF period. The following paragraphs outline the key assumptions included in this budget and highlight potential risks which could adversely impact upon the HRA budget over the MTFF period.

195. This budget assumes that rental income will reach £57,285k by 2021/22, with an additional £6,008k generated through service charges and other income. Rental and other income is expected to reach £63,293k by 2021/22, which assumes rents will increase by CPI+1% from 2020/21 onwards. Over this period it is assumed that 1% of potential yield will be lost to void properties between tenancies.

196. There remains scope for volatility in rental income over the MTFF period as uncertainty around timing of additions to the housing stock and the loss of revenue associated with Right-to-Buy sales. This budget assumes that 445 dwellings will be sold over the five years to 2021/22 and 137 sold to fund the High Value Voids Levy, with the Council's current capital programme delivering an additional 335 units through new builds and buy-back mechanisms. It is expected that the current demand levels represent a peak following the discount changes in recent years and historically low interest rates, falling to approximately half of this level over the remainder of the MTFF. The net impact of these movements will be a reduction of 247 properties to leave 9,634 properties. A movement of 100 properties would be equivalent to securing approximately a net £10,200k capital receipt; however it would result in lost rent of £565k per annum.

Table 15: Projected Movement in Housing Stock

	2017/18	2018/19	2019/20	2020/21	2021/22
Projected Opening Stock	9,881	9,786	9,838	9,822	9,728
Forecast Right to Buy Sales	(115)	(105)	(105)	(60)	(60)
Forecast Sales (High Value Voids Levy)	0	(35)	(34)	(34)	(34)
New General Needs Units	20	30	85	0	0
New Supported Housing Units	0	162	0	0	0
Shared Ownership	0		38	0	0
Projected Closing Stock	9,786	9,838	9,822	9,728	9,634
Projected Average Stock	9,834	9,812	9,830	9,775	9,681

197. As reported through monthly budget monitoring, the Council's current 1:1 Replacement Agreement with DCLG enables the local retention of Right-to-Buy sale proceeds provided the Council replaces lost units within three years and provides 70% match funding. The increases in contributions to capital over the MTFF period are sufficient to meet this commitment, but will be kept under review given the sustained current demand of sales.

198. Revenue contributions to secure the level of new builds proposed in the capital programme are £63,150k, with £17,471k of Capital Receipts projected to support this investment over the medium term.

199. Alongside provision for investment in new stock this budget includes annual contributions towards the Works to Stock programme totalling £42,265k and £5,978k for major adaptations.

200. While there is sufficient capacity to finance the current approved HRA capital programme from direct revenue contributions and avoid use of Prudential Borrowing, annual provision of £15,407k is included in this budget for the servicing and financing of existing settlement debt. It is proposed to retain this level of provision in order to establish a capital contingency to enable further procurement of housing stock where opportunities present themselves.

201. The High Value Voids Levy remains a significant risk for the HRA. Whilst a prudent approach has been adopted by including the High Value Voids Levy in the MTF, Hillingdon along with other Councils are awaiting Government guidance on when the levy will be implemented and the methodology for calculating the levy.

202. The projected HRA closing balances are shown in the table below.

Table 16: Projected Housing Revenue Account Closing Balances

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
General Balances	35,222	22,844	32,966	39,079	42,013

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

Background to Capital Programme

203. The HRA Capital Programme remains focused on the twin objectives of maintaining existing stock and construction of new dwellings. Within the new build element of the programme, provision of supported housing to support the Council's Adult Social Care Reablement programme and associated revenue savings is a key strand. An overview of the revised programme is contained in Appendix 7b and this takes into account of the 2016/17 Month 9 budget monitoring position.

Update on Current Programme

204. As at Month 9 the major projects programme is forecast to underspend by £1,592k in 2016/17 and £2,910k over the period 2016-2021, which is attributable to the revised scope of the Supported Housing Programme.

2017/18 - 2021/22 CAPITAL PROGRAMME

205. As outlined above, this budget includes £48,243k provision for investment in existing housing stock, including £5,978k of funding for major adaptations to properties. This level of provision reflects the latest programme of works proposals, including 5% project management fees and inflation aligned to BCIS indices.

206. The capital programme contains provision of £90,122k to fund delivery of 335 new homes within the HRA over the period to 2021/22. 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 direct revenue contributions from the Housing HRA. This new build programme consists of the following elements:

- For general needs housing (HRA), a provision of £31,391k is included to support construction or purchase of 135 new properties within the HRA, funded through 30% Right to Buy proceeds and 70% revenue contributions. There is scope to deliver

these units through either new build or Buy Back arrangements, although it will be necessary to secure land for any new build proposals;

- £8,635k has been included for New Build appropriation of land for 2 new sites;
- £7,949k has been built into the programme for New Build Shared Ownership to deliver 38 units; and
- A budget of £32,647k is included to fund delivery of 162 Supported Housing units across a number of sites in the borough deliverable circa 2019/2020, which will be funded from 30% Right to Buy Receipts and 70% revenue contributions. As noted within the Adult Social Care savings section of this report, these projects will support the wider reablement agenda and reduce the Council's reliance on residential care placements.

207. A capital contingency of £9,500k is included within this programme to ensure the Council retains sufficient flexibility to secure additional housing units where opportunities become available. This contingency is to be initially funded from Prudential Borrowing, the on-going financing costs of which can be managed within the existing annual provision of £15,407k for the servicing and repayment of debt.

208. In addition to the £90,122k on new homes, £162k has been built into the HRA capital programme for HRA technology and innovation works. This is the HRA related costs of the Corporate Technology and Innovation programme, which is detailed in the MTF Capital report.

SCHOOLS BUDGET

209. The Council receives funding for Schools' Budgeted Expenditure through the Dedicated Schools Grant (DSG), which is a ring fenced grant. The DSG funds both the delegated individual schools budget and items which the School and Early Years Finance (England) Regulations allow to be retained centrally by the Council, including Special Educational Needs, Alternative Education provision and Early Years provision.

210. Proposals in relation to the Schools Budget are presented to Cabinet in a separate report on this agenda, with no cost falling upon the Council Taxpayer for those services funded from the Dedicated Schools Grant unless the Council chooses to supplement the Schools Budget from the General Fund. The budget proposals contained within this report do not include any application of General Fund resources to support the Schools Budget. Proposals contained within this draft budget in relation to abolition of the Education Services Grant and associated transfers of functions have been, where relevant, fully considered in development of Schools Budgets Proposals.

OVERALL BUDGET FOR COUNCIL TAX SETTING 2016/17

Corporate Director of Finance's Comments Regarding Responsibilities under the Local Government Act 2003

211. Under Section 25 of the Local Government Act 2003 the Corporate Director of Finance as the Council's nominated section 151 officer, has a responsibility to comment on:

- The robustness of the estimates for the coming year.
- The adequacy of the Council's reserves.

212. The Corporate Director of Finance is able to give positive assurances on the robustness of the estimates in general for the coming year. This view is based on:

- The use of an established, rigorous process for developing the budget through the Medium Term Financial Forecast (MTFF) process. This includes close alignment with the service planning process. This has been further strengthened through the continued development of the Business Improvement Delivery programme.
- The inclusion within the base budget of a £19,116k Development and Risk contingency.
- Service managers having made reasonable assumptions about demand pressures and taken a prudent view of volatile areas.
- Risk based financial monitoring being undertaken during the year and reported to Cabinet on a monthly basis. This includes the agreement of recovery plans to ensure that the budget is delivered in overall terms.
- Procedures in place to capture and monitor procurement and other efficiency savings.
- Prudent assumptions made about interest rates.
- The recommended increases in fees and charges are in line with the assumptions in the revenue budget.

213. The Corporate Director of Finance also has a duty to comment on the adequacy of the Council's reserves when the budget is being set. At the time of budget setting for 2016/17, the Corporate Director of Finance set a recommended range of balances. This was between £15,000k and £31,000k, based on an analysis of the risks facing the Council, with sums above this level being earmarked to support planned drawdowns from balances. The recommended range has been reviewed following a review of the risks facing the Council, with an increase in the upper end of this range to £32,000k recommended for 2017/18. This increase relates to increased provision for treatment of efficiency savings, inflation and contract risk, being off-set by an improved outlook for local income.

Statement on Balances and Reserves

214. The Corporate Director of Finance has undertaken a review of the risks currently facing the Council. This has enabled an update to the recommended range of balances that the Council should hold. This forms the basis of the guidance provided above in relation to his responsibilities under the Local Government Act 2003.

215. To assess the adequacy of general reserves, the Corporate Director of Finance has taken into account the strategic, operational and financial risks facing the Council. The Council should retain adequate reserves to cover unexpected expenditure and avoid costly short-term borrowing. Equally, the Council wishes to utilise the maximum resources available to achieve its objectives, therefore it plans to maintain reserves at the lowest prudent level.

216. To determine the recommended level of reserves the Council has assessed risk against the criteria as specified in Local Authority Accounting Panel (LAAP) Bulletin 99 (July 2014). This assessment includes the following:

- The robustness of the financial planning process (including the treatment of inflation and interest rates and the timing of capital receipts).
- How the Council manages demand led service pressures.
- The treatment of planned efficiency savings / productivity gains.
- The financial risks inherent in any major capital projects, outsourcing arrangements or significant new funding partnerships.
- The strength of the financial monitoring and reporting arrangements.
- Cashflow management and the need for short term borrowing.

- The availability of reserves, Government grants and other funds to deal with major contingencies and the adequacy of provisions.
- The general financial climate to which the Council is subject and its track record in budget and financial management.

217. The assessment, although based on the Council's procedures and structures, has an element of subjectivity and to allow for this the optimum level of reserves incorporates a range. The recommended range for unallocated reserves for 2017/18 is £15,000k to £32,000k, with an additional £14,500k required to finance planned drawdowns from balances included in the Council's MTFF. Appendix 8 details the risk assessment upon which this range is based, with additional provision being made against treatment of efficiency savings, inflation and contract risk and scaling back of provision against local income projections. Ideally the Council should avoid having balances below a minimum level of £29,500k, or above a maximum level of £46,500k during 2017/18. Budget proposals contained within this report have been structured to retain balances within this recommended range.

THE COUNCIL TAX REQUIREMENT FOR 2017/18

218. The budget proposals included in this report represent Cabinet's budget strategy for 2017/18 and beyond. The revenue budget proposals have been developed to deliver a zero increase in the Hillingdon element of Council Tax for the ninth successive year. The approved Council Tax level for 2017/18 is subject to Members' final choices in the budget setting process.

Council Tax Referendum

219. The Localism Act 2011 introduced a power for the Secretary for Communities and Local Government to issue principles that define what should be considered as excessive Council Tax including proposed limits. If the Council proposes to raise its Council Tax above the proposed limits set, a referendum will need to be held. The result of the referendum will be binding upon the Council.

220. The general Council Tax increase above which local authorities would be required to hold a referendum for 2017/18 as directed by the Secretary of State for Communities and Local Government is 2%. As the budget proposals outlined in this report maintain Council Tax at the same level as in 2016/17, the referendum threshold will not be triggered for the financial year 2017/18.

221. For 2017/18 additional flexibility to levy a further 3% precept in support of Social Care expenditure has been introduced by the Government, therefore enabling Hillingdon to raise the Council Tax payable by residents less than 5% without triggering a referendum.

Greater London Authority Precept

222. The Mayor of London's final budget proposals for 2017/18 are scheduled for consideration by the London Assembly on 13 February 2017 and approval by 20 February 2017. The proposals result in a 1.46% increase in the element of Council Tax relating to GLA functions, equivalent to a £4.02 increase in annual bills for Band D Households. This is analysed across the relevant functional bodies as follows:

Table 17: Change in Proposed GLA Precept

	Band 'D' Council Tax 2016/17 (£)	Band 'D' Council Tax 2017/18 (£)	Percentage Change (%)
Mayor's Office for Policing and Crime	202.11	206.13	1.99%
Other Services	73.89	73.89	0.00%
Total	276.00	280.02	1.46%

FINANCIAL IMPLICATIONS

223. This is a financial report and the financial implications are included throughout.

EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES**What will be the effect of the recommendation?**

224. The budget proposals in this report result in a zero increase in Council Tax for the ninth successive year for all Residents and eleventh year for those over 65. The Medium Term Financial Forecast contains the funding strategy for delivering the Council's objectives as set out in the Council Plan. The effects are therefore extremely wide ranging and are managed through the performance targets and outcomes that will be delivered through the resources approved in the budget.

225. The budget has been developed with due regard to on-going reductions in central Government support to the Council, while minimising any 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 the value for money offered by services and by maximising funding, procurement, efficiency and service effectiveness gains.

Consultation Carried Out or Required

226. Each of the Policy Overview Committees has received reports setting out the proposed revenue budget and capital programme proposals relevant to their remit. This was approved by Cabinet on 15 December 2016 for consultation at the January 2017 round of meetings. Comments on the budget from each of the service Policy Overview Committees were referred to the Corporate Services and Partnerships Policy Overview Committee, who met on 2 February 2017 to consider the comments received from the three other Policy Overview Committees on the budget proposals relevant to their remit. The comments from that Committee will be presented to Cabinet in Appendix 14.

227. The Council also has a statutory responsibility to consult on its budget proposals with business ratepayers and residents in the Borough. A budget consultation survey was published on the Council's web-site in relation to the Cabinet's budget proposals after the meeting on 15 December 2016. The Council received 73 responses from residents, with 68% satisfied with the Council's budget proposals, 67% agreeing proposals represent value for money and 81% felt well informed. Of those satisfied with the budget proposals, comments highlighted the following positive features:

- Continuation of freezes for Council Tax and the majority of Fees & Charges
- Continued investment in universal services, including waste and libraries

228. Of those not satisfied with the budget proposals and disagree that they provide Value for Money, there was no single common theme in the reason for dissatisfaction although the potential impact on service quality and financial sustainability from not adopting the Social Care precept, specific experiences of residents in relation to changes to service delivery models, and future investment priorities were raised by multiple respondents. Analysis of responses to this consultation is available on the Council's website and presented as Appendix 15 to this report for information.
229. The budget reported to December Cabinet has been available to view on the Council's website and additionally, Schools Forum has been consulted on those budget proposals that have a potential impact on schools budgets.

CORPORATE IMPLICATIONS

Corporate Finance

230. This is a corporate finance report and the corporate financial implications are noted throughout.

Legal

231. The Budget and Policy Framework Procedure Rules as set out in the Council's Constitution require the Cabinet to make proposals on the Council's budget. This requires them to be in accordance with the timetable which it has published. The Cabinet proposals are set out in this report for the consideration of full Council.
232. In respect of income the Council provides a number of services in respect of which it can impose charges and fees to users. In certain instances those fees or charges may be set by Government. In other cases the Council has discretion as to the level of charges it sets. It should be noted that in respect of certain matters the Council can only impose a fee or charge which reflects the actual cost to the Council of providing such services. This has to be considered when setting the overall budget.
233. The Corporate Director of Finance's duties under the Local Government Act 2003, insofar as they relate to budget setting, are set out in the body of the report. Of importance to Members is the duty for him to comment on the robustness of estimates for the forthcoming year. Members will note that earlier in this report, the Corporate Director of Finance has given a number of positive assurances in relation to this issue.
234. The second duty for Members to note is the duty imposed on the Corporate Director of Finance to comment on the adequacy of the Council's reserves. Members will note that a Statement of Reserves and Balances is contained within paragraphs 214 to 217 of the report which discharges this duty.
235. As the Council's Section 151 Officer, it is the Corporate Director of Finance's professional duty to propose to Members a budget which is soundly based, balanced and adequate to fund the expected level of service provision in the forthcoming financial year. This duty is reinforced in the Council's Constitution. This requires the Corporate Director of Finance to ensure the lawfulness and financial prudence of decision-making.
236. The 'Wednesbury reasonable' principle also requires a local authority, when making decisions, to take into account all relevant considerations and to disregard all irrelevant considerations. Clearly, in the context of budget-setting, having regard to the Corporate Director of Finance's professional advice is a relevant consideration for Members to take into

account. However, Members are not bound to follow his advice. However, they should have good reasons for departing from it should they choose to do so. Furthermore, Members must at all times have regard to the overriding principle that they should set a legal budget and one which is as prudent as the circumstances permit.

237. Members must have regard to section 106 Local Government Finance Act 1992. This is in respect of a Member who has not paid an amount due in respect of Council Tax for at least two months after it becomes payable. They may not vote on matters concerning the level of Council Tax or the administration of it. Therefore, any Members who are more than two months in arrears with their Council Tax payments must make a declaration to this effect at the beginning of the meeting.

Relevant Service Groups

238. The 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.

BACKGROUND PAPERS

Report to Council 25 February 2016 – General Fund Revenue Budget and Capital Programme 2016/17 to 2020/21

Report to Cabinet 15 December 2016 - Draft General Fund Revenue Budget and Capital Programme 2017/18 to 2021/22

APPENDICIES

- Appendix 1 - General Fund Corporate Summary
- Appendix 2 - General Fund Corporate Items
- Appendix 3 - General Fund Development & Risk Contingency
- Appendix 4 - General Fund Priority Growth
- Appendix 5 - General Fund Savings
- Appendix 6 - General Fund Capital Programme
- Appendix 7 - Housing Revenue Account Budget and Capital Programme
- Appendix 8 - Changes to Fees & Charges
- Appendix 9 - General Fund Balances & Reserves Policy
- Appendix 10 - Treasury Management Strategy Statement and Investment Strategy
- Appendix 11 - Pay Policy Statement 2017/18
- Appendix 12 - Housing Rents Policy 2017/18
- Appendix 13 - Scheme for external auditor appointments
- Appendix 14 - POC Comments on the budget proposals
- Appendix 15 - Budget Consultation Analysis

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<u>General Fund Corporate Summary</u>	2016/17 £(000s)	2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)	Net Change £(000s)
Resources							
Increase in Council Tax (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Increase in Social Care Precept (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Council Tax Band D (£)	£1,112.93	£1,112.93	£1,112.93	£1,112.93	£1,112.93	£1,112.93	
Increase in Council Tax Base (Band D properties)	4,570	1,450	1,400	1,400	1,400	1,400	7,050
Council Tax Base (Band D properties)	95,770	97,220	98,620	100,020	101,420	102,820	
Gross Council Tax Revenues	106,585	108,199	109,757	111,315	112,873	114,431	7,846
Collection Fund (Deficit) / Surplus	2,625	500	1,000	0	0	0	(2,625)
Net Council Tax Revenues	109,210	108,699	110,757	111,315	112,873	114,431	5,221
Baseline Business Rate Income	43,214	44,098	45,517	47,136	48,079	49,041	5,827
Retained Business Rate Growth	5,346	6,216	7,237	7,711	8,067	8,246	2,900
Collection Fund (Deficit) / Surplus	(1,125)	2,000	0	0	0	0	1,125
Net Business Rate Revenues	47,435	52,314	52,754	54,847	56,146	57,287	9,852
Revenue Support Grant	29,431	19,513	13,124	6,655	5,712	4,750	(24,681)
Other Central Government Funding*	37,796	35,169	31,555	35,519	35,149	34,955	(2,841)
Corporate Grant Income	67,227	54,682	44,679	42,174	40,861	39,705	(27,522)
Planned Use of General Balances*	4,216	5,000	5,000	3,000	1,500	0	(4,216)
Total Resources	228,088	220,695	213,190	211,336	211,380	211,423	(16,665)
Budget Requirement							
Roll Forward Budget*	235,747	228,088	228,088	228,088	228,088	228,088	228,088
Inflation	2,967	5,863	10,610	16,044	20,979	25,985	25,985
Corporate Items	(5,480)	(1,523)	(1,122)	4,207	4,555	4,603	4,603
Contingency	8,383	3,675	7,041	10,457	13,551	16,851	16,851
Priority Growth	(220)	100	1,300	2,000	4,645	5,645	5,645
Savings	(13,309)	(15,508)	(16,610)	(17,907)	(17,063)	(17,103)	(69,749)
Total Budget Requirement	228,088	220,695	229,307	242,889	254,755	264,069	211,423
Budget (Gap) / Surplus	0	0	(16,117)	(31,553)	(43,375)	(52,646)	

* 2016/17 comparators restated to show Public Health Grant, New Homes Bonus and Planned Use of General Reserves within Total Resources, rather than netting down Budget Requirement.

<u>General Fund Corporate Summary - Breakdown of Funding Streams</u>	2016/17 £(000s)	2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)
<u>Business Rate Revenues</u>						
Forecast Growth on Rating List	15,000	5,200	6,200	3,100	2,600	500
Forecast Gross Business Rate Yield	382,314	359,811	376,857	391,710	400,890	409,027
Less: Central Government Share (50%)	191,157	179,906	188,429	195,855	200,445	204,514
Less: GLA Share (20%)	76,463	71,962	75,371	78,342	80,178	81,805
Forecast LBH Share of Business Rate Yield (30%)	114,694	107,943	113,057	117,513	120,267	122,708
Less: Baseline Business Rate Income	(43,214)	(44,098)	(45,517)	(47,136)	(48,079)	(49,041)
Less: Tariff	(60,787)	(51,412)	(53,066)	(54,954)	(56,053)	(57,174)
Growth on LBH Share	10,693	12,433	14,474	15,423	16,135	16,493
Less: (Levy on Growth) / Safety Net Payments	(5,347)	(6,217)	(7,237)	(7,712)	(8,068)	(8,247)
Retained Growth	5,346	6,216	7,237	7,711	8,067	8,246
Add: Baseline Business Rate Income	43,214	44,098	45,517	47,136	48,079	49,041
Net Business Rate Revenues	48,560	50,314	52,754	54,847	56,146	57,287
<u>Other Central Government Funding</u>						
Public Health Grant	18,452	17,997	17,506	17,072	17,072	17,072
Better Care Fund	5,711	6,043	8,458	10,920	10,982	11,045
Adult Social Care Support Grant	0	1,045	0	0	0	0
New Homes Bonus	9,127	7,105	4,093	3,765	3,453	3,316
Care Act New Burdens	0	0	0	2,383	2,383	2,383
Education Services Grant	2,380	847	0	0	0	0
Housing Benefit Administration Subsidy Grant	1,190	1,132	1,032	932	832	732
Transition Grant	517	515	0	0	0	0
Council Tax Administration Subsidy	290	328	308	288	268	248
Local Reform & Community Voices Grant	129	142	142	142	142	142
Lead Local Authority Flood Grant	0	15	16	17	17	17
Total Other Central Government Funding	37,796	35,169	31,555	35,519	35,149	34,955

Description	Group	Net Variation from 2016/17 Budget					
		2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)	
<u>New Burdens & Transfers of Responsibility</u>							
New Burdens associated with the Care Act	SC	0	0	2,383	2,383	2,383	2,383
Transfer of Residual Education Functions from Local Government	RS	(1,059)	(1,204)	(1,204)	(1,204)	(1,204)	(1,204)
<u>Adjustments to Funding, Financing & Corporate Budgets</u>							
Movement in Council Tax Older People's Discount	Corp	(25)	(50)	(75)	(100)	(125)	(125)
Drawdown from Earmarked Reserves to finance Older People's Discount	Corp	0	0	0	0	0	0
Rephasing of Capital Financing Costs	Corp	(750)	(300)	800	1,100	1,100	1,100
Technical Adjustments (Review of Capitalisation)	Corp	111	222	333	406	479	479
Technical Adjustments (Review of Voluntary Revenue Provision)	Corp	0	10	1,770	1,770	1,770	1,770
Funding for HIP Initiatives	Corp	(200)	(200)	(200)	(200)	(200)	(200)
Reduced Drawdown from Earmarked Reserves	Corp	400	400	400	400	400	400
Total Corporate Items		(1,523)	(1,122)	4,207	4,555	4,603	4,603

General Fund - Development & Risk Contingency	Provision 2016/17 £(000s)	Released during 2016/17 £(000s)	Change from 2016/17 £(000s)	Group	Gross Risk 2017/18 £(000s)	Risk Adj. (%)	Provision							
							2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)			
Potential Calls														
Uninsured claims	341	0	(50)	Fin	291	100%	291	291	291	291	291	291	291	291
Impact of Welfare Reform on Homelessness	2,025	0	(289)	RS	1,736	100%	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736
Waste Disposal Levy & Associated Contracts	2,728	0	794	RS	3,522	100%	3,522	4,350	5,150	6,000	6,000	6,000	6,000	6,900
High Speed 2 Challenge Fund	200	0	(100)	RS	100	100%	100	0	0	0	0	0	0	0
Heathrow Expansion Challenge Fund	200	0	0	RS	200	100%	200	0	0	0	0	0	0	0
Asylum Service	2,212	0	(564)	SC	1,648	100%	1,648	1,648	1,648	1,648	1,648	1,648	1,648	1,648
Demographic Growth - Looked After Children	3,734	0	1,564	SC	5,298	100%	5,298	5,701	6,117	6,548	6,548	6,548	6,548	6,993
Social Worker Agency Contingency	277	0	0	SC	277	100%	277	277	277	277	277	277	277	277
SEN transport - Contingency	0	0	184	SC	184	100%	184	475	789	1,128	1,128	1,128	1,128	1,494
Demographic Growth - Transitional Children	1,699	0	1,211	SC	2,910	100%	2,910	4,693	6,210	7,331	7,331	7,331	7,331	8,452
Demographic Growth - Adults	432	0	353	SC	785	100%	785	1,146	1,515	1,868	1,868	1,868	1,868	2,336
Winterbourne View	393	0	(196)	SC	197	100%	197	197	197	197	197	197	197	197
Deprivation of Liberty Safeguards	0	0	759	SC	759	100%	759	759	759	759	759	759	759	759
Care Act New Burdens Funding	1,331	(1,031)	(300)	SC	0	100%	0	0	0	0	0	0	0	0
Apprenticeship Levy	0	0	559	Corp	559	100%	559	559	559	559	559	559	559	559
Increased National Insurance Contributions	1,881	(1,881)	0	Corp	0	0%	0	0	0	0	0	0	0	0
General Contingency	1,000	0	(250)	Corp	750	100%	750	750	750	750	750	750	750	750
Total Potential Calls	18,453	(2,912)	3,675		19,216		19,216	22,582	25,998	29,092	32,392	32,392	32,392	32,392
Financing														
Base Budget														
Contingency released to Directorate Budgets 2016/17														
Increase / (Decrease) in Contingency Requirement														
Total Financing														
Managed Risk Gap in Contingency														

Description	Group	Net Variation from 2016/17 Budget					
		2017/18	2018/19	2019/20	2020/21	2021/22	
		£(000s)	£(000s)	£(000s)	£(000s)	£(000s)	
B/fwd Priority Growth		734	734	734	734	734	
New Priority Growth		100	1,300	2,000	4,645	5,645	
Drawdown from Battle of Britain Bunker Grant Funding		200	0	0	0	0	
Available Priority Growth Balance		1,034	2,034	2,734	5,379	6,379	
New Initiatives to be funded from Priority Growth							
Funding for School Expansion Programme	Corp	0	(1,000)	(1,000)	(1,850)	(2,850)	
Savings Earmarked for Future Capital Investment	Corp	0	0	(500)	(2,295)	(2,295)	
Bunker / Museum Exhibits	RS	(200)	0	0	0	0	
Children's Centres & Early Years Centres Improvement	RS	(200)	(200)	(200)	(200)	(200)	
Youth Provision	RS	(100)	(200)	(400)	(400)	(400)	
Museum & Archives Service	RS	(140)	(279)	(279)	(279)	(279)	
Traveller Incursions	RS	(100)	(100)	(100)	(100)	(100)	
Members Enquiries Monitoring Officer	RS	(40)	(40)	(40)	(40)	(40)	
Remaining Unallocated Priority Growth		254	215	215	215	215	

		Net Variation from 2016/17 Budget					
		2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)	
General Fund Savings by Directorate							
Full Year Effect of Prior Year Savings		(1,669)	(16,139)	(18,336)	(17,023)	(17,063)	
New Savings Proposals							
Administration		(159)	0	90	0	0	
Finance		(756)	(300)	(45)	(40)	(40)	
Residents Services		(6,183)	(171)	384	0	0	
Social Care		(5,627)	0	0	0	0	
Cross-Cutting Items		(1,114)	0	0	0	0	
Total Savings		(15,508)	(16,610)	(17,907)	(17,063)	(17,103)	
2017/18 General Fund Savings by Theme							
Description		Admin	Finance	Residents Services	Social Care	Cross Cutting	Total Savings
		£(000s)	£(000s)	£(000s)	£(000s)	£(000s)	£(000s)
Savings Proposals							
Service Transformation	(170)	(570)	(3,232)	(2,136)	(1,114)	(7,222)	
Effective Procurement	0	0	(527)	(1,644)	0	(2,171)	
Income Generation & Commercialisation	0	0	(445)	(572)	0	(1,017)	
Preventing Demand	0	0	0	(407)	0	(407)	
Zero Based Review	(51)	(286)	(1,999)	(2,355)	0	(4,691)	
Total Savings	(221)	(856)	(6,203)	(7,114)	(1,114)	(15,508)	

Description	Theme	Net Variation from 2016/17 Budget				
		2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)
General Fund - Administration Savings						
Full Year Effect of Prior Year Savings						
Review of staffing structure within Human Resources <i>Removal of one vacant post from the structure and two further posts as part of a review of the overall structure of the service</i>	Service Transformation	(37)	0	0	0	0
Review of Small Grants budget <i>Realignment of small grants budget as part of grants to Voluntary Services, to reflect committed spend.</i>	Zero Based Review	(25)	0	0	0	0
Cumulative Impact of Existing Savings Proposals		0	(221)	(221)	(131)	(131)
Full Year Effect of Prior Year Savings		(62)	(221)	(221)	(131)	(131)
New Savings Proposals						
HR BID Review (Phase 1) <i>The HR BID review proposes a streamlined management structure and identified the requirement for an additional HR Business Partner resource to support the council's transformation programme. The additional post will be funded directly from capital funding for 2017/18 and 2018/19.</i>	Service Transformation	(133)	0	90	0	0
Zero Based Reviews <i>The outcome of Zero Based Reviews across Administration budgets.</i>	Zero Based Review	(26)	0	0	0	0
New Savings Proposals		(159)	0	90	0	0
Total Administration Savings		(221)	(221)	(131)	(131)	(131)

Description	Theme	Net Variation from 2016/17 Budget				
		2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)
General Fund - Finance Savings						
Full Year Effect of Prior Year Savings						
Review of staffing structure within Operational Finance						
Full Year Effect of saving arising from previous phase of Operational Finance restructuring, which has already been implemented.	Service Transformation	(100)	0	0	0	0
Cumulative Impact of Existing Savings Proposals	N/A	0	(856)	(1,156)	(1,201)	(1,241)
Full Year Effect of Prior Year Savings		(100)	(856)	(1,156)	(1,201)	(1,241)
New Savings Proposals						
Finance BID Project - Financial Systems Improvements						
A large scale BID transformation review is being undertaken across the finance function of the Council covering Accounting, Revenues and Internal Audit. Through the introduction of new technology, including the new budget management system in particular, we will be able to fundamentally review the way we work, updating processes and procedures. The budget management system will significantly reduce the amount of non value added data manipulation work required which will enable head count to be reduced without any impact on value added work being undertaken.	Service Transformation	(298)	(250)	0	0	0
Finance BID Project - Consolidation of Finance Support						
This part of the BID project is looking to transfer all finance functions from other service areas of the Council into Finance. This approach was agreed by the Leader on 03/06/16 and started with the move of the Access to Resources into the Social Care Finance team. The restructure of this team into Finance will deliver the initial tranche of savings.	Service Transformation	(72)	0	0	0	0

		Net Variation from 2016/17 Budget					
		2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)	
General Fund - Finance Savings	Theme						
Description							
<u>Finance BID Project - Alignment of Transactional Functions</u>							
This part of the BID project is going to consolidate all transactional activity within Finance into one service, rather than it being spread across three different services (Strategic Finance, Operational Finance and Revenues & Benefits) to improve both efficiency and productivity.	Service Transformation	(70)	0	0	0	0	
<u>Restructure of Business Assurance Function</u>							
Review of Business Assurance functions	Service Transformation	(20)	0	0	0	0	
<u>Finance BID Project - Revenues & Benefits Digital Strategy</u>							
Introduction of Digital Strategy for Revenues & Benefits	Service Transformation	(10)	(10)	(5)	0	0	
<u>Compensatory Added Years</u>							
Demographic reduction in added years pension budget	Zero Based Review	(180)	(40)	(40)	(40)	(40)	
<u>Zero Based Reviews</u>							
The outcome of Zero Based Reviews across Finance budgets, including a further reduction in external audit fees following the demise of the Audit Commission.	Zero Based Review	(106)	0	0	0	0	
New Savings Proposals		(756)	(300)	(45)	(40)	(40)	
Total Finance Savings		(856)	(1,156)	(1,201)	(1,241)	(1,281)	

Description	Theme	Net Variation from 2016/17 Budget				
		2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)
General Fund - Residents Services Savings						
Full Year Effect of Prior Year Savings						
Facilities Management - Contract Management & Service Convergence	Effective Procurement					
Full Year Effect of 2016/17 Facilities Management savings proposals		(100)	0	0	0	0
Zero Based Review - Expenditure	Zero Based Review					
Impact of one-off 2016/17 ZBR item dropping out in 2017/18.		80	0	0	0	0
Cumulative Impact of Existing Savings Proposals		0	(6,203)	(6,374)	(5,990)	(5,990)
Full Year Effect of Prior Year Savings		(20)	(6,203)	(6,374)	(5,990)	(5,990)
New Savings Proposals						
BID reviews - Highways & Street Lighting Programme	Service Transformation					
This proposal is based on efficiencies generated from a comprehensive remodelling and restructuring of the service, with a range of functions being market tested during 2016/17. This includes the boroughwide LED Street Lighting replacement programme across 2016/17 and 2017/18.		(1,346)	(146)	0	0	0
BID reviews - ICT phase 2	Service Transformation					
Phase 2 of the BID Review, to include a new delivery model for the ICT Service, initial view of savings and efficiencies generated by the new Service, and savings from a review and consolidation of existing licences and contracts.		(750)	0	0	0	0
BID reviews - Business and Technical support	Service Transformation					
A range of staffing efficiencies relating to the merging of the Local Land Charges and Application Processing Teams, the deletion of fixed term posts in Tech Support teams, review of work transferred from HRD and NYGL, and review of Executive Assistants. (Original business case approved April 16)		(354)	(25)	0	0	0

		Net Variation from 2016/17 Budget				
		2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)
General Fund - Residents Services Savings						
Description	Theme					
<u>BID reviews - Directorate Management Structures</u> <i>Future BID proposals to reflect ongoing review of middle and senior management tiers across the directorate to reflect wider BID and transformation activity and emerging savings opportunities from service realignment and consolidation.</i>	Service Transformation	(250)	0	0	0	0
<u>BID reviews - Grounds maintenance/Street Cleansing</u> <i>Proposed BID review to examine the delivery model and processes for Grounds Maintenance and Street Cleansing recognising the opportunities to merge the two functions to deliver savings and efficiencies from removal of duplication and economies of scale</i>	Service Transformation	(250)	0	0	0	0
<u>BID reviews - Planning and Transport</u> <i>BID review - Restructure of the Planning Policy team through deletion of vacant posts (£162k), with further savings from the Planning staffing review (£50k)</i>	Service Transformation	(212)	0	0	0	0
<u>Housing/Homelessness proposals - various</u> <i>Restructuring of the Housing Specialist and Low Cost Home Ownership teams plus a review of commissioned services.</i>	Service Transformation	(131)	0	0	0	0
<u>BID Review - Parking Administration</u> <i>Following a BID review efficiency savings from ongoing reviews of the Parking Administration delivery model and processes, in conjunction with the development of a channel reduction strategy to reduce demand and improve customer response times.</i>	Service Transformation	(115)	0	0	0	0
<u>Pollution Control and Food Hygiene</u> <i>Transfer of clienting work to an Environmental Health Officer to release savings in Pollution Control and review Medium and Low Risk Food Hygiene Inspections.</i>	Service Transformation	(112)	0	0	0	0
<u>BID reviews - Deputy Director</u> <i>Further BID reviews - regulatory services</i>	Service Transformation	(74)	0	0	0	0

General Fund - Residents Services Savings	Theme	Net Variation from 2016/17 Budget				
		2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)
Description						
BID reviews - Bereavement & Culture Review of service provision at Crematorium to reflect demand, with the deletion of vacant posts within the Muesum and Achives team being reinvested in new the Museum offer.	Service Transformation	(52)	0	0	0	0
Emergency Response Officers (ERO) - Standby Rota Review Business & Technical Support - review of ERO standby provision	Service Transformation	(10)	0	0	0	0
Waste Services - Weekly Collection Grant Loss of time limited DCLG funding for weekly waste collection	Service Transformation	424	0	0	0	0
Facilities Management contracts Review of existing Facilities Management contracts and proposed cost reductions from insourcing work through the use of existing in-house resources. Further savings from a review of operating costs following energy efficiency measures at the Civic Centre.	Effective Procurement	(332)	0	0	0	0
Blue Collar Agency Contract Savings resulting from the new contract for the provision of 'blue collar' agency workers used to supplement the Council's directly employed workforce in areas such as Refuse and Recycling, Street Cleansing and Highways	Effective Procurement	(95)	0	0	0	0
Additional Income from Fees & Charges A number of proposals to amend Fees & Charges as set out in Appendix 8 to this report.	Income Generation & Commercialisation	(250)	0	0	0	0
Waste services - Trade Waste Development of commercial delivery model to produce further efficiencies, reduce operating costs and increase trade waste income. Active marketing and development of a competitive offer to small businesses.	Income Generation & Commercialisation	(120)	0	0	0	0

		Net Variation from 2016/17 Budget					
		2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)	
General Fund - Residents Services Savings	Theme						
Description							
BID reviews - Building Control <i>A BID review of the service has identified an option to develop a commercial trading vehicle from the existing Building Control service which could trade local authority functions to generate surpluses to be returned to the council.</i>	Income Generation & Commercialisation	(75)	0	0	0	0	
Zero based reviews <i>Zero based review of expenditure budgets following analysis of 15/16 outturn</i>	Zero Based Review	(853)	0	0	0	0	
Zero based reviews <i>Review of income budgets to recognise current levels of activity within the directorate</i>	Zero Based Review	(852)	0	132	0	0	
Capitalisation of Transformation Expenditure <i>Legislation changes allowing the funding of Transformation costs through flexible use of capital receipts</i>	Zero Based Review	(252)	0	252	0	0	
Review of Estates Non-staffing Budgets <i>Review on non-staffing budgets following a review of the garages budget position and handback of the Warnford Industrial Estate site.</i>	Zero Based Review	(122)	0	0	0	0	
New Savings Proposals		(6,183)	(171)	384	0	0	
Total Residents Services Savings		(6,203)	(6,374)	(5,990)	(5,990)	(5,990)	

General Fund - Social Care Savings	Theme	Net Variation from 2016/17 Budget				
		2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)
Description						
Full Year Effect of Prior Year Savings						
Further Transformation / Zero-Based Review Savings <i>This reflects the full year effect of the BID Review of the Re-ablement Service and Mental Health Services.</i>	Service Transformation	(214)	0	0	0	0
Review of Children Centre Delivery Model <i>To undertake a major review of the service delivery model for Children Centres, which proposes to transfer the running of the services back to the local authority and then undertake a review of the staffing structure and move to a Hub and Spoke model.</i>	Service Transformation	(189)	(95)	(744)	0	0
Refreshed New Models of Delivery of In House Provision (LD) <i>Refreshed programme for New Delivery of In House Provision for Learning Disabilities to reflect new delivery programme as well as Older People's day opportunities</i>	Effective Procurement	(305)	0	0	0	0
Effective Use of Troubled Families Grant <i>Application of Troubled Families Phase 2 Grant funding, to support the turnaround of 1,990 families over the next five years, starting in 2015/16, where the grant payment has been front loaded for the attachment fee.</i>	Income Generation & Commercialisation	(362)	280	116	884	0
Client Income <i>This reflects the additional client contribution that will be achieved as benefit levels are increased in April 2017</i>	Income Generation & Commercialisation	(210)	(210)	0	0	0
Supported Living Programme (£1,763k by 2016/17, £5,214k in total by 2019/20) <i>Refreshed Supported Living Programme, reflecting latest delivery schedule for new developments.</i>	Preventing Demand	(207)	(606)	(1,098)	0	0
Cumulative Impact of Existing Savings Proposals		0	(7,114)	(7,745)	(9,471)	(8,587)
Full Year Effect of Prior Year Savings		(1,487)	(7,745)	(9,471)	(8,587)	(8,587)

General Fund - Social Care Savings	Theme	Net Variation from 2016/17 Budget				
		2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)
Description New Savings Proposals						
Review of Social Care Staffing Structures <i>Undertake a major review of the Social Care staffing structures and identify opportunities through merging the Adult and Children's teams.</i>	Service Transformation	(650)	0	0	0	0
Review Funding of Social Care Transformation Team <i>Identify expenditure incurred with undertaking service transformation which can be capitalised and thus free up base budget</i>	Service Transformation	(513)	0	0	0	0
Review the Use of Merchiston House <i>The intention is to cease the use of Merchiston House For adults and commence refurbishment for the use of CYPs to provide 5 beds for the existing Mulberry Parade Children's service. This will allow the release of the Mulberry House back to the housing team for their use. The change of use has been agreed by CCG who own the building, for which we hold the lease. It will be necessary to undertake some refurbishments to get the building to registration standards for a children's home</i>	Service Transformation	(370)	0	0	0	0
Review of Children's Homes Structures <i>Undertake a review of Charville Lane and Mulberry Parade staffing structures to ensure that they are fit for purpose and effectively meet the needs of the children attending these establishments</i>	Service Transformation	(150)	0	0	0	0
Review of Post 16 EHCP/SEN Transport <i>The contracts for the School Nursing and Health Visiting services are due for renewal in April 2017. This saving proposes to combine the two contracts and by doing so generate an anticipated saving through the reduction of overhead and admin costs</i>	Service Transformation	(50)	0	0	0	0

General Fund - Social Care Savings	Theme	Net Variation from 2016/17 Budget				
		2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)
<p>Description</p> <p><u>BID Review of 0 to 19 Healthy Child Programme</u> The contracts for the School Nursing and Health Visiting services are due for renewal in April 2017. This saving proposes to combine the two contracts and by doing so generate an anticipated saving through the reduction of overhead and admin costs</p>	Effective Procurement	(800)	0	0	0	0
<p><u>Review of Supported Living Contract</u> The Council has a range of contracts for the provision of supported accommodation, where it is evident that the current arrangement does not match the needs of the client groups accessing the accommodation. A BID review will assess the required need and identify options for future usage.</p>	Effective Procurement	(539)	0	0	0	0
<p><u>Review of AAD High Cost Placements</u> Undertake a targeted review of high cost packages of care (in excess of £2k per week) to identify opportunities to move the clients into lower cost placements</p>	Preventing Demand	(100)	0	0	0	0
<p><u>Review of AAD Day Care Provision</u> Undertake a targeted review of high cost day care provision to identify opportunities to move the clients into lower cost day care provision</p>	Preventing Demand	(100)	0	0	0	0
<p><u>Zero Based Reviews</u> The service undertook a major review of the 2015/16 outturn position and compared it to the 2016/17 base budget. The outcome of this review identified that there were a range of budgets, which were higher than the previous year's expenditure and also includes the capitalisation of all Telecareline Equipment purchases</p>	Zero Based Review	(2,355)	0	0	0	0
New Savings Proposals		(5,627)	0	0	0	0
Total Social Care		(7,114)	(7,745)	(9,471)	(8,587)	(8,587)

Description	Theme	Net Variation from 2016/17 Budget				
		2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)
Full Year Effect of Prior Year Savings		0	(1,114)	(1,114)	(1,114)	(1,114)
<u>New Savings Proposals</u>						
<u>Apprenticeship Levy (Cross Council)</u> <i>In response to the introduction of the apprenticeship levy a BID review will be undertaken to develop sufficient offsetting efficiencies across the Council. This will include a full review of all training budgets; a cross Council review of workforce requirements and the ability to transfer posts to apprenticeship posts; and a review of the salary offer for apprenticeship posts to better align across the Council.</i>	Service Transformation	(559)	0	0	0	0
<u>BID Review of Terms and Conditions (Cross Council)</u> <i>A BID review of all Council Terms and Conditions is proposed to scope out potential for changes to deliver savings across the Council. Once the initial scope is determined discussions with the Leader will determine what can be taken forward.</i>	Service Transformation	(100)	(TBC)	(TBC)	(TBC)	(TBC)
<u>Reduction in Public Health Grant Award</u> <i>In order to manage the expected £455k reduction in the Public Health grant for 2017/18, a review of all expenditure funded from the grant will be undertaken to identify necessary savings within this ringfenced account.</i>	Service Transformation	(455)	0	0	0	0
New Savings Proposals		(1,114)	0	0	0	0
Total Cross-Cutting Savings		(1,114)	(1,114)	(1,114)	(1,114)	(1,114)

Draft General Fund Capital Programme

Total Project Cost (incl. Prior Years) £'000	Current MTFP Proposal	Project by Cabinet Member Portfolio	2017/18		2018/19		2019/20		2020/21		2021/22		Financed by:			
			Draft Budget	£'000	Draft Budget	£'000	Draft Budget	£'000	Draft Budget	£'000	Draft Budget	£'000	Council Resources	Government Grants	Other Contributions	
		SCHOOLS PROGRAMME														
		Education and Childrens Services														
139,043		Primary School Expansions	858	0	0	0	0	0	0	0	858	0	0	0	0	0
27,400	UPDATE	New Primary School Expansions	12,313	9,512	2,659	1,844	0	0	0	0	21,825	4,503	0	0	0	0
55,899	UPDATE	Secondary Schools Expansions	5,155	23,835	4,850	4,630	16,030	0	0	0	33,720	20,780	0	0	0	0
47,217		Secondary Schools New Build	2,851	577	0	0	0	0	0	0	3,428	0	0	0	0	0
2,400	UPDATE	Additional Temporary Classrooms	2,200	100	0	0	0	0	0	0	2,300	0	0	0	0	0
1,200	NEW	Schools SRP	0	0	800	400	0	0	0	0	400	800	0	0	0	0
273,160		Total Schools Programme	23,377	34,024	8,309	6,874	16,030				62,531	26,083	0			
		MAIN PROGRAMME														
		Community, Commerce and Regeneration														
8,150	UPDATE	Hayes Town Centre Improvements	2,165	1,027	275	0	0	0	0	0	0	2,100	0	0	1,367	0
1,357		Inspiring Shopfronts	403	618	0	0	0	0	0	0	1,021	0	0	0	0	0
2,490		Gateway Hillingdon	451	213	0	0	0	0	0	0	664	0	0	0	0	0
1,996		Uxbridge Change of Heart	1,846	0	0	0	0	0	0	0	1,109	650	87	0	0	0
1,000		Uxbridge Cemetary Gatehouse	650	313	0	0	0	0	0	0	963	0	0	0	0	0
		Central Services, Culture and Heritage														
1,071		Bowls Club Refurbishment	303	0	0	0	0	0	0	0	303	0	0	0	0	0
33,060		Hillingdon Sports & Leisure Centre	812	0	0	0	0	0	0	0	812	0	0	0	0	0
360	NEW	Ruislip Lido Railway Society Workshop Replacement	360	0	0	0	0	0	0	0	360	0	0	0	0	0
		Finance, Property and Business Services														
1,053	UPDATE	Battle of Britain Underground Bunker	500	453	0	0	0	0	0	0	953	0	0	0	0	0
5,987		Battle of Britain Bunker Heritage Project	3,906	300	0	0	0	0	0	0	4,206	0	0	0	0	0
400	NEW	Uniter Building Refurbishment	400	0	0	0	0	0	0	0	400	0	0	0	0	0
1,400		Bessingby Football and Boxing Clubhouse	1,150	70	0	0	0	0	0	0	1,220	0	0	0	0	0
592		CCTV Programme	192	0	0	0	0	0	0	0	192	0	0	0	0	0
5,632		St Andrews Park Museum	1,180	4,069	283	0	0	0	0	0	4,782	0	750	0	0	0
44,000		St Andrews Park Theatre	1,000	1,500	5,000	18,225	18,225	0	0	0	42,900	0	1,050	0	0	0
3,000	UPDATE	Youth Provision	1,000	1,000	1,000	0	0	0	0	0	3,000	0	0	0	0	0
		Planning, Transportation and Recycling														
9,692		Purchase of Vehicles	1,390	500	500	1,000	0	0	0	0	3,390	0	0	0	0	0
2,571		Cedars and Granges Car Park Improvements	19	0	0	0	0	0	0	0	19	0	0	0	0	0
250		RAGC Car Park	200	0	0	0	0	0	0	0	200	0	0	0	0	0
5,500		Street Lighting - Invest to Save	4,300	900	0	0	0	0	0	0	5,200	0	0	0	0	0
200	NEW	Harlington Road Depot Resurfacing	200	0	0	0	0	0	0	0	200	0	0	0	0	0
		Social Services, Housing, Health and Wellbeing														
2,512		Dementia Centre	0	2,465	0	0	0	0	0	0	2,465	0	0	0	0	0

Draft General Fund Capital Programme

Total Project Cost (incl. Prior Years) £'000	Current MTFP Proposal	Project by Cabinet Member Portfolio	2017/18				2019/20				2020/21				2021/22				Financed by:			
			Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Council Resources	Government Grants	Other Contributions			
250		1 & 2 Merrimans Housing Project	200	0	0	0	0	0	0	0	0	0	0	0	200	0	0	0				
1,600		<u>Cross Cabinet Member Portfolios</u> Environmental and Recreational Initiatives	1,000	0	0	0	0	0	0	0	0	0	0	1,000	0	0	0	0				
134,123		Total Main Programme	23,627	13,428	7,058	19,225	18,225	18,225	18,225	18,225	18,225	18,225	18,225	75,559	2,750	3,254	3,254					
		SELF FINANCING DEVELOPMENTS																				
23,014	UPDATE	<u>Finance, Property and Business Services</u> Yiewsley Site Development	250	18,460	3,116	1,138	0	0	0	0	0	0	0	22,964	0	0	0					
4,605	NEW	Beimore Allotments Development	0	0	4,605	0	0	0	0	0	0	0	3,397	0	0	1,208	0					
27,619		Total Self Financing Developments	250	18,460	7,721	1,138	0	0	0	0	0	0	26,361	0	0	1,208	0					
		PROGRAMME OF WORKS																				
N/A		Leader's Initiative	200	200	200	200	200	200	200	200	200	200	200	1,000	0	0	0					
N/A		<u>Community, Commerce and Regeneration</u> Chrysalis Programme	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	5,000	0	0	0					
N/A		Playground Replacement Programme	250	250	250	250	250	250	250	250	250	250	250	1,000	0	0	0					
N/A		<u>Education and Childrens Services</u> Devolved Formula Capital	409	363	317	271	222	222	222	222	222	222	222	0	1,582	0	0					
N/A	UPDATE	School Conditions Building Programme	1,226	750	750	750	750	750	750	750	750	750	750	0	3,426	800	0					
N/A		<u>Finance, Property and Business Services</u> Civic Centre Works Programme	1,000	500	500	500	500	500	500	500	500	500	500	3,000	0	0	0					
N/A	UPDATE	Corporate Technology and Innovation Programme	724	1,414	1,414	514	514	514	514	514	514	514	514	4,580	0	0	0					
N/A		Property Works Programme	480	480	480	480	480	480	480	480	480	480	480	2,400	0	0	0					
N/A		<u>Planning, Transportation and Recycling</u> Highways Structural Works	3,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	7,000	0	0	0					
N/A		Road Safety	150	150	150	150	150	150	150	150	150	150	150	750	0	0	0					
N/A	UPDATE	Transport for London	5,469	4,085	3,948	3,898	3,898	3,898	3,898	3,898	3,898	3,898	3,898	0	20,661	637	0					
N/A		<u>Social Services, Housing, Health and Wellbeing</u> Disabled Facilities Grant	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	0	11,500	0	0					
N/A	UPDATE	Private Sector Renewal Grant / Landlord Property Renovation Grant	225	225	225	225	225	225	225	225	225	225	225	1,125	0	0	0					
N/A		<u>Cross Cabinet Member Portfolios</u> Equipment Capitalisation - General	363	363	363	363	363	363	363	363	363	363	363	1,815	0	0	0					
N/A	NEW	Equipment Capitalisation - Adult Social Care	985	985	985	985	985	985	985	985	985	985	985	0	4,925	0	0					
0		Total Programmes of Works	17,781	14,065	13,882	12,886	12,886	12,886	12,886	12,886	12,886	12,886	12,587	27,670	42,094	1,437	1,437					
N/A		<u>Development & Risk Contingency</u>	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	7,500	0	0	0					
434,902		Total General Fund Capital Programme	66,535	81,477	38,470	41,623	48,342	48,342	48,342	48,342	48,342	48,342	199,621	70,927	70,927	5,899	5,899					

General Fund Capital Income & Financing

Awarding Body	Grant Description	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	MTFF Total £'000	Grand Total £'000
DfE	Devolved Formula Capital	867	409	363	317	271	222	1,582	2,449
DfE	Capital Maintenance	2,270	2,270	1,797	1,596	1,394	1,394	8,451	10,721
DfE	Basic Needs	2,163	3,145	5,023	4,040	5,850	3,000	21,058	23,221
TFL	Major Scheme Funding	2,720	2,100	0	0	0	0	2,100	4,820
TFL	Local Implementation Plan	5,191	3,898	3,898	3,898	3,898	3,898	19,490	24,681
TFL	Crossrail Complimentary Measures	389	1,163	8	0	0	0	1,171	1,560
GLA	London Regeneration Fund	150	650	0	0	0	0	650	800
DoH	Disabled Facilities Grant	3,457	3,285	3,285	3,285	3,285	3,285	16,425	19,882
	Total Government Grants	17,207	16,920	14,374	13,136	14,698	11,799	70,927	88,134

* Shaded Figures represent local estimates, all other figures confirmed with awarding bodies.

General Fund Capital Financing	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	MTFF Total £'000	Grand Total £'000
Prudential Borrowing	41,166	19,238	46,141	(729)	(2,575)	26,393	88,468	129,634
Capital Receipts	6,407	24,367	13,606	18,880	22,800	4,500	84,153	90,560
Community Infrastructure Levy	3,580	5,250	5,250	5,500	5,500	5,500	27,000	30,580
Council Resources	51,153	48,855	64,997	23,651	25,725	36,393	199,621	250,774
Government Grants	17,207	16,920	14,374	13,136	14,698	11,799	70,927	88,134
Section 106	2,326	518	1,956	1,533	1,050	0	5,057	7,383
Other Contributions	1,930	242	150	150	150	150	842	2,772
Capital Financing	72,616	66,535	81,477	38,470	41,623	48,342	276,447	349,063

<u>Housing Revenue Account Corporate Summary</u>	2016/17 £(000s)	2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)
Resources						
Increase / (Decrease) in average Weekly Rents (%)*	(1.0%)	(1.1%)	(0.3%)	(0.4%)	3.1%	3.1%
Average Weekly Rent (£)	£109.69	£108.46	£108.13	£107.75	£111.14	£114.62
Increase/(Decrease) in Number of Dwellings	(95)	(95)	52	(16)	(94)	(94)
Number of Dwellings	9,923	9,834	9,812	9,830	9,775	9,681
Gross Dwelling Rents	56,754	55,612	55,324	55,380	56,645	57,856
Void Risk Contingency	(562)	(548)	(546)	(555)	(559)	(571)
Net Dwelling Rents	56,192	55,064	54,778	54,825	56,086	57,285
Other Income	5,751	5,494	5,597	5,761	5,872	6,008
Total Resources	61,943	60,558	60,375	60,586	61,958	63,293
Budget Requirement						
Roll Forward Budget	60,051	52,193	52,193	52,193	52,193	52,193
Inflation	563	937	1,878	2,868	3,836	3,735
Corporate Items	(8,602)	19,092	18,682	(4,597)	(184)	4,431
Contingency	181	0	0	0	0	0
Savings	0	0	0	0	0	0
Total Budget Requirement	52,193	72,222	72,753	50,464	55,845	60,359
(Drawdown) / Contribution to Reserves	9,750	(11,664)	(12,378)	10,122	6,113	2,934
Opening HRA General Balance		46,886	35,222	22,844	32,966	39,079
Closing HRA General Balance		35,222	22,844	32,966	39,079	42,013

* Rent figures quoted above are inclusive of new build rents, average rents for existing tenancies are projected to reduce by 1% per annum from 2017/18 to 2019/20.

Housing Revenue Account - Corporate Items	Net Variation from 2016/17 Budget					
	2016/17 £(000s)	2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)
Description						
Realignment of Budgets to reflect current service needs	530	0	0	0	0	0
Transfer of Income from Budget Requirement to Resources	1,602	0	0	0	0	0
Contribution to Finance Capital Programme	(10,399)	19,038	18,573	(4,706)	(286)	4,317
Interest on Balances	(335)	54	109	109	102	114
Total Corporate Items	(8,602)	19,092	18,682	(4,597)	(184)	4,431

Housing Revenue Account - Development & Risk Contingency						
	2016/17 £(000s)	2017/18 £(000s)	2018/19 £(000s)	2019/20 £(000s)	2020/21 £(000s)	2021/22 £(000s)
Potential Calls						
General Contingency	1,058	1,058	1,058	1,058	1,058	1,058
Repairs Service	680	680	680	680	680	680
Total Potential Calls	1,738	1,738	1,738	1,738	1,738	1,738
Financing						
Base Budget	1,557	1,738	1,738	1,738	1,738	1,738
Contingency released to Directorate Budgets	0	0	0	0	0	0
Increase / Decrease in Contingency	181	0	0	0	0	0
Total Financing	1,738	1,738	1,738	1,738	1,738	1,738
Managed Risk Gap in Contingency	0	0	0	0	0	0

Draft Housing Revenue Account Capital Programme

Project	2017/18		2018/19		2019/20		2020/21		2021/22		Financed by:		
	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000	Revenue Contributions £'000	Prudential Borrowing £'000	Capital Receipts £'000		
Major Projects													
New General Needs Housing Stock	21,418	8,604	1,369	0	0	0	0	0	21,974	0	9,417		
New Build - Appropriation of Land	8,635	0	0	0	0	0	0	0	0	8,635	0		
New Build - Shared Ownership	1,720	4,845	1,383	0	0	0	0	0	1,898	0	6,050		
New Build - Supported Housing Provision	21,434	10,345	868	0	0	0	0	0	22,853	0	9,794		
ICT	0	81	81	0	0	0	0	0	162	0	0		
HRA General Capital Contingency	9,500	0	0	0	0	0	0	0	0	9,500	0		
Total Major Projects	62,707	23,875	3,701	0	0	0	0	0	46,887	18,135	25,261		
Works to Stock													
Works to Stock programme	7,626	8,435	6,309	7,664	12,230				42,264	0	0		
Major Adaptations to Property	1,092	1,147	1,204	1,249	1,286				5,978	0	0		
Total Works to Stock	8,718	9,582	7,513	8,913	13,516				48,242	0	0		
Total HRA Capital Programme	71,425	33,457	11,214	8,913	13,516				95,129	18,135	25,261		

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	900.00	N/A	NB	945.00	5.00%	N/A	0.00%	01-Apr-15	01-Apr-17
Vehicle crossing application fee (non-refundable)	R	50.00	N/A	NB	72.00	44.00%	N/A	0.00%	01-Apr-15	01-Apr-17
Skip Licencing										
(charge per application. (for 1-49)	B	40.00	40.00	NB	50.00	25.00%	50.00	25.00%	01-Apr-15	01-Apr-17
14. Golf Courses										
7 day season ticket	R	525.00	530.00	STD	570.00	8.57%	575.00	8.49%	28-Oct-12	01-Apr-17
5 day season ticket	R	399.00	399.00	STD	420.00	5.26%	425.00	6.52%	01-Apr-13	01-Apr-17
7 Day season Ticket (60+)	R	525.00	530.00	STD	570.00	8.57%	575.00	8.49%	28-Oct-12	01-Apr-17
5 Day season Ticket (60+)	R	399.00	399.00	STD	420.00	5.26%	425.00	6.52%	01-Apr-13	01-Apr-17
Golf Courses - Green Fees (Haste Hill / Ruislip)										
Adult 18 holes (Monday to Friday)	R	14.00	17.00	STD	15.00	7.14%	18.00	5.88%	28-Oct-12	01-Apr-17
Adult 18 holes (weekends and bank holidays)	R	20.00	23.00	STD	21.00	5.00%	25.00	8.70%	28-Oct-12	01-Apr-17
Adult dusk (Monday to Friday)	R	10.00	10.00	STD	11.00	10.00%	11.00	10.00%	01-Apr-13	01-Apr-17
Adult 12pm to 2pm (weekends and bank holidays)	R	15.00	18.00	STD	16.00	6.67%	19.00	5.56%	28-Oct-12	01-Apr-17
Adult dusk (weekends and bank holidays)	R	10.00	10.00	STD	11.00	10.00%	11.00	10.00%	01-Apr-13	01-Apr-17

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
Senior / Junior / Student (Monday to Friday) concession	C	10.00	10.00	STD	11.00	10.00%	11.00	10.00%	01-Apr-13	01-Apr-17
Junior / Student (weekends and bank holidays) concession	C	10.00	10.00	STD	11.00	10.00%	11.00	10.00%	01-Apr-13	01-Apr-17
Golf Courses - Golf Society Prices (Haste Hill / Ruislip only)										
18 holes (Monday to Friday) (Ruislip)	R	12.00	14.00	STD	15.00	25.00%	15.00	7.14%	28-Oct-12	01-Apr-17
Golf Courses - Bring a Friend Green Fees (Haste Hill / Ruislip) (Season Ticket Holders Only)										
Adult 18 holes (Monday to Friday)	R	12.60	15.30	STD	12.60	0.00%	16.20	5.88%	28-Oct-12	01-Apr-17
Adult 18 holes (weekends and bank holidays)	R	18.00	20.70	STD	18.00	0.00%	22.50	8.70%	28-Oct-12	01-Apr-17
15. Breakspear Crematorium										
Cremation Fees										
Over 17 years.	R	614.00	614.00	EXP	649.00	5.70%	649.00	5.70%	01-Apr-16	01-Apr-17
Cremation of retained organs										
Additional Service Time	R	178.00	178.00	EXP	188.00	5.62%	188.00	5.62%	01-Apr-12	01-Apr-17
Cancellations	R	124.00	124.00	EXP	131.00	5.65%	131.00	5.65%	01-Apr-12	01-Apr-17
Certificates of Cremation - overseas	R	21.00	21.00	EXP	22.00	4.76%	22.00	4.76%	01-Apr-12	01-Apr-17
Scattering of Ashes	R	48.00	48.00	EXP	51.00	6.25%	51.00	6.25%	01-Apr-12	01-Apr-17
Retaining cremated remains(per month)	R	12.00	12.00	EXP	13.00	8.33%	13.00	8.33%	01-Apr-12	01-Apr-17
Postage & Packing in Polytainer UK only	R	58.00	58.00	EXP	61.00	5.17%	61.00	5.17%	01-Apr-12	01-Apr-17
Supply New Garden Seat inc 10 years lease	R	1544.00	1544.00	STD	1632.00	5.70%	1632.00	5.70%	01-Apr-12	01-Apr-17

VAT Status
Std-Standard
Exp-Exempt Red-Reduced NB-Non Business

Type
B-Business R-Resident
M-Mixed C-Concession

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
Trees & Shrubs - rose bushes inc 5 years lease	R	235.00	235.00	STD	248.00	5.53%	248.00	5.53%	01-Apr-12	01-Apr-17
Trees & Shrubs - rose trees inc 5 years lease	R	290.00	290.00	STD	307.00	5.86%	307.00	5.86%	01-Apr-12	01-Apr-17
Trees & Shrubs - ornamental shrubs inc 5 years lease	R	290.00	290.00	STD	307.00	5.86%	307.00	5.86%	01-Apr-12	01-Apr-17
Trees & Shrubs - ornamental trees (10 years)	R	394.00	394.00	STD	416.00	5.58%	416.00	5.58%	01-Apr-12	01-Apr-17
Plaque for trees, shrubs, roses or seats	R	91.00	91.00	STD	96.00	5.49%	96.00	5.49%	01-Apr-12	01-Apr-17
Book of Remembrance - 2 line entry	R	61.00	61.00	STD	64.00	4.92%	64.00	4.92%	01-Apr-12	01-Apr-17
Book of Remembrance - 5 line entry	R	106.00	106.00	STD	112.00	5.66%	112.00	5.66%	01-Apr-12	01-Apr-17
Book of Remembrance - 8 line entry	R	158.00	158.00	STD	167.00	5.70%	167.00	5.70%	01-Apr-12	01-Apr-17
Book of Remembrance - 10 line entry	R	193.00	193.00	STD	204.00	5.70%	204.00	5.70%	01-Apr-12	01-Apr-17
Extra - Floral Emblem	R	80.00	80.00	STD	85.00	6.25%	85.00	6.25%	01-Apr-12	01-Apr-17
Extra - Full Heraldic Device	R	120.00	120.00	STD	127.00	5.83%	127.00	5.83%	01-Apr-12	01-Apr-17
Memorial Cards - 2 line entry	R	40.00	40.00	STD	42.00	5.00%	42.00	5.00%	01-Apr-12	01-Apr-17
Memorial Cards - 5 line entry	R	60.00	60.00	STD	63.00	5.00%	63.00	5.00%	01-Apr-12	01-Apr-17
Memorial Cards - 8 line entry	R	98.00	98.00	STD	104.00	6.12%	104.00	6.12%	01-Apr-12	01-Apr-17
Memorial Cards - 10 line entry	R	126.00	126.00	STD	133.00	5.56%	133.00	5.56%	01-Apr-12	01-Apr-17

VAT Status
Std-Standard
Exp-Exempt Red-Reduced NB-Non Business

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
Memorial Booklets - 2 line entry	R	60.00	60.00	STD	63.00	5.00%	63.00	5.00%	01-Apr-12	01-Apr-17
Memorial Booklets - 5 line entry	R	82.00	82.00	STD	87.00	6.10%	87.00	6.10%	01-Apr-12	01-Apr-17
Memorial Booklets - 8 line entry	R	126.00	126.00	STD	133.00	5.56%	133.00	5.56%	01-Apr-12	01-Apr-17
Memorial Booklets - 10 line entry	R	157.00	157.00	STD	166.00	5.73%	166.00	5.73%	01-Apr-12	01-Apr-17
Additional lines in Booklets - 2 line entry	R	35.00	35.00	STD	37.00	5.71%	37.00	5.71%	01-Apr-12	01-Apr-17
Additional lines in Booklets - 5 line entry	R	53.00	53.00	STD	56.00	5.66%	56.00	5.66%	01-Apr-12	01-Apr-17
Additional lines in Booklets - 8 line entry	R	90.00	90.00	STD	95.00	5.56%	95.00	5.56%	01-Apr-12	01-Apr-17
Additional lines in Booklets - 10 line entry	R	116.00	116.00	STD	123.00	6.03%	123.00	6.03%	01-Apr-12	01-Apr-17
Garden Niches										
10 years incl Urn & Inspection (new facility)	R	1675.00	1675.00	STD	1770.00	5.67%	1770.00	5.67%	01-Apr-12	01-Apr-17
Columbarium Niches - single-inc 10 years lease	R	363.00	363.00	EXP	384.00	5.79%	384.00	5.79%	01-Apr-12	01-Apr-17
Columbarium Niches - double-inc 10 years lease	R	606.00	606.00	EXP	641.00	5.78%	641.00	5.78%	01-Apr-12	01-Apr-17
Langley casket up to 50 characters	R	215.00	215.00	EXP	227.00	5.58%	227.00	5.58%	01-Apr-12	01-Apr-17
Metal Urn	R	33.00	33.00	EXP	35.00	6.06%	35.00	6.06%	01-Apr-12	01-Apr-17
Cloister Spaces - single-inc 10 years lease	R	157.00	157.00	EXP	166.00	5.73%	166.00	5.73%	01-Apr-12	01-Apr-17
Inscription	R	86.00	86.00	EXP	91.00	5.81%	91.00	5.81%	01-Apr-12	01-Apr-17

VAT Status
Std-Standard
Exp-Exempt Red-Reduced NB-Non Business

Type
B-Business R-Resident
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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
Cloister Spaces - double-inc 10 years lease	R	359.00	359.00	EXP	379.00	5.57%	379.00	5.57%	01-Apr-12	01-Apr-17
Inscription	R	132.00	132.00	EXP	140.00	6.06%	140.00	6.06%	01-Apr-12	01-Apr-17
Classic - inc 5 years lease										
Window Spaces	R	254.00	254.00	EXP	268.00	5.51%	268.00	5.51%	01-Apr-12	01-Apr-17
Inscription	R	113.00	113.00	STD	120.00	6.19%	119.00	5.31%	01-Apr-12	01-Apr-17
New Flower Vases	R	456.00	456.00	STD	482.00	5.70%	482.00	5.70%	01-Apr-12	01-Apr-17
Additional letters each	R	6.30	6.30	STD	6.60	4.76%	6.60	4.76%	01-Apr-12	01-Apr-17
Additional Guided Motif	R	128.00	128.00	STD	135.00	5.47%	135.00	5.47%	01-Apr-12	01-Apr-17
Additional Hand Painted Motif	R	190.00	190.00	STD	201.00	5.79%	201.00	5.79%	01-Apr-12	01-Apr-17
Photo plaque	R	190.00	190.00	STD	201.00	5.79%	201.00	5.79%	01-Apr-12	01-Apr-17
New Windows -- Small -- 10 years - I colour	R	567.00	567.00	STD	599.00	5.64%	599.00	5.64%	01-Apr-12	01-Apr-17
16. Cemeteries										
Adult interments (persons exceeding 16 years of age at death) - In New Private Graves										
Depth for 1 interment	R	621.00	1198.40	EXP	695.50	12.00%	1282.50	7.02%	01-Apr-15	01-Apr-17
Depth for 2 interment	R	678.50	1305.40	EXP	760.00	12.01%	1397.00	7.02%	01-Apr-15	01-Apr-17
Depth for 3 interment	R	828.00	1594.30	EXP	927.50	12.02%	1706.00	7.01%	01-Apr-15	01-Apr-17
Depth for 4 interment	R	954.50	1840.40	EXP	1069.00	12.00%	1969.00	6.99%	01-Apr-15	01-Apr-17
Adult interments (persons exceeding 16 years of age at death) - In Re-Opened Private Graves										
Depth for 1 interment	R	667.00	1284.00	EXP	747.00	11.99%	1374.00	7.01%	01-Apr-15	01-Apr-17
Depth for 2 interment	R	839.50	1615.70	EXP	940.00	11.97%	1729.00	7.01%	01-Apr-15	01-Apr-17
Depth for 3 interment	R	1006.25	1936.70	EXP	1127.00	12.00%	2072.50	7.01%	01-Apr-15	01-Apr-17
Depth for 4 interment	R	1259.25	2418.20	EXP	1410.50	12.01%	2587.50	7.00%	01-Apr-15	01-Apr-17
Interment of Infants (a stillborn child or child whose age at death did not exceed 3 years "Infants")										
In Child's grave	R	46.00	87.76	EXP	51.50	12.00%	94.00	7.11%	01-Apr-15	01-Apr-17
In private grave (single depth)	R	103.50	196.90	EXP	116.00	12.08%	210.50	6.91%	01-Apr-15	01-Apr-17

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
In private grave for the child's interment plus 2 adults	R	207.00	395.90	EXP	232.00	12.08%	423.50	6.97%	01-Apr-15	01-Apr-17
In private grave for the child's interment plus 3 adults	R	258.75	492.20	EXP	290.00	12.08%	526.50	6.97%	01-Apr-15	01-Apr-17
In Child's grave (where applicable)	R	98.90	188.30	EXP	111.00	12.23%	201.50	7.01%	01-Apr-15	01-Apr-17
In private grave (single depth)	R	143.75	273.90	EXP	161.00	12.00%	293.00	6.97%	01-Apr-15	01-Apr-17
In private grave for the child's interment plus 2 adults	R	345.00	663.40	EXP	386.50	12.03%	710.00	7.02%	01-Apr-15	01-Apr-17
In private grave for the child's interment plus 3 adults	R	437.00	834.60	EXP	489.50	12.01%	893.00	7.00%	01-Apr-15	01-Apr-17
Interment of Cremated Remains (within full private graves)										
When the grave is closed to full interments	R	197.80	380.90	EXP	221.50	12.00%	407.50	6.98%	01-Apr-15	01-Apr-17
To a depth to permit 1 further full interment	R	388.70	738.30	EXP	435.50	12.00%	790.00	7.00%	01-Apr-15	01-Apr-17
To a depth to permit 2 further full interment	R	563.50	1070.00	EXP	631.00	12.00%	1145.00	7.01%	01-Apr-15	01-Apr-17
To a depth to permit 3 further full interment	R	736.00	1412.40	EXP	824.50	12.00%	1511.50	7.02%	01-Apr-15	01-Apr-17
To scatter cremated remains (within Cremation Section and Columbaria)	R	87.40	166.90	EXP	98.00	12.00%	178.50	6.95%	01-Apr-15	01-Apr-17

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
New and re-open cremation graves	R	197.80	376.65	EXP	221.50	12.00%	403.00	7.00%	01-Apr-15	01-Apr-17
Re-opening of Columbaria units	R	151.80	288.90	EXP	170.00	12.00%	309.00	6.96%	01-Apr-15	01-Apr-17
Interments in Heritage Graves										
Adults interment	R	534.75	1027.20	EXP	599.00	12.01%	1099.00	6.99%	01-Apr-15	01-Apr-17
Childs interment	R	198.95	380.90	EXP	223.00	12.09%	407.50	6.98%	01-Apr-15	01-Apr-17
Infants interment	R	126.50	241.80	EXP	141.50	11.86%	258.50	6.91%	01-Apr-15	01-Apr-17
Grave Digging Surcharges										
For a variation in size within 2"	R	156.40	299.60	EXP	175.00	11.89%	320.50	6.98%	01-Apr-15	01-Apr-17
For a variation in size between 2" and 4"	R	299.00	573.60	EXP	335.00	12.04%	613.50	6.96%	01-Apr-15	01-Apr-17
For a variation in size between 4" and 6"	R	451.95	866.70	EXP	506.00	11.96%	927.50	7.02%	01-Apr-15	01-Apr-17
For a variation in size in excess of 6"	R	595.70	1134.20	EXP	667.00	11.97%	1213.50	6.99%	01-Apr-15	01-Apr-17
Exclusive rights of burial (Conventional Graves)										
Grave space measuring 9 feet by 4 feet	R	1932.00	4622.40	EXP	2164.00	12.01%	4946.00	7.00%	01-Apr-15	01-Apr-17
Grave space measuring 9 feet by 8 feet	R	3864.00	9244.80	EXP	4327.50	12.00%	9892.00	7.00%	01-Apr-15	01-Apr-17
Exclusive rights of burial (Lawn Section Graves)										
Grave space measuring 9 feet by 4 feet	R	1380.00	3081.60	EXP	1545.50	11.99%	3297.50	7.01%	01-Apr-15	01-Apr-17
Grave space measuring 9 feet by 8 feet	R	2760.00	6163.20	EXP	3091.00	11.99%	6594.50	7.00%	01-Apr-15	01-Apr-17

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
Exclusive rights of burial (Bricked Grave or Vault)										
Traditional grave space measuring 9 feet by 4 feet	R	1932.00	4622.40	EXP	2164.00	12.01%	4946.00	7.00%	01-Apr-13	01-Apr-17
Traditional grave space measuring 9 feet by 8 feet	R	3864.00	9244.80	EXP	4328.50	12.02%	9892.00	7.00%	01-Apr-13	01-Apr-17
Lawn section grave space measuring 9 feet by 4 feet	R	1380.00	3081.60	EXP	1545.50	11.99%	3297.50	7.01%	01-Apr-13	01-Apr-17
Lawn section grave space measuring 9 feet by 8 feet	R	2760.00	6163.20	EXP	3091.00	11.99%	6594.50	7.00%	01-Apr-13	01-Apr-17
Lined Muslim Graves										
For traditional uncoffined burial	R	2070.00	3980.40	EXP	2318.50	12.00%	4259.00	7.00%	01-Apr-15	01-Apr-17
Children's Section Graves										
Gravespace measuring 4 feet by 2 feet	R	345.00	663.40	EXP	386.50	12.03%	710.00	7.02%	01-Apr-15	01-Apr-17
Woodland Graves (West Drayton Cemetery) Special Regulations Apply										
Gravespace measuring 9 feet by 4 feet	R	862.50	1658.50	EXP	966.00	12.00%	1774.50	6.99%	01-Apr-15	01-Apr-17

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
20. Arts Theatres										
Arts Theatres (Compass Theatre, Winston Churchill Theatre and Manor Farm)										
Community Rates										
Room Hire										
Great Barn - Weekday (Hour)	M	42.00	52.50	STD	46.00	9.52%	63.00	20.00%	01-Apr-14	01-Apr-17
Great Barn - Weekday (Hour)(Concessionary)	C	25.20	N/A	STD	27.50	9.13%	N/A	N/A	01-Apr-14	01-Apr-17
Great Barn - Weekend (Hour)	M	60.00	75.00	STD	66.00	10.00%	90.00	20.00%	01-Apr-14	01-Apr-17
Great Barn - Weekend (Hour)(Concessionary)	C	36.00	N/A	STD	39.50	9.72%	N/A	N/A	01-Apr-14	01-Apr-17
Manor Farm Courtyard (Performance) (Hour)	M	32.50	38.80	STD	36.00	10.77%	46.50	19.85%	01-Apr-13	01-Apr-17
Manor Farm Courtyard (Performance)	C	19.50	N/A	STD	21.50	10.26%	N/A	N/A	01-Apr-14	01-Apr-17
Stables, Mon-Fri	M	15.00	18.50	EXP	16.00	6.67%	19.50	5.41%	01-Apr-13	01-Apr-17
Stables, Mon-Fri(Concessionary)	C	9.00	N/A	EXP	9.50	5.56%	N/A	N/A	01-Apr-14	01-Apr-17
Stables: Sat, Sun, Bank Hol	M	22.00	26.50	EXP	23.00	4.55%	28.00	5.66%	01-Apr-13	01-Apr-17
Stables: Sat, Sun, Bank Hol(Concessionary)	C	13.00	N/A	EXP	13.50	3.85%	N/A	N/A	01-Apr-14	01-Apr-17
MF Community Hut, Mon-Fri	M	7.00	11.50	EXP	7.50	7.14%	12.00	4.35%	01-Apr-14	01-Apr-17

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
MF Community Hut, Sat, Sun, Bank Hol	M	8.00	14.00	EXP	8.50	6.25%	14.50	3.57%	01-Apr-14	01-Apr-17
Cow Byre Week Exhibition (Sun-Sat, opening hours 9-5)	M	52.50	70.50	EXP	55.00	4.76%	74.00	4.96%	01-Apr-14	01-Apr-17
Cow Byre Week Exhibition + Private Views (Sun-Sat, opening hours 9-5 + 2 evening private views)	M	82.00	96.50	EXP	86.00	4.88%	101.50	5.18%	01-Apr-14	01-Apr-17
Long Room, Manor Farm House Room (weekday)	M	14.50	16.50	EXP	15.00	3.45%	17.50	6.06%	01-Apr-14	01-Apr-17
Long Room, Manor Farm House Room (weekday) (concessionary)	C	8.50	N/A	EXP	9.00	5.88%	N/A	N/A	01-Apr-14	01-Apr-17
Long Room, Manor Farm House Room (weekend)	M	17.00	19.50	EXP	18.00	5.88%	20.50	5.13%	01-Apr-14	01-Apr-17
Long Room, Manor Farm House Room (weekend) (concessionary)	C	10.00	N/A	EXP	10.50	5.00%	N/A	N/A	01-Apr-14	01-Apr-17
Oak, Tate, Drawing Rooms (weekday)	M	12.00	13.50	EXP	12.50	4.17%	14.00	3.70%	01-Apr-14	01-Apr-17
Oak, Tate, Drawing Rooms (weekday) (concessionary)	C	7.00	N/A	EXP	7.50	7.14%	N/A	N/A	01-Apr-14	01-Apr-17
Oak, Tate, Drawing Rooms (weekend)	M	14.50	16.50	EXP	15.00	3.45%	17.50	6.06%	01-Apr-14	01-Apr-17
Oak, Tate, Drawing Rooms (weekend) (concessionary)	C	9.00	N/A	EXP	9.50	5.56%	N/A	N/A	01-Apr-14	01-Apr-17
Compass Cafe Bar (weekday)	M	8.50	9.50	EXP	9.00	5.88%	10.00	5.26%	01-Apr-14	01-Apr-17

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
Compass Cafe Bar (weekday) (concessionary)	C	5.00	N/A	EXP	5.50	10.00%	N/A	N/A	01-Apr-14	01-Apr-17
Compass Cafe Bar (weekend)	M	10.50	12.00	EXP	11.00	4.76%	12.50	4.17%	01-Apr-14	01-Apr-17
Compass Cafe Bar (weekend)	C	6.50	N/A	EXP	7.00	7.69%	N/A	N/A	01-Apr-14	01-Apr-17
Compass Studio (weekday)	M	12.00	14.00	EXP	12.50	4.17%	14.50	3.57%	01-Apr-14	01-Apr-17
Compass Studio (weekday)	C	7.00	N/A	EXP	7.50	7.14%	N/A	N/A	01-Apr-14	01-Apr-17
Compass Studio (weekend)	M	19.00	22.50	EXP	20.00	5.26%	23.50	4.44%	01-Apr-14	01-Apr-17
Compass Studio (weekend) (concessionary)	C	11.50	N/A	EXP	12.00	4.35%	N/A	N/A	01-Apr-14	01-Apr-17
Blue, Green, Hilliard Rooms (weekday)	M	11.00	12.50	EXP	11.50	4.55%	13.00	4.00%	01-Apr-14	01-Apr-17
Blue, Green, Hilliard Rooms (weekday) (concessionary)	C	6.50	N/A	EXP	7.00	7.69%	N/A	N/A	01-Apr-14	01-Apr-17
Blue, Green, Hilliard Rooms (weekend)	M	14.50	17.00	EXP	15.00	3.45%	18.00	5.88%	01-Apr-14	01-Apr-17
Blue, Green, Hilliard Rooms (weekend) (concessionary)	C	8.50	N/A	EXP	9.00	5.88%	N/A	N/A	01-Apr-14	01-Apr-17
Garden (weekday)	M	5.00	6.00	EXP	5.50	10.00%	6.50	8.33%	01-Apr-14	01-Apr-17
Garden (weekend)	M	6.50	7.50	EXP	7.00	7.69%	8.00	6.67%	01-Apr-14	01-Apr-17
Rooms (frequent use)										
Stables, Mon-Fri	M	14.50	18.50	EXP	15.00	3.45%	19.50	5.41%	01-Apr-14	01-Apr-17
Stables: Sat, Sun, Bank Hol	M	20.50	26.50	EXP	21.50	4.88%	28.00	5.66%	01-Apr-14	01-Apr-17
Long Room (weekday)	M	14.00	17.50	EXP	14.50	3.57%	18.50	5.71%	01-Apr-14	01-Apr-17
Long Room (weekend)	M	16.00	20.00	EXP	17.00	6.25%	21.00	5.00%	01-Apr-14	01-Apr-17

VAT Status

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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	
Oak, Tate, Drawing Rooms (weekday)	M	11.00	14.00	EXP	11.50	4.55%	14.50	3.57%	01-Apr-14	01-Apr-17	
Oak, Tate, Drawing Rooms (weekend)	M	13.50	17.00	EXP	14.00	3.70%	18.00	5.88%	01-Apr-14	01-Apr-17	
Studio (weekday)	M	11.50	14.00	EXP	12.00	4.35%	14.50	3.57%	01-Apr-14	01-Apr-17	
Studio (weekend)	M	18.00	22.50	EXP	19.00	5.56%	23.50	4.44%	01-Apr-14	01-Apr-17	
Blue, Green, Hilliard Rooms (weekday)	M	10.00	12.50	EXP	10.50	5.00%	13.00	4.00%	01-Apr-14	01-Apr-17	
Blue, Green, Hilliard Rooms (weekend)	M	13.50	16.50	EXP	14.00	3.70%	17.50	6.06%	01-Apr-14	01-Apr-17	
Theatre Spaces											
Winston Churchill Theatre Stage, Auditorium, Dressing Rooms, Lounge (weekdays)	M	55.00	71.30	STD	60.50	10.00%	85.50	19.92%	01-Apr-14	01-Apr-17	
Winston Churchill Theatre Stage, Auditorium, Dressing Rooms, Lounge (weekdays)(Concessionary)	C	33.00	N/A	STD	36.50	10.61%	N/A	N/A	01-Apr-14	01-Apr-17	
Winston Churchill Theatre Stage, Auditorium, Dressing Rooms, Lounge (weekend)	M	100.00	131.70	STD	110.00	10.00%	158.00	19.97%	01-Apr-14	01-Apr-17	
Winston Churchill Theatre Stage, Auditorium, Dressing Rooms, Lounge (weekend)(Concessionary)	V	60.00	N/A	STD	66.00	10.00%	N/A	N/A	01-Apr-14	01-Apr-17	
Compass Theatre Stage, Auditorium, Dressing Rooms (weekdays)	M	49.00	56.30	STD	54.00	10.20%	67.50	19.89%	01-Apr-14	01-Apr-17	
Compass Theatre Stage, Auditorium, Dressing Rooms (weekdays)(Concessionary)	C	29.50	N/A	STD	32.50	10.17%	N/A	N/A	01-Apr-14	01-Apr-17	

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
Compass Theatre Stage, Auditorium, Dressing Rooms (weekend)	M	56.10	64.90	STD	61.50	9.63%	78.00	20.18%	01-Apr-14	01-Apr-17
Compass Theatre Stage, Auditorium, Dressing Rooms (weekend)(Concessionary)	V	33.50	N/A	STD	37.00	10.45%	N/A	N/A	01-Apr-14	01-Apr-17
Open Air Theatre Barra Hall Park (Weekday - unstaffed)	M	14.70	16.90	STD	16.00	8.84%	20.00	18.34%	01-Apr-14	01-Apr-17
Open Air Theatre Barra Hall Park (Weekday - unstaffed) (concessionary)	C	8.80	N/A	STD	9.50	7.95%	N/A	N/A	01-Apr-14	01-Apr-17
Open Air Theatre Barra Hall Park (Weekend - unstaffed)	M	18.40	21.20	STD	20.00	8.70%	25.00	17.92%	01-Apr-14	01-Apr-17
Open Air Theatre Barra Hall Park (Weekend - unstaffed) (concessionary)	C	11.00	N/A	STD	12.00	9.09%	N/A	N/A	01-Apr-14	01-Apr-17
Performances in Cafe Bar, Studio, Compass Garden, Southlands Gardens, Manor Farm Grounds, Long Room, Stables (weekday)	M	12.00	15.00	STD	13.00	8.33%	18.00	20.00%	01-Apr-14	01-Apr-17
Performances in Cafe Bar, Studio, Compass Garden, Southlands Gardens, Manor Farm Grounds, Long Room, Stables (weekday) (concessionary)	C	7.20	N/A	STD	8.00	11.11%	N/A	N/A	01-Apr-14	01-Apr-17
Performances in Cafe Bar, Studio, Compass Garden, Southlands Gardens, Manor Farm Grounds, Long Room, Stables (weekend)	M	15.00	18.80	STD	16.50	10.00%	22.50	19.68%	01-Apr-14	01-Apr-17

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
Performances in Cafe Bar, Studio, Compass Garden, Southlands Gardens, Manor Farm Grounds, Long Room, Stables (weekend) (concessionary)	C	9.00	N/A	STD	10.00	11.11%	N/A	N/A	01-Apr-14	01-Apr-17
Great Barn - Weekdays	M	58.60	70.30	STD	64.50	10.07%	84.50	20.20%	01-Apr-14	01-Apr-17
Great Barn - Weekends	M	72.90	87.50	STD	80.00	9.74%	105.00	20.00%	01-Apr-14	01-Apr-17
Lounge Alongside auditorium (incl alcohol license usage)	M	5.00	7.00	STD	To be Abolished				01-Apr-14	01-Apr-17
Winston Churchill Theatre Lounge only	M	27.00	32.90	STD	28.50	5.56%	39.00	18.54%	01-Apr-14	01-Apr-17
Winston Churchill Theatre Lounge only (Concessionary)	C	16.20	N/A	STD	17.00	4.94%	N/A	N/A	01-Apr-14	01-Apr-17
Use of ovens	M	100.00	120.00	EXP	To be Abolished				01-Apr-14	01-Apr-17
Theatre rates - bulk discount, where booking in excess of 30 hours										
Winston Churchill Theatre Stage, Auditorium, Dressing Rooms, Lounge (weekdays)	M	36.50	42.00	STD	40.00	9.59%	50.50	20.24%	01-Apr-14	01-Apr-17
Winston Churchill Theatre Stage, Auditorium, Dressing Rooms, Lounge (weekdays)(Concessionary)	C	22.00	N/A	STD	24.00	9.09%	N/A	N/A	01-Apr-14	01-Apr-17
Winston Churchill Theatre Stage, Auditorium, Dressing Rooms, Lounge (weekend)	M	40.50	46.50	STD	44.50	9.88%	56.00	20.43%	01-Apr-14	01-Apr-17
Winston Churchill Theatre Stage, Auditorium, Dressing Rooms, Lounge (weekend)(Concessionary)	C	24.00	N/A	STD	26.50	10.42%	N/A	N/A	01-Apr-14	01-Apr-17
Compass Stage, Auditorium, Dressing Rooms (weekdays)	M	34.30	39.40	STD	37.50	9.33%	47.50	20.56%	01-Apr-14	01-Apr-17

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Compass Stage, Auditorium, Dressing Rooms (weekdays) (concessionary)	C	20.60	N/A	STD	22.50	9.22%	N/A	N/A	01-Apr-14	01-Apr-17
Compass Stage, Auditorium, Dressing Rooms (weekend)	M	37.70	43.70	STD	41.50	10.08%	52.50	20.14%	01-Apr-14	01-Apr-17
Compass Stage, Auditorium, Dressing Rooms (weekend) (concessionary)	C	22.60	N/A	STD	25.00	10.62%	N/A	N/A	01-Apr-14	01-Apr-17
Compass Auditorium Non-Performance Use	M	24.90	28.80	STD	27.50	10.44%	34.50	19.79%	01-Apr-14	01-Apr-17
Compass Auditorium Non-Performance Use (concessionary)	C	14.90	N/A	STD	16.50	10.74%	N/A	N/A	01-Apr-14	01-Apr-17
All Shows: Additional Dressing Room	M	5.50	6.50	EXP	To be Abolished				01-Apr-14	01-Apr-17
Excess Hire Charge	M	86.00	98.00	STD	105.00	22.09%	120.00	22.45%	01-Apr-14	01-Apr-17
Theatrical Equipment Hire - General										
Projectors										
Bright HD Projector - Day	M	100.00	100.00	STD	110.00	10.00%	120.00	20.00%	01-Apr-14	01-Apr-17
Bright HD Projector - Day Sound	M	220.00	220.00	STD	240.00	9.09%	265.00	20.45%	01-Apr-14	01-Apr-17
Radio Mic (hand held) - Day	M	10.00	10.00	STD	10.00	---	10.00	---	01-Apr-14	01-Apr-17
Radio Mic (hand held) - Week	M	37.00	37.00	STD	40.00	8.11%	40.00	8.11%	01-Apr-14	01-Apr-17
Radio Mic (lapel) - Day	M	12.00	12.00	STD	15.00	25.00%	15.00	25.00%	01-Apr-14	01-Apr-17
Radio Mic (lapel) - Week	M	44.50	44.50	STD	50.00	12.36%	50.00	12.36%	01-Apr-14	01-Apr-17
Vocal Mics - Day	M	7.00	7.00	STD	10.00	42.86%	10.00	42.86%	01-Apr-14	01-Apr-17
Lighting and FX (fixed charges for any hire period of 1 to 7 days)										
FREE Lighting and FX - Follow Spots, dimmers, other selected stock		0.00	0.00		0.00		0.00			01-Apr-17
Band 10 Lighting and FX - Pyro Box, Mirror Ball, UV Lights		10.00	10.00		10.00	---	10.00	---		01-Apr-17

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Band 20 Lighting and FX - Strobe Light		20.00	20.00		20.00		20.00			01-Apr-17
Band 30 Lighting and FX - Set of 4 Birds, Colour Scrollers		30.00	30.00		30.00		30.00			01-Apr-17
Band 40 Lighting and FX - ROBE Moving Spot Light		40.00	40.00		40.00		40.00			01-Apr-17
Band 50 Lighting and FX - Smoke or Haze Machine		50.00	50.00		50.00		50.00			01-Apr-17
Band 70 Lighting and FX - Stage Gauze		70.00	70.00		70.00		70.00			01-Apr-17
Consumables	M	POA	POA	STD	POA	N/A	POA	N/A	01-Apr-13	01-Apr-17
Portable Video / Data Projector & Screen	M	70.00	80.00	STD	75.00	7.14%	90.00	12.50%	01-Apr-14	01-Apr-17
OHP - Overhead Projector	M	10.50	12.10	STD	To be Abolished				01-Apr-14	01-Apr-17
Flip Chart and one set of Pens	M	10.50	12.10	STD	10.00	-4.76%	15.00	23.97%	01-Apr-14	01-Apr-17
Replacement Pens	M	17.00	19.50	STD	15.00	-11.76%	20.00	2.56%	01-Apr-14	01-Apr-17
Photocopying - Per A 4 Sheet	M	0.30	0.40	STD	0.50	66.67%	0.50	25.00%	01-Apr-11	01-Apr-17
Box Office Charges - Community										
Essential Publicity Package	M	84.00	98.80	STD	90.00	7.14%	110.00	11.34%	01-Apr-14	01-Apr-17
Essential Publicity Package (concessionary)	C	50.40	N/A	STD	55.00	9.13%	N/A	N/A	01-Apr-14	01-Apr-17
Minimum Commission per ticket	M	0.50	0.80	STD	0.50	---	1.00	25.00%	01-Apr-14	01-Apr-17
Minimum Commission per ticket (Compass Sales only) (concessionary)	C	0.30	N/A	STD	To be Abolished				01-Apr-14	01-Apr-17
PRS Minimum Fee (plays)	M	10.00	15.70	STD	10.00	---	20.00	27.39%	01-Apr-14	01-Apr-17
PRS Minimum Fee (plays) (concessionary)	C	6.00	N/A	STD	To be Abolished				01-Apr-14	01-Apr-17

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
PRS Minimum Fee (concerts)	M	25.00	31.40	STD	25.00	---	40.00	27.39%	01-Apr-14	01-Apr-17
PRS Minimum Fee (concerts) (concessionary)	C	15.00	N/A	STD	15.00	---	N/A	N/A	01-Apr-14	01-Apr-17
Ticket print for own sales	M	0.20	0.40	STD	0.25	25.00%	0.50	25.00%	01-Apr-14	01-Apr-17
Solus advertising	M	POA	POA	STD	POA	N/A	POA	N/A	01-Apr-13	01-Apr-17
Generic Hillingdon Theatres and Manor Farm Charges										
Weekday Technical Support (mandatory for all shows with tech requirements)	M	14.70	16.90	STD	15.00	2.04%	18.00	6.51%	01-Apr-14	01-Apr-17
Weekend / Bank Holiday Technical Support (mandatory for all shows with tech requirements)	M	18.40	21.20	STD	19.00	3.26%	22.00	3.77%	01-Apr-14	01-Apr-17
All Shows: Ushers (hourly)	M	6.00	10.00	STD	6.00	---	11.00	10.00%	01-Apr-14	01-Apr-17
Duty Manager (Mon-Fri)	M	14.70	16.90	STD	15.00	2.04%	18.00	6.51%	01-Apr-14	01-Apr-17
Duty Manager (Sat, Sun, Bank Holidays)	M	18.40	21.20	STD	19.00	3.26%	22.00	3.77%	01-Apr-14	01-Apr-17
Deposit: Entire week	M	POA	POA	EXP	POA	N/A	POA	N/A	01-Apr-13	01-Apr-17
Deposit: All other Bookings	M	POA	POA	EXP	POA	N/A	POA	N/A	01-Apr-13	01-Apr-17
Corkage per bottle (Compass Theatre)	M	5.00	5.00	STD	5.00	---	5.00	---	01-Apr-14	01-Apr-17
Booking Cancellation Charge (more than 3 months)	M	25.00	50.00	STD	To be Abolished			---	01-Apr-17	01-Apr-17
Cleaning Charge	M	100.00	150.00	STD	100.00	---	160.00	6.67%	01-Apr-14	01-Apr-17
Workshop Storage - Weekly	M	58.20	67.10	EXP	60.00	3.09%	70.00	4.32%	01-Apr-14	01-Apr-17
Costume Hire - Adult - Week	M	15.00	15.70	EXP	15.00	---	15.00	-4.46%	01-Apr-14	01-Apr-17
Costume Hire - Child - Week	M	10.00	10.50	EXP	10.00	---	10.00	-4.76%	01-Apr-14	01-Apr-17
Box Office Fees - Generic / All Hirers	M	15.00	26.10	STD	16.00	6.67%	27.00	3.45%	01-Apr-14	01-Apr-16
Hillingdon Arts Membership	M	1.50	1.50	EXP	To be Abolished			---	01-Apr-12	01-Apr-17
Online Card Booking Fee	M	2.00	2.00	EXP	To be Abolished			---	01-Apr-14	01-Apr-17
Phone/In person Booking Fee	M	2.00	2.00	EXP	To be Abolished			---	01-Apr-14	01-Apr-17

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Sponsor-a-Seat Deal (5 years)	M	120.00	125.00	STD	130.00	8.33%	130.00	4.00%	01-Apr-14	01-Apr-17
Box Office Commission %	M	8.70	9.50	STD	9.00	3.45%	10.00	5.26%	01-Apr-12	01-Apr-17
Box Office Commission % (concessionary)	M	3.00	N/A	STD	3.00	---	N/A	N/A	01-Apr-14	01-Apr-17
Art Sales Commission %	M	0.20	0.20	EXP	0.20		0.20		01-Apr-11	01-Apr-17
Social and Commercial Rates										
Manor Farm										
Stables, Mon-Fri	M	28.50	35.00	STD	30.00	5.26%	37.00	5.71%	01-Apr-14	01-Apr-17
Stables, Sat, Sun, Bank Hol	M	37.00	45.00	STD	39.00	5.41%	47.00	4.44%	01-Apr-14	01-Apr-17
MF Community Hut, Mon-Fri	M	24.50	30.50	EXP	25.50	4.08%	32.00	4.92%	01-Apr-14	01-Apr-17
MF Community Hut, Sat, Sun, Bank Hol	M	32.00	39.50	EXP	33.50	4.69%	41.00	3.80%	01-Apr-14	01-Apr-17
Long Room, Provosts Parlour / Chamber (weekday)	M	21.00	24.50	EXP	22.00	4.76%	26.00	6.12%	01-Apr-14	01-Apr-17
Long Room, Provosts Parlour / Chamber (weekend)	M	24.50	28.50	EXP	25.50	4.08%	30.00	5.26%	01-Apr-14	01-Apr-17
Oak, Tate, Drawing Rooms (weekday)	M	17.00	19.50	EXP	18.00	5.88%	20.00	2.56%	01-Apr-14	01-Apr-17
Oak, Tate, Drawing Rooms (weekend)	M	20.50	23.50	EXP	21.50	4.88%	25.00	6.38%	01-Apr-14	01-Apr-17
Cafe Bar (weekday)	M	17.50	20.00	EXP	18.50	5.71%	21.00	5.00%	01-Apr-14	01-Apr-17
Cafe Bar (weekend)	M	21.50	24.50	EXP	22.50	4.65%	26.00	6.12%	01-Apr-14	01-Apr-17
Studio (weekday)	M	17.00	19.50	EXP	18.00	5.88%	20.00	2.56%	01-Apr-14	01-Apr-17
Studio (weekend)	M	27.50	31.50	EXP	29.00	5.45%	33.00	4.76%	01-Apr-14	01-Apr-17
Blue, Green, Hilliard Rooms (weekday)	M	15.50	17.50	EXP	16.50	6.45%	18.00	2.86%	01-Apr-14	01-Apr-17
Blue, Green, Hilliard Rooms (weekend)	M	20.50	23.50	EXP	21.50	4.88%	25.00	6.38%	01-Apr-14	01-Apr-17
Garden (weekday)	M	7.50	8.50	EXP	8.00	6.67%	9.00	5.88%	01-Apr-14	01-Apr-17
Garden (weekend)	M	9.00	10.50	EXP	9.50	5.56%	11.00	4.76%	01-Apr-14	01-Apr-17
Great Barn, Mon to Thurs	M	113.00	146.00	STD	124.00	9.73%	153.00	4.79%	01-Apr-14	01-Apr-17
Great Barn, Fri to Sun	M	133.50	180.00	STD	147.00	10.11%	189.00	5.00%	01-Apr-14	01-Apr-17

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Southlands Arts Centre Grounds - unstaffed, per day use	M	200.00	300.00	EXP	210.00	5.00%	315.00	5.00%	01-Apr-14	01-Apr-17
Manor Farm Social - Block Bookings (Weddings and Celebrations - new all inclusive price, with Duty Staff charges - previously charged separately)										
Mon to Thurs: 10:00 to 24:00	M	1451.00	1792.00	STD (was EXP)	1600.00	10.27%	1970.00	9.93%	01-Apr-14	01-Apr-17
Fri to Sun: 10:00 to 24:00	M	1937.00	2499.00	STD (was EXP)	2130.00	9.96%	2750.00	10.04%	01-Apr-14	01-Apr-17
Theatre Spaces Winston Churchill Theatre Lounge only	M	61.50	72.00	STD (was EXP)	70.00	13.82%	85.00	18.06%	01-Apr-14	01-Apr-17
Winston Churchill Theatre Auditorium and Lounge - Mon to Thu	M	77.00	92.50	STD (was EXP)	80.00	3.90%	110.00	18.92%	01-Apr-14	01-Apr-17
Winston Churchill Theatre Auditorium and Lounge - Sat, Sun, Bank Hol	M	113.00	143.50	STD (was EXP)	120.00	6.19%	170.00	18.47%	01-Apr-14	01-Apr-17
Compass Theatre (Mon-Thu)	M	46.50	54.00	STD (was EXP)	50.00	7.53%	65.00	20.37%	01-Apr-14	01-Apr-17
Compass Theatre (Fri-Sun, bank holidays)	M	54.50	63.00	STD (was EXP)	60.00	10.09%	75.00	19.05%	01-Apr-14	01-Apr-17
Compass Theatre Non-Performance Use	M	40.00	46.00	STD (was EXP)	40.00	---	55.00	19.57%	01-Apr-14	01-Apr-17

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
Staff Charges										
All Shows: Weekday Technical Support (mandatory for all shows with tech requirements)	M	17.50	20.20	STD	19.00	8.57%	24.00	18.81%	01-Apr-14	01-Apr-17
All Shows: Weekend / Bank Holiday Technical Support (mandatory for all shows with tech requirements)	M	21.00	24.10	STD	23.00	9.52%	29.00	20.33%	01-Apr-14	01-Apr-17
Weekday Duty Manager	M	17.50	20.20	STD	19.00	8.57%	24.00	18.81%	01-Apr-14	01-Apr-17
Weekend / Bank Holiday Duty Manager	M	21.00	24.10	STD	23.00	9.52%	29.00	20.33%	01-Apr-14	01-Apr-17
Box Office Charges (Commercial, Social, Charity)										
Minimum Commission per ticket	M	0.75	1.30	STD	1.00	33.33%	1.50	15.38%	01-Apr-14	01-Apr-17
PRS Minimum Fee (plays)	M	10.00	16.00	STD	10.00	---	20.00	25.00%	01-Apr-14	01-Apr-17
PRS Minimum Fee (concerts)	M	30.00	42.00	STD	30.00	---	50.00	19.05%	01-Apr-14	01-Apr-17
Penalty Overrun Rate	M	150.00	200.00	STD	170.00	13.33%	240.00	20.00%	01-Apr-14	01-Apr-17

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
22. Music Service										
Music Service (termly charge)										
Standard tuition	R	58.50	60.00	EXP	63.72	8.92%	N/A	N/A	01-Sep-11	01-Apr-17
Advanced tuition plus Music School	R	168.50	172.00	EXP	195.26	15.88%	250.00	45.35%	01-Sep-11	01-Apr-17
Music School only	R	58.50	60.00	EXP	66.40	13.50%	84.00	40.00%	01-Sep-11	01-Apr-17
Weekday music school or Choir Only	R	33.00	34.00	EXP	33.10	0.30%	48.00	41.18%	01-Sep-11	01-Apr-17
Use of Instrument individual 15 minute lesson	R	12.00	15.00	EXP	14.87	23.89%	20.00	33.33%	01-Sep-11	01-Apr-17
Standard tuition layer 2	R	85.00	85.00	EXP	N/A	N/A	N/A	N/A	N/A	01-Apr-17
Standard tuition layer 1	R	58.50	n/a	EXP	43.00	-26.50%	N/A	N/A	01-Sep-11	01-Apr-17
Advanced tuition plus Music School layer 2	R	12.75	13.00	EXP	15.00	17.65%	N/A	N/A	01-Sep-11	01-Apr-17
Advanced tuition plus Music School layer 1	R	168.50	n/a		120.00	-28.78%	N/A	N/A	01-Sep-11	01-Apr-17
Music School only layer 2	R	34.00	34.50	EXP	40.00	17.65%	N/A	N/A	01-Sep-11	01-Apr-17
Music School only layer 1	R	58.50	n/a	EXP	46.00	-21.37%	N/A	N/A	01-Sep-11	01-Apr-17
Weekday music school or Choir Only layer 2	R	12.75	13.00	EXP	16.00	25.49%	N/A	N/A	01-Sep-11	01-Apr-17
Weekday music school or Choir Only layer 1	R	33.00	n/a	EXP	21.00	-36.36%	N/A	N/A	01-Sep-11	01-Apr-17
Use of Instrument layer 2	R	9.25	9.50	EXP	9.25	nil	N/A	N/A	01-Sep-11	01-Apr-17
Use of Instrument layer 1	R	12.00	n/a	EXP	10.00	-16.67%	N/A	N/A	01-Sep-11	01-Apr-17
individual 15 minute lesson	R	4.10	5.10	EXP	5.00	21.95%	N/A	N/A	01-Sep-11	01-Apr-17
	R	17.00	17.00	EXP	N/A	N/A	N/A	N/A	N/A	01-Apr-17

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
Music Service (Schools Charges)										
Whole Class Ensemble Tuition (First Term Free Then Per Term)	S	N/A	N/A	EXP	200.00	N/A	N/A	N/A	N/A	01-Apr-17
24 Food Health and Safety										
Riding Establishments										
No of animals 6 to 20	B	75.00 + vet fee	75.00 + vet fee	NB	140.00 + vet fee	87.00%	140.00 + vet fee	87.00%	01-Apr-13	01-Apr-17
No of animals 21 to 35 (Category restructured)	B	75.00 + vet fee	75.00 + vet fee	NB	140.00 + vet fee	87.00%	140.00 + vet fee	87.00%	01-Apr-13	01-Apr-17
No of animals 36 to 50 (Category restructured)	B	75.00 + vet fee	75.00 + vet fee	NB	140.00 + vet fee	87.00%	140.00 + vet fee	87.00%	01-Apr-13	01-Apr-17
No of animals 51+ (New category)	B	75.00 + vet fee	75.00 + vet fee	NB	140.00 + vet fee	87.00%	140.00 + vet fee	87.00%	01-Apr-13	01-Apr-17

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
25. Licensing										
Scrap Metal Site Fees										
Renewal	B	400.00	400.00	NB	450.00	12.50%	450.00	12.50%	01-Dec-13	01-Apr-17
36. Children's Centres										
Nestles Avenue Children's Centre / South Ruislip Early Years Centre / Uxbridge Early Years Centre										
Less than 5 hours booking (£ per hour)										
Standard Rate - Under 2 year old	R	6.68	6.68	EXP	7.54	12.87%	7.54	12.87%	01-Sep-15	01-Apr-17
Concessionary Rate - Under 2 year old	R	6.01	6.00	EXP	6.79	13.17%	6.79	13.17%	01-Sep-15	01-Apr-17
Standard Rate - Over 2 year old	R	6.15	6.15	EXP	6.51	5.85%	6.51	5.85%	01-Sep-15	01-Apr-17
Concessionary Rate - Over 2 year old	R	5.53	5.53	EXP	5.86	5.97%	5.86	5.97%	01-Sep-15	01-Apr-17
More than 5 hours booking (£ per hour)										
Standard Rate - Under 2 year old	R	5.18	5.18	EXP	5.85	12.93%	5.85	12.93%	01-Sep-15	01-Apr-17
Concessionary Rate - Under 2 year old	R	4.66	4.66	EXP	5.27	13.09%	5.27	13.09%	01-Sep-15	01-Apr-17
Standard Rate - Over 2 year old	R	4.88	4.88	EXP	5.17	5.94%	5.17	5.94%	01-Sep-15	01-Apr-17

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
Concessionary Rate - Over 2 year old	R	4.39	4.39	EXP	4.65	5.92%	4.65	5.92%	01-Sep-15	01-Apr-17
10 Hour booking (£ per week)										
Standard Rate - Under 2 year old	R	232.31	232.31	EXP	262.50	13.00%	262.50	13.00%	01-Sep-15	01-Apr-17
Concessionary Rate - Under 2 year old	R	209.00	209.00	EXP	236.25	13.04%	236.25	13.04%	01-Sep-15	01-Apr-17
Standard Rate - Over 2 year old	R	223.80	223.80	EXP	237.00	5.90%	237.00	5.90%	01-Sep-15	01-Apr-17
Concessionary Rate - Over 2 year old	R	201.00	201.00	EXP	213.30	6.12%	213.30	6.12%	01-Sep-15	01-Apr-17
37. Adult Education Service										
Tuition Fees										
Tuition Fee per Guided Learning Hour –LSC funded provision	R	2.48	4.55	EXP	2.87	15.86%	4.55	0.00%	01-Apr-13	1-Aug-17
Tuition Fee per Guided Learning Hour –LBH funded provision	R	2.48	4.55	EXP	2.87	15.86%	4.55	0.00%	01-Apr-13	1-Aug-17
Concessionary rate	R	1.74	N/A	EXP	1.79	2.87%	N/A	0.00%	01-Apr-13	1-Aug-17
Skills Concessionary rate	R	N/A	N/A	EXP	2.58	N/A	N/A	0.00%	N/A	1-Aug-17
Room hire per hour - equipped and serviced (S/M/L), Non-commercial / charity	M	N/A	N/A	EXP	8.75/9.25/ 9.50	N/A	15.00/15.75/ 16.00	N/A	N/A	1-Apr-17
Room hire per hour - equipped and serviced (S/M/L) Commercial	M	N/A	N/A	EXP	15.50/16.25/ 16.50	N/A	20.00/21.00/ 21.50	N/A	N/A	1-Apr-17

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
42. Housing										
Colne Park Caravan Site:										
Main Rental Charge - Single Plot	R	136.24	N/A	EXP	138.74	1.83%	N/A	N/A	01-Apr-15	1-Apr-17
Main Rental Charge - Double Plot	R	236.85	N/A	EXP	239.35	1.06%	N/A	N/A	01-Apr-15	1-Apr-17
Water Single Plot	R	5.85	N/A	EXP	5.85	---	N/A	N/A	01-Apr-15	1-Apr-17
Water Double Plot	R	10.22	N/A	EXP	10.22	---	N/A	N/A	01-Apr-15	1-Apr-17
Personal Use Electricity - Charge per kwh (metered)	R	0.11	N/A	RED	0.11	---	N/A	N/A	01-Apr-15	1-Apr-17
Communal Electric charge per week	R	0.25	N/A	EXP	0.25	---	N/A	N/A	01-Apr-15	1-Apr-17
Chemical Toilet Charge	R	5.83	N/A	EXP	To be Abolished				01-Apr-15	1-Apr-17

Type of Fee / Charge	Type	Current Charge Resident s £	Current Charge Non-Resident s £	Vat Status	Proposed Charge Resident s £	Increase %	Proposed Charge Non-Resident s £	Increase %	Date of last change to charge	Effective Date
43. Housing Revenue Account										
Development & Assets										
Service Charges										
CCTV Maintenance (per week)	R	0.73	N/A	NB	0.74	1%	N/A	N/A	06-Apr-15	03-Apr-17
Laundry Machines in Sheltered Housing Units - Servicing and Maintenance (per week)	R	0.77	N/A	NB	0.78	1%	N/A	N/A	06-Apr-15	03-Apr-17
Estates & Tenancy Management										
Parking Rents										
Car Ports (Council Tenants) (per week)	R	7.96	N/A	NB	8.04	1%	N/A	N/A	07-Apr-14	03-Apr-17
Car Ports (Private) (per week)	R	9.55	9.55	STD	9.65	1%	9.65	1%	07-Apr-14	03-Apr-17
Hard Standings / Parking Spaces (Council Tenants) (per week)	R	4.57	N/A	NB	4.62	1%	N/A	N/A	07-Apr-14	03-Apr-17
Hard Standings / Parking Spaces (Private) (per week)	R	5.48	5.48	STD	5.53	1%	5.53	1%	07-Apr-14	03-Apr-17

Type of Fee / Charge	Type	Current Charge Resident s £	Current Charge Non-Resident s £	Vat Status	Proposed Charge Resident s £	Increase %	Proposed Charge Non-Resident s £	Increase %	Date of last change to charge	Effective Date
Grounds Maintenance and Gardening										
Grounds Maintenance (minimum) (per week)	R	1.25	N/A	NB	1.26	1%	N/A	N/A	06-Apr-15	03-Apr-17
Grounds Maintenance (maximum) (per week)	R	4.27	N/A	NB	4.31	1%	N/A	N/A	06-Apr-15	03-Apr-17
Hedge Cutting - Standard Frequency (per week - optional)	R	0.78	N/A	NB	0.79	1%	N/A	N/A	06-Apr-15	03-Apr-17
Lawn Mowing - Standard Frequency (per week - optional)	R	3.88	N/A	NB	3.92	1%	N/A	N/A	06-Apr-15	03-Apr-17
Bed Maintenance - Standard Frequency (per week - optional)	R	0.52	N/A	NB	0.53	1%	N/A	N/A	06-Apr-15	03-Apr-17
Heating Charges										
Communal Electric (per week)	R	1.59	N/A	NB	1.61	1%	N/A	N/A	06-Apr-15	03-Apr-17
Sheltered Heating - Communal Element (per week)	R	3.47	N/A	NB	3.50	1%	N/A	N/A	06-Apr-15	03-Apr-17
Sheltered Heating - Property Element (Bedsit) (per week)	R	5.43	N/A	NB	5.48	1%	N/A	N/A	06-Apr-15	03-Apr-17

Type of Fee / Charge	Type	Current Charge Resident s £	Current Charge Non-Resident s £	Vat Status	Proposed Charge Resident s £	Increase %	Proposed Charge Non-Resident s £	Increase %	Date of last change to charge	Effective Date
Sheltered Heating - Property Element (One Bedroom) (per week)	R	8.18	N/A	NB	8.26	1%	N/A	N/A	06-Apr-15	03-Apr-17
Sheltered Heating - Property Element (Two or More Bedrooms) (per week)	R	9.36	N/A	NB	9.45	1%	N/A	N/A	06-Apr-15	03-Apr-17
District Heating - Communal Element (minimum) (per week)	R	1.33	N/A	NB	1.34	1%	N/A	N/A	06-Apr-15	03-Apr-17
District Heating - Communal Element (maximum) (per week)	R	4.19	N/A	NB	4.23	1%	N/A	N/A	06-Apr-15	03-Apr-17
District Heating - Property Element (minimum) (per week)	R	5.99	N/A	NB	6.05	1%	N/A	N/A	06-Apr-15	03-Apr-17
District Heating - Property Element (maximum) (per week)	R	14.47	N/A	NB	14.61	1%	N/A	N/A	06-Apr-15	03-Apr-17
Peachey Close - Electricity (per week)	R	10.82	N/A	NB	10.93	1%	N/A	N/A	06-Apr-15	03-Apr-17

Type of Fee / Charge	Type	Current Charge Resident s £	Current Charge Non-Resident s £	Vat Status	Proposed Charge Resident s £	Increase %	Proposed Charge Non-Resident s £	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	5.72	STD	N/A	N/A	5.78	1%	06-Apr-15	03-Apr-17
Leaseholder Solicitors Enquiries	R	104.67	N/A	STD	105.7	1%	N/A	N/A	06-Apr-15	03-Apr-17
Leaseholder Landlord Consent Charge (Higher rate)	R	N/A	N/A	STD	180	N/A	N/A	N/A		03-Apr-17
Leaseholder Landlord Consent Charge (Lower rate)	R	N/A	N/A	STD	60	N/A	N/A	N/A		03-Apr-17
Residents Services (Housing)										
Caretaking										
Caretaking - Band A (per week)	R	10.91	N/A	NB	11.02	1%	N/A	N/A	06-Apr-15	03-Apr-17
Caretaking - Band B (per week)	R	7.07	N/A	NB	7.14	1%	N/A	N/A	06-Apr-15	03-Apr-17
Caretaking - Band C (per week)	R	4.9	N/A	NB	4.95	1%	N/A	N/A	06-Apr-15	03-Apr-17
Caretaking - Band D (per week)	R	3.81	N/A	NB	3.85	1%	N/A	N/A	06-Apr-15	03-Apr-17
Caretaking - Band E (per week)	R	2.72	N/A	NB	2.75	1%	N/A	N/A	06-Apr-15	03-Apr-17
Caretaking - Band F (per week)	R	1.64	N/A	NB	1.66	1%	N/A	N/A	06-Apr-15	03-Apr-17

TYPE

B-Business R-Resident

M-Mixed C-Concession

VAT Status

STD-Standard

EXP-Exempt RED-Reduced NB-Non Business

Type of Fee / Charge	Type	Current Charge Resident s £	Current Charge Non-Resident s £	Vat Status	Proposed Charge Resident s £	Increase %	Proposed Charge Non-Resident s £	Increase %	Date of last change to charge	Effective Date
Caretaking - Sheltered Housing (per week)	R	5.44	N/A	NB	5.49	1%	N/A	N/A	06-Apr-15	03-Apr-17
Caretaking - Queen's Lodge, Cliftonville, Kent (per week)	R	N/A	6.85	NB	N/A	N/A	6.92	1.00%	06-Apr-15	03-Apr-17
Extra Care Housing										
Triscott House - Management Support Charge (per week)	R	24.76	N/A	NB	25.01	1%	N/A	N/A	06-Apr-15	03-Apr-17
Triscott House - Cleaning Charge (per week)	R	9.42	N/A	NB	9.51	1%	N/A	N/A	06-Apr-15	03-Apr-17
Triscott House - Grounds Maintenance (per week)	R	2.16	N/A	NB	2.18	1%	N/A	N/A	06-Apr-15	03-Apr-17

Type of Fee / Charge (charges are per week unless otherwise stated)	Type	VAT Status	Current Minimum Charge £	Proposed Minimum Charge £	Minimum Charge Increase %	Current Maximum Charge £	Proposed Maximum Charge £	Maximum Charge Increase %	Date of last change to charge	Effective Date
45. Adult Social Care										
Home care and Outreach:										
Respite (Residential) Care:										
Young Adults (18-25)	R	OTS	-	-	0.00%	66.03	66.69	1.00%	06-Apr-15	10-Apr-2017
Adults (25-60)	R	OTS	-	-	0.00%	81.33	82.14	1.00%	06-Apr-15	10-Apr-2017
Older People (over 60)	R	OTS	-	-	0.00%	122.41	125.47	2.50%	06-Apr-15	10-Apr-2017
Permanent (Residential) Care:										
Young Adults (18-25)	R	OTS	66.82	67.49	1.00%	No Max	No Max	N/A	06-Apr-15	10-Apr-2017
Adults (25-60)	R	OTS	82.31	83.13	1.00%	No Max	No Max	N/A	06-Apr-15	10-Apr-2017
Older People (over 60)	R	OTS	126.69	129.86	2.50%	No Max	No Max	N/A	06-Apr-15	10-Apr-2017
Colham Road:										
under 25	R	OTS	66.31	66.97	1.00%	2138.36	2138.36	0.00%	06-Apr-15	10-Apr-2017
over 25	R	OTS	81.79	82.61	1.00%	2138.36	2138.36	0.00%	06-Apr-15	10-Apr-2017
Merrimans House:										
Full board: under 25	R	OTS	63.80	64.44	1.00%	1672.02	1672.02	0.00%	08-Apr-13	10-Apr-2017
Full board: over 25	R	OTS	78.70	79.49	1.00%	1672.02	1672.02	0.00%	08-Apr-13	10-Apr-2017
Hatton Grove:										
under 25	R	OTS	63.80	64.44	1.00%	1632.40	1632.40	0.00%	08-Apr-13	10-Apr-2017
over 25	R	OTS	78.70	79.49	1.00%	1632.40	1632.40	0.00%	08-Apr-13	10-Apr-2017
Merchiston House:										
under 25	R	OTS	66.31	66.97	1.00%	2634.10	2634.10	0.00%	06-Apr-15	10-Apr-2017
over 25	R	OTS	81.79	82.61	1.00%	2634.10	2634.10	0.00%	06-Apr-15	10-Apr-2017
Client Financial Affairs (CFA)										
Management charge (Per Hour)	R	OTS	36.39	38.04	4.53%	36.39	38.04	4.53%	01-Apr-16	01-Apr-17

Assessment of General Fund Reserves Requirement

Appendix 9

Assessment of General Fund Reserves Requirement	Minimum Level 2017/18 (£ million)	Maximum Level 2017/18 (£ million)	Minimum Level 2016/17 (£ million)	Maximum Level 2016/17 (£ million)	Principal Reasons for Requirement
The general financial climate to which the Council is subject	1.5	4.5	1.5	4.5	Sustained reductions funding forecast over the medium-term with the austerity agenda set to continue over this parliament
The overall financial standing of the authority	1.0	2.0	1.0	2.0	To manage adverse movement in the Council's financial standing
Estimates of level of locally raised income	2.0	3.0	2.0	4.0	The upper limit has been reduced for 2017/18 to reflect strong performance in local income collection
The treatment of planned efficiency savings / productivity gains	2.0	5.0	2.0	4.0	To manage risk around slippage of the Council's major savings programme, in response to funding reductions, the upper limit has been increased to reflect the profile of risk in 2017/18 savings proposals
The treatment of inflation and interest rates	1.0	1.5	1.0	1.0	Assumptions have been refreshed to reflect latest intelligence, and further provision included within this analysis
The financial risk inherent in major contract arrangements	1.5	3.5	1.5	3.0	To manage any impact of services arising from supplier risk, particularly in respect of Social Care provision
The treatment of demand led pressures	2.0	4.0	2.0	4.0	Increased demand for services from an aging and increasing population
The financial risks inherent in any major capital developments	1.0	3.5	1.0	3.5	Inherent risks due to significant level of investment required for school places
Estimates of the level and timing of capital receipts	1.0	2.0	1.0	2.0	Slippage on asset disposal programme could lead to increased borrowing
The availability of reserves and other funds to deal with major contingencies and pressures	2.0	3.0	2.0	3.0	Cover for unforeseen events over and above £500k budgeted provision for General Contingency
Unallocated GF Reserves	15.0	32.0	15.0	31.0	
Planned drawdown from balances 2017/18	14.5	14.5	14.0	14.0	To smooth the front-loading of funding reductions, a planned drawdown from reserves has been included in MTFF
Total GF Reserves	29.5	46.5	29.0	45.0	

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TREASURY MANAGEMENT and INVESTMENT STRATEGY 2017/18 to 2021/22**SUMMARY**

The Treasury Management and Investment Strategy represent the Council's operating guidelines on the daily management of cash, investments and borrowing. Through daily cashflow management, surplus cash is invested with security of investments being the prime consideration; only then are the yield and liquidity of investments, within the Council's risk parameters, considered.

Over the longer term, the Council considers the need to borrow money to fund its major capital projects and when the best time is to do this. The strategy aims to minimise borrowing and make use of internal funds where available. Currently, there is no expectation to take out new debt until 2018/19. As interest rates are forecast to stay low, with a downside risk of further cuts, investment returns will remain subdued, so using internal funds rather than borrowing will reduce interest costs, lower credit risk, and relieve pressure on the Council's Counterparty List.

This report details the investment instruments and counterparties in which the Council can invest. All institutions on the Counterparty List are regularly monitored assessing risk and determining the duration and value of limits on investments with counterparties.

For 2017/18 there are no proposed changes to the Treasury Management Strategy Statement (TMSS) in terms of counterparties, investment durations or instruments.

1. INTRODUCTION

- 1.1 Under the Local Government Act 2003 the Council has a legal obligation to have regard to both the CIPFA Treasury Management in the Public Services: Code of Practice 2011 Edition (the CIPFA Code) and DCLG Guidance on local authority investments in determining the Treasury Management Strategy Statement, Investment Strategy, Prudential Indicators and Minimum Revenue Provision Statement for the following financial year. The strategy is developed as part of the Council's MTFF process. The Council formally adopted the CIPFA Code in February 2012.
- 1.2 The Council, by having significant investments and borrowing, is exposed to financial risks, including the loss of invested funds and the revenue effect of changing interest rates. As such treasury management operations are fundamentally concerned with managing risk. Whilst there are regulations and controls in place designed to minimise or neutralise risk, some risk exposure remains due to the nature of managing loan and investment portfolios and cash flow activities. Active monitoring of the economic outlook, as well as changes in regulation, is undertaken which impacts on the Council's treasury management strategy and risk parameters.
- 1.3 A major influence in 2017/18 will be the UK's progress in negotiating a smooth exit from the European Union once it formally triggers Article 50. Uncertainty over future economic prospects will remain and as such it is expected that interest rates will remain low, with the Bank of England (BoE) aiming to keep the economy on track for growth through the expected increase in CPI inflation. Investment returns during 2017/18 and the medium term are therefore forecast to remain subdued. As a result, internal resources will be used rather than taking out new debt to support the Capital programme as this will reduce risk in the cost of holding new debt with low returns on investment.

2. BALANCE SHEET AND TREASURY POSITION

- 2.1 The Council's borrowing strategy is driven by the estimated Balance sheet position in the medium term and capital programme expectations. The underlying need to borrow for capital purposes is reflected by the Capital Financing Requirement (CFR) which measures the cumulative capital expenditure that has not been financed from other Council resources such as capital grants, revenue contributions or reserve financing. The CFR will generally be higher than the actual debt held due to timing requirements for cash flow purposes. This is called "internal borrowing".
- 2.2 Estimates of the CFR, based on the projected capital programme over the next five years are shown in table 1. The Council's opening CFR is estimated at £420m for 2017/18, based on the closing 2016/17 figures, outstanding loans £267m and other long term liabilities of £2m, resulting in a gross borrowing requirement of £151m. Existing borrowing is identified into separate loan pools for GF and HRA. GF debt is currently £75m and HRA £192m.

Table 1

	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
General Fund CFR	222	238	282	283	255	245
HRA CFR	198	208	199	191	183	183
Total CFR	420	446	481	474	438	428
Existing Borrowing *	269	252	234	217	202	199
Gross External Borrowing required to meet CFR	151	194	247	257	236	229
Projected Usable Reserves **	157	125	111	111	109	107
Projected Working Capital	45	45	45	45	45	45
Investments / (New Borrowing Required)	51	(24)	(91)	(101)	(82)	(77)

* Borrowing profile does not include potential calls on LOBO borrowing. Borrowing includes £191.6m (£134.1m balance) paid to government by the HRA as settlement on the introduction of the self financing regime in March 2012.

** Council controllable reserves only

- 2.3 The increasing General Fund CFR is due to the Council's programme of capital investment funded by Council resources. The Capital programme continues to focus on provision of sufficient schools places to meet rising demand across the borough. In addition there is provision for major investment on the St Andrews Park site in Uxbridge. The reducing HRA CFR is as a result of repayment of debt transferred from central government. The Council is forecast to require borrowing from 2017/18 to meet the current costs of the capital programme, however it is expected this would be deferred into 2018/19 due to the timing of expenditure on projects.

- 2.4 Under the Prudential Code for Local Authorities, the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this requirement.
- 2.5 The Council's projected capital programme over the next five years, alongside the projected financing, is fundamental in determining a borrowing strategy. Annex A provides detail on the Prudential Indicators associated with capital expenditure projections and its incremental impact on council tax and housing rent levels.

3. BORROWING STRATEGY

- 3.1 The Council's external debt at 31 March 2017 will be £267.4m, a decrease of £47.3m on the previous year. This is as a result of £7.3m debt maturing naturally as well as the Council taking advantage to prematurely repay £40m variable rate loans at a discount, providing further savings in interest costs. In 2017/18 £17.3m is scheduled for repayment from debt maturing naturally. Over 2016/17 the Council's loan portfolio had an average interest rate of 3.2%.
- 3.2 Projected capital expenditure levels, market conditions and interest rate levels are monitored throughout the year. This enables the Council to adapt borrowing strategies to minimise borrowing costs over the medium to longer term whilst maintaining financial stability. Table 1 above shows the Council could need to borrow in 2017/18 based on the full capital programme and debt maturity profile; however this is expected to be deferred until 2018/19 based on timing of payments on projects. Taking new fixed rate borrowing in advance of need would not be cost effective when compared to utilising internal balances, due to the differential between debt costs and investment earnings, despite long term borrowing rates being at low levels. Delaying borrowing until required for cash flow purposes also reduces credit risk and takes pressure off the Council's Counterparty list.
- 3.3 If the Council takes out new borrowing the Council will consider the following approved sources of borrowing:
- Public Works Loan Board and its successor body
 - UK local authorities
 - Any other bank or building society authorised to operate in the UK
 - UK public and private sector pension funds (except Hillingdon Pension Fund)
 - Capital market bond investors
 - Municipal Bonds Agency (subject to Cabinet approval)
 - Other special purpose companies created to enable local authority bond issues
- 3.4 Although a mix of borrowing options will always be considered, the PWLB (or equivalent) will remain the primary source of long-term and variable rate borrowing whilst rates remain closely linked to government gilts. The Council currently has access to the preferential PWLB "certainty rate", which is 0.2% lower than normal PWLB lending rates. To cover unexpected cash flow shortages, the Council may borrow short term, which would mainly be sourced from other local authorities.
- 3.5 Where borrowing is required this will be attributed directly to either the GF or HRA loan pools. Interest costs will be separated between the two pools and allocated accordingly.

Interest Rate Risk

- 3.6 The Council's mixture of loans is predominately fixed as a result of the £40m variable rate debt being prematurely repaid during 2016/17. Currently there are £257.9m of fixed rate loans which protect against interest rate rises, whilst variable rate loans of £9.5m take advantage of favourably low rates. Although variable rate loans are exposed to increases in rates, any additional loan costs would be offset by a corresponding increase in investment income. Additionally, within the balance of variable rate loans, £4.5m is PWLB debt which can be prematurely repaid with minimal cost should the need arise.
- 3.7 Within the loan portfolio, the Council has £36m of Lender's Option Borrower's Option (LOBO) loans, a reduction of £12m due to the reclassification by Barclays of their LOBO instruments to fixed rate debt. In 2017/18 a £5m loan will be in its call period and so is reclassified for the period as variable. It is highly unlikely that the loans will be called given interest rates are now lower than those at the inception of the loan. In the event that the lender exercises the option to change the rate or terms of the loan, the Council will consider the new terms and also the option of repayment of the loan without penalty. The Council may utilise cash resources for repayment or may consider replacing the loan by borrowing from the approved sources. The default position however will be early repayment without penalty. The Council will not utilise LOBO's for any new borrowing.

Debt Rescheduling

- 3.8 The PWLB allows authorities to repay loans before maturity at a premium or discount. The Council may take advantage of this and replace some loans with new loans or repay early without replacement. The rationale for rescheduling is to reduce interest costs with minimal risk; balance the volatility profile (i.e. the ratio of fixed to variable rate debt); or amend the profile of maturing debt to reduce any inherent refinancing risks.
- 3.9 Rates and markets are regularly monitored to identify opportunities for rescheduling and any borrowing and rescheduling activity is reported monthly to Cabinet. However, current market conditions are resulting in significant early redemption costs for fixed rate debt and unless these are significantly reduced, it is unlikely any debt rescheduling will be undertaken in 2017/18.
- 3.10 The Council may consider the transfer of debt between the HRA and GF. Transfer of debt will be undertaken at a zero premium, with the debt specified for transfer based on a "last in, first out" basis and matched to optimise maturity profiles and financing costs.
- 3.11 The Council will limit and monitor large concentrations of fixed rate debt needing to be replaced through the prudential indicator in table 2. The upper and lower percentage limits are intended to control excessive exposure to volatility in interest rates on refinancing of maturing fixed rate debt by setting a structure for borrowing maturity profiles. The first scheduled LOBO call option is included as the maturity date within this indicator.

Table 2

Maturity structure of fixed rate borrowing	% PWLB maturity profile at 31/03/17 %	% Market LOBO 1 st call option profile at 31/03/17	Lower Limit for 2017/18 %	Upper Limit for 2017/18 %
under 12 months	6.12	0	0	25
12 months and within 24 months	6.12	3.88	0	25
24 months and within 5 years	12.86	6.20	0	50
5 years and within 10 years	12.60	1.94	0	100
10 years and within 20 years	22.10	0	0	100
20 years and within 30 years	12.44	0	0	100
30 years and within 40 years	11.09	0	0	100
40 years and within 50 years	3.10	0	0	100
50 years and above	1.55	0	0	100
Total	87.98	12.02	0	100

3.12 Prudential indicators in relation to borrowing limits and interest rate exposure are shown in Annex A.

4. INVESTMENT STRATEGY

4.1 In accordance with Investment Guidance from DCLG and best practice, the Council's primary objectives in relation to the investment of public funds remains:

- security of the invested capital;
- liquidity of the invested capital; and
- an optimum yield which is commensurate with security and liquidity.

4.2 When investing funds the Council looks to balance risk and return, minimising the risk of incurring losses from defaults, and the risk receiving unsuitably low investment income.

4.3 The Corporate Director of Finance under delegated powers will, on a daily basis, determine the most appropriate form of investments, in keeping with investment objectives, income and risk management requirements. Investments will also be made with reference to the Prudential Indicators and from approved investments detailed in Annex B. Decisions concerning the core strategic investment portfolio will be reported monthly to Cabinet.

Bail-In Risk

4.4 Banking reform legislation was incorporated into UK law from January 2015 and exposes the Council to bail-in risk on all unsecured bank deposits. The risk of bail-in is effective at the point when banks are considered to be underperforming rather than once they have failed. With most large entities either exempt or not exposed, local authorities will be one of the primary bail-in targets with a potential loss of 100% of the deposit.

- 4.5 There are a number of secure deposits available to the Council to reduce bail-in exposure. Secure deposits include Covered Bonds (fixed and floating rate notes) and Repurchase Agreements (REPO's). Secure deposits are longer in duration and an element of the Council's investments must remain liquid to fund cash flow requirements, resulting in some bail-in risk being inherent in the Council's investment portfolio.
- 4.6 Covered Bonds are bail-in exempt and are issued in their own right rather than in the name of the counterparty, with each issue having its own credit rating. The covered bond has security of underlying assets which can be called upon in the event of default of the issuing counterparty. The decision to invest in a covered bond will be based on the individual bond issue rather than an agreed list of specific counterparties, as each bond is standalone from the issuing counterparty and should be assessed individually. Duration and exposure limits will be aligned with the credit rating of the bond issue with consideration to other investment factors. The Council will only invest in a covered bond which is rated AA or above.
- 4.7 Repurchase Agreements (REPO's) require the use of either a tri-party facilitator to negotiate and hold the instrument or a custodian and broker if a bi-lateral arrangement is in place. REPO's are ring-fenced and not subject to the failure of the issuing counterparty, making them bail-in exempt instruments; however unlike Covered Bonds REPOs are issued in the name of the counterparty.
- 4.8 Money Market Funds (MMF's) remain an important vehicle for instant access deposits. Money Market Funds reduce the risk of bail-in as the funds are diversified with limits on the exposure to any specific bank. The Council also utilises more than one MMF to diversify exposure. Where MMF's participate, the Council utilises the facilities of a MMF portal to make subscriptions and redemptions. The portal procedure involves the use of a clearing agent; however the Council's funds are ring-fenced throughout the process.

Credit Risk

- 4.9 Credit ratings remain an important element of assessing credit risk but they are not the sole feature in the assessment of counterparties. The Council also considers alternative assessments of credit strength and information including corporate intelligence, market sentiment and pricing as well as any overriding doubts regarding security.
- 4.10 The Council's in-house investments are made with reference to the outlook for the UK Bank Rate, money market rates and other macroeconomic factors. In any period of significant stress in the markets or heightened counterparty risk, the fallback position is for investments to be placed with central government's Debt Management Office (DMO) or to purchase UK Treasury Bills. The rates of interest from the DMO are below the equivalent money market rates in most cases, but this is an acceptable counterbalance for the guarantee that the Council's capital is secure.

High Credit Quality

- 4.11 The Council has set a minimum long-term credit rating criterion of BBB+ for UK counterparties, A+ for Overseas counterparties and AA+ for non-UK sovereigns. Covered Bonds will be restricted to bond issues of AA or above.
- 4.12 In order to diversify investments within the portfolio, funds will be placed with a range of counterparties which meet agreed minimum credit risk requirements. Diversification will be achieved by applying individual limits with each counterparty; for unsecured deposits

this is capped at 5% of the total portfolio. Varying instruments and investment periods will be utilised to meet liquidity requirements and mitigate risks. Annex B details counterparty Institutions, investment limits and allowable instruments.

Risk Assessment and Credit Ratings

- 4.13 Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded resulting in it failing to continue to meet the approved investment criteria then:
- no new investments will be made;
 - any existing investments that can be recalled or sold at no cost will be; and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 4.14 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only new investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Liquidity Risk

- 4.15 The Council will ensure it has liquid funds available to settle its payment obligations when they fall due and uses cash flow modelling techniques to determine the maximum term for which funds may be prudently committed. It will utilise instant access facilities including call accounts and Money Market Funds (MMF's) for core working capital balances and structure longer term maturities to correspond to large cash outflows with reference to the Council's capital programme.

Return on Invested Sums

- 4.16 As interest rates are forecast to remain low, the investment strategy is aiming to lengthen investment periods, where cashflow and credit conditions permit, in order to lock in higher rates of acceptable risk adjusted returns. Longer term investments will typically be through deposits with local authority entities, the use of secured deposits where available and pooled funds.

Council's Bank Account

- 4.17 The Council's bank account is held with Lloyds Bank Plc and is currently rated above the Council's agreed minimum BBB+ rating at A. Should the credit rating fall below BBB+ the Council may continue to deposit surplus cash providing that investments can be withdrawn on the next working day, and that the bank maintains a credit rating no lower than BBB-.

5. OTHER ITEMS

Policy on Use of Financial Derivatives

- 4.18 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). However, the general power of competence in Section 1 of the Localism Act 2011 removed much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 4.19 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks to which the Council is exposed. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 4.20 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

Policy on Apportioning Interest to the Housing Revenue Account (HRA)

- 4.21 With the introduction of HRA self financing in March 2012 the Council allocated specific loans to both the General Fund and the HRA. Interest costs applicable to each loan are charged directly to the respective revenue account.
- 4.22 Interest earned on HRA balances will be calculated and distributed in accordance with DCLG guidelines and based on a DMADF risk free rate of return to match the risk free credit exposure applicable to the HRA.

Investment of Money Borrowed in Advance of Need

- 4.23 The Council may borrow in advance of need, where this is expected to provide the best long-term value for money. However, as amounts borrowed will be invested until spent, the Council is aware that it would be exposed to the risk of loss of the borrowed sums and the risk investment and borrowing interest rates may change in the intervening period. These risks would be managed as part of the Councils overall management of its treasury risks. The total amount borrowed would not exceed the authorised borrowing limit. The maximum period between borrowing and expenditure is expected to be two years, although the Council is not required to link particular loans with particular items of expenditure.

Balanced Budget Requirement

- 4.24 The Council complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

Investment Consultants

- 4.25 The Council has a contract in place with Arlingclose Ltd to provide treasury advisory services, which details the agreed schedule of services. Performance is measured against the schedule to ensure the services being provided are in line with the agreement.

Monitoring and Reporting

- 4.26 Treasury activity is monitored and reported to senior management on a daily and weekly basis. Monthly updates including compliance with Prudential Indicators are provided to Cabinet as part of the budget monitoring process.
- 4.27 The Treasury Management Strategy Statement is agreed by Cabinet in February prior to agreement at full Council before the start of each financial year. If there are significant changes from the previous year a draft is taken to Audit Committee in December for consideration prior to going to Cabinet. Amendments to the TMSS during the year are only done with Cabinet approval.

Training

- 4.28 The CIPFA Code of Practice requires that all Members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities. The Council adopts a continuous performance and development programme to ensure officers are regularly appraised and any training needs addressed. Treasury Officers also attend regular training sessions, seminars and workshops which ensure their knowledge is up to date and relevant. Details of training received are maintained as part of the performance and development process. Council Members are provided access to additional training where required.

Prudential Indicators and Estimates of Capital expenditure

The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) and is a statutory limit for borrowing determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Table 3

Authorised Limit for External Debt	2016/17 Approved £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Borrowing	535	510	510	510	510	503
Other Long term Liabilities	2	1	1	1	1	0
Authorised Limit	537	511	511	511	511	503

The **Operational Boundary** is linked directly to the Council's estimates of the CFR and estimates of other day to day cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent scenario but without the additional headroom included within the Authorised Limit. This facilitates short-term additional borrowing in the event of unforeseen adverse events.

Table 4

Operational Boundary for External Debt	2016/17 Approved £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Borrowing	505	480	480	480	480	474
Other Long-term Liabilities	2	1	1	1	1	0
Operational Boundary	507	481	481	481	481	474

The Corporate Director of Finance has delegated authority, within the above limits, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Any such decisions will be based on the outcome of financial option appraisals and best value considerations based on current market and macroeconomic conditions. Cabinet is notified of any use of this delegated authority through monthly budget monitoring reports.

Upper Limits for Interest Rate Exposure

The following Prudential Indicators show the extent to which the Council is exposed to changes in interest rates. The upper limit for variable rate exposure has been set to ensure that the Council is not unduly exposed to interest rate rises, which could adversely impact its revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

Table 5

Upper Limits for Interest Rate Exposure	31/03/17 Estimate %	2016/17 Approved %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %	2021/22 Estimate %
Upper Limit for Fixed Interest Rate Exposure on Debt	96	100	100	100	100	100	100
Upper Limit for Fixed Interest Rate Exposure on Investments	(0)	(75)	(75)	(75)	(75)	(75)	(75)
Upper Limit for Variable Interest Rate Exposure on Debt	4	50	50	50	50	50	50
Upper Limit for Variable Interest Rate Exposure on Investments*	(100)	(100)	(100)	(100)	(100)	(100)	(100)

*Investments with duration less than one year are classified as variable.

Upper limits for principal over 364 days

The Council has placed an upper limit for principal sums invested for over 364 days, as required by the Prudential Code. This limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested. Under the Council's strategy only investments where risk is minimised, as set out in the non-specified investments in table 13, would be placed for over 1 year and there is an upper limit of 3 years.

Table 6

Upper Limit for total principal sums invested over 364 days	2016/17 Approved £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
	45	35	35	35	35	35

Estimates of Capital Expenditure and other Prudential Indicators

It is a requirement of the Prudential Code to ensure that capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, Housing Rent levels. In an environment of 'low rates for longer' the Council's strategy is currently to defer external borrowing and use internal borrowing where possible, thus saving cost of carry revenue interest and simultaneously reducing counterparty investment risks. Estimates for capital expenditure shown in Table 7 are estimates of likely capital cash outflows.

Table 7

Capital Expenditure	2016/17 Approved £m	2016/17 Revised £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
General Fund	101	73	66	81	38	41	48
HRA	52	31	63	33	11	9	14
Total	153	104	129	114	49	50	62

Capital expenditure is expected to be financed as follows:

Table 8

Capital Financing	2016/17 Approved £m	2016/17 Revised £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Prudential Borrowing	70	43	37	46	-1	-3	26
Capital Receipts	32	10	29	19	26	23	5
Community Infrastructure Levy	2	4	5	5	6	6	6
Government Grants & External Contributions	18	21	18	16	15	16	11
Revenue Contributions	31	26	40	28	3	8	14
Total Capital Financing	153	104	129	114	49	50	62

Actual External Debt: This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Table 9

Actual External Debt as at 31/03/2017	£m
General Fund Borrowing	75.3
HRA Borrowing	192.1
Other Long term Liabilities	1.7
Total	269.1

HRA Indebtedness: Following settlement and the introduction of the self-financing regime, a borrowing cap of £303.3m has been imposed by HM Treasury on HRA indebtedness. This gives the HRA potential headroom borrowing of up to £111.2m to finance future capital.

Incremental Impact of Capital Investment Decisions

As an indicator of affordability, Table 10 shows the notional impact of capital investment decisions on Council Tax and Housing Rent levels and represents the impact on these if the financing of the Capital programme were to be funded from taxes and rents.

Table 10

Incremental Impact of Capital Investment Decisions	2016/17 Revised	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Increase in Band D Council Tax	-£42.57	-£6.57	£15.93	£34.70	£29.76	£10.44
Increase in Average Weekly Housing Rents	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

The ratio of financing costs to the Council's net revenue stream is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of future revenue budgets required to meet borrowing costs. There is a zero increase in housing rents as a consequence of the fixed financing costs set within the HRA 30 year business plan which commenced in 2012. In terms of council tax, the incremental impact growth reflects the MTFP plan for priority growth projects in the Capital programme. There is a deduction in the impact to council tax payers in 2016/17 and 2017/18 due to a review of financing provisions during the budget setting process. In 2018/19 and 2019/20 there is an increase in financing costs due to the expectation of new borrowing mainly in support of secondary school expansion projects as well as the St Andrews theatre site which results in an increase in revenue costs that would that would ultimately fall on the local Council tax payer to fund.

Table 11

Ratio of Financing Costs to Net Revenue Stream	2016/17 Revised	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
General Fund	2%	2%	3%	4%	6%	6%
HRA	25%	25%	25%	25%	25%	25%

Specified Investments & Non-Specified Investments

Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the “high credit quality” as decided by the Council and are not deemed capital expenditure investments under statute. Non-specified investments are those which do not meet the above criteria, for example more than 1 year in duration.

The Council defines “high credit quality” for:

- UK Organisations - The minimum credit rating is set at BBB+ or higher
- Overseas Organisations - The minimum credit rating is set at A+ or higher
- Overseas Countries - The minimum credit rating for domiciles of overseas banks is set at AA+
- Secured Deposits - The minimum credit rating for collateral on secured deposits is set at AA.

Specified Investments identified for use by the Council

- Deposits in the DMO’s Debt Management Account Deposit Facility
- Deposits with UK local authorities
- Instant access facilities and fixed term deposits with specified banks & building societies
- Repurchase Agreements, Covered Bonds (Fixed and Floating Rate Notes))
- Gilts (bonds issued by the UK government)
- Treasury Bills (T-Bills)
- Local Authority Bonds
- Money Market Funds
- Pooled Funds

When determining the minimum acceptable credit quality the Council will not only consider the credit rating criteria above but also information on corporate developments and market sentiment towards investment counterparties, as set out in the Credit Risk indicator. For credit rated counterparties, the minimum criteria will be the lowest equivalent long term ratings assigned by Fitch, Moody’s and Standard & Poor’s (where assigned). Long-term minimum: BBB+ (Fitch); Baa1 (Moody’s); BBB+ (S&P). The Council will aim to have a weighted average credit score of A- for the whole portfolio of investments. Classification of specified and non-specified investment is made at the point of entering into the investment.

Table 12: Limits for Specified investments

Instrument	Counterparty	Maximum Counterparty Limits %/£m
Term Deposits	DMADF, DMO	No limit
Term Deposits	Other UK Local Authorities	£35m per Local Authority / No total limit
Instant Access Accounts / Notice Accounts / Term Deposits / Certificates of Deposit / REPO's	UK Banks and Building Societies <ul style="list-style-type: none"> - Lloyds Banking Group (Including Bank of Scotland) - Barclays Bank Plc - Close Brothers - Coventry Building Society - Goldman Sachs International Bank - HSBC Bank Plc - Leeds Building Society - Nationwide Building Society - Santander UK - Standard Chartered Bank 	Unsecured Deposits Up to 5% / £7.5m (except Leeds Building Society £1m) Secured Deposit - REPO's (In addition to unsecured limits) Up to 10% / £15m
Instant Access Accounts / Notice Accounts / Term Deposits / Certificates of Deposit	Overseas Banks Australia <ul style="list-style-type: none"> - National Australia Bank Singapore <ul style="list-style-type: none"> - DBS Bank Ltd - Oversea-Chinese Banking Corporation Sweden <ul style="list-style-type: none"> - Svenska Handelsbanken - Nordea Bank 	Unsecured Deposits 5% / 7.5m Overseas Bank Total - 50% in aggregate Secured Deposit - REPO's (In addition to unsecured limits) Up to 10% / £15m
Registered Secured Deposits (including Covered Bonds)	Bond issue minimum AA Rated	£15m / 10% (Per issue)
Gilts	DMO	No limit
Treasury Bills	DMO	No limit
Local Authority Bonds	Other UK Local Authorities	No limit
Money Market Funds	Money Market Funds	7.5%/£5m per fund. Maximum MMF exposure 50%
Pooled Funds	Pooled Funds <ul style="list-style-type: none"> - Ignis Sterling Short Duration Cash Fund - Insight Sterling Liquidity Plus Fund - Aberdeen Sterling Investment Cash Fund 	7.5%/£5m per fund. Maximum Pooled Fund exposure 15%

Note: The above list and limits would be amended on notification of any potential risk concerns. Cabinet will approve any additions to the above list of counterparties or investment instruments. There is no upper limit for the total of specified investments.

Non-Specified Investments (duration more than 1 year) - having considered the rational and risk associated with non-specified investments, the following have been determined for the Council's use:

Table 13

	Maximum maturity	Max % of portfolio
§ Deposits and Bonds with other UK Local Authorities § Deposits with UK Banks & Building Societies. § Money Market Funds § Pooled Funds § Gilts § Registered Secured Deposits (including Covered Bonds) AA rated or above	3 Years	40 In Aggregate

In determining the period to maturity of an investment, the investment should be regarded as commencing on the date of the commitment of the investment rather than the date on which funds are paid over to the counterparty. A maximum exposure limit of 40% has been set for non-specified investments.

2017/18 MRP STATEMENT

Where the Council finances its capital programme through borrowing it must set aside resources annually through a Minimum Revenue Provision. This is within the revenue budget to repay the debt in later years. The Local Government Act 2003 requires the Council to have regard to Guidance on Minimum Revenue Provision issued by the Department of Communities and Local Government.

The four options available to establish a prudent amount of MRP are:

- Option 1: Regulatory Method
- Option 2: CFR Method (4%)
- Option 3: Asset Life Method (equal instalment or annuity method)
- Option 4: Depreciation Method

This does not preclude other prudent methods to provide for the repayment of debt principal.

MRP in 2017/18: Options 1 and 2 are used for GF supported borrowing prior to 31 March 2008. For capital expenditure incurred after 31 March 2008, MRP will generally be charged over the useful life of the assets, beginning in the year after the asset becomes operational. In all cases we will consider the most prudent method of providing for debt repayment. The HRA will make a form of MRP to pay down its self-financing settlement debt over the 30 year business cycle on which the settlement is based.

Capital expenditure incurred during 2017/18 is not subject to an MRP charge until 2018/19.

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HILLINGDON

LONDON

PAY POLICY STATEMENT - April 2017

1. Purpose

- 1.1. The Localism Act 2011 requires relevant authorities (including London Boroughs) to prepare and publish an annual pay policy statement.
- 1.2. The Local Government Transparency Code outlines the mandatory requirement for local authorities to publish an organisational chart of the top three management tiers together with details of senior employee salaries above £50,000.
- 1.3. This pay policy statement responds to the recommendations of the Hutton Review of Fair Pay in the Public Sector (March 2011) by ensuring transparency of pay policies within the Council to residents.

2. Approval

- 2.1. The pay policy statement must be approved annually by a Full Council meeting of democratically accountable members.

3. Scope

- 3.1. The pay policy applies to the Council's employees only and schools may have separate arrangements. An additional pay policy for teachers employed and working directly for the Council will be published on the Council's website.

4. Communication

- 4.1. The approved pay policy statement will be published on the Council's website as soon as is reasonably practicable once approved or amended by Full Council.

5. Publication & Access to Data

- 5.1. Details of all Chief Officer's remuneration will be published on the Council's website and updated annually. This information will also be included in the Council's annual statement of accounts which will also be published on the Council's website.

5.2. This information will be provided in an open 'machine-readable' format such as MS Excel, allowing for open re-use, including commercial and research activities, in order to maximise value to the public.

6. Definitions

Chief Officers

6.1. The definition of Chief Officers, as set out in section 43(2) of the Localism Act (2011) includes the Council's Chief Executive Officer and Corporate Directors, as well as their direct reports.

Lowest Paid Employees

6.2. The Council operates a nationally agreed job evaluation scheme, and nationally agreed pay rates are linked to this scheme. Roles falling within the nationally negotiated APT&C framework are evaluated using the Greater London Provincial Council (GLPC) Job Evaluation Scheme.

6.3. The lowest graded roles in the Council's are those evaluated at Scale 1(b), therefore our lowest paid employees are defined as those performing roles at this evaluated grade. The Council's commitment to this grading scheme, and nationally negotiated pay rates, constitutes our policy towards our lower paid workers. However, the Council is also committed to paying the London Living Wage as a minimum (see section 7 below).

Remuneration

6.4. Remuneration is defined as the total of all payments made to an individual officer including salary, expenses, bonuses if applicable, performance related pay, recruitment or retention premia, additional responsibility payments, together with any other additional payments, including charges, fees, allowances and enhancements to pension entitlement made to the officer.

Pay Multiples

6.5. Pay multiples refer to the ratios between 2 salaries (e.g. the pay multiple between a salary of £60,000 and £20,000 would be 3).

7. Job Evaluation

7.1. All job roles within the Council (apart from those subject to national grading prescription) are graded using nationally recognised job evaluation schemes. The purpose of job evaluation is to ensure that remuneration is set at an appropriate level in line with the responsibilities of the job role.

7.2. All roles graded within the local government pay spine negotiated by the National Joint Council for Local Government Services (salaries between £17,364 and £59,925¹) are evaluated using the Greater London Provincial Council (GLPC) Job Evaluation Scheme.

¹ The salary ranges quoted cover the period to 31 March 2017. A minimum 1% increase across all pay points will be applied from 1 April 2017.

7.3. Roles falling within scope of the JNC framework (salaries between £59,958 and £136,327¹) and those of the Chief Executive Officer and Corporate Directors are evaluated using the Local Government Employers (LGE) Senior Manager Job Evaluation Scheme.

8. London Living Wage

8.1. The Council is committed to paying, as a minimum, the London Living Wage (LLW) to all directly employed staff (excluding apprenticeships). Where basic pay, together with any pay supplements, falls below the LLW an additional allowance will be paid to bring that employee's pay up the LLW.

8.2. Any annual increases related to the LLW will be applied on the 1 April.

9. Appointments to Chief Officer posts and remuneration levels

9.1. All Chief Officer appointments are subject to the approval of an appointment panels consisting of cross party Council members.

9.2. Appointment to the post of Chief Executive Officer is also subject to the approval of full Council, in accordance with the Council's constitution.

9.3. Remuneration levels are set within the relevant pay scale as follows:

Internal Appointments

- i) Chief Officers promoted to a new role at a higher grade will be appointed at the lowest point of the new salary band that demonstrates a substantive increase on their current salary reflecting the new and additional responsibilities.
- ii) Chief Officers moving laterally to a new role at a similar grade level will be appointed on the same salary as their current role.
- iii) Chief Officers moving to a new role evaluated at a minimum of one grade lower than their current grade will be appointed on a salary at the maximum of the new, lower salary band.

External Appointments

9.4. External appointees to Chief Officer roles will normally be appointed at the lowest point of the salary range for the post. However the Appointments Committee may be required to consider the applicants current salary and other market factors to determine an appropriate salary offer. Where it is necessary to offer a salary higher than the lowest point on the salary scale the Appointments Committee will evidence an objective rationale for this decision.

9.5. The terms of reference for the Appointments Committee includes all remuneration decisions on new Chief Officer appointments.

10. Salary Benchmarking

- 10.1. The Council completes an annual benchmarking review of Chief Officer pay using available information across all London Boroughs and national pay rates across all sectors. This exercise is used to ensure that the Council's approach to reward of Chief Officers fairly reflects the conditions within the local recruitment market.
- 10.2. The Council's objective is to position its remuneration of Chief Officers to ensure that the Council can remain competitive within the local recruitment market whilst ensuring that high calibre leaders can be recruited and retained.

11. Remuneration Levels

- 11.1. This pay policy statement sets out the Council's current approach to Chief Officer Pay, and any in year changes to the policy will require full Council approval.
- 11.2. Through approval of this pay policy statement full Council approves new appointments to existing Senior Chief Officers to posts which attract salary packages (including salary, any bonuses, fees, allowances or benefits in kind routinely payable to the appointee) of over £100,000.
- 11.3. All Tier 1 and some Tier 2 officers have the potential to be paid at this remuneration level. These posts are -
- 11.4. Tier 1/2 (where pay ranges of over £100k are paid)
- § Chief Executive & Corporate Director, Administration
 - § DCEO & Corporate Director, Residents Services
 - § Corporate Director, Finance
 - § Corporate Director, Social Care
- 11.5. Tier 3 (where pay ranges of over £100k can potentially be paid²)
- § Deputy Director, Residents Services
 - § Deputy Director, Development, Assets & Procurement
 - § Deputy Director, Planning, Transportation & Community Projects
 - § Director, Public Health
 - § Head of Business Performance, Policy & Standards
 - § Head of Business Improvement & Human Resources
 - § Head of Legal Services (Borough Solicitor)
 - § Assistant Director, Children's Social Care
 - § Deputy Director, Corporate Finance & Head of Operational Finance
 - § Deputy Director, Strategic Finance
 - § Head of Green Spaces, Sport & Culture
 - § Head of Business Assurance

² Not all of these officers are currently paid at this level but the posts are evaluated in a pay range which spans £100k. Actual pay rates can be found at <http://www.hillingdon.gov.uk/article/24490/Chief-officers-pay-policy-and-responsibilities>

12. Additional Payments

Recruitment & Retention premia

- 12.1. The Council's nationally agreed pay structures normally allow for the competitive recruitment and retention of high calibre Chief Officers.
- 12.2. Exceptionally the Council may need to respond to external market conditions when recruiting or retaining employees with specific skills, knowledge or capabilities. In order to respond to short to mid term shortages within the employment market the Council can apply a recruitment and retention premia payment to Chief Officer roles through the application of the Council's Market Factor Supplements policy.
- 12.3. All such premia payments must be supported by benchmarking data to determine genuine scarcity within the market and to determine the level of any agreed additional payments. The Chief Executive Officer must approve all recruitment and retention premia. These payments should be reviewed at least an annual basis to ensure the prevalent market conditions that form the basis of payment remain in force.
- 12.4. Any such payments to Chief Officers will be published annually on the Council's website together with the annual pay policy statement.

Additional Responsibility payments

- 12.5. Where a chief officer assumes substantive additional responsibilities, for example covering the duties of another vacant role, then an additional responsibility payment (an honorarium) can be made. These payments must be approved by the relevant Corporate Director. These payments will be published annually on the Council's website together with the annual pay policy statement.

Car Allowances

- 12.6. No essential user allowances are paid to Chief Officers for travel or using a car.

Expenses incurred

- 12.7. The Council provides all staff required to travel with access to Oyster Cards and Payment Cards to ensure expenses claims are only made in exceptional circumstances. Any claims for expenses and mileage are receipted and limited to the levels set out in the NJC for Local Government Services agreement.

13. Salary Progression & Performance Related Pay

- 13.1. Chief Officer salary progression is subject to performance and is assessed annually as part of the Council's performance appraisal process. There is no pay progression for Chief Officers who do not demonstrate the required standards within their role.
- 13.2. Chief Officers who fully meet the expected performance standards of their role can progress along their pay scale annually.

- 13.3. Chief Officers who demonstrate exceptional performance which exceeds the standards required, can progress by an additional amount determined annually.
- 13.4. The Council does not operate an “earn back” pay system for its officers, but Chief Officer incremental salary progression is subject to performance assessment.

14. Payments for local election duties

- 14.1. Council staff can be employed on election duties of varying types. The fees paid to Council employees for undertaking these election duties vary according to the type of election they participate in, and the nature of the duties they undertake.
- 14.2. Returning Officer duties (and those of the Deputy Returning Officer) are contractual requirements, and fees paid to them for national elections/referendums are paid in accordance with the appropriate Statutory Fees and Charges Order and are paid by the body responsible for the conduct of the election.

15. Bonus Payments

- 15.1. No bonus payments are made to employees of the Council, including Chief Officers.

16. Redundancy and Severance Payments

- 16.1. The Council's policy on levels of redundancy payments are set out in Early Termination of Employment Compensation Payments Policy.
- 16.2. In instances where a candidate for a vacant position within the Council has received a severance payment from the London Borough of Hillingdon (including any redundancy payment) within the last year, the Chief Executive Officer must approve any proposed appointment.
- 16.3. Section 18 outlines the impact of re-employment and effect upon LGPS pensions.

17. Chief Officer Pay Multiples

- 17.1. The pay multiple between the salary of the Council's lowest paid employees and the Chief Executive officer, together with that between the chief executive's salary and the Council's median salary, will be published annually. An explanation will be provided to account for any changes in the pay multiples from those previously reported.
- 17.2. The pay multiple between the salary of the lowest paid employees and the Chief Executive officer is 11.8³.
- 17.3. The current pay multiple between the Council's median salary and that of the Chief Executive officer is 7.6.⁴

³ This pay multiple is based on CEO salary as at 31 March 2017 with the lowest salary of £18,302 inclusive of London Living Wage supplement.

⁴ This pay multiple is based on median salary as at 31 March 2017.

18. Pensions

- 18.1. The Council's policy covering re-employment to a position with eligibility to join the Local Government Pension Scheme (LGPS), states that the total of the pension and salary from the re-employment, should not exceed the index linked value of the salary on leaving employment. Should earnings exceed this level, then the pension will be subject to a temporary reduction of the excess, for the duration of re-employment.
- 18.2. Further information regarding the impact on previous employees with a LGPS pension and re-employment is available on the Council's website at the following web address - <http://www.hillingdon.gov.uk/index.jsp?articleid=6487>

19. Management of Workforce Costs

- 19.1. A summary of workforce costs is presented monthly by the Council's Chief Finance Officer to the Cabinet as part of the financial budget report.

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HOUSING REVENUE ACCOUNT RENT POLICY

Background

1. Government guidance on rent setting issued in 2001 prescribed that rents for social housing should be calculated using a set convergence formula based on county-wide manual earnings, bed size and property values. The aim was to ensure that similar rents were charged for similar social housing properties. The move towards the calculated rent (formula rent) was to be phased in over a number of years and to an end date assumed to be 2015/16. The maximum rent increase allowed under this policy was RPI+0.5%+£2.
2. The self-financing settlement in 2012/13 was calculated on the basis of rent restructuring principles, and any deviation from these rent levels will result in a loss or gain compared to the settlement figures.
3. While local authorities are free to set their own rent, if they do not follow the principles of the Government's rent policy they risk incurring penalties in the form of loss of housing benefit subsidy. The impact of this would be on the HRA rather than the General Fund.
4. At the 2010 Spending Review, the Government introduced "affordable rent", allowing landlords to let properties at affordable rent, equating to 80 per cent of local market rent, to help fund new affordable housing. Affordable rents are currently expected to increase by no more than CPI + 1.0 percentage point annually.
5. In May 2014 the Government issued "Guidance on rents for Social Housing" which set out a revised rent policy for social housing. The guidance assumed that from 2015/16 social rents would rise by Consumer Price Index (CPI) +1% for ten years. This move in rent policy towards CPI+1% has resulted in a significant loss of income to the 30 year business plan as the self financing settlement and the subsequent additional debt given to Hillingdon was based on rent convergence being achieved by 2015/16. The September CPI was 1.2% (RPI was 2.3%) resulting in a rent increase of £2.39 to £111.04 and this equates to £58m annual net rent for LB Hillingdon.
6. On 8th July 2015 the Chancellor announced within his budget that social housing rents would reduce by 1% from 2016/17 for four years with the stated aim of reducing the housing benefit bill. This impact of the rent decreases has been built into the Council's HRA business plan and has resulted in a loss of income.

Scope

7. This policy will cover the rents charged to HRA council house tenants both now and in the future. This includes those properties covered by shared ownership and shared equity.
8. The policy will also cover the methodology and approach required to set service charges for both Council tenants and leaseholders.

9. It will also detail the statutory notice process for informing tenants of changes in rents charged

Policy Statement

10. The rent setting policy for LB Hillingdon will set rents and service charges by following the principles outlined below:
- The Council will set rents and service charges using fair and transparent calculations
 - Rents and service charges will be set to ensure a financially viable HRA both in the short and longer-term, and can meet future spending obligations which would include treasury management requirements and capital investment needs within the stock
 - Rents for both existing, void and new properties will be set out within this policy statement

Rents for Existing Tenants

11. The current Council approach is to increase rents as per Government guidance. Rents for existing tenants were set in 2015/16 based on "Guidance on rents for Social Housing" which assumed that from 2015/16 social rents would rise by Consumer Price Index (CPI)+1% for ten years.
12. However the Government has introduced a 1% per annum rent reduction over the 4 year period 2016-2020.
13. For 2016/17 LB Hillingdon has charged rents for existing tenants which reduce by 1% per annum. The rents will continue to be reduced by 1% per annum for the remaining period 2017/18-2019/20. Thereafter rents are anticipated to increase by CPI + 1%.
14. Rent caps are applied to social housing rents and these vary per bed size. LB Hillingdon social housing rents should ensure that the rent caps are not breached for individual properties.
15. If an existing property has an extension built with additional bedrooms then the rent should be revised to reflect the increased property valuation and added bed size, using the Government's formula rent calculation.

Rent Rebate Subsidy Limitation Rule

16. When a local authority (LA) increases its average weekly rent above a limit set in England by the Secretary of State it will only receive subsidy on rebates up to the limit and will have to fund the cost of additional rebates above the limit rent itself, therefore a cost to the HRA.
17. In 2016/17 the limit rent for LB Hillingdon is £110.60.
18. Increasing rents to the level of the limit rent is allowable when following the rent guidance, but will not be allowable between 2016/17 to 2019/20 as directed by legislation to decrease rents by 1%.

Re-let Rents for Void Properties

19. The current policy for new tenants moving into void Council properties is that their starting rents will be based on the rent restructuring formula rent calculated using Government methodology. This policy provides that this approach will continue.

Rents for Newly Acquired or Built Properties

20. The Council signed a RTB agreement with the Government in 2013 which had the expectation that Councils would deliver affordable homes part funded from 1-4-1 RTB receipts. The intention was that these properties would be charged affordable rent. The intention behind this flexibility is to generate additional capacity for investment in new affordable housing
21. The definition of affordable rent is a rent which equates to 80% of the value of local market rents (including service charges). However, it is not mandatory to set affordable rents for newly acquired or bought properties. There is scope to charge social housing rents or a level somewhere in between social housing and affordable rents.
22. Affordable rents should only be set where:
- A Framework Delivery Agreement is in place with the GLA under the affordable homes programme, or
 - The GLA indicate that the new supply provides VFM and is not funded by Government grant, or
 - There is an agreement with the Government to retain additional RTB receipts for investment in new affordable rented homes
23. Local Housing Allowance (LHA) rents are used as a fair and equitable benchmark of reasonable rents for non-working or low income households
24. Rents for new properties need to be considered alongside the financial viability of each development and the impact on the thirty year HRA business plan. The Supported Housing New Build Programme is one area which assumed an affordable rent would be set to achieve a viable business case. The affordability for tenants will also inform policy.
25. Where the council builds or acquires new properties consideration will be given to letting these properties at a higher rent level i.e. at affordable rent.

Rent Flexibility

26. The Government rent policy allows flexibility for authorities to set rents at up to 5% above formula rent (10% for supported housing and sheltered housing). This policy does not expect this flexibility to be used for all rents.
27. An example where the flexibility could be applied is a significant refurbishment of an existing sheltered scheme where rents for void properties could be set at 10% above the formula rent to aid the viability of the scheme.

Shared Ownership/Shared Equity Properties

28. Rents for shared ownership/equity properties will be amended as per the requirements outlined in their lease.

Service Charges

29. Service charges reflect the additional services which are not attributable to every tenant and may include communal facilities rather than the occupation of part of the building. Government guidance is that service charges should be set on a reasonable and transparent basis and should reflect the service provided. Increases should be limited to CPI +1%, unless new or extended services are introduced.

30. At LB Hillingdon overall service charge increases should follow Government policy but also need to fully recover service costs.

31. Leaseholder service charges will recover all service costs but will also include a management charge.

Annual Rent Review

32. LB Hillingdon will give tenants 4 weeks written notice of any change in the level of rent which normally will be the first Monday in April, and rent increases will be applied in line with Section 13(2) of the Housing Act 1988.

Policy Review

33. This policy will be reviewed on an annual basis by Council as part of the Budget process.

Delegation of rents for Newly Acquired or Built Properties

34. For newly acquired or built properties the Leader of the Council and relevant Cabinet portfolio Member, may agree affordable rent levels on a scheme by scheme basis.

NATIONAL SCHEME FOR AUDITOR APPOINTMENTS

SUMMARY

Under the Local Audit and Accountability Act 2014 the Audit Commission was abolished and new arrangements established to audit local public bodies. The act sets out the new regime for local authority audits and reforms the way audit is procured by Councils. An external auditor for the audit of the Council's accounts for 2018/19 must be appointed before the end of 2017.

Councils may make the appointment themselves, or in conjunction with other bodies, or they can take advantage of a national collective scheme. The decision on the Council's approach is required to be taken by Full.

There are significant advantages to be gained from opting in to the national scheme and this report explains the role of Public Sector Audit Appointments Limited (PSAA), who has been given the role of appointing local auditors under the national scheme. It also outlines a timetable for appointing auditors under the scheme. The Council has been formally invited to opt into these arrangements and should the Council decide to join, then a formal acceptance by Council is required by 9 March.

INFORMATION

Information on the national scheme: Public Sector Audit Appointments Limited (PSAA)

PSAA are a not-for-profit company established by the Local Government Association (LGA). They administer the current audit contracts, let by the Audit Commission before it closed.

The PSAA have the support of the LGA, which has worked to secure the option for principal local government and police bodies to appoint auditors through a dedicated sector-led national procurement body. They have established an advisory panel, drawn from representative groups of local government and police bodies, to give access to your views on the design and operation of the scheme.

PSAA have been specified by the Secretary of State for Communities and Local Government as the appointing person for principal local government bodies. This means that they will make auditor appointments to principal local government bodies that choose to opt into the national appointment arrangements they will operate for audits of the accounts from 2018/19.

PSAA will appoint an auditor for all opted-in authorities for each of the five financial years beginning from 1 April 2018, unless the Secretary of State chooses to terminate their role as the appointing person beforehand. He or she may only do so after first consulting opted-in authorities and the LGA.

What the appointing person scheme will offer

PSAA are committed to making sure the national scheme will be an excellent option for auditor appointments. They intend to run the scheme in a way that will save time and resources for local government bodies. A collective procurement, which they will carry out on behalf of all opted-in authorities, will enable PSAA to secure the best prices, keeping the cost of audit as low as possible for the bodies that choose to opt in, without compromising on audit quality. Their current role means they have a unique experience and understanding of auditor procurement and the local public audit market.

Using the scheme will avoid the need for Councils to:

- establish an audit panel with independent members;
- manage their own auditor procurement and cover its costs;
- monitor the independence of their appointed auditor for the duration of the appointment;
- deal with the replacement of any auditor if required; and
- manage the contract with their auditor.

The PSAA scheme will endeavour to appoint the same auditors to other opted-in bodies that are involved in formal collaboration or joint working initiatives. They will also try to be flexible about changing an auditor during the five-year appointing period if there is good reason, for example where new joint working arrangements are put in place.

Securing a high level of acceptances to the opt-in invitation will provide the best opportunity for PSAA to achieve the most competitive prices from audit firms. The LGA has previously sought expressions of interest in the appointing person arrangements, and received positive responses from over 270 relevant authorities. They ultimately hope to achieve participation from the vast majority of eligible authorities.

High quality audits

The Local Audit and Accountability Act 2014 provides that firms must be registered as local public auditors with one of the chartered accountancy institutes acting in the capacity of a Recognised Supervisory Body (RSB). The quality of registered firms' work will be subject to scrutiny by both the RSB and the Financial Reporting Council (FRC), under arrangements set out in the Act.

PSAA will:

- only contract with audit firms that have a proven track record in undertaking public audit work;
- include obligations in relation to maintaining and continuously improving quality in their contract terms and in the quality criteria in their tender evaluation;
- ensure that firms maintain the appropriate registration and will liaise closely with RSBs and the FRC to ensure that any quality concerns are detected at an early stage; and
- take a close interest in your feedback and in the rigour and effectiveness of firms' own quality assurance arrangements.

They will also liaise with the National Audit Office to help ensure that guidance to auditors is updated as necessary.

Procurement strategy

In developing a procurement strategy for the contracts with audit firms, PSAA will have input from the advisory panel they have established. The panel will assist PSAA in developing arrangements for the national scheme; provide feedback on proposals as they develop, and helping maintain effective channels of communication. PSAA think it is particularly important to understand Council's preferences and priorities, to ensure they develop a strategy that reflects customer's needs within the constraints set out in legislation and in professional requirements. In order to secure the best prices they are minded to let audit contracts:

- for 5 years;
- in 2 large contract areas nationally, with 3 or 4 contract lots per area, depending on the number of bodies that opt in; and
- to a number of firms in each contract area to help them manage independence issues.

The value of each contract will depend on the prices bid, with the firms offering the best value being awarded larger amounts of work. By having contracts with a number of firms, they will be able to manage issues of independence and avoid dominance of the market by one or two firms. Limiting the national volume of work available to any one firm will encourage competition and ensure the plurality of provision.

Auditor appointments and independence

Auditors must be independent of the bodies they audit, to enable them to carry out their work with objectivity and credibility, and in a way that commands public confidence. PSAA plan to take great care to ensure that every auditor appointment passes this test. They will also monitor significant proposals for auditors to carry out consultancy or other non-audit work, to protect the independence of auditor appointments. They will consult on the appointment of auditors, most likely from September 2017. Auditor appointments

for the audit of the accounts of the 2018/19 financial year must be made by 31 December 2017.

Fee scales

PSAA will ensure that fee levels are carefully managed by securing competitive prices from firms and by minimising their own costs. Any surplus funds will be returned to scheme members under our articles of association and their memorandum of understanding with the Department for Communities and Local Government and the LGA.

Costs for setting up and managing the scheme will need to be covered by audit fees. PSAA expect their annual operating costs will be lower than their current costs as they expect to employ a smaller team to manage the scheme. They are intending to fund an element of the costs of establishing the scheme, including the costs of procuring audit contracts, from local government's share of their current deferred income. They think this is appropriate because the new scheme will be available to all relevant principal local government bodies.

PSAA will pool scheme costs and charge fees to audited bodies in accordance with a fair scale of fees which have regard to size, complexity and audit risk, most likely as evidenced by audit fees for 2016/17. Pooling means that everyone in the scheme will benefit from the most competitive prices. Fees will reflect the number of scheme participants – the greater the level of participation, the better the value represented by the scale fees.

Scale fees will be determined by the prices achieved in the auditor procurement that PSAA will need to undertake during the early part of 2017. Contracts are likely to be awarded at the end of June 2017, and at this point the overall cost and therefore the level of fees required will be clear. They expect to consult on the proposed scale of fees in autumn 2017 and to publish the fees applicable for 2018/19 in March 2018.

Opting in

The closing date for opting in is 9 March 2017 and the formal approval process is a decision made by the members of an authority meeting as a whole.

Timetable

The draft timeline for the new arrangements:

Closing date for receipt of notices to opt in	9 March 2017
Contract notice published	20 February 2017
Award audit contracts	End of June 2017
Consult on and make auditor appointments	End of December 2017
Consult on and publish scale fees	End of March 2018

Comments on the budget from the Policy Overview Committees

Policy Overview Committees are an integral part of the consultation on the Cabinet's budget proposals each year. This opportunity enables Councillors, who are not in the Cabinet, to provide input or comment on aspects of the budget for the ensuing year.

The Corporate Services & Partnerships Policy Overview Committee met on 2 February 2017 to consider and coordinate all Policy Overview Committee comments and recommended them to Cabinet as set out below:

	Budget remit	Comments
Corporate Services & Partnerships - 5 January 2017	<i>Administration and Finance Directorates and Residents Services (Asset Management). Consideration of Voluntary Sector Grants.</i>	The Committee noted the budget proposals and support that the proposals were sent to Cabinet.
Children, Young People and Learning – 13 January 2017	<i>Residents Services (Education Policy & Standards) & Social Care</i>	It was moved and seconded that the Committee's support of the budget proposals be noted and recommended to Cabinet. Having been put to a vote, this was agreed.
Residents' & Environmental Services – 24 January 2017	<i>Residents Services (various service areas)</i>	The Committee noted the budget proposals and the continuing budgetary pressures for the Council, but expressed their appreciation at the work which had been carried out by officers, which was not impacting on services to residents. In addition, thanks were given to the work carried out by officers and Cabinet Members in producing the budget.
Social Services, Housing & Public Health – 18 January 2017	<i>Social Care and Residents Services (Housing / Public Health)</i>	The Committee noted the budget proposals and the continuing budgetary pressures, particularly in social care. Officers were thanked for their work in social care, the financial pressures, and for providing first class services to residents. The Committee welcomed the continuing success of the Right to Buy Scheme and the use of the proceeds to support the construction or purchasing of 335 new properties. The Committee also welcomed the merging of Adult and Children's Social Care Teams which would improve efficiencies.

Background Papers

Minutes of individual Policy Overview Committees

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HILLINGDON

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Hillingdon Council Budget Consultation 2017/18 Report

Overview of Consultation Process

- This report highlights the key findings of the Hillingdon Council Budget Consultation. The consultation commenced on 19 December 2016 as an online survey, and closed on 27 January 2017.
- The purpose of the consultation was to seek views from residents and local businesses on Hillingdon Council's budget proposals for 2017/18.
- The consultation was publicised:
 - In Hillingdon People magazine;
 - On Hillingdon Council's website, Facebook page and Twitter;
 - Through the council's All Staff Email.
- Information about the consultation was also sent directly to:
 - Residents on the council's Customer Engagement database;
 - The council's Street Champions;
 - Residents Associations in the borough.
- The survey received 73 responses, all of which were submitted online.
- The total number of responses and **key themes** from all open questions are shown in the Survey Results. Full responses from open questions are shown in the Appendices.
- All results are un-weighted and based on all respondents unless otherwise stated.
- Where results do not add up to 100%, this may be due to non-responses, multiple responses or the rounding up of numbers by computer calculations. Percentages are calculated based on the number of respondents to each question rather than the number of respondents overall.
- Comments have not been edited; however any references to information that could be considered confidential have been removed.

Summary of Key Findings

- 100% of the respondents are residents. One completed the survey as a Street Champion.
- The majority of respondents (68%) are satisfied with the budget proposals.
- The majority of respondents (67%) agree that the budget proposals give value for money to local people and businesses.
- The majority of respondents (81%) feel well informed about the budget proposals.

Survey Results

Q1. How satisfied are you with the council's budget proposals for 2017-18?

Response	Number of Responses	Percentage of Responses
Very Satisfied	18	24.7%
Satisfied	31	42.5%
Neither Satisfied nor Dissatisfied	8	11.0%
Dissatisfied	10	13.7%
Very Dissatisfied	6	8.2%
Total	73	100.0%

Q1a. Please tell us why:

Positive

- 33 comments regarding:
 - o no increase in Council Tax
 - o good management of funds
 - o refuse and recycling collection
 - o the willingness to pay a bit more towards council tax if they were asked to do so

Negative

- 12 comments regarding:
 - o the decision not to apply the 2% Social Care precept
 - o the amount budgeted for court cases relating to the proposed Heathrow expansion
 - o the investment in theatre and museum
 - o the closure of two children centres

Q2. To what extent do you agree or disagree that the budget proposals give value money to local people and businesses?

Response	Number of Responses	Percentage of Responses
Very Satisfied	13	17.8%
Satisfied	36	49.3%
Neither Satisfied nor Dissatisfied	13	17.8%
Dissatisfied	6	8.2%
Very Dissatisfied	5	6.8%
Total	73	100.0%

Q2a. Please tell us why:

Positive

- 17 comments regarding:
 - o the council putting residents first

- o businesses contributing towards the wider budget
- o delivering value for money, compared to other Local Authorities
- o the willingness to pay a bit more rather than see cut in services

Negative

- 5 comments regarding:
 - o Spending money on youth centre to keep the youth engaged
 - o the need for the post of a members enquiry officer
 - o the closure of children's centres

Q3. How well informed do you feel about the budget proposals?

Response	Number of Responses	Percentage of Responses
Very Well Informed	18	24.7%
Fairly well Informed	41	56.2%
Not very well informed	11	15.1%
Not informed at all	3	4.1%
Total	73	100.0%

Q3a. Are there any other comments you would like to make about the council's budget proposals for 2017-18?

- 5 comments complimenting the council on what it does for its residents.
- 3 comments regarding the closure of children's centres.
- 2 comments about consultation needing to be publicised more widely.

Respondent demographics

Q4. Are you completing this survey...?

Response	Number of Responses	Percentage of Responses
As a resident	72	98.6%
On behalf of a local business	0	0.0%
Other	1	1.4%
Total	73	100.0%

- 100% of the respondents are residents, one completed the survey as a Street Champion. No local businesses or Organisations were identified.

Q5. Please tell us your postcode:

Response	Number of Responses	Percentage of Responses
HA4	8	11.1%
HA5	4	5.6%
HA6	6	8.3%
UB3	5	6.9%
UB4	7	9.7%
UB5	1	1.4%
UB7	8	11.1%
UB8	16	22.2%
UB9	6	8.3%
UB10	11	15.3%
TW6	0	0.0%
TW19	0	0.0%
WD3	0	0.0%
Other	0	0.0%
Total	72	100.0%

Q6. Please tell us the name of your business or organisation:

No responses.

Q7. Please tell us the postcode of your business or organisation:

No responses.

Q8. Are you:

Response	Number of Responses	Percentage of Responses
Male	36	51.4%
Female	34	48.6%
Total	70	100.0%

- 3 people taking part in the survey did not respond to this question.

Q9. How old are you?

Response	Number of Responses	Percentage of Responses
Under 18	0	0.0%
18 to 24	1	1.4%
25 to 34	2	2.9%
35 to 44	10	14.3%
45 to 54	9	12.9%
55 to 64	15	21.4%
65 to 74	27	38.6%
75+	6	8.6%
Total	70	100.0%

- 3 people taking part in the survey did not respond to this question.

Q10. Do you consider yourself to have a disability? (i.e. a long term condition that affects your ability to carry out day to day tasks)

Response	Number of Responses	Percentage of Responses
Yes	9	12.5%
No	63	87.5%
Total	72	100.0%

- 1 person taking part in the survey did not respond to this question.

Part C - Full responses to open questions

Comments have not been edited; however any references to information that could be considered confidential have been removed.

Q1. How satisfied are you with the council's budget proposals for 2017-18?

Please tell us why:

1. Seems fair.
2. Whilst wanting better services value for money is key and in the real world efficiency savings must be made The fact that there has been a freeze for so late no tells us that the council was VERY inefficient years ago and through contacts we have, still is.
3. It is free.
4. Good waste collection, no wheelie bins. Good Library
5. Hope none of our money is going to fight the third runway when a lot of us rely on Heathrow for work and a third runway would benefit Hillingdon.
6. Good value and sensible spending.
7. It seems to be a balanced budget.
8. The rises will affect my households' pocket.
9. As an over 65 resident, I am particularly impressed by the following:- No increase in rates for last 11 years (9 years for under 65s). However, I have not experienced any detrimental factors in the service provided. To maintain this economic & service record is superb! WELL DONE!! I would add that one major service factor which I notice weekly is the refuse & recycling collections & street cleaning. They are OUTSTANDING!!!
10. I appreciate that charges should be made in some circumstances but these should be kept to a minimum, I see no relevance to cost outside the borough at all.
11. It does not appear that Council Tax will be raised for the over 65s and services will not be cut.
12. I'm not satisfied that in the currently climate that there is a justification for a town museum. Other towns have museums which are underused and the currently the local libraries i.e Uxbridge already have sufficient areas where they currently hold special events and exhibits throughout the year. This large waste of money could be better spent on social care and truly affordable housing as there is evidence on the Uxbridge high street of higher than usual homelessness. Which the council should be ashamed of especially this winter.
13. Increases seem reasonable.
14. I believe LBH do try their best to provide services at a reasonable cost, but I do feel as a Street Champion I do not always get a timely response to my enquiries, and I would appreciate it if you could spend a little more on staff. So that you can check where you place a contract the firms do carry out the work to a reasonable standard.
15. In my view, Hillingdon is a well run council and to be able to do all you do with no significant council tax increase again is excellent. I can therefore criticise the way you are doing it. However, social care, especially for the elderly is a worry (I might myself need it one day) and I am happy to pay the precept should it arise.
16. Budget too high
17. Unsure what a "Crossover" means, is this referring to access to driveways across the footpath.
18. As usual the Council is trying to put its residents first but at the same time making strong economic sense with limited funds available.
19. I believe them to be fair
20. Interested to know what the council tax increase will be for 2017 with more information
21. More money should be spent on helping care in the community
22. I am satisfied because the Council always tries to take into account we pensioners and those of us who are over 70. In view of this and taking into account the extra burdens being

put on the Council, I would like to propose, having consulted with many of my 70+ friends, a change regarding the Freedom Pass. I consider that the Council should charge £10.00 per year for this service, starting when the passes are due for renewal. I feel that this small change may help towards the payment for a great service and may offset some of the admin. charges associated with the service. I am quite sure like us most recipients of this service will comply.

23. As an over 65 I obviously don't wish to pay any more than I need to, but as you say it will be 11 years since an increase if it means that something's suffer as a result I for one would not mind a small increase.
24. The budget proposal is short sighted. The social precept ensures that the cost does not become unafforded in futures years. Reduction in preventative Service budgets such as children's centres again compounds this. Investment in theatres, museums in this context and only in the north of the borough reinforced that the north of the borough deserves all of the provision. The museum could be on one of the other towns, if it were to be built at all. Raising fees in adult education could restrict some from life long learning. There is a £30,000 gap of household income in the north and south of the borough how do these proposal do anything to raise prosperity for all.
25. Seem reasonable and trying to keep costs to residents of the borough down which is important
26. Hillingdon Council has done very well to keep increases low for many years. Some rises are inevitable and residents should recognise that some increases are no longer avoidable.
27. Hillingdon Council is focussing on what I think is important i.e. weekly waste collection, local libraries, Adult Education, a new theatre and museum etc.
28. Why not consult residents about whether they want a tax freeze? Would be more than happy to contribute extra to enable social care provision to be improved and extended. Freezing council tax is unasked for and totally unrealistic in this day and age.
29. Although increased charges are never welcome, I consider them essential in the current situation where Central Government is failing to support local services realistically.
30. The huge contribution made to Hillingdon Council Tax revenue by Heathrow Airport helps keep the Borough's finances on a sound footing. The amount budgeted for the Court cases to delay the proposed expansion is excessive. I think the Council should finally accept the inevitable and stop wasting money on trying to stop the development, particularly as when it finally goes ahead, Hillingdon's revenue from the Airport will increase even further. Without this budgeted expenditure on legal costs I would be very satisfied with the budget proposals.
31. Some modest increases in charges are probably necessary but these dont seem to be liable to be difficult for most people to pay.
32. Services e.g. adult education seem to be lower than neighbouring Boroughs and I like the plans for capital programmes like plans to improve Uxbridge town centre further. Hillingdon has the best leisure facilities and libraries in London I think so please keep sustaining these.
33. Overall sensible cuts to afford new liabilities.
34. More money needs to be allocated to older people and their care. Although a museum may be nice. The present care system to the housebound needs to be greatly increased and the times allocated increased.
35. dear sirs, if you have to increase council tax so be it, my concern being owners around here and everywhere having extra people living in or on their estate paying huge amounts of money in rent whilst the owner pays the same monthly payment as us two pensioners two doors away, this cannot be right. one house has 15 people living there !!
36. There is no use of the ability to increase the rates for social care provision which is an increasing pressure across the borough.
37. I consider Hillingdon to be an excellent council in comparison to near by councils such as Harrow! However, with continued cuts from central government, councils are hard pressed

- to make up the shortfall and we MUST expect some costs to rise as a consequence.
38. Your introduction includes the phrase "whilst avoiding implementation of the social care precept". To make such a confusing and likely misleading statement so early implies you are hiding something. Whilst dissatisfied with a couple of items the whole documents is far to complex for me to make a judgement on.
 39. I am aware that less money is coming from national government however freezing council tax does the residents no good as over the 8 years I have been in the borough, I have seen a decline in services despite an increase in residents which would result in more council tax being generated. I'm also aware that the council is looking at implementing a theatre, museum and bunker. Also the council has found the funds to go into a legal battle against Heathrow - with what funds and are all residents in agreement. But more disappointing is that the small budget given to children's centres and family services is being cut (under the disguise of a rearrangement and despite a consultation being in place, various changes are already being implemented). The council's priorities are all wrong!!!
 40. Whilst the council is doing a great job in keeping the Council Tax down there are areas that have been squeezed to the limit. As a pensioner I feel I and many others could actually afford to pay another £1.00 a month (£12.00) a year to keep some of the services for the younger generation. We have had our time, but what about our younger residents!
 41. They seem reasonable, although I would like to see more funding for music, including choirs, as I feel the benefits to peoples mental health (and physical) would result in fewer visits to GP's.
 42. I am very unhappy about the proposals to close 2 Children's Centres because of the proposals for savings in the budget. I believe that there should be an increase in council tax if the council cannot deliver quality services.
 43. It prioritises projects which require funding at the appropriate time, but keeps other services in check. Residents have been very fortunate to have had minimal increases over the last few years
 44. Satisfied but with reservations as to why there is no council tax increase as in your headline proposals it is stated "growing demands for a rapidly rising population" whether this rise is due to birth rate, immigration that means more rubbish, school places and housing to find. I don't see any reference to social or affordable housing in the draft, I have concern that council tax will be hiked up in the future which would cause rumblings in the community therefore would it not be prudent to have a nominal increase? Rubbish that's the big word on local social media some parts of the borough are dirty the 1.2 m underspend on resident services can we not put toward a satellite civic amenity site in the south of the borough? Finally, the Bunker visitor centre the council have had the funding for this in the bank for months therefore can you confirm this money is safe for that purpose only?
 45. I reiterate from the last survey I completed, I cannot see why we are paying exorbitant wages to Adult education class teachers - the fees should be high enough that these classes support themselves and NOT, I repeat NOT be paid for by residents who have completed their education, paid for their children's education etc etc - it is outrageous that we should still be paying for people to learn how to arrange flowers, make baubles - if people want to learn these things they should be paying the going rate to do so.
 46. Shows what can be achieved with good management
 47. You need to sweep the shopping centres more often. Once a day is not enough. Ruislip High Street, Eastcote and Ruislip Manor shopping centres in the afternoon are dreadful and also at the weekend particularly on a Sunday. Can you increase collection.
 48. What are the cost justifications that financially support the new theatre in St Andrews? With street parking problems increasing vehicle crossovers should be encouraged, not have the charges increased. This will result in more cracked and damaged pavements.
 49. Hillingdon Council tells us that 'council tax is frozen and no service cuts' on page 11 of the Jan/Feb 2017 Hillingdon People magazine, yet I have received a letter from the Transport Team that is cutting home to school SEN Transport, in favour of group pick-ups to school in

order to 'reduce the overall cost of transport' as part of an 'ongoing plan to make financial savings'.

50. The Council again believes in slavishly following a principle that its residents would prefer zero increase in Council Tax at the expense of positively developing services, particularly statutory services, for its residents who are in need. Whilst again there is a zero increase in Council Tax and the Council has chosen not to apply for the 2% social care precept, the budget reveals the way in which the Authority will achieve a balance is by raising charges for service users and even more cynically by raising eligibility criteria. The other means of achieving 'savings' is by maintaining vacant posts - which of course affects service delivery. I was also concerned to see that at the time when the demand for statutory services was at its highest, be it in the realms of education, environment or social care, the Authority continues to financially support non-statutory service areas, such as golf courses, riding facilities and music services: all perfectly laudable, but hardly statutory.
51. The range of activities that benefit from taxpayer funding are deemed essential and worthy of continued public support
52. I was unable to find adequate information about children social services. Notably children centres. There are breakdown costs for golf courses, but nothing over children centres. I would like to know by children centre the running costs. Also how much is set aside for the whole budget for children centres. Children centres can have local donations given. How much and by centre is not shown. You have sited twice in text saving and service transformation saving to be made from children centres, and the claim is significant but the detail is poorly communicated. Part is buried in appendix 5d and part is in a paragraph which is illegible.
53. Amazing achievement. To avoid increasing council taxes whilst suffering particularly: the continuing reduction in funding from National Government; inflation in costs caused by the increase in minimum wage; growing demands in care of the elderly; yet still managing to provide excellent services! Well done.
54. Because fees on services need to be increased, so as to maintain those services

Q2. To what extent do you agree or disagree that the budget proposals give value for money to local people and businesses?

Please tell us why:

1. The council put people first.
2. It is free.
3. Seems reasonable, can't freeze Council Tax and provide the same services without an increase somewhere
4. Business contributes and that's good.
5. Already commented - excellent service at an economic cost. To achieve this over so many years without budget increases must have been a great challenge!!
6. The council spend far too much on actually running the council than on services.
7. Do not seem to high.
8. In my view, Hillingdon is an efficient, well run council - one of the best. To keep doing all you do without hikes in council tax is excellent. However, I would be prepared to pay a social care precept should it be levied.
9. Don't know do not trust.
10. Keeping costs down is hard enough but not wasting money, as with so many other Local Authorities, is perhaps the biggest challenge of all.
11. I feel Hillingdon council does better than most other boroughs under difficult conditions.
12. They could raise rates especially to people letting houses and flats.
13. It important that we encourage business in our area.
14. Investment in new facilities in Uxbridge only benefit a few residents. Keep council tax low and not using the social precept to pre- plan and save for the increased demands on social

care means residents will have higher tax hikes or failing in the future which is would be unaffordable. A small gradual increase would help those on moderate and lower incomes to budget.

15. There has to be a limit to savings and stable prices. Hillingdon Council can be proud of its record and achievements.
16. Hillingdon Council is focussing on what I think is important i.e. local libraries, Adult Education, a new theatre and museum etc.
17. Rather depends on individual household priorities.
18. It is important to maintain the council tax freeze for over-65s especially. Perhaps adult education course costs could be frozen for this group too.
19. No extra cost with minimal reduction in services.
20. Why is there a need for a members enquiry officer, apart from the cost to the council there is no explanation as to why this is needed. When there are budget pressures in other areas of the council, this doesn't appear to be providing value to the residents but is about providing a service to members.
21. See previous answer.
22. Far too much emphasis seems to be spent on reducing the expenditure on Social care, which will have serious consequences in the future. I would much prefer to see a modest increase than see Social care continually cut.
23. We don't get value for money. Despite the tax freeze, there is more tax being generated by the increase in population - at least 7 blocks of flats from the Yiewsley High Street to West Drayton Station Road (not taking into account the Drayton Village off Porters Way). We have seen no improvement to services to accommodate the increased population. Money needs to be spent on our youth to ensure that future generations become model citizens as well as to assist the elderly.
24. My particular area of interest is my local library, which gives an excellent service. I understand that Hillingdon has one of the best library services in the country. Wonderful!
25. As an historic site the former RAF Uxbridge deserves its place in history and for future generations as a pivotal landmark in WWII. However, with all the private development of West Drayton (due to crossrail) it would be prudent to see local authority infrastructure improved. GPs and patients using Yiewsley Health Clinic deserve a better environment than the Port-a-cabins which have served as GP surgeries over the last 25 years! And I won't even mention the GWR railway bridge under-pass, consistently drenched in pigeon faeces. My 10-year-old son insists we walk the long way around through the Station.
26. Because they do try and put residents first some friends who live in a neighbouring borough commented that they wished their council was as good as Hillingdon.
27. You are picking on the most vulnerable members of our society - CHILDREN WITH SEN AND DISABILITIES.
28. As outlined previously, I want local services - of both quality and quantity - for local people. 'Value for money' does not simply mean the cheapest: it additionally means that there needs to be a quality and quantity (ie enough) of service provision.
29. All major items of expenditure are deemed to cover essential services.
30. Impossible for me to comment on whole budget. But for my focus children centres the loss is devastating to the local community. Early years are just as important as the school years. In some respects more important and it's these years the budget is ruining.
31. Judging by what I have read about other Councils, I agree we do get value for money on some things

Q3a. Are there any other comments you would like to make about the council's budget proposals for 2017-18?

1. No
2. No
3. They tell us

4. Re-Open South Ruislip Amenity Site to reduce fly tipping
5. We will see how it goes
6. None WELL DONE!! (I have no links with the Authority except as a resident)
7. Do we really need the vastly overpaid top rung of the ladder, cut them and the prices could stay the same if not cheaper. I see no relevance of setting a benchmark with other boroughs as they are more wasteful than ourselves.
8. I receive you emails and follow what is happening in the People mag.
9. I feel an increase in Council tax would be justified to cover the costs of elderly care
10. Avoid Labour amendments !
11. Could be more published and advertised
12. Well satisfied with council services. However more could be done with recycling and traffic flow at peak times through local roads in Ruislip and Ickenham at peak times.
13. Continue your investment in fighting Heathrow expansion. Do not cut preventative devices such as children's centres, day centres and youth provision.
14. Would be good to have a leaflet to read as many residents who are older do not have a computer and have a right to their say.
15. Some residential pavements close to where I live are in the most awful state and was wondering if these ever get maintained by the council? For example the pavements along West Drayton Road towards the big Harlington Road junction is so bad you could break your ankle on it if you are not careful!
16. The summary is helpful.
17. Golf Club fees. Will we ever get 18 holes at Uxbridge? Will we really lose some holes at Ruislip. These are negative aspects to something costing more. Protect both as 18 holers and people will gladly pay more.
18. I know no increases have been made to our council tax and this all sounds good, but this is to the detriment to certain services and now is the time to start to increase.
19. Why did the council decide not to ask the residents about applying the precept allowable for social care provision.
20. I find it hard to understand that whilst the council have approved the vast majority of new housing to take place in the south of the borough yet feel that they need to spend 90% of the secondary schools budget in the North of the borough? Do they really feel the need for thousands of children in the south to have travel right across the borough, with all that it will entail?
21. Not everyone is aware of the budget proposal / consultation - more information needs to be published to the households of what is published when so they are aware.
22. The appendices in the online document present vertical rather than horizontal making their content difficult to assess. Some more attention to presentation is needed here if the content is to be useful.
23. No.
24. I am unhappy about the cuts to Children's Centre budgets and the reorganisation which I believe will have a detrimental effect on services.
25. The Council have done a great job, working with the same budget over a number of years, however a strategic and cohesive long-term plan for West Drayton with vision is required. Don't let private developers throw up shoddy structures, using poor and unsightly materials. For example the Old Woolworths site, Yiewsley jars against the street scene of St Matthews and indeed the Old Town Hall which view down the high street is partly obscured by unsightly glass balconies.
26. It is not easy to assess all the data given in the budget.
27. Of course, any response to budget proposals depends upon which the respondent thinks the role of the local authority should be. Hillingdon has gone down the road of believing that provision of services should be resolutely underpinned by budget prudence, providing attractive, high visibility services in the community. This is at the expense of those in statutory need in the less 'attractive' areas of service provision.

28. Whilst I can understand the budgetary, legal and practical constraints on public expenditure there seems to be an increasing trend to delay maintenance expenditure. For example, repairs to damaged street furniture (lights/pedestrian barriers/signs), parking meters and the maintenance of roadside drainage. In the latter case, the annual cleaning of individual drainage pots does not appear to address connectivity (ie the drain itself might be clear but there is nowhere for the surface water to go). Delaying or ignoring routine maintenance can often prove to be a false economy.
29. Closing services such as children's centres there needs to be more detail given. Cost of the whole budget and by children centre split. Proof behind the decision. Children centres are designed to deliver services to the heart of the communities. Where is the democratic split, success rates, footfall figures, value for money review, ofsted reports. I understand centres can receive local donations. Where is this captured?