



HILLINGDON
LONDON



Corporate Services and Partnerships Policy Overview Committee

Councillors on the Committee

Richard Lewis (Chairman)
Richard Mills (Vice-Chairman)
Robin Sansarpuri (Labour Lead)
Wayne Bridges
Tony Burles
Nick Denys
Narinder Garg
Raymond Graham
Carol Melvin

Date: WEDNESDAY, 29 JULY
2015

Time: 7.30 PM

Venue: COMMITTEE ROOM 3 -
CIVIC CENTRE, HIGH
STREET, UXBRIDGE UB8
1UW

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

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Published: 21 July 2015

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This Agenda is available online at:

<http://modgov.hillingdon.gov.uk/ieListDocuments.aspx?CId=243&MId=2452&Ver=4>

Putting our residents first

Lloyd White
Head of Democratic Services
London Borough of Hillingdon,
3E/05, Civic Centre, High Street, Uxbridge, UB8 1UW
www.hillingdon.gov.uk

Useful information

Bus routes 427, U1, U3, U4 and U7 all stop at the Civic Centre. Uxbridge underground station, with the Piccadilly and Metropolitan lines, is a short walk away. Limited parking is available at the Civic Centre. For details on availability and how to book a parking space, please contact Democratic Services

Please enter from the Council's main reception where you will be directed to the Committee Room. An Induction Loop System is available for use in the various meeting rooms. Please contact us for further information.

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If there is a FIRE in the building the alarm will sound continuously. If there is a BOMB ALERT the alarm sounds intermittently. Please make your way to the nearest FIRE EXIT.



About this Committee

This Policy Overview Committee (POC) will undertake reviews in the areas covered by the Administration and Finance Directorates and can establish a working party (with another POC if desired) to undertake reviews if, for example, a topic is cross-cutting.

This Policy Overview Committee will consider and comment on budget and service plan proposals for the Administration and Finance Directorates.

The Cabinet Forward Plan is a standing item on the Committee's agenda.

The Committee will not consider call-ins of Executive decisions or investigate individual complaints about the Council's services.

To perform the policy overview role outlined above in relation to the following matters:

1. Democratic Services
2. Localism
3. Central Services, incl. Human Resources, ICT, Communications & Legal Services
4. Capital programme, property, construction & facilities management
5. Financial Planning & Financial Services
6. Enforcement and anti-fraud activities
7. Procurement
8. Performance Improvement
9. Economic development & town centres and regeneration
10. Local commerce, employment, skills and job creation
11. Local Strategic Partnership and Sustainable Community Strategy;
12. Community engagement, partnerships and the voluntary sector
13. Equalities and Community Cohesion
14. Community Safety
15. Public Safety & Civil Protection
16. Energy use and carbon reduction
17. Health & Safety
18. Any functions not included within the remit of the other Policy Overview Committees
19. Cross-cutting reviews that cover the remit of other Committees

Agenda

CHAIRMAN'S ANNOUNCEMENTS

- 1 Apologies for Absence
- 2 Declarations of Interest
- 3 Minutes of meeting held on 1 July 2015 (**Pages 1-6**)
- 4 Exclusion of Press and Public
To confirm the items of business marked Part I will be considered in public and that items marked Part II will be considered in private.
- 5 Major Review - 2015-16 - Heathrow Airport - Cumulo Rateable Value (**Pages 7-8**)
- 6 Budget Planning Report for Administration and Finance Services 2016/17 (**Pages 9-12**)
- 7 Forward Plan (**Pages 13-16**)
- 8 Work Programme (**Pages 17-20**)



Minutes

Corporate Services and Partnerships Policy
Overview Committee

Wednesday 1 July 2015

Meeting held at Committee Room 3 - Civic Centre,
High Street, Uxbridge UB8 1UW

| | | | |
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| | <p>Members Present: Councillors Richard Lewis (Chairman), Richard Mills (Vice-Chairman), Wayne Bridges, Tony Burles, Nick Denys, Narinder Garg, Carol Melvin and Robin Sansarpuri.</p> <p>Apologies: Councillor Raymond Graham.</p> <p>Officers: Rob Smith (Head of Revenues and Benefits), Iain Watters (Corporate Finance - Financial Planning Manager) and Khalid Ahmed (Democratic Services Manager).</p> | | |
| 3. | <p>MINUTES OF THE MEETINGS HELD ON 28 APRIL AND 14 MAY 2015</p> <p>Agreed as accurate records.</p> | | |
| 4. | <p>EXCLUSION OF THE PRESS AND PUBLIC</p> <p>It was agreed that all items of business would be considered in public.</p> | | |
| 5. | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 75%; padding: 5px;"> <p>BUSINESS RATES</p> <p>The Council's Head of Revenues and Benefits and the Corporate Finance - Financial Planning Manager attended the meeting and provided Members with a short presentation on Business Rates.</p> <p>Business Rates Retention</p> <p>The Committee was informed that the Local Government Finance Act 2012 introduced a mechanism whereby Councils retained a proportion of business rates as a revenue funding stream. In effect this was a 50% growth which was retained by the Local Government sector.</p> <p>Members were informed that this share of growth was calculated against a baseline rateable value, which was set at the outset of the system in April 2013. Under current arrangements in London, this 50% was split with 20% retained by the Greater London Authority and 30% retained by individual boroughs. For those boroughs that were deemed to have a greater capacity to grow their local economy, this</p> </td> <td style="width: 25%; padding: 5px; vertical-align: top;"> <p>Action By:</p> </td> </tr> </table> | <p>BUSINESS RATES</p> <p>The Council's Head of Revenues and Benefits and the Corporate Finance - Financial Planning Manager attended the meeting and provided Members with a short presentation on Business Rates.</p> <p>Business Rates Retention</p> <p>The Committee was informed that the Local Government Finance Act 2012 introduced a mechanism whereby Councils retained a proportion of business rates as a revenue funding stream. In effect this was a 50% growth which was retained by the Local Government sector.</p> <p>Members were informed that this share of growth was calculated against a baseline rateable value, which was set at the outset of the system in April 2013. Under current arrangements in London, this 50% was split with 20% retained by the Greater London Authority and 30% retained by individual boroughs. For those boroughs that were deemed to have a greater capacity to grow their local economy, this</p> | <p>Action By:</p> |
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| | <p>retained sum was subject to a further 'levy on growth', which in the case of Hillingdon reduced retained growth to only 15% and therefore provided minimal direct incentive to grow the rating base.</p> <p>The Committee was informed that in addition to this share of growth, London Boroughs also notionally retained 30% of the baseline income from Business Rates. However, in order to avoid a redistribution of funding between authorities at the outset of the system, authorities with a larger rating base, such as Hillingdon, were subject to tariff which substantially reduced the income from Business Rates being applied locally. For 2015/16, Hillingdon received £374m of Business Rates income.</p> <p>Reference was made to the pilot schemes which would be taking place in Cambridgeshire and Greater Manchester, whereby groups of authorities would be able to retain a greater proportion of growth (up to 100%). Members were informed that details of these new arrangements had not been announced.</p> <p>Administration and Current Challenges</p> <p>The Committee was informed that the existing contract for the the administration, collection and recovery of Business Rates had been outsourced and was currently carried out by Liberata from their shared service centre in Weston. The contract had worked well but would come to an end on 31 July 2015.</p> <p>Members were informed that following a competitive tender exercise held in 2014, the contract had been awarded to Northgate PS who would take over the running of the contract from 1 August 2015 from their shared service centre in Hartlepool.</p> <p>The Committee was informed that work was currently in progress to ensure that there would be a smooth handover of the contract.</p> <p>Rateable Value</p> <p>The Committee was informed that Hillingdon had currently over 8,000 Rateable Units with a Rateable Value of £799m, and a collectable debit of £385m.</p> <p>Members noted that the collection rates for Business Rates were very good, with a collection rate of 98.70% for 2014/15. Discussion took place on the Borough's largest business ratepayer, which was Heathrow Airport Ltd and Members were informed of the difficulties the Council had in determining the cumulo rateable value for Heathrow Airport.</p> | <p>Action By:</p> |
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| <p>Officers reported that approaches had been made to the Valuation Office and to Heathrow Airport Ltd to enable the Council to determine what was in the cumulo. The difficulty was that the Council could not inspect premises airside, therefore the Council was reliant on the information which was passed from Heathrow.</p> <p>The main assessment at Heathrow Airport had a rateable value of £243m and a total rates payable of £125m.</p> <p>Empty Rate Avoidance - Members were informed that Business rates were not payable in the first three months that a property was empty and this was extended to six months in the case of certain industrial properties.</p> <p>The Committee was informed that companies were becoming more and more innovative in trying to avoid paying Empty Rates. Examples were given such as companies paying Charities to occupy premises for a minimum of 42 days so that empty allowance could be claimed.</p> <p>Other examples were letting properties to other companies who then immediately went into liquidation, lets to off shore companies and dubious occupation activities.</p> <p>Phoenix Companies - Reference was made to the problem where companies had gone into liquidation owing Business Rates which had then shortly re-opened, using almost the same name with the same directors etc. As a non preferential creditor the Council received nothing from the liquidation.</p> <p>Transfers between lists - This was where ratepayers had made proposals to the Valuation Office Agency to consolidate similar properties in different Local Authority areas into a single rating assessment. Under current arrangements there was no mechanism within Rates Retentions to compensate those authorities who had lost income as a result, thereby acting against any incentive for authorities to grow their rating base.</p> <p>System re-set dates - The Committee was informed that upon the introduction of Business Rates Retention, the Government had announced that the baseline assumptions within the system would be 're-set' after 2020. The impact of such a re-set upon retained income remained unknown, with no guarantee that the Council would continue to receive any benefit from the growth in the Council's rating base securing since April 2013.</p> <p>The Committee thanked officers for an informative presentation and expressed an interest in undertaking a possible review into assessing Heathrow Airport's cumulo rateable value.</p> | <p>Action By:</p> |
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| 8. | WORK PROGRAMME Noted. | |
| | Meeting commenced at 7.30pm and closed at 8.40pm Next meeting: 29 July 2015 at 7.30pm | |

These are the minutes of the above meeting. For more information on any of the resolutions please contact Khalid Ahmed on 01895 250833. These minutes are circulated to Councillors, Officers, the Press and Members of the Public.

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Agenda Item 5

CORPORATE SERVICES & PARTNERSHIPS POLICY OVERVIEW COMMITTEE - MAJOR REVIEW 2015/16 - HEATHROW AIRPORT CUMULO RATEABLE VALUE

Contact Officers: Khalid Ahmed
Telephone: 01895 250833

REASON FOR ITEM

To inform Members that the Committee's first major review of this Municipal Year will be on examining the cumulo rateable value of Heathrow Airport.

OPTIONS OPEN TO THE COMMITTEE

The Committee is asked to note that the next review will be on examining the cumulo rateable value of Heathrow Airport and a draft scoping report and presentation will be given at the next meeting of the Committee.

INFORMATION

1. At the last meeting of the Committee held on 1 July 2015, discussion took place on potential topics for the Committee to carry out reviews on. The Committee was provided with a presentation from officers on business rates and particular interest was shown in the cumulo rateable value of Heathrow Airport. Members were informed of the difficulties the Council had in determining the cumulo rateable value for Heathrow Airport.
2. Officers reported that approaches had been made to the Valuation Office and to Heathrow Airport Ltd to enable the Council to determine what was in the cumulo. The difficulty was that the Council could not inspect premises airside, therefore the Council was reliant on the information which was passed from Heathrow.
3. The Committee was informed that the main assessment at Heathrow Airport had a rateable value of £243m and a total rates payable of £125m.
4. At the meeting Members did express interest in undertaking a review in this area and the Head of Revenues and Benefits reported that if a review did take place it would have to commence in September due to the work which was being carried out in relation to the new contractors which had been appointed for the administration, collection and recovery of Business Rates.
5. Officers will provide a draft scoping report and additional information at the Committee's next meeting to enable Members to start a review.

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Budget Planning Report for Administration and Finance Services 2016/17

Contact Officer: Gemma McNamara
Telephone: 01895 277762

REASON FOR ITEM

This is the first opportunity for the Policy Overview Committee to discuss the current stage of development of budget planning work with regard to Administration and Finance Services. Within the context of the Council's overall financial position, this paper sets out the main financial issues facing the Group's services and the work being undertaken to respond to them. This paper gives a strategic context in which the detailed proposals to be discussed at Policy Overview Committee meetings in January 2016 will need to be considered.

OPTIONS AVAILABLE TO THE COMMITTEE

It is recommended that the Committee notes the development of the financial planning process undertaken to date, and comments as appropriate on the response to the issues being developed by the Group.

INFORMATION

- 1 This is the first of two opportunities within the planning cycle for the Policy Overview Committee to consider issues relating to budget planning for 2016/17. The focus of this report is the major issues that have been identified through the service and financial planning process for Administration and Finance Services. The report to be considered in January 2016 will set out the detailed budget proposals for the Group, those proposals having been included in the report to Cabinet on the Medium Term Financial Forecast (MTFF) on 17 December 2015.

Corporate Summary

- 2 While the focus of the discussion for the Policy Overview Committee should be the specific services within its remit, it is important that this discussion is conducted in the context of the overall corporate financial position.
- 3 The budget report to Council in February 2015 identified the savings requirement for 2016/17 as £20.3m and work is currently underway to refresh this figure. The finance settlement announced in December 2014 was only for the year 2015/16. Therefore, until the final settlement is announced towards the end of the year the final funding position will not be fully known, although an indication of the scale of funding reductions may be given in the Comprehensive Spending Round expected in Autumn 2015.

Corporate Services & Partnerships POC 29 July 2015
PART I – MEMBERS, PUBLIC & PRESS

- 4 In addition, there is significant other uncertainty within the budget for next year from increasing demographic pressures; from ongoing welfare reforms; and from the second phase of the 2014 Care Act coming into effect from 1 April 2016.
- 5 Alongside this, any other emerging pressures which arise throughout this financial year will have to be provided for in next year's budget. The budget gap will be monitored throughout the year and the budget strategy adjusted accordingly to ensure that a balanced budget for 2016/17 can be set.

Strategy to deal with the budget gap

- 6 The Council remains strongly placed to deal with the challenges ahead. We have a good track record of coming in or under budget each year and have accumulated balances of £40.4m by the end of 2014/15, although £5m of that has been committed to being drawn down during 2015/16. We have a well established HIP programme that has helped steer the Council from a position of having low balances to one of having healthy balances at the same time as dealing with significant external challenges. This has been enhanced by the development of the BID programme as the main vehicle for delivering the fundamental changes required to the Council's structure and ways of working in order to address the reductions in funding going forward.

MTFF process update

- 7 The timetable for the budget process was refreshed in February 2015 and the first MTFF sessions with Groups took place during late June and early July to review the detailed budget proposals developed by each group. Progress on the development and delivery of these proposals will be monitored monthly by CMT and the Leader of the Council throughout the remainder of the year.

Timetable for 2016/17 Budget

- 8 The broad timetable is as follows:

| Process | Timetable |
|--|--------------------|
| Monthly CMT updates (March 2015 to Feb 2016) | Monthly |
| CMT discussion on options to address 2016/17 gap | February |
| SMT Briefing on budget position | February |
| Analytical review of 2014/15 outturn | April - June |
| MTFF Review (1) – 1st Challenge Sessions | June |
| Initial Draft MTFF Report to Leader | July |
| Spending Review | Summer / August |
| MTFF Review (2) – 2 nd Challenge Sessions | Sept/Early October |
| Leader review of MTFF | November |
| Provisional Local Government Finance Settlement | December |
| Draft MTFF reported to Cabinet | December |

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| POC review of draft Group Plans and budget proposals | January |
| Final Local Government Finance Settlement | January |
| Council Tax setting | February |

Budget Planning in Administration and Finance Services

Summary of Key Financial Issues

- 9 Administration and Finance have put forward savings for 2015/16 of £1.383m and are well on track to deliver this amount. Where possible, implementation of the proposals identified began in 2014/15 to ensure that the maximum benefit of the saving could be achieved in 2015/16. These proposals include; restructures within the Revenues and Benefits, Human Resources and Internal Audit teams, with a full Zero Based review of services including realignment of income targets and the retender of the Administration contract within Revenues and Benefits.
- 10 As part of the MTFF Process for 2016/17, proposals have been developed and have been reviewed at the Administration and Finance first Challenge Sessions, to contribute to the overall Council target. Extensive reviews of budgets have been undertaken and meetings held with Heads of Service to review service areas, with specific regard to ensuring appropriate staffing structures and income streams are accurately budgeted.
- 11 Budgets continue to be monitored throughout the year to ensure that any expenditure is appropriate and essential and that controls are in place to challenge spend.

Next Steps

- 12 The Medium Term Financial Forecast setting out the draft revenue budget and capital programme will be considered by Cabinet on 17 December 2015 and issued for consultation during the remainder of December 2015 and January 2016. This will include detailed consideration by each of the Policy Overview Committees of the proposals relating to their respective services.

SUGGESTED COMMITTEE ACTIVITY

To consider whether there are suggestions or comments the Committee wish to make.

BACKGROUND PAPERS

None.

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Agenda Item 7

Cabinet Forward Plan

Contact Officer: Khalid Ahmed
Telephone: 01895 250833

REASON FOR ITEM

The Committee is required to consider the Forward Plan and provide Cabinet with any comments it wishes to make before the decision is taken.

OPTIONS OPEN TO THE COMMITTEE

1. Decide to comment on any items coming before Cabinet
2. Decide not to comment on any items coming before Cabinet

INFORMATION

1. The Forward Plan is updated on the 15th of each month. An edited version to include only items relevant to the Committee's remit is attached below. The full version can be found on the front page of the 'Members' Desk' under 'Useful Links'.

SUGGESTED COMMITTEE ACTIVITY

1. Members decide whether to examine any of the reports listed on the Forward Plan at a future meeting.

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Cabinet meeting - 22 October 2015

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| 52 | Insurance 2015 - 2020 | The Council has a portfolio of insurance covers, including Liabilities, Material Damage and Motor, currently being tendered with the assistance of Corporate Procurement. Cabinet is asked to review the results of the tender and agree to award the insurance contract(s). | N/A | | Cllr Jonathan Bianco | FD - Simone Batchelor | | NEW |
| 53 | Corporate Complaints Procedure | Following a review by the Corporate Services and Partnerships Policy Overview Committee and endorsement of their findings by Cabinet in May 2015, a report will be presented recommending modifications to the 3-stage process to further streamline the way in which the Council handles any complaints, putting residents first. | All | | Cllr Ray Puddifoot MBE | AD - Daniel Kennedy | | NEW |

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| Private (3) |
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Agenda Item 8

WORK PROGRAMME 2015/16

Contact Officer: Khalid Ahmed
Telephone: 01895 250833

REASON FOR ITEM

This report is to enable the Committee to review meeting dates and forward plans. This is a standard item at the end of the agenda.

OPTIONS AVAILABLE TO THE COMMITTEE

1. To confirm dates for meetings
2. To make suggestions for future working practices and/or reviews.

INFORMATION

All meetings to start at 7.30pm

| Meetings | Room |
|--------------------------|-------------|
| 1 July 2015 | CR 5 |
| 30 July 2015 | CR 3 |
| 15 September 2015 | CR 5 |
| 13 October 2015 | CR 5 |
| 10 November 2015 | CR 5 |
| 7 January 2016 | CR 5 |
| 2 February 2016 | CR 5 |
| 10 March 2016 | CR 6 |
| 26 April 2016 | CR 5 |

Corporate Services & Partnerships Policy Overview Committee

2015/16 DRAFT Work Programme

| Meeting Date | Item |
|--------------------------|--|
| 1 July 2015 | Corporate Services & Partnerships Policy Overview Committee Possible Review Topics 2014/15 |
| | Business Rates - Information item |
| | Work programme for 2015/16 |
| | Cabinet Forward Plan |
| 30 July 2015 | Budget Planning Report for Administration and Finance Directorates |
| | Work Programme |
| | Cabinet Forward Plan |
| 15 September 2015 | Scoping Report for next Major Review and presentation |
| | Head of Democratic Services - Elections |
| | Cabinet Forward Plan |
| | Work Programme |
| 13 October 2015 | Major Review - Witness Session |
| | Cabinet Forward Plan |
| | Work Programme |
| 10 November 2015 | Major Review - Draft Final Report |
| | Cabinet Forward Plan |
| | Possible Second Review Topics |
| | Work Programme |
| 7 January 2016 | Budget Proposals Report for 2016/17 |
| | Scoping Report for next Major Review and Witness Session |

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| | Cabinet Forward Plan |
| | Work Programme |

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| 2 February 2016 | Witness Session for Second Review |
| | Single Meeting Review - Single Person Discount for Council Tax - Project by Corporate Fraud Investigations Team |
| | Cabinet Forward Plan |
| | Work Programme |

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| 10 March 2016 | Witness Session for Second Review |
| | Cabinet Forward Plan |
| | Work Programme |

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| 26 April 2016 | Cabinet Forward Plan |
| | Work Programme |

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