



HILLINGDON  
LONDON



# Cabinet

**Date:** THURSDAY, 16  
NOVEMBER 2017

**Time:** 7.00 PM

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

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

This meeting will also be  
broadcast live on the  
Council's YouTube Channel.

**To all Members of 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*

**Published:**  
Wednesday, 8 November 2017

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This Agenda is available online at:  
[www.hillingdon.gov.uk](http://www.hillingdon.gov.uk)

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*Putting our residents first*

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It is recommended to give advance notice of filming to ensure any particular requirements can be met. The Council will provide seating areas for residents/public, high speed WiFi access to all attending and an area for the media to report. The officer shown on the front of this agenda should be contacted for further information and will be available to assist.

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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 November 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 November 2017  
London Borough of Hillingdon

# Agenda

- 1 Apologies for Absence
- 2 Declarations of Interest in matters before this meeting
- 3 To approve the minutes of the last Cabinet meeting 1 - 10
- 4 To confirm that the items of business marked Part 1 will be considered in public and that the items of business marked Part 2 in private

## **Cabinet Reports - Part 1 (Public)**

- 5 Review by the Residents' & Environmental Services Policy Overview Committee into Shisha Bars, Lounges & Cafes (Cllr Philip Corthorne) 11 - 50
- 6 Hillingdon Homelessness Prevention Strategy 2017 to 2022 (Cllr Philip Corthorne) 51 - 108
- 7 Establishment of a Commercial Property and Trading Company (Cllr Jonathan Bianco) 109 - 118
- 8 Older People's Plan Update (Cllr Ray Puddifoot MBE & Cllr Philip Corthorne) 119 - 134
- 9 Monthly Council Budget Monitoring Report - Month 6 (Cllr Jonathan Bianco) 135 - 180

## **Cabinet Reports - Part 2 (Private and Not for Publication)**

<b>10</b>	Contract extensions for the Maintenance of the Civic Centre and other Corporate Properties (Cllr Jonathan Bianco)	181 - 186
<b>11</b>	Contract extension - Parking Enforcement Service (Cllr Keith Burrows)	187 - 194
<b>12</b>	Meals on Wheels Services (Cllr Philip Corthorne) *	195 - 202
<b>13</b>	Procurement of the Council's fuel supply (Cllr Jonathan Bianco)	203 - 212
<b>14</b>	The supply of new Library Stock (Cllr Richard Lewis) *	213 - 218
<b>15</b>	Voluntary Sector Leases (Cllr Jonathan Bianco)	219 - 232

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

**16** Any other items the Chairman agrees are relevant or urgent

*\* denotes urgent business item not previously on the Forward Plan*

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## Minutes

### Cabinet

Thursday, 19 October 2017

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



Published on: 20 October 2017

Decisions come into effect on: 27 October 2017 \*

#### **Cabinet Members Present:**

Ray Puddifoot MBE (Chairman)  
David Simmonds CBE (Vice-Chairman)  
Douglas Mills  
Jonathan Bianco  
Philip Corthorne

#### **Members also Present:**

Susan O'Brien  
John Morse  
Peter Curling  
Peter Money  
Henry Higgins  
Nick Denys  
Richard Mills  
Ray Graham  
Wayne Bridges  
John Riley

#### **1. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Philip Corthorne and Councillor Richard Lewis.

#### **2. DECLARATIONS OF INTEREST IN MATTERS BEFORE THIS MEETING**

No interests were declared by Members present.

#### **3. TO APPROVE THE MINUTES OF THE LAST CABINET MEETING**

The decisions and minutes of the Cabinet meeting held on 28 September 2017 were agreed as a correct record.

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

It was confirmed that the business of the meeting marked Part 1 public would be considered in public and that marked Part 2, considered in private.

**5. SOCIAL SERVICES, HOUSING AND PUBLIC HEALTH POLICY OVERVIEW & SCRUTINY COMMITTEE REVIEW INTO HOUSING BENEFIT REFORMS AND THE IMPACT ON THE COUNCIL AND RESIDENTS**

*The Chairman of the Social Services, Housing and Public Health Policy Overview Committee, Councillor Wayne Bridges, presented the Committee's review to Cabinet, which was warmly endorsed.*

**RESOLVED:**

**That the Cabinet welcomes the Committee's findings from their review into Housing Benefits and supports the recommendations outlined below:**

- (1) That Cabinet notes the findings of the Social Services, Housing and Public Health Policy Overview Committee that show:**
  - a) There is a wide-range of support available to those residents in receipt of benefits;**
  - b) Council Officers are providing the services and support required to assist residents through fundamental changes in benefits legislation; and**
  - c) Efforts are also being made to transform services that assist residents on benefits to secure suitable accommodation.**
- (2) With Universal Credit and other changes continuing to be rolled-out in coming years, that Cabinet welcomes a further review by the relevant Policy Overview Committee, during 2019/2020, on the systems and support in place to assist residents, given the forecasted increase in enquiries and caseloads.**
- (3) That officers review available communication channels with a view to ensuring that Hillingdon residents are kept informed of the current and impending changes to housing benefits and, if affected, are sufficiently signposted towards the appropriate contactable service areas for support.**

**Reasons for decision**

Cabinet acknowledged that Housing Benefits had undergone considerable change, following various changes in Government legislation. As these had impacted on how residents in Hillingdon claim Housing Benefit, Cabinet welcomed the findings of the Committee's review which had examined and reported back on efforts by the Council to support residents through these changes.

**Alternative options considered and rejected**

The Cabinet could have decided to reject some or all of the Committee's recommendations.

**Officers to action:**



Rob Smith – Finance (implementation)  
Neil Fraser – Chief Executive’s Office (monitoring)

**Classification: Public**

*The report and any background papers relating to this decision by the Cabinet are available to view on the Council's website or by visiting the Civic Centre, Uxbridge.*

**6. LOCAL SAFEGUARDING CHILDREN BOARD: ANNUAL REPORT**

**RESOLVED:**

**That the Cabinet note the content of the Annual Report and work of the Local Safeguarding Children Board during 2016/17.**

**Reasons for decision**

Cabinet noted the annual report, which was a statutory requirement and expressed the Council's commitment to the safeguarding of children. Cabinet considered the comments of the Policy Overview Committee who had noted that improvements were being made to the performance management framework.

**Alternatives considered and rejected**

None.

**Officers to action:**

Stephen Ashely (Independent Chairman, LSCB)  
Tony Zaman, Social Care

**Classification: Public**

*The report and any background papers relating to this decision by the Cabinet are available to view on the Council's website or by visiting the Civic Centre, Uxbridge.*

**7. SAFEGUARDING ADULTS PARTNERSHIP BOARD: ANNUAL REPORT**

**RESOLVED:**

**That Cabinet notes the annual report of the Hillingdon Safer Adults Partnership Board for 2015/16.**

**Reasons for decision**

Cabinet noted the annual report, a statutory requirement and expressed the Council's commitment to the safeguarding of adults and older people. Cabinet also took note of the comments of the Social Services, Housing and Public Health Policy Overview Committee on the report.

**Alternatives considered and rejected**

None.

**Officers to action:**

Stephen Ashely (Independent Chairman, LSCB)  
Tony Zaman, Social Care

**Classification: Public**

*The report and any background papers relating to this decision by the Cabinet are available to view on the Council's website or by visiting the Civic Centre, Uxbridge.*

**8. QUARTERLY PLANNING OBLIGATIONS MONITORING REPORT**

**RESOLVED:**

**That the Cabinet notes the updated financial information.**

**Reasons for decision**

Cabinet noted the report which detailed the financial planning obligations held by the Council and what progress had, and was, being made.

**Alternative options considered and rejected**

To not report to Cabinet. However, Cabinet believed it was an example of good practice to monitor income and expenditure against specific planning agreements.

**Officer to action:**

Nicola Wyatt, Residents Services

**Classification: Public**

*The report and any background papers relating to this decision by the Cabinet are available to view on the Council's website or by visiting the Civic Centre, Uxbridge.*

**9. CONSIDERATION OF SETTING A LICENSED DEFICIT FOR OAK WOOD SCHOOL (FORMERLY ABBOTSFIELD SCHOOL) AND BISHOP WINNINGTON-INGRAM CE PRIMARY SCHOOL**

**RESOLVED:**

**That Cabinet:**

- 1. Approves the application for a licensed deficit from Oak Wood School (formerly known as Abbotsfield School) for 2017/18.**
- 2. Approves the application for a licensed deficit from Bishop Winnington-Ingram CE Primary School for 2017/18.**

## **Reasons for decision**

Cabinet gave its approval for Oak Wood School and Bishop Winnington-Ingram CE Primary School to hold a licensed deficit. It was noted that funding for schools was provided through the Dedicated Schools Grant and Pupil Premium and would have no impact on the Council's budget requirement.

## **Alternative options considered and rejected**

Cabinet could have decided to write-off the deficit, which would have required agreement from the Schools Forum, or alternatively withdrawn the governors delegated powers over their budgets.

## **Officers to action:**

Dan Kennedy - Residents Services  
Peter Malewicz – Finance

## **Classification: Public**

*The report and any background papers relating to this decision by the Cabinet are available to view on the Council's website or by visiting the Civic Centre, Uxbridge.*

## **10. MONTHLY COUNCIL BUDGET MONITORING REPORT: MONTH 5**

### **RESOLVED:**

#### **That Cabinet:**

- 1. Note the forecast budget position as at August 2017 (Month 5).**
- 2. Note the Treasury Management update as at August 2017 at Appendix E.**
- 3. Continue the delegated authority up until the November 2017 Cabinet meeting to the Chief Executive to approve any consultancy and agency assignments over £50k, with final sign-off of any assignments made by the Leader of the Council. Cabinet are also asked to note those consultancy and agency assignments over £50k approved under delegated authority between the 28 September 2017 and 19 October 2017 Cabinet meetings, detailed at Appendix F.**
- 4. In response to the introduction of the Markets in Financial Instrument Directive 2014/65 ("MiFID II"):**
  - a. Notes the potential impact on the treasury management strategy of becoming a retail client with effect from 3rd January 2018;**
  - b. Agrees to the immediate commencement of applications for elected professional client status with all relevant institutions in order to ensure it can continue to implement an effective treasury management strategy.**
  - c. Acknowledges and agrees to forgo the protections available to retail clients within the report.**

- d. Approves delegated responsibility to the Corporate Director Finance for the purposes of completing the applications and determining the basis of the application as either full or single service.
5. Approve acceptance of gift funding in relation to a Planning Performance Agreement on the following major developments in accordance with the provisions of Section 93 of the Local Government Act 2003:
  - a. Axis House, Bath Road (£17,500)
  - b. Brunel University, Uxbridge (£45,000)
6. Approves the new Winter Tariff (Nov-Feb) of £3.50 for all-day (8am-6pm) parking at Ruislip Lido car park. The charge is not applicable to Hillingdon First card users.
7. Ratify an Emergency Contract Decision taken on 17 October 2017 by the Leader of the Council and Deputy Chief Executive & Corporate Director of Residents Services (on behalf of the Chief Executive) to:
  - a. Replace fire door sets within Triscot House (specialist care scheme), No. 3 Colham Road (specialist Care scheme) and Cowley House.
  - b. Approve the extension of the Council's current contractual arrangements with Gerda Security Ltd (undertaking fire door replacements in all high rise housing blocks) to incorporate procurement of fire door sets for these three high risk locations.
  - c. Agree the capital release of £290k from within existing unallocated capital programme budgets - the Property Works Programme (3 Colham Road - £80k) and the Warm Safe and Dry (Safe) budget within the HRA Works to Stock Programme (Triscott House / Cowley House - £210k).

### **Reasons for decision**

Cabinet was informed of the latest forecast revenue, capital and treasury position for the current year 2017/18 to ensure the Council achieved its budgetary and service objectives. Additionally, Cabinet agreed the Council's response following the introduction of the Markets in Financial Instruments Directive 2014/65, accepted developer funding for key sites in the Borough, updated parking charges at Ruislip Lido car park and ratified an emergency decision taken in respect of further fire safety work required to safeguard residents and properties.

### **Alternative options considered and rejected**

None.

### **Officer to action:**

Paul Whaymand, Finance

### **Classification: Public**

*The report and any background papers relating to this decision by the Cabinet are available to view on the Council's website or by visiting the Civic Centre, Uxbridge.*

**11. HOUSE BUILDING PROGRAMME - GENERAL NEEDS & SHARED OWNERSHIP HOUSING DEVELOPMENTS**

**RESOLVED:**

**That the Cabinet:**

- 1. Agrees to progress the housing programme consisting of the delivery of 9 general needs new build and 5 shared ownership units across 4 sites, consisting of:**
  - I. 2 East Way - Townfield Ward - 1 x 2 bed house.**
  - II. Bartram Close - Brunel Ward - 1 x 2 bed and 1 x 1 bed bungalows.**
  - III. 34 - 44 Sullivan Crescent - Harefield Ward - 6 x 2 bed chalet bungalows.**
  - IV. 113 - 127 Moorfield Road - Brunel Ward - 5 x 3 bed houses.**

**The total estimated programme cost is £2,701k.**

- 2. Approves the virement and allocation of £230k from the overall £9,500k 2017/18 HRA General Capital Contingency budget to the 2017/18 New General Needs Housing Stock Budget. This budget is for the initial feasibility costs to take the 4 schemes up to the tender stage, as detailed within this report.**
- 3. To delegate all of the future decisions regarding these projects to the Leader of the Council and the Cabinet Member for Finance, Property and Business Services in conjunction with the Deputy Chief Executive and Corporate Director of Residents Services.**

**Reasons for decision**

Cabinet agreed to progress the building of new housing as part of an ongoing review of underutilised Council assets and land with a tenure of each individual site selected to meet local demand. Cabinet welcomed the range of housing proposed for local residents including shared ownership and bungalows for the elderly.

**Alternative options considered and rejected**

Various alternative uses of the sites were considered by Cabinet, however, these were discounted because the need to increase available homes within the Borough.

**Officers to action:**

Edward Knott / Michael Naughton, Residents Services

**Classification: Private**

*Whilst the Cabinet's decisions above are always made public, the officer report relating to this matter is not because it was considered in the private part of the meeting and contained information relating to the financial or business affairs of any particular person (including the Authority holding that information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.*

## **12. APPROPRIATION OF LAND AT BOURNE COURT, RUISLIP**

### **RESOLVED:**

#### **That the Cabinet:**

- 1. Authorises officers to give public notice of the Council's intention to appropriate the land from Adult Social Care/Health functions to planning purposes;**
- 2. Authorises the disposal of the site by way of informal tender for a long leasehold interest of 125 years for a premium payment and a peppercorn rent with an option to purchase the freehold interest for £1 on completion of the development to the Council's satisfaction;**
- 3. Delegates authority to the Leader of the Council and Cabinet Member for Finance, Property and Business Services, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services, to consider any objections to the proposed appropriation; decide whether the land should be appropriated for planning purposes and to make all necessary decisions to give effect to the above recommendations and any other decisions which are required in relation to the land.**

#### **Reasons for decision**

Cabinet agreed to progress with the appropriation of the land on the site, which would facilitate the sale of the land and enable the proposed residential development to be brought forward.

#### **Alternative options considered and rejected**

Alternative methods of sale, such as by auction and a straight disposal of the freehold were considered and discounted as inappropriate for the site.

#### **Officer to action:**

Mike Paterson, Residents Services

#### **Classification: Private**

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*disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.*

### **13. VOLUNTARY SECTOR LEASES**

#### **RESOLVED:**

**That Cabinet agrees the rent and lease set out in the report, which is subject to negotiation with the voluntary sector organisation detailed in this report and instructs the Deputy Chief Executive and Corporate Director of Residents Services to then commission the Borough Solicitor to complete the appropriate legal documentation.**

#### **Reasons for decision**

Cabinet agreed a new lease for the Fassnidge Bowls Club, Rockingham Parade Uxbridge. Cabinet's decision enabled the organisation to benefit from discounted rents as part of the Council's Voluntary Sector Leasing Policy and wider commitment to a vibrant local voluntary sector.

#### **Alternative options considered and rejected**

None.

#### **Officer to action:**

Mike Paterson, Residents Services

#### **Classification: Private**

*Whilst the Cabinet's decisions above are always made public, the officer report relating to this matter is not because it was considered in the private part of the meeting and contained information relating to the financial or business affairs of any particular person (including the Authority holding that information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.*

### **14. ANY OTHER ITEMS THE CHAIRMAN AGREES ARE RELEVANT OR URGENT**

No additional items were considered by the Cabinet.

The meeting closed at 7:21pm.

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#### **\*Internal Use only - implementation of decisions**

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Meeting after Cabinet, the Executive Scrutiny Committee did not call-in any of the Cabinet's decisions.

All decisions can, therefore, be implemented by officers upon the expiry of the scrutiny call-in period which is from **5pm, Friday 27 October 2017**.

Officers to action the decisions are indicated in the minutes.

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If you would like further information about the decisions of the Cabinet at this meeting, please contact the Council:

[democratic@hillingsdon.gov.uk](mailto:democratic@hillingsdon.gov.uk)

Democratic Services: 01895 250636

Media enquiries: 01895 250403

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## RESIDENTS' AND ENVIRONMENTAL SERVICES POLICY OVERVIEW COMMITTEE: *REVIEW INTO SHISHA BARS, LOUNGES & CAFES*

<b>Cabinet Member</b>	Councillor Philip Corthorne
<b>Cabinet Portfolio</b>	Social Services, Housing, Health & Wellbeing
<b>Officer Contact</b>	Khalid Ahmed - Chief Executive's Office
<b>Papers with report</b>	Residents' & Environmental Services Policy Overview Committee review into Shisha Bars, Lounges & Cafes

### HEADLINES

<b>Summary</b>	To receive the Residents' & Environmental Services Policy Overview Committee's review into Shisha Bars, Lounges and Cafes and to give consideration to the recommendations of the review.
<b>Putting our Residents First</b>	This report supports the following Council objective of: <i>Our People</i> .
<b>Financial Cost</b>	No additional cost above existing approved budgets.
<b>Relevant Policy Overview Committee</b>	Residents' & Environmental Services
<b>Relevant Ward(s)</b>	All

### RECOMMENDATIONS

That Cabinet:

- A. **Welcomes the Committee's findings from their review into Shisha Bars, Lounges and Cafes.**
- B. **Agrees the following recommendations from the Committee for implementation by officers, in consultation with the Cabinet Members for Community, Commerce & Regeneration and Social Services, Housing, Health & Wellbeing as appropriate:**

## Policy Overview Committee Recommendations

### 1. OPERATIONAL RECOMMENDATIONS:

- a) That a definitive list / register of shisha premises be established and maintained to deal with the perceived problem related to the shisha industry and to develop a preventive approach to ensure uncontrolled proliferation of shisha premises does not occur.
- b) That the Council's Anti-Social Behaviour and Environment Team's Out of Hours service, in partnership with Licensing services, subject to capacity within the Teams, conduct regular patrols of existing and all new shisha premises to ensure compliance with legislation relating to nuisance and anti-social behaviour. These visits would also be utilised as an intelligence gathering tool to assist and support partner agencies across the enforcement services.
- c) Environmental Health Officers should maximise communication lines via Health and Safety Liaison Groups and Health and Safety Quadrants to raise shisha issues with colleagues across London and encourage a more consistent enforcement approach.
- d) All Council stop smoking staff should promote advice on shisha smoking and be included in Smoking cessation information.
- e) The Council should seek to establish a positive and close relationship with shisha premises to encourage cooperation and compliance.

### 2. ENFORCEMENT RECOMMENDATIONS

- a) Environmental Health officers could consider using Health and Safety Prohibition Notices if prosecutions for breaching the Smoke free law were too labour intensive.
- b) All Council officers involved in enforcement regarding shisha premises should be made aware of the full extent of powers currently held by planning enforcement officers, including the use of Planning Contravention Notices and Stop Notices, and deploy these powers where necessary. This could take the form of a shared regulatory service protocol.
- c) Enforcement officers should be trained on the health effects of Shisha, especially areas surrounding herbal Shisha, and contribute to health promotion activities whilst inspecting Shisha premises.
- d) Enforcement should be a last resort and officers should liaise with other agencies to maximise legislative powers including powers of closure. Focus should therefore be a reactive response with monitoring of high risk shisha premises.
- e) Liaison should take place with neighbouring local authorities prior to initiating Shisha enforcement campaigns to ensure expansion of the industry does not occur in neighbouring boroughs.
- f) Powers of closure and seizure should extend to Environmental Health Officers if resources do not permit for a synchronised, multi-agency approach.
- g) That carbon monoxide monitors be used as evidence gathering. These should be used to ascertain the level of harm in enclosed smoking venues, as well as assessing the quality of air outside Shisha premises considering the large volumes of smoke (usually greater than one hundred litres per pipe per hour) produced by shisha smoking.

- h) **Shisha premises should be monitored for alcohol use inside the pipe and for recreational drug use.**
- i) **Subject to the feasibility of enforcement, consideration be given by the Licensing Authority to the following:**
  - **Applying the Smoke free law to pavements considering the large volumes of smoke emitted by shisha smokers per session.**
  - **Adding a standard condition to street trading licences issued by the Authority for "tables and chairs licensing", whereby the tables and chairs required to be used outside Shisha premises on the public footways need to be licensed.**
  - **Adding a "Challenge 25" condition to a premises licence where Shisha smoking took place, which would encourage anyone who was over 18 years of age, but looked under 25 years of age, to carry acceptable ID when using Shisha.**

### **3. EDUCATION RECOMMENDATIONS**

- a) **Owners and operators of Shisha premises should be encouraged to learn good management techniques and attend workshops in an attempt to prevent their customers from creating antisocial behaviour.**
- b) **Secondary schools and colleges should be encouraged to incorporate Shisha smoking into existing tobacco awareness lesson plans.**
- c) **Shisha premises should be provided with case examples of dangerous health and safety scenarios from other premises in order to educate and emphasise the need to comply.**
- d) **The Council should also include guidance to Shisha premises on a suggested Shisha pipe cleaning and mouthpiece protocol as part of general advice and guidance to shisha premises.**
- e) **That a guidelines for Shisha premises document be produced (Appendix A) and published on line which outlines all legislative aspects relating to opening and operating a Shisha premises.**

#### **Reasons for recommendation**

The review was undertaken to assess the controls, this Council and its partners have in relation to Shisha Bars, Lounges and Cafes in the Borough and to look at developing a co-ordinated approach to deal with the health, nuisance and amenity impacts that can sometimes be caused by unregulated shisha smoking. The Committee's findings will enable the Council and wider community to have better mechanisms to monitor and regulate shisha smoking.

#### **Alternative options considered / risk management**

The Cabinet could decide to reject some or all of the Committee's recommendations.

## **SUPPORTING INFORMATION**

- 1) **At the time of the Committee's review there were seven known, established Shisha Bars, Cafes and Lounges in the Borough. However, through the Council's licensing, trading standards, planning and enforcement functions, both officers and Members were aware of**

a number of other premises which offered shisha smoking. It was noted that these unregulated establishments could have the potential to cause harm to residents through lack of information on the health risks associated with shisha smoking, together with the potential of non-compliance with legislation and regulations by owners of such establishments. As businesses are not required to have a specific licence for shisha smoking, there is no definitive list of premises which provide shisha smoking in Hillingdon.

- 2) Shisha smoking is a way of smoking tobacco or herbal smoking product through a water pipe or hookah. Shisha pipes use burning pieces of charcoal which heats tobacco, sweetened with fruit syrup or molasses sugar (30% tobacco and 70% honey). The Committee noted the increased prevalence of shisha smoking, particularly among younger people over the last few years. Users sometimes mistakenly believe that smoking shisha is safer than cigarettes; however, studies have found that there are significant health risks associated with shisha, to users and to those in close proximity to the practice. Reports to the Committee showed that a Shisha session was potentially equivalent to 100 cigarettes worth of smoke.
- 3) Like some other licensed premises, shisha premises have also been associated with anti-social behaviour, with typical opening times extending into the late night and early mornings. There have been complaints from residents and Members regarding anti-social behaviour emanating from premises where shisha smoking takes place.
- 4) The Committee acknowledged that whilst Hillingdon does not have a shisha bar culture on the same level as some areas of the country, smoking of shisha was on the rise and there were public health concerns, along with complaints from residents and Members, to merit a preventative plan of action now into how the Council responds to this unregulated activity.
- 5) Findings from the review point towards developing a proactive, one-council approach, utilising the knowledge of local ward councillors and service areas to identify shisha premises and for the council to work with owners and users in a constructive way to ensure health and safety compliance and community impacts are addressed.
- 6) Given the public health concerns that were drawn to light, the Committee considered, as is practiced by some other local authorities, that shisha could be included within general smoking cessation advisory services. Other recommendations were aimed at the Council in its role as Licensing Authority for further consideration on a case-by-case basis under the Licensing act 2003 and through the decisions the sub-committees make.
- 7) A key part of the Committee's findings, in order to assist in a co-ordinated approach, was the development of cross-council guidance which could be shared with owners of shisha

premises. This is attached at Appendix A of the review.

- 8) The Terms of Reference of the review were as follows:
- To understand the health and amenity impacts of Shisha smoking.
  - To examine the range of regulatory tools which could be used to help mitigate the impact of Shisha smoking, working with different services and partners.
  - To look at the extent of the problem of unauthorised Shisha bars, lounges and cafes in the Borough.
  - To assess the impact of Shisha bars, lounges and cafes on residents who live close to these premises
  - To look at what other local authorities are doing in relation to regulating Shisha bars, lounges and cafes.
  - To look at options available, and the development of a strategy, if appropriate and report to Cabinet as appropriate.
- 9) Cabinet should note that whilst the Committee focussed on the impact of shisha on all communities within the Borough, it was accepted that shisha was more prevalent amongst certain ethnic groups. Equalities considerations were taken into account throughout the Committee's review.
- 10) The review considered best practice carried out by other local authorities and witness evidence from the Chairman of the Licensing Committee and officers from the Council's public health, anti-social behaviour and environment, planning and enforcement, licensing, food health and safety, trading standards and environmental protection teams.

### **Officer Comments on Recommendations**

Whilst the attached report from the Committee sets out the review in more detail, officers advise Cabinet that the Committee has made some positive recommendations to take forward and would support their implementation subject to any further steers by relevant Cabinet Members, as set out below:

### **OPERATIONAL RECOMMENDATIONS**

The Council, through its many services, could build up a list of premises in Hillingdon, to enable these establishments to be monitored and protect residents in the Borough. The Council's licensing, trading standards, planning and enforcement officers were aware of a number of premises which offered shisha smoking. However, these were unregulated and could have the potential to expose residents to harm through lack of information on the health risks associated with shisha smoking, together with the potential to cause non-compliance with legislations and regulations by owners of such establishments.

There could be anti-social behaviour associated with late night shisha smoking, therefore,

subject to resources, the Council's Anti-Social Behaviour and Environment Team's Out of Hours service, in partnership with Licensing Services could, as part of their normal patrols, visit shisha premises to ensure that there is compliance with legislation relating to anti-social behaviour and nuisance. This could serve as an information gathering tool, to inform both Council services and partner agencies, of any possible infringements.

The health risks associated with shisha are not publicised to the same extent as smoking cigarettes, so there is a recommendation asking that shisha smoking, and the potential risks associated with it, be included in the general advice which is given by the Council's Smoking Cessation service, in conjunction with the NHS.

## **ENFORCEMENT RECOMMENDATIONS**

It is acknowledged that joint working was required within the Council to enable a One-Council and consistent approach to dealing with shisha premises and any problems associated with them. Where needed, there were enforcement powers which the Council could use if regulations were breached. Officers have a range of enforcement options which could be used.

Planning Contravention Notices and Stop Notices can be applied for unlawful structures or practises which occurred on licensed premises. In relation to breaches of the Smoke free law, Health and Safety Prohibition Notices could be used. Also if the Council's Environmental Health Officers believed that activities on shisha premises could give rise to a risk of serious personal injury, they could issue a Health and Safety Prohibition Notice.

To counteract unlawful practises, a single resource of enforcement tools could be shared amongst Council Officers to enable all possible options to be used if there was breach of regulations or conditions at shisha premises.

Other legislation such as the Local Authority Act 1990 could be used in relation to the possible Shisha smoking which takes place outside cafes and restaurants, on pavements.

Under Alcohol and Street Trading rules, Shisha premises should be monitored for alcohol use inside the shisha pipe. Although this is currently legal, the practice should be monitored. Related to this is the scope for adding illegal recreational drugs to shisha pipes. Although there was no current intelligence relating to such use, this should be factored into any future monitoring of establishments.

## **EDUCATION RECOMMENDATIONS**

There does appear to be a broad public misconception that smoking shisha is a safe pastime; a healthier option to smoking cigarettes. Shisha Bar owners and users should be made aware of the health and safety risks associated with shisha smoking, perhaps also extending this to schools, to enable the potential dangers of shisha smoking to be communicated to young people. As proposed by the Committee, a shisha guidelines document could be distributed to all shisha businesses, which would provide all the necessary guidance and advice, to enable the business to be operated in a responsible and legal manner. This guidance could be put on the Council's website to also inform residents of the health risks associated with shisha and the legal parameters to which shisha bars, cafes and lounges operate.

## **Financial Implications**

All operational, enforcement and education recommendations outlined in the report will be carried out by the relevant teams, with the costs contained within existing approved resources.

## **RESIDENT BENEFIT & CONSULTATION**

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

The report aims to raise the awareness of the health effects of shisha and to offer guidance to premises holders on the regulations relating to operating a shisha establishment.

### **Consultation carried out or required**

The Committee sought a wide range of local expert witness testimony as set out in Appendix B of its report.

## **CORPORATE CONSIDERATIONS**

### **Corporate Finance**

Corporate Finance has reviewed this report and associated financial implications, noting that there are no direct budgetary implications arising from the recommendations above which can be managed within existing service budgets.

### **Legal**

The Borough Solicitor advises that should Cabinet agree the recommendations set out in this report a detailed report will be submitted to the Licensing Committee setting out the range of legal powers available to the Council and how these powers can best be enforced.

## **BACKGROUND PAPERS**

Nil.

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# Shisha Bars, Lounges and Cafes in Hillingdon



**A review by the Residents' and Environmental Services Policy Overview Committee - September 2017**

**Councillors on the Committee:** Michael White (Chairman); Michael Markham (Vice Chairman); Jas Dhot (Labour Lead); Patricia Jackson; Allan Kauffman; Kuldeep Lakhmana; Judy Kelly; John Morse; Brian Stead.



HILLINGDON  
LONDON

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## Chairman's Foreword



Shisha smoking is a social activity which has increased in many urban areas of Western countries and many users are unaware of the risks to health of smoking shisha. Studies have identified growing shisha prevalence, especially amongst young people and University students.

There are misconceptions about the relative safety of shisha smoking – sometimes due to the misapprehension that smoking the tobacco through water is less harmful to health, as cigarette smoking. This is not the case and this needs to be communicated to users with health warnings at premises.

The Committee's review was undertaken to look at the regulatory controls the Council and its partners have in relation to Shisha Bars, Lounges and Cafes in the Borough and to examine the health impact and the nuisance and harm which can be caused by unregulated shisha smoking.

The review focussed on the impact of shisha on all the community and did not focus on one particular group within Hillingdon, although it was accepted that shisha was more popular amongst certain ethnic groups. It was found that this Council and its various services all have a level of control over aspects of shisha, but the review looked to pull together all these controls and to adopt a "One-Council" approach to ensure a co-ordinated effort to regulation.

An important aspect of the review was to look at how we could make the owners of shisha premises aware of their legal and safety responsibilities and to also emphasise the potential health risks associated with shisha, to people who smoked it. As part of this review, the Committee has worked with officers to prepare a guidance sheet for distribution to shisha businesses providing relevant health, legal, licensing and planning information.

I would like to thank officers for their support during the review, and also thank the witnesses and officers who assisted to help the Committee in preparing its findings for Cabinet.

**Councillor Michael White**

**Chairman of the Residents' & Environmental Services Policy Overview Committee**

## Summary of recommendations to Cabinet

Through the witnesses and evidence received during the detailed review by the Committee, Members have agreed the following recommendations to Cabinet:

### OPERATIONAL RECOMMENDATIONS

1

- a) That a definitive list / register of shisha premises be established and maintained to deal with the perceived problem related to the shisha industry and to develop a preventive approach to ensure uncontrolled proliferation of shisha premises does not occur.
- b) That the Council's Anti-Social Behaviour and Environment Team's Out of Hours service, in partnership with Licensing services, subject to capacity within the Teams, conduct regular patrols of existing and all new shisha premises to ensure compliance with legislation relating to nuisance and anti-social behaviour. These visits would also be utilised as an intelligence gathering tool to assist and support partner agencies across the enforcement services.
- c) Environmental Health Officers should maximise communication lines via Health and Safety Liaison Groups and Health and Safety Quadrants to raise shisha issues with colleagues across London and encourage a more consistent enforcement approach.
- d) All Council stop smoking staff should promote advice on shisha smoking and be included in smoking cessation information.
- e) The Council should seek to establish a positive and close relationship with shisha premises to encourage cooperation and compliance.

## ENFORCEMENT RECOMMENDATIONS

# 2

- a) Environmental Health officers could consider using Health and Safety Prohibition Notices if prosecutions for breaching the Smoke free law were too labour intensive.
- b) All Council officers involved in enforcement regarding shisha premises should be made aware of the full extent of powers currently held by planning enforcement officers, including the use of Planning Contravention Notices and Stop Notices, and deploy these powers where necessary. This could take the form of a shared regulatory service protocol.
- c) Enforcement officers should be trained on the health effects of Shisha, especially areas surrounding herbal Shisha, and contribute to health promotion activities whilst inspecting Shisha premises.
- d) Enforcement should be a last resort and officers should liaise with other agencies to maximise legislative powers including powers of closure. Focus should therefore be a reactive response with monitoring of high risk shisha premises.
- e) Liaison should take place with neighbouring local authorities prior to initiating Shisha enforcement campaigns to ensure expansion of the industry does not occur in neighbouring boroughs.
- f) Powers of closure and seizure should extend to Environmental Health Officers if resources do not permit for a synchronised, multi-agency approach.
- g) That carbon monoxide monitors be used as evidence gathering. These should be used to ascertain the level of harm in enclosed smoking venues, as well as assessing the quality of air outside Shisha premises considering the large volumes of smoke (usually greater than one hundred litres per pipe per hour) produced by shisha smoking.
- h) Shisha premises should be monitored for alcohol use inside the pipe and for recreational drug use.
- i) Subject to the feasibility of enforcement, consideration be given by the Licensing Authority to the following:
  - Applying the Smoke free law to pavements considering the large volumes of smoke emitted by shisha smokers per session.
  - Adding a standard condition to street trading licences issued by the Authority for "tables and chairs licensing", whereby the tables and chairs required to be used outside Shisha premises on the public footways need to be licensed.

- Adding a "Challenge 25" condition to a premises licence where Shisha smoking took place, which would encourage anyone who was over 18 years of age, but looked under 25 years of age, to carry acceptable ID when using Shisha.

## EDUCATION RECOMMENDATIONS

3

- a) Owners and operators of Shisha premises should be encouraged to learn good management techniques and attend workshops in an attempt to prevent their customers from creating antisocial behaviour.
- b) Secondary schools and colleges should be encouraged to incorporate Shisha smoking into existing tobacco awareness lesson plans.
- c) Shisha premises should be provided with case examples of dangerous health and safety scenarios from other premises in order to educate and emphasise the need to comply.
- d) The Council should also include guidance to Shisha premises on a suggested Shisha pipe cleaning and mouthpiece protocol as part of general advice and guidance to shisha premises.
- e) That a guidelines for Shisha premises document be produced (Appendix A) and published on line which outlines all legislative aspects relating to opening and operating a Shisha premises.

## Background to the review

### What is Shisha Smoking?

Shisha smoking is a way of smoking tobacco or herbal smoking product (which can be flavoured) through a water pipe or hookah. Shisha pipes use burning pieces of charcoal which heats tobacco and sweetened with fruit syrup or molasses sugar (30% tobacco and 70% honey).



Shisha's inauguration onto the British cafe scenes goes back to the 1990's, where large scale industrialisation of Mo'assel tobacco coincided with increased global immigration. Evidence suggests that only tobacco and non-tobacco (herbal) Mo'assel types are consumed in the UK.

Shisha smoking is a growing concern in urban areas of Western countries across the globe. In the UK, there has been a 210% rise in the number of shisha cafes in recent years, but little research has been conducted on the public health implications of this smoking practice.

Key London-based studies identify growing shisha prevalence, especially among young people, university students and those of ethnic backgrounds typically associated with shisha smoking.

Shisha premises are particularly attractive for young people who smoke under the allure that shisha is safer than cigarettes, and can be hubs for antisocial behaviour. Shisha emanates a cool, aromatic smoke that provides a sensory appeal to its users which contributes falsely to the perception that there is reduced harm in smoking Shisha.

## Reason for the Review

The review was undertaken to assess the controls, this Council and its partners have in relation to Shisha Bars, Lounges and Cafes in the Borough and to look at developing a strategy to deal with the health impacts and the nuisance and harm which can be caused by unregulated shisha smoking.

The review focussed on the impact of Shisha on the whole of the community and did not focus on one particular group within the Hillingdon community.

Shisha was originally used by Middle Eastern, North African and Asian community groups. However, recent research has shown that since the introduction of the Smoke free Law in England in 2007, there has been a rise in Shisha consumption. This may be due to the increasing availability of Shisha, as a result of cheaper prices and a growing number of shisha-serving venues.

Shisha smoking is becoming increasingly popular amongst all ethnic groups in the UK and not just people of Middle Eastern descent.

According to the World Health Organisation (WHO), the growing rise of Shisha is due to several factors. These are;

- The introduction of flavoured shisha tobacco with its reduced harshness and perceived pleasant flavour and aroma.
- The misperception that it is “healthier” than cigarette smoke.
- Social acceptance and being an essential part of family, peer and public gatherings and cafes and restaurant culture.
- Internet mass and social media.
- Low cost.
- Lack of shisha specific policy and regulation towards its use.
- Immigration of people from Middle Eastern countries to the European region, the Region of the Americas and the Western Pacific region.

Surveys and research projects have been undertaken within boroughs of London, focusing on different population groups. It has been observed that, although rates were highest among those of Arabic or Asian ethnic origin, the majority of respondents to the survey were White British.



Furthermore, smoking shisha was highest amongst 18-24 years old. Further research from different Local Authorities between 2011-2013 has shown that there is high prevalence of smoking amongst university students, ethnic minorities and males.

Within this context, the approach taken for the review was to look at developing a strategy to:

**Educate and Engage** – To engage with both shisha smokers and businesses to raise awareness of the health and amenity impacts of shisha smoking, to help drive behaviour change.

**Regulate the Activity** – A range of regulatory tools could be used to help limit the impact of shisha smoking, involving different services and agencies. The Council needed to look at the best way of utilising its available powers in a coordinated and cost effective way.

**Partnership** – There is no specific regulatory system in place to manage public shisha smoking, so it is important to develop the Council's relationships with partner agencies, working jointly, sharing learning to ensure a consistent approach to shisha smoking.

## Evidence & Witness Testimony

### Shisha Bars, Cafes and Lounges in the Borough

Businesses are not required to have a specific licence for shisha smoking, and there is no definitive list of premises in Hillingdon. However, the Council is aware of a number of premises which offer shisha smoking through its licensing, trading standards, planning and enforcement functions.

There were seven established Shisha Bars, Cafes and Lounges in the Borough at the time of the review. However, the Committee was informed that there were probably others which the Council was unaware of. The importance of the local knowledge of Ward Councillors and of the Council's Out of Hours Team could provide information on other unregulated Shisha Lounges within the Borough.

Public shisha smoking and the premises in which it takes place can also give rise to, or contribute towards, a number of amenity and quality of life issues, such as unauthorised or dangerous structures, noise and smells, particularly late at night. In addition, shisha products sold in the UK are mainly illicit, with no duties paid. Whilst some of the health and amenity concerns can be managed using a range of existing regulatory powers, some areas of concern remain.

### Public Health Implications of Shisha Smoking

Despite widely held misconceptions about the relative safety of shisha smoking – sometimes due to the misapprehension that smoking the tobacco through water ‘filters’ it of toxins – shisha smoking is at least as harmful to health as cigarette smoking.

The Council’s Director of Public Health reported that smoking shisha can cause high exposure to carbon monoxide (CO), but the amount of CO in water pipes or Shisha smoke depends on the size/ variety of tobacco and charcoal type. Some Shisha tobacco does not contain nicotine, but the reduction of tobacco would be replaced by higher levels of glycerine, which can cause poisoning in the body.

A summary of several studies enables the following estimates to be made: one shisha session, smoked alone for approximately 45 minutes, may produce 22-50 times more tar, 6-13 times more Carbon monoxide (CO) and 1-10 times more nicotine than a single cigarette. Shisha is also known to produce significant levels of cancer-causing chemicals (carcinogens), including 3-39 times more benzo[a]pyrene. Reports also reveal that a Shisha session was equivalent to 100 cigarettes worth of smoke.

There is a common misconception that the smoke passing through the bowl of water ‘filters’ the smoke. In actual fact, it cools the smoke making it more palatable and therefore users deeply inhale and are exposed to ‘longer’ puff sessions. Some evidence suggests the use of illicit drugs with Shisha as well as the water in the bowl being replaced by alcohol.

One of the most serious concerns of Shisha is cancer. The smoke increases the risk of various cancers such as lung cancer and cancer of the mouth. In addition to cancer, there are various gum diseases that are linked to Shisha as well as the development of COPD (chronic obstructive pulmonary disease).

According to a U.S. News & World Report, Shisha also carries a risk of addiction. Shisha is a danger to health because it can lead to daily water pipe use. In just one puff of shisha, the smoker inhales the same amount of smoke as they would inhale from a whole cigarette.

Water pipes or Shisha has the potential for spreading infectious disease (such as oral herpes, cold and flu and even possibly HPV, TB & Hep C) giving that smokers share the same mouthpiece and pipe.

Smoking Shisha while pregnant can cause breathing complication and lower birth weight is also reported among the newborns of Lebanese woman who smokes water-pipes. Shisha emits four times the amount of carcinogens in comparison to a single cigarette. A one hour session creates toxins equivalent to 2-10 cigarette smokers.

## Current context and controls the Council has in relation to Shisha Bars

The review was made aware that the Council has a number of controls in relation to the operation of shisha bars which are enforced by various teams from across the Council, who gave an overview of their role and activity regarding shisha premises:

### Trading Standards

The Committee was informed from a Trading Standards officer that the controls which Trading Standards had, were in relation to the use of tobacco and the sale of tobacco to under 18s, the labelling of the tobacco products and the enforcement of non-duty paid tobacco. Reference was made to Shisha Smoking requiring the same health warning labelling as on cigarette packaging. This could be achieved by putting a health warning on the menu of the establishment and could have similar labelling to cigarettes, to make people aware of the associated health risks for Shisha Smoking.

The use of non-duty tobacco in Shisha bars would ultimately be the responsibility of Her Majesty's Revenue and Customs (HRMC), however, close collaboration took place with Trading Standards and HRMC, on drawing attention to any concerns. Trading Standards controls over tobacco were as follows:

#### 1. Sale of tobacco to under 18's

Tobacco cannot be sold to persons under the age of 18.

- Proxy sales are also illegal (whereby tobacco is sold to an adult purchasing on behalf of a young person).
- The manner in which shisha is used is such that the managers of a shisha business need to be particularly vigilant. Shisha customers will normally

share pipes and best practice would be that the age of EVERYONE smoking should be checked.

- (It may be a sensible precaution not to allow under-18s into the building but this is not a requirement under the legislation).
- The following notice must also be displayed anywhere that tobacco is served.



## 2. Labelling of the tobacco products

The legislation covering the labelling of tobacco products is detailed

- Where the product is supplied in a water pipe to the customer e.g. chosen from a "menu", then the water pipes themselves should be labelled with the same written health warnings and pictures that are required on conventional packs.
- There may be difficulties in labelling the pipes and it may be possible to comply with the spirit of the law by other means e.g. on menus, or on cards given with the pipes.

## 3. Non-duty paid product

Enforcement of non-duty paid product is the responsibility of Her Majesty's Revenue and Customs (HMRC). However, Trading Standards work closely with HMRC and would draw any concerns to their attention.

## Food Health and Safety Team

The Food Health and Safety Team have controls around smoke-free places. Smoke free is governed by the Health Act and includes the following three powers:

### 1. A person who smokes in a smoke-free place commits an offence as follows:

- A smoke free place is either an enclosed or substantially enclosed premises used by members of the public or used in the course of paid or voluntary work.
- Shisha is a different way of smoking which poses a serious risk to health, and smoke free legislation applies in the same way whether or not the substance being smoked contains tobacco.
- Subject to other controls, shisha operators may set up at premises where smoking is carried out in the open air, or undercover in a partly enclosed

space. Evidence must prove that the space is more than 50% open (non substantially enclosed).

**2. A person in management control of a smoke-free premise who fails to cause a person there to stop smoking commits an offence.**

- Shisha operators often provide facilities for smoking shisha under cover claiming that they are non-substantially enclosed.

**3. Failure to display signage is an offence.**

- At least one non smoking sign must be displayed in a smoke free premises.

## Environmental Protection Unit

The Environmental Protection Unit has input into controls through:

**1. The Planning Process**

During the planning application process, a noise assessment and a noise management statement would normally be required to demonstrate how noise would be mitigated and minimised.

Consideration would be given to the siting of a lounge, the hours of operation and what management controls would be in place.

**2. Receipt of a complaint**

Where complaints of noise and / or fumes are received about a premise, this can be dealt with under the Environment Protection Act 1990 as statutory nuisance.

There is no fixed level for nuisance defined in the legislation but it must seriously affect an individual's use or enjoyment of their property for a period of time and be a frequent problem.

The Council's Anti-Social Behaviour and Environment Team may get involved where there are issues of noise nuisance out of hours and will carry out monitoring visits where appropriate.

## Planning

In the majority of cases, planning permission is required for the change of use of a property to a shisha lounge, and for any structure (extension or outbuilding / shelter) that is built to accommodate shisha pipe smoking.

In the absence of planning permission, such changes of use and structures are unauthorised. If they result in harm to the area, planning enforcement notices can be served on the owner and occupier.

There are two types of notices which could be served: A 'Material Change of Use' notice can require the cessation of the use, with the removal of shisha pipes etc. from the premises, and an 'Operational Development' notice can require the demolition of the structure.

The approval of the relevant Planning Committee is required to serve such notices. Notices take effect in 1 month unless an appeal is made against them to the Secretary of State, and after the effective date there is a period for compliance which is typically 1 to 3 months.

The use / structure only becomes illegal after the expiry of the notice period. Prosecution through the criminal courts is possible for non-compliance.

### **Planning Enforcement**

The Committee was informed that planning permission was required for the change of use of a property to a Shisha lounge, and for any structure which was built to accommodate Shisha pipe smoking.

In the absence of planning permission, such changes of use and structures were unauthorised and if they resulted in harm to the area, planning enforcement notices could be served on the owner and occupier.

The Council usually only became aware of such structures from complaints from residents. The Committee was informed that the structures became illegal after the expiry of the notice period.

### **Anti- Social Behaviour and Environment Team**

The Committee was informed that the role of officers within the Team is to work with Shisha Bar owners if there had been anti-social behaviour outside establishments. With regard to licensed premises, most of the work of the team centred on noise nuisance and people congregating outside premises.

### **Licensing Authority**

The Committee heard evidence from a Licensing Officer who reported that under Alcohol and Street Trading rules, Shisha premises should be monitored for alcohol use inside the Shisha pipe. Whilst this is currently legal, Council staff should be aware of this practice and report it.

The Committee considered what role the Licensing Authority could take under the Licensing Act 2003 and other relevant legislation. The Committee was informed that Shisha premises constructed on licensed premises could potentially have conditions contained within their licence which would enable Shisha Smoking to take place in an outside area. Joint-working with other Council services could take place regarding the structure which was used for Shisha smoking.

It was considered that there could be other possible conditions which could be added to licenses, on a case-by-case basis, such as:

- Extending the Smoke free law to pavements considering the large volumes of smoke emitted by Shisha smokers per session.
- Consideration could be given to adding a condition to street trading licences issued by the Authority for “tables and chairs licensing”, whereby the tables and chairs required to be used outside Shisha premises on the public footway.
- Adding a "Challenge 25" condition to a premises licence where Shisha smoking took place, which would encourage anyone who was over 18 years of age, but looked under 25 years of age, to carry acceptable ID when using Shisha.

Reference was made to the possible use of legislation such as the Local Authority Act 1990 in relation to the possible Shisha smoking which took place outside cafes and restaurants, on pavements. Conditions could possibly be applied to premises licences in relation to hygiene / cleanliness of shisha pipes.

## Members Enquiries and Complaints

The Council has received a number of complaints through the Member Enquiries route regarding various issues relating to Shisha smoking at various establishments in the Borough.

These enquiries / complaints over the last five years are broken down into the following:

- Food, Health and Safety - 2 complaints regarding compliance with smoke free law in relation to an outside enclosure.
- Development Control and Planning Enforcement- 19 complaints relating to various issues concerning planning permissions, serving of enforcement notices, signage, the impact of extra parking from Shisha users and, unauthorised structures for shisha smokers.
- Licensing - 3 complaints regarding premises acting outside of their licensing terms, breaching conditions and issues relating to the close proximity to schools.
- Anti-Social Behaviour and Environment Team - 6 complaints to the Team in relation to late night shisha smoking causing disturbance and nuisance to local residents, the issuing of Noise Abatement Notices, loud music, shouting and threatening and aggressive behaviour.

## Examples of current joint working within the Council

To give the Committee an understanding of the joint working which must take place from different services within the Council and other partner agencies, a case study was given on a Shisha Lounge in the Borough, where the Council's Anti-Social Behaviour and Environment Team had received a number of out of hour's complaints. The nuisance had been emanating from a new structure in the grounds of the licensed premises which Council officers had no knowledge of.

This structure was open in parts and had no sound insulation. Various Council services were involved in investigating the structure; planning enforcement, Food, Health and Safety, Licensing, Environmental Protection etc. The result was that it was found that the Shisha Lounge was an

unauthorised structure, there were dangerous electrical installations, and as a result the structure was closed down.

Reference was also made to other Shisha Bars which operated in cramped conditions which could cause a health and safety risk due to the wood, coal, or charcoal which was burned in the Shisha pipe to heat the tobacco and create the smoke.

### **Adopting a 'One-Council' approach**

The Committee was informed that the development of a strategy / policy to enable a One-Council approach would benefit officers in terms of dealing with the public health and environmental issues pertaining to unregulated Shisha Bars.

In addition, there is a lack of information at present and to improve joint working within all areas of the Council, a shared updated list of Shisha Bars could be created. The involvement of the Anti- Social Behaviour and Environment Team's Out of Hours officers could help in terms of updating the list, as and when new Shisha Bars were located, whether regulated or unregulated.

The Committee agreed during the review, that education was important, to Shisha Bar owners and to users, to highlight the health and safety risks associated with Shisha Smoking. Included in this was also extending education to schools, to enable the potential dangers of Shisha Smoking to be communicated to young people.

Reference was made to studies which indicated that proximity between Shisha premises and educational establishments could influence the use of Shisha by young people. Research has found that many Shisha smokers had taken their first "puff" in a Shisha Cafe whilst underage. This reinforces the false public perception of the social acceptance surrounding Shisha smoking.

The Committee acknowledged that educational campaigns were required for schools and to the wider public on the risks associated with Shisha smoking.



## Findings & Conclusions

### Operational

As the Committee was informed during the review, there were seven known, established Shisha Bars, Cafes and Lounges in the Borough. However, through the Council's licensing, trading standards, planning and enforcement functions, officers were aware of a large number of premises which offered shisha smoking. These unregulated establishments could have the potential to cause harm to residents through lack of information on the health risks associated with shisha smoking, together with the potential to cause non-compliance with legislations and regulations by owners of such establishments.

The Council, through its many services, could build up a list of premises in Hillingdon, to enable these establishments to be monitored, to protect residents in the Borough.

Shisha premises do have the potential to being subject to noise-centred anti-social behaviour, with typical opening times extending into the late night and early mornings. There have been a number of complaints from residents regarding anti-social behaviour emanating from premises where shisha takes place.

The involvement of the Council's Anti-Social Behaviour and Environment Team's Out of Hours service, in partnership with licensing services could, as part of their normal patrols, visit shisha premises to ensure that there is compliance with legislation relating to anti-social behaviour and nuisance. This could serve as an information gathering tool, to inform both Council services and partner agencies, of any possible infringements.

The importance of the local knowledge of Ward Councillors and of the Council's Anti-Social Behaviour and Environment Out of Hours Team could provide information on other unregulated Shisha Lounges within the Borough. With this intelligence, a shared updated list of Shisha Bars could be created. The involvement of the Anti- Social Behaviour and Environment Team's Out of Hours officers could help in terms of updating the list as and when new shisha Bars were located, whether regulated or unregulated.

The health risks associated with shisha which are detailed earlier in this report are not publicised to the extent that smoking cigarettes and using tobacco is. The recommendations below ask that shisha smoking, and the potential risks associated, be included in the general advice which is given by the Council's Smoking Cessation service, in conjunction with the NHS. Some other local authorities already included shisha cessation as part of their Stop Smoking Service's marketing campaigns.

Hillingdon, does not have a shisha bar culture on the same level as some areas of the country, however, it is important that close working takes place between the Council and shisha establishments within the Borough which would encourage greater compliance and an

understanding of the requirement for regulation. What was needed was a co-operative approach, with better communication and education on shisha, to residents and users of it. On the basis of the above, it is recommended that:

1	<ul style="list-style-type: none"> <li>f) That a definitive list / register of shisha premises be established and maintained to deal with the perceived problem related to the shisha industry and to develop a preventive approach to ensure uncontrolled proliferation of shisha premises does not occur.</li> <li>g) That the Council's Anti-Social Behaviour and Environment Team's Out of Hours service, in partnership with Licensing services, subject to capacity within the Teams, conduct regular patrols of existing and all new shisha premises to ensure compliance with legislation relating to nuisance and anti-social behaviour. These visits would also be utilised as an intelligence gathering tool to assist and support partner agencies across the enforcement services.</li> <li>h) Environmental Health Officers should maximise communication lines via Health and Safety Liaison Groups and Health and Safety Quadrants to raise shisha issues with colleagues across London and encourage a more consistent enforcement approach.</li> <li>i) All Council stop smoking staff should promote advice on shisha smoking and be included in smoking cessation information.</li> <li>j) The Council should seek to establish a positive and close relationship with shisha premises to encourage cooperation and compliance.</li> </ul>
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## Enforcement

The Committee was provided with evidence from a number of witnesses from across a number of Council services, all of which had a role to play in the regulating of shisha premises and smoking. There was an acknowledgement that greater joint working was required which would enable a One-Council consistent approach to dealing with shisha premises and any problems associated with them.

Shisha premises are not covered in any of the use classes as specified in the Town and Country Planning (Use Classes) Order 1987 (as amended) and as such constitute a unique use. The effective use of planning enforcement can often result in the resolution of the breach of planning control and result in the cessation of the unauthorised activity of shisha smoking.

An example of a breach of planning control could arise when premises changed from a restaurant with ancillary shisha use, to a composite use (shisha cafe). This change of use would likely constitute a material change of use for which planning permission may be required, and should the use change in advance of planning permission being granted, the use would be unlawful.

Planning enforcement officers had the use of Planning Contravention Notices and Stop Notices, for unlawful structures or practises which occurred on licensed premises. A Planning

Contravention Notice may only be served when it appears that a breach of planning control may have occurred and officers want to find out more information before deciding what, if any, enforcement action to take. Stop Notices, if served alongside a Planning Contravention Notice can prevent a business from trading within 72 hours.

Another enforcement option which could be used, for breaches of the Smoke free law was Health and Safety Prohibition Notices. If the Council's Environmental Health Officers believed that activities on shisha premises could give rise to a risk of serious personal injury, they may issue a Health and Safety Prohibition Notice. The Prohibition Notice normally requires that the activity should stop immediately. The activity must not resume until steps have been taken to remove or control the risk.

A shared document of enforcement tools could be shared amongst Council Officers who dealt with shisha to enable all possible options to be used if there were breach of regulations or conditions.

Consideration could be given to adding conditions to Premises Licenses to tighten the controls around shisha smoking and ensure shisha takes place in an outside area to premises. "Challenge 25" would be a means of ensuring young people would be prohibited from using shisha.

Other legislation such as the Local Authority Act 1990 could be used in relation to the possible Shisha smoking which took place outside cafes and restaurants, on pavements.

Shisha was included in the 2006 Health Act and subsequent Smoke free law. The Smoke free law appeared to encourage smoking on pavements and did not take into consideration the large plumes of tobacco smoke emitted from shisha pipes compared to the small volume emitted from a cigarette. Smoking on pavements could have inadvertently contributed to shisha's popularity due to unintentional advertising of the product to the general public who would inhale sweet smelling, fruit flavoured and aromatic smoke.

Research has found that smoking shisha puts the user at risk of carbon monoxide poisoning. Carbon monoxide is an odourless, tasteless and poisonous gas which is present in tobacco smoke, including smoke from shisha. Carbon monoxide reduces efficiency in breathing and makes blood stickier, increasing risk of coronary heart disease (CHD) and other circulation problems.

As shisha usually takes place in enclosed areas and the activity generates greater amounts of carbon monoxide than cigarette smoking, there is greater danger of harm to those in close proximity to shisha establishments. Carbon monoxide monitors could be used to assess the quality of air at shisha establishments and to provide evidence on the health risks associated with shisha.

The Committee heard evidence from a Licensing Officer who reported that under Alcohol and Street Trading rules, Shisha premises should be monitored for alcohol use inside the shisha pipe. Whilst this is currently legal, Council staff should be aware of this practice and report it. Related to this was the use of recreational drugs in shisha pipes. There was no local authority intelligence

that recreational drugs were ever being used in shisha pipes, or were used in shisha establishments, but this could be area which could be monitored.

As with many areas within the Council, liaison and co-operation should take place with other local authorities, to make them aware of the proposals of the review and to share best practice and intelligence.

On the basis of the above, it is recommended that:

2

- j) Environmental Health officers could consider using Health and Safety Prohibition Notices if prosecutions for breaching the Smoke free law were too labour intensive.
- k) All Council officers involved in enforcement regarding shisha premises should be made aware of the full extent of powers currently held by planning enforcement officers, including the use of Planning Contravention Notices and Stop Notices, and deploy these powers where necessary. This could take the form of a shared regulatory service protocol.
- l) Enforcement officers should be trained on the health effects of Shisha, especially areas surrounding herbal Shisha, and contribute to health promotion activities whilst inspecting Shisha premises.
- m) Enforcement should be a last resort and officers should liaise with other agencies to maximise legislative powers including powers of closure. Focus should therefore be a reactive response with monitoring of high risk shisha premises.
- n) Liaison should take place with neighbouring local authorities prior to initiating Shisha enforcement campaigns to ensure expansion of the industry does not occur in neighbouring boroughs.
- o) Powers of closure and seizure should extend to Environmental Health Officers if resources do not permit for a synchronised, multi-agency approach.
- p) That carbon monoxide monitors be used as evidence gathering. These should be used to ascertain the level of harm in enclosed smoking venues, as well as assessing the quality of air outside Shisha premises considering the large volumes of smoke (usually greater than one hundred litres per pipe per hour) produced by shisha smoking.
- q) Shisha premises should be monitored for alcohol use inside the pipe and for recreational drug use.
- r) Subject to the feasibility of enforcement, consideration be given by the Licensing Authority to the following:
  - Applying the Smoke free law to pavements considering the large volumes of smoke emitted by shisha smokers per session.
  - Adding a standard condition to street trading licences issued by the Authority for "tables and chairs licensing", whereby the tables and chairs required to be used outside Shisha premises on the public footways need to be licensed.

- **Adding a "Challenge 25" condition to a premises licence where Shisha smoking took place, which would encourage anyone who was over 18 years of age, but looked under 25 years of age, to carry acceptable ID when using Shisha.**

## Education

One of the aims of the review was to look at ways of engaging with both shisha smokers and businesses to raise awareness of the health and amenity impacts of shisha smoking, and sometimes the anti-social behaviour which can occur, which impacts on residents. There is some misconception that shisha smoking is not as harmful as smoking tobacco. Studies have proved that this is not the case and in fact shisha smoking is even more harmful than smoking tobacco.

The recommendations in this report look at Council officers working with shisha premises owners and engaging with them, providing education and guidance on the "dos and don'ts" of operating shisha premises.

The Committee agreed that education was important, to Shisha Bar owners and to users, to highlight the health and safety risks associated with shisha smoking. Included in this was also extending education to schools, to enable the potential dangers of shisha smoking to be communicated to young people.

Reference was made to studies which indicated that proximity between shisha premises and educational establishments could influence the use of shisha by young people. Research has found that many Shisha smokers had taken their first "puff" in a Shisha Cafe whilst underage. This reinforces the false public perception of the social acceptance surrounding shisha smoking.

A recommendation was the production of a guidelines document which could be distributed to all shisha businesses, which would provide all the necessary guidance and advice, to enable the business to be operated in a responsible and legal manner. This guidance could be put on the Council's website to also inform residents of the health risks associated with shisha and the legal parameters to which shisha bars, cafes and lounges operate.

On the basis of the above, it is recommended that:

**3**

- f) Owners and operators of Shisha premises should be encouraged to learn good management techniques and attend workshops in an attempt to prevent their customers from creating antisocial behaviour.**
- g) Secondary schools and colleges should be encouraged to incorporate Shisha smoking into existing tobacco awareness lesson plans.**
- h) Shisha premises should be provided with case examples of dangerous health and safety scenarios from other premises in order to educate and emphasise the need to comply.**

- |  |  |
|--|--|
|  | <ul style="list-style-type: none"><li>i) The Council should also include guidance to Shisha premises on a suggested Shisha pipe cleaning and mouthpiece protocol as part of general advice and guidance to shisha premises.</li><li>j) That a guidelines for Shisha premises document be produced (Appendix A) and published on line which outlines all legislative aspects relating to opening and operating a Shisha premises.</li></ul> |
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## Terms of Reference of the review

**The following Terms of Reference were agreed by the Committee from the outset of the review:**

1. To understand the health and amenity impacts of Shisha smoking.
2. To examine the range of regulatory tools which could be used to help mitigate the impact of Shisha smoking, working with different services and partners.
3. To look at the extent of the problem of unauthorised Shisha bars, lounges and cafes in the Borough.
4. To assess the impact of Shisha bars, lounges and cafes on residents who live close to these premises
5. To look at what other local authorities are doing in relation to regulating Shisha bars, lounges and cafes.
6. To look at options available, and the development of a strategy, if appropriate and report to Cabinet as appropriate.

## Witnesses and Committee activity

The Committee received evidence from the following sources and witnesses:

### Witness Session 1 –24 January 2017

Bill Hickson - Anti-Social Behaviour and Environment Team Manager - LBH

### Session 2 – 22 February 2017

Bill Hickson - Anti-Social Behaviour and Environment Team Manager - LBH

Noel Kelly - Planning Enforcement - LBH

Ian Meens - Licensing - LBH

Kiran Seyan - Trading Standards - LBH

Nathan Welch - Anti-Social Behaviour and Environment Team - LBH

Viral Doshi - Public Health - LBH - (Written submission)

### Session 3 – 27 June 2017

Cllr Dominic Gilham - Chairman of the Licensing Committee



## References

Public Health Implications of Shisha Smoking in London (2013) - Dr Mohammed Jawad, Imperial College London. Published by Westminster City Council

The Growing Issue of Shisha Smoking in Barnet - March 2016

## Appendix A

### GUIDANCE SHEET FOR SHISHA PREMISES



#### **Is Shisha covered by the smoke free legislation?**

Yes. The Smokefree (Premises & Enforcement) Regulations 2007 prohibit the use of shisha pipes in all enclosed public places and workplaces. The law prohibits the smoking of tobacco and anything that contains tobacco and any other substance. Therefore it applies to all manufactured cigarettes, hand-rolled cigarettes, cigars, herbal cigarettes and pipes, including hookah water pipes, whether or not the particular product being smoked is tobacco or not. Anything that can be smoked is prohibited by this legislation, not just tobacco.

#### **What are the health facts about shisha smoking?**

Using a waterpipe to smoke tobacco (or smoke from non-tobacco mixtures) is NOT A SAFE alternative to cigarette smoking. Shisha smokers are at risk of the same kind of diseases as are caused by cigarette smoking, including cancer, heart disease and respiratory disease as well as adverse effects during pregnancy. In addition, the following can be attributed to shisha smoking: Using a waterpipe to smoke tobacco poses a serious potential health hazard to smokers and others exposed to the smoke.

- Shisha smoke (even if the shisha mixture does not contain tobacco) contains high levels of chemicals and poisons, including carbon monoxide and heavy metals.
- Many of these chemicals are known to cause mouth and lung cancers, heart disease, respiratory and other diseases.

- Even though it has passed through water, the levels of toxins in shisha smoke can be as high as or higher than in cigarette smoke.
- Shisha smokers may absorb higher concentrations of these chemicals because of higher concentrations in the smoke itself, or because they may smoke for several hours at a time and may inhale moisturized, less irritating smoke more deeply.
- In a Shisha session lasting 60 minutes, a smoker can inhale as much smoke as a cigarette smoker would inhale from 100 – 200 cigarettes. Shisha and second-hand-smoke.
- The owners of shisha premises, their customers and staff are at risk from second-hand-smoke.
- Non smokers, particularly pregnant women, children and the elderly are at risk from breathing in shisha smoke.
- Smoke free legislation was implemented to protect people from the harmful effects of second-hand-smoke in enclosed workplaces and public places. Second-hand smoke from shisha is an extremely harmful mixture of tobacco smoke (or smoke from non-tobacco mixtures) and smoke from the fuel (charcoal).

## Legal Considerations

If you are considering purchasing or converting premises where shisha is to be carried out then we advise you to contact the Council, **BEFORE** you start trading or carry out any refurbishment work, to ensure that the premises meets with building, health and safety, fire, environmental, licensing, smoke free, trading standards and planning legislation. This will avoid unnecessary costs from the outset and also we may be able to assist with the planning and design of your premises.

Under the new Smokefree (Premises & Enforcement) Regulations 2006 nearly all public places and workplaces that are enclosed or substantially enclosed must be smoke-free.

The Health and Safety at Work etc Act 1974 also places a duty on businesses to protect employees, customers and others that come onto their premises to protect them from the harmful effects of second-hand-smoke.

For shisha premises both sets of legislation are equally important and have to be complied with at the proposal stage.

### **Definition of “enclosed premises” is as follows:**

Premises will be considered to be “enclosed” if they have a ceiling or roof, and except for doors, windows or passage ways are wholly enclosed, whether on a permanent or temporary basis.

### **Definition of “substantially enclosed” is as follows:**

- If 50% of the walls or more are missing then it is legal to smoke in the area.
- If more than 50% of the walls are present then it is illegal to smoke in the area.

When determining the area of an opening, no account can be taken of openings in which there are doors, windows or other fittings that can be opened or shut.

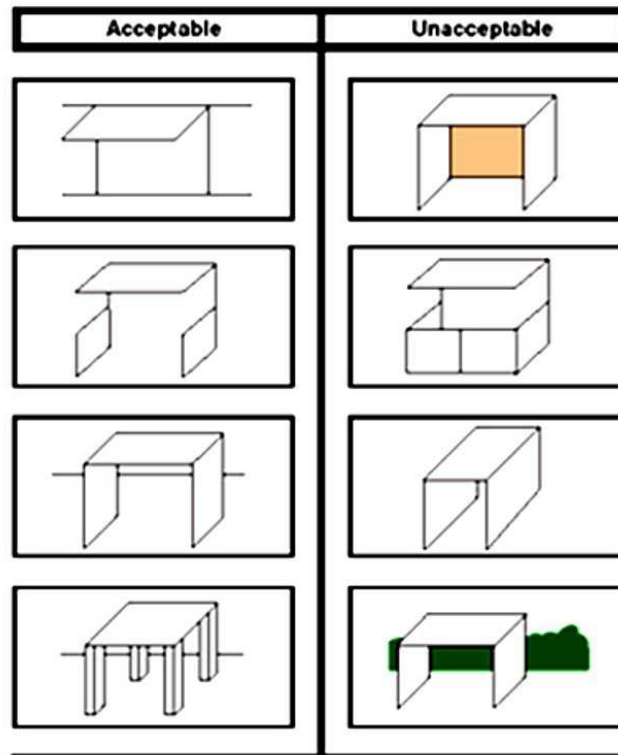
A roof includes any fixed or movable structures, such as canvas awnings.

Any area used for ventilation must not be obstructed by drapes, curtains, etc.

**Tents, marquees or similar constructions** will also be classified as enclosed premises if they fall within the definition (note that tent/marquee side-panels will be classed as rolled down even when they are rolled up). In general if an opening or cover can be closed, the 50% rule will be calculated on the basis that those openings are closed.

Therefore, anyone considering starting-up a shisha business is advised to get clear and detailed advice **before** carrying out any refurbishment work or entering into legally binding contracts.

### Smoking Areas



They must not be "enclosed or substantially enclosed". This means an area with a ceiling or roof - except for doors, windows and passageways - that is either enclosed (permanently or temporarily); or has an opening less than half of the area of its walls. This is commonly referred to as the 50% rule. A roof includes any fixed or movable structure, such as canvas awnings. Tents and marquees etc are also classified as enclosed premises if they fall within the above definition. "Substantially enclosed" premises have a ceiling or roof, but any openings in the walls have a total area which is less than half of the area of the walls, including other structures that serve the purpose of walls and constitute the perimeter of the premises.

When determining the area of an opening, no account can be taken of openings in which doors, windows or other fittings can be opened or shut. A roof includes any fixed or moveable structure or device that is capable of covering all or part of the premises, and includes, for example, a retractable canvas awning.

In summary, a smoking area with a roof and walls where the permanent openings have a total area that is less than the total area of walls will be classified as "substantially enclosed" and will not fall within the provisions of the health legislation as a smoking shelter.

**Be aware: You need to make sure that your proposed smoking area is not "substantially enclosed" - if it is then it clearly would not comply with the smoke free regulations and you will be wasting your time and money.**

You should also be aware that siting a smoking shelter too close to walls of adjacent buildings or fences could have the effect of enclosing the structure to the point where it would become "substantially enclosed."

**The following factors should be considered carefully to ensure your proposal or premises comply fully with all relevant legislation (not just the Smokefree legislation):**

### **Planning/Building Control Implications**

Most shisha premises will require planning permission. Premises that are compliant with the Smoke free legislation are not guaranteed to get planning permission. Premises that have planning permission are not exempt from complying with Smoke free law. Also, approval under the Building Regulations may be required.

### **Trading Standards Implications**

It is illegal to sell tobacco containing products to persons under 18 years of age and businesses need to take steps to ensure this does not happen. Refusals must be noted and be made available for inspection. Suitable signage also needs to be in place. Tobacco containing products need to be correctly labelled.

### **Licensing Implications**

Shisha premises constructed on licensed premises for customers and staff should be aware of restrictions within their licence, particularly involving outside areas. It is strongly advised that the Premises Licence holder looks carefully through their licence **before** using the premises for shisha smoking as there may have conditions relating to its use. You are advised to look through your license carefully and check what you are licensed to do and also if you require a variation?

### **Access/Egress**

The shisha premises must be suitable for everyone to use as stipulated in the Disability Discrimination Act 1995 requirements. The design must consider wheelchair users and therefore be safe for people to enter and leave the premises. It must also consider visual and hearing impairments, and consider the following:

- Any steps must have their edges highlighted with high visibility/contrasting Paint. Safety and information signs should be in large print or braille (where possible).
- Signs must be positioned where everyone can read them.

- Careful consideration should also be given to how your customers and employees will enter and leave the shisha premises.
- Consideration should also be given to vehicles – Have you made arrangements for car parking, deliveries etc.

## **Smoke free Areas**

Measures should be taken to prevent smoke getting into smoke free areas by the provision of two sets of doors that are off-set. These doors should be fitted with closures. A minimum distance of 1.5m between shisha premises and adjacent properties or other smoke free areas must be maintained at all times to prevent second-hand smoke issues from arising.

## **Location Considerations**

This is probably the most sensitive issue. The positioning of the shisha premises will have an effect on adjoining properties (this includes commercial premises as well as residential properties).

Location of the proposed shisha premises is extremely important to get right at the planning stage, as putting right any mistakes will be costly.

You also need to bear in mind when the premises will be open, i.e. evenings, at night, or at weekends, as this could lead to complaints of noise nuisance, car parking, antisocial behaviour.

Where possible shisha premises should be sited away from private housing where smoke and noise may become an environmental issue.

It is the responsibility of the business operator and their staff at the premises to ensure noise from all external areas is kept to a minimum. You should display posters asking customers to keep noise to a minimum.

To avoid problems with neighbours the following advice should be considered:

- Shisha premises should be sited away from domestic premises and if possible with some form of insulation between customers and residents to help mitigate the noise.
- Speak to your neighbours and advise them what you plan to do and get their suggestions.
- Display posters advising your customers to keep noise to a minimum in external areas.

## **Anti-Social Behaviour**

Shisha premises will attract young people during evening periods. Try and ensure your premises are monitored and covered by CCTV. This will help ensure groups do not congregate in these areas. This will also avoid complaints to the police or the local authority by your neighbours.

## **Security and Lighting**

You must ensure you have adequate lighting both inside and outside your premises to allow your customers to enter and leave safely, especially if your premises will be used at night. Lighting can also be a statutory nuisance. You should also think about the direction of lighting and where possible direct it away from any domestic premises.

## **Noise Nuisance**

You must minimise (if not eliminate) noise as a result of loud music/TV's, customers entering or leaving, particularly late at night. This will prevent noise nuisance issues with adjoining premises. Where there will be regular entertainment, e.g. music, TV's, etc, be aware that this will increase the amount of noise emanating from your premises. Provision of lobby doors predominantly used as an entrance/egress will minimise any such issues. These doors should be fitted with self-closing devices to help minimise the amount of noise that escapes when people enter or leave your premises. This also has the added effect of limiting smoke getting back into your premises.

## **Heating**

If you wish to provide heating in your smoking area then you must fully consider all the health and safety implications. Where possible you must provide permanently fixed radiant heaters positioned so that they cannot be tampered with or pose a burning danger to those within the smoking area. It would be preferable that the heating levels can be altered (by trained employees only), so a suitable temperature can be reached.

Where possible it is advised that gas heaters should not be used. These can be easily tampered with and pose an additional fire hazard. However, where there is no alternative the duty holder must complete a risk assessment in accordance with current legal requirements. Regular servicing and maintenance by a Gas Safe registered engineer will also be required.

## **Fire Safety**

A fire risk assessment must be carried out by the business. You are advised to contact the London Fire Brigade.

## **Employees and Other Persons**

Shisha businesses need to ensure that employees and any other persons, i.e. contractors, maintenance persons, local authority officers etc that come onto the premises are not exposed to the harmful effects of second-hand-smoke. This is a requirement under the Health and Safety at Work etc Act 1974. To this end, businesses will need to provide suitable and sufficient risk assessments, identify controls, how safeguards are to be implemented etc.

## **Overall**

The onus is the business operator to comply with all of the above requirements

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## HILLINGDON HOMELESSNESS PREVENTION STRATEGY 2017 TO 2022

<b>Cabinet Member(s)</b>	Councillor Philip Corthorne
<b>Cabinet Portfolio(s)</b>	Social Services, Housing, Health and Wellbeing
<b>Officer Contact(s)</b>	Dan Kennedy, Residents Services
<b>Papers with report</b>	Appendix 1 - Hillingdon Homelessness Prevention Strategy 2017 to 2022

### HEADLINES

<b>Summary</b>	<p>In August 2017, the draft Hillingdon Homelessness Prevention Strategy 2017 to 2022 was approved for consultation by the Cabinet Member for Social Services, Housing, Health and Wellbeing. Cabinet is now asked to consider the outcome of the consultation process and to formally adopt the strategy.</p> <p>Given that new legislation, the Homelessness Reduction Act 2017(HRA), and revised Homelessness Guidance, are to be implemented from April 2018, it is suggested that an update and revision of the Homelessness Prevention Strategy is completed within 18 months.</p>
<b>Putting our Residents First</b>	<p>This report supports the following Council objectives of: <i>Our People; Our Built Environment; and Strong financial management.</i></p> <p>The Homelessness Prevention Strategy will complement the wider Housing Strategy and contribute to the delivery of the Council's Medium Term Financial Strategy.</p>
<b>Financial Cost</b>	No direct financial costs in the updating and revision of the Homelessness Prevention Strategy
<b>Relevant Policy Overview Committee</b>	Social Services, Housing and Public Health
<b>Relevant Ward(s)</b>	All

## RECOMMENDATIONS

### That the Cabinet:

- 1) **Notes the outcome of the consultation exercise undertaken in relation to the Council's Homelessness Prevention Strategy and has full regard to it in deciding whether to make changes to the policy.**
- 2) **Approves a revised Homelessness Prevention Strategy as appended to the report.**
- 3) **Agrees to update and revise the Homelessness Prevention Strategy within 18 months, in light of the implementation of the Homelessness Reduction Act 2017 and new statutory Homelessness Guidance.**

### Reasons for recommendation

Hillingdon Council has a statutory obligation to produce a strategy to address homelessness.

### Alternative options considered / risk management

No alternative option has been considered. The Homelessness Act 2002 requires housing authorities to publish a Homelessness Strategy.

### Policy Overview Committee comments

None at this stage.

## SUPPORTING INFORMATION

### Background to the development of the Homelessness Prevention Strategy

1. The Homelessness Act 2002 requires that local housing authorities formulate a homelessness strategy based on a review of homelessness in their area. A homelessness review was completed and presented to Hillingdon Council Cabinet in July 2016 and a draft Homelessness Prevention Strategy was presented to the Cabinet Member for Social Services, Housing, Health and Wellbeing in August 2017 and was approved for formal consultation.
2. The following headlines are included in the strategy regarding homelessness in Hillingdon:
  - Homelessness acceptances are steadily increasing– typically running at around 330+ households per year;
  - The rate of homelessness per thousand households in Hillingdon is higher than the average rate across England, but considerably lower than the average for London;
  - By far the most common 'priority need' category is households with dependent children;

- Loss of a private rented sector tenancy is responsible for most (c70%) of Hillingdon homelessness acceptances;
  - Most homelessness approaches in Hillingdon are dealt with through activity outside the statutory framework to prevent or relieve homelessness (e.g. mediation with a landlord);
  - There are around 30 homelessness approaches a week from those that do not meet statutory homelessness criteria. These are typically from single people and couples. The Homelessness Reduction Act (2017) HRA will require a strengthened response from local authorities in relation to this group of people;
  - Heathrow Airport is a significant draw for rough sleepers; many have no connection to Hillingdon;
  - The true extent of homelessness is difficult to quantify as 'sofa surfers' and those remaining as long as possible with friends or family, are not readily identifiable and are often referred to as 'hidden homeless'. Hillingdon's Strategic Housing Market Assessment has suggested that concealed households in Hillingdon have increased significantly;
  - Difficulty in acquiring suitable, affordable accommodation has meant that the number of households housed temporarily in bed and breakfast accommodation is increasingly adding to the expenditure on assisting homeless families.
3. The strategy is focused on making interventions early and taking a personalised approach to prevent households from becoming homeless wherever possible. This involves working with families on an individual basis to help resolve issues and where necessary to help them to access alternative accommodation in the private rented sector. The Council is working in a variety of ways to improve access to suitable housing. This includes developing and directly purchasing accommodation; working with housing associations to add to the supply of social sector rented properties and working with private sector landlords to make properties available for homeless households. The strategy identifies key issues and challenges and sets out priorities for preventing homelessness; securing accommodation; and securing support as follows:

#### Key issues and challenges

- Demand from homeless families for suitable, affordable accommodation remains high. There has been a change in the nature of homelessness and those affected. The pattern of homelessness includes more private sector evictions and more working households, linked to increases in rental costs in the private rented sector;
- Changes in national policy and legislation - the HRA will require councils to provide support for more people, for longer and have significant cost implications for the Council – this will mostly be in the form of providing advice and hands on assistance to secure suitable alternative accommodation to avoid homelessness.
- There is an increasing disparity between Local Housing Allowance (LHA) levels and the actual rents charged by landlords;
- There is a risk of increased homelessness due to evictions of households unable to meet rental costs following the application of the lowered Household Benefit Cap;
- Other welfare reforms that may impact on homelessness include the roll out of Universal Credit and the removal of automatic entitlement to housing support for 18 to 21 year olds;

- Potential changes to the funding for supported housing, including hostels and refuges, may reduce funding via the benefits system and include a 'top up funding pot' for local authorities;
- A combination of welfare and affordability issues, along with a buoyant housing market means that accessing an adequate supply of suitable private rented housing is increasingly problematic;
- Government does not consider that current statistics collected from local authorities to provide an adequate understanding of homelessness. These are under review and it is likely that the Council will be asked to provide additional data on homelessness demand and interventions in the future to be able to evaluate the success of national homelessness / housing policy.

#### Priorities for preventing homelessness

- Prepare for the introduction of the HRA 2017;
- Improve prevention rates of private rented sector evictions;
- Manage the impact of the reduced benefit cap;
- Review data capture, storage and reporting, including development of a supply and demand model to help anticipate future demand.

#### Priorities for securing accommodation

- Establishing a sustainable and suitable supply of affordable accommodation for homeless families;
- Target support for benefit capped families in particular to larger families, including larger single parent families, with bigger benefit shortfalls;
- Resettle households from temporary / emergency accommodation and reduce reliance on temporary accommodation (this should include a focus on accessing private rented sector accommodation complemented by social housing);
- Produce and monitor an annual social housing lettings plan setting a minimum proportion of properties to be let to homeless households;
- Investigate other options for securing housing supply;
- Reduce the cost to the general fund of housing homeless households.

#### Priorities for securing support

- Document a clear housing pathway for specific groups of vulnerable people;
- Prepare for the new supported housing funding and commissioning arrangements;
- Continue to improve integration across services i.e. housing, health, social care, employment.

4. A final section of the strategy is concerned with monitoring delivery.

### **Homelessness Reduction Act and Draft Homelessness Code of Guidance for Local Authorities**

5. The Homelessness Reduction Act (HRA) will be implemented from April 2018. The Act has significantly reformed homelessness legislation in England. It expands local authority

responsibilities by enhancing prevention with a new duty requiring local authorities to intervene earlier to prevent homelessness for all eligible applicants regardless of any priority need or local connection and a new duty to relieve homelessness to those who have become homeless. This includes a responsibility to “help to secure” accommodation to all homeless households regardless of any priority need or whether they have made themselves intentionally homeless. Local authorities, especially those in London are expecting the requirements of the Act to add significantly to workloads and costs.

6. In preparation for the new Act, DCLG has been working with housing professionals over the summer on fully revising and updating the statutory Homelessness Code of Guidance. A new draft Code of Guidance has recently been published and is being consulted on for 8 weeks from 16th October 2017 until the 11th December 2017. The Guidance provides direction on how local authorities should exercise their homelessness functions and apply the law in practice. It updates existing guidance, as well as providing guidance on new duties brought in by the HRA. The requirements for completing a homelessness review and strategy are largely as previously required, but updated to take account of the HRA and in some instances made more specific. It is suggested that a commitment be made to fully review and revise the strategy in 18 months time to take account of how the HRA is working in practice and to fully comply with the new guidance when finalised.

### **Consultation on the Homelessness Prevention Strategy**

7. The views of key partner agencies and relevant Council service areas were sought during both the production the Homelessness Review and the development of the Homelessness Prevention Strategy. The subsequent formal consultation on the draft strategy ran for 6 weeks from 4th September 2017 to 15th October 2017.
8. A copy of the draft strategy and an online questionnaire were posted on the ‘Have your say’ consultation page of the Council’s website. The consultation was open for any individual or organisation to take part, and emails were sent to a wide range of contacts to draw attention to the consultation process and encourage responses. Those contacted included:
  - A wide variety of voluntary sector organisations working in the Borough with a direct or indirect interest in homelessness
  - All Housing Associations identified as working in the Borough
  - The Greater London Authority
  - Neighbouring councils
  - Other organisations with a potential interest, i.e. health, police, Brunel University
  - Residents associations
  - Numerous officers across the Council that may have a direct or indirect interest in homelessness
  - Landlords
  - Head teachers

9. In addition, during the formal consultation period, a presentation regarding homelessness prevention and the draft strategy was included on the Member Development Day agenda on 18th September 2017; a consultative workshop was held with frontline homelessness prevention staff on 9th October 2017; and a meeting was held with social care managers on 28th September 2017. Various other meetings have been held with a variety of organisations and colleagues earlier in the process, prior to the formal consultation and have informed the development of the strategy.

### Questionnaire responses

10. There were 20 responses to the online questionnaire, the vast majority of which were positive. Two thirds of the responses were from Hillingdon residents and the remainder were from services and organisations working in the Borough. The residents responding were a mixture of home owners, private rented sector and housing association tenants, and homeless households placed in temporary accommodation by the Council. Table 1 below shows that a clear majority of respondents agreed with the identified priorities for preventing homelessness, securing accommodation and securing support as detailed in paragraph 3 above.

Table 1

	Priorities for preventing homelessness	Priorities for securing accommodation	Priorities for securing support
Strongly Agree	22%	44%	39%
Agree	44%	33%	44%
Neither agree or disagree	22%	17%	11%
Disagree	11%	0%	0%
Strongly disagree	0%	6%	6%

11. Respondents were asked to provide comments and to identify alternative priorities and approaches. Comments included a concern that the strategy needed to address the needs of young professionals; working households that are struggling to enter the housing market and may be forced to remain at home with parents for much longer than they would wish to. Some of the comments related to central government policy areas, restrictions on Local Housing Allowance rates, in particular. Other issues raised included affording greater priority to disabled people, those with learning disabilities, and single homeless people and couples; increasing access to healthcare for homeless people and to employment opportunities; and greater emphasis on tenants adhering to tenancy agreements. Working more closely with both external voluntary sector partners and colleagues across the Council was raised; and ways of increasing supply including action in relation to empty homes; and exploring the role that can be played by rent to purchase

models. Some of the suggestions made are already in place, such as making available mortgage deposits which the council assists with through the First Time Buyer Scheme.

#### Additional responses to the consultation

12. In addition to feedback via the online questionnaire, four email communications regarding the draft strategy have been received. The feedback from these and from communications with staff has reinforced the choice of priorities which are widely supported. Partnering arrangements again emerges as an area that would benefit from reinvigorating and the creation of a new homelessness forum is supported by partner organisations. Concerns were raised by our voluntary sector partners regarding Supported Housing provision under the new funding framework, with possible serious impacts for their business models. Universal Credit is seen not only as a likely driver of increased rent arrears, but also as a risk to vulnerable households, such as those with substance abuse issues, due to payments being made direct to clients.

#### Amendments following consultation

13. The consultation process has provided useful feedback on the draft strategy. Some aspects, although important, can be more directly addressed through a wider Housing Strategy than under the guise of the Homelessness Prevention Strategy. Ensuring access to housing that is affordable for young working households entering the market is a good example of this. The balance between meeting the needs of homeless households and those with other unmet housing needs will continue to be considered in formulating policy responses.

14. There were some comments that concerned the impact of homelessness on different groups of people and the relative priority afforded. Some additional text has been included in the strategy to clearly show that information relating to the Council's responsibilities in relation to equalities will be actively monitored and reviewed. The impact of specific policies on different groups will be considered as those policies are developed and equality impact assessments will be completed as appropriate.

15. The majority of comments made do not challenge the priorities, but need to be taken into account in the subsequent delivery and monitoring of the strategy. Some minor changes and additions to the text have been made either following comments received during the consultation or because circumstances have moved on, such as recent the publication of the Draft Homelessness Code of Guidance for Local Authorities. The following noteworthy additions have been included in text (brackets indicate page in strategy document):

- 'The Council will seek to ensure that the inter-relationship between [Discretionary Housing Payments] DHP and potential employment opportunities are fully considered and made use of, for instance facilitating moves closer to work.' (pg10)
- 'The rough sleeper population in Hillingdon is vastly increased by the presence of Heathrow Airport which acts as a draw and results in an atypical rough sleeper population that is largely without connection to the Borough and often having spent

many years out of the country. Heathrow is the only airport in the UK to commission their own social work charity, Heathrow Travel Care, who assist rough sleepers on a daily basis and are also assisted by local Homeless outreach teams to ensure support is provided.’ (pg14)

- ‘The Council will continue to work closely with partners in the voluntary sector to address the needs of non-priority homeless households, including rough sleepers. This will include reviewing service provision in the Borough in light of the requirements of the HRA, the recently published draft statutory guidance and the final version when available.’ (pg14)
- ‘There is a duty on children’s service to appoint a Personal Advisor to provide support for care leavers until they reach 21, or 25 if they are in full time education. The support is based on the needs of the young person as set out in their statutory Pathway Plan and may include support from housing services. Housing and children’s services work together to ensure a planned transition to independent living. Current working arrangements will be reviewed and documented to ensure compliance with requirements under both the HRA 2017 and the Children and Social Work Act 2017.’ (pg27)
- ‘Monitoring arrangements will ensure that information relevant to the Council’s duties under housing and homelessness, and equalities and human rights legislation is tracked and considered.’ (pg32)

## Financial Implications

There are no direct financial implications arising from the revision and updating of the Homelessness Strategy. DCLG have announced New Burdens HRA funding which for Hillingdon equates to £783,103 over three years from 2017/18. This breaks down to £281,444 (17/18), £257,802 (18/19) and £243,858 (19/20), with a view to the Homelessness reduction act being self-financing in 2020/21. Once final guidance is released by DCLG, further analysis of the financial impact will be carried out.

## RESIDENT BENEFIT & CONSULTATION

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

The Homelessness Prevention Strategy has a direct bearing on the Council’s vision of ‘Putting Our Residents First’. It sets out plans for the prevention of homelessness, securing accommodation and support for those who are homeless or at risk of homelessness in Hillingdon.

The Council needs to ensure that any policies or decisions in relation to homelessness take account of requirements under equalities and human rights legislation, including ensuring that policies and decisions do not discriminate against those with protected characteristics, and complying with the public sector equality duty. The Hillingdon Homelessness Strategy Review



2016, on which this strategy is based, collated available information to understand the demographics of those who are homeless including age, ethnicity, disability, mental illness, family size and composition and nature of vulnerabilities. The information gathered has informed the development of the strategy. Equality impact assessments will be carried out where relevant and appropriate to do so in the delivery of the strategy.

### **Consultation carried out or required**

The strategy has been subject to a wide ranging consultation process which is the subject of the report.

## **CORPORATE CONSIDERATIONS**

### **Corporate Finance**

Corporate Finance has reviewed this report and confirms that there are no direct financial implications associated with the recommendations regarding the Council's Homelessness Prevention Strategy. Broader financial implications associated with both the Council's duties in respect of preventing homelessness more generally and the new Homelessness Reduction Act specifically will be reflected in forthcoming iterations of the Council's Medium Term Financial Forecast as appropriate.

### **Legal**

The Borough Solicitor confirms that there are no legal impediments to the Council approving the revised Homelessness Prevention Strategy which has been subject to statutory consultation under Section 3 of the Homelessness Act 2002.

## **BACKGROUND PAPERS**

- Hillingdon Homelessness Strategy Review 2016
- Homelessness Prevention Strategy 2017 to 2022
- Draft Homelessness Code of Guidance for Local Authorities

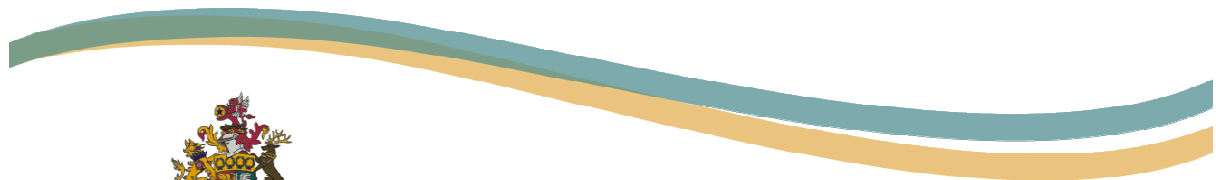
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HILLINGDON  
LONDON

# Homelessness Prevention Strategy 2017 to 2022

November 2017



[www.hillingdon.gov.uk](http://www.hillingdon.gov.uk)

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### Abbreviations used

B&B	Bed and Breakfast
BRMA	Broad Rental Market Area
CHAIN	Combined Homelessness and Information Network
CPI	Consumer Price Index
DCLG	Department for Communities and Local Government
DWP	Department for Work and Pensions
FHSG	Flexible Homelessness Support Grant
HB	Housing Benefit
HRA	Homelessness Reduction Act 2017
LHA	Local Housing Allowance
PRSO	Private Rented Sector Offer
SHMA	Strategic Housing Market Assessment
TAMF	Temporary Accommodation Management Fee
USDL	Universal Support Delivered Locally
VAWG	Violence Against Women and Girls

## Foreword

Homelessness adversely affects many areas of life, including physical and mental health, school achievements and ability to access work.

The Homelessness Prevention Strategy demonstrates Hillingdon Council's commitment to preventing homelessness and supporting those who become homeless. It sets out how Hillingdon Council will work with partner agencies to intervene early to prevent homelessness wherever possible and to access suitable housing and support solutions for those faced with homelessness.

It comes at a time of significant change and challenge for homelessness services in Hillingdon. The Homelessness Reduction Act 2017 (HRA) has completed its passage through parliament, with cross party support, and marks a significant change in homelessness legislation, with a clear focus on preventing homelessness and ensuring practical help for all households threatened with homelessness.

Legislative change alone will not resolve homelessness and the challenges in accessing sufficient suitable housing are considerable. The cost of housing in Hillingdon for both rent and sale continues to rise and this is fuelling homelessness. Demand for rented properties is high and by far the most common cause of homelessness is private rented sector evictions.

Hillingdon Council is committed to continuing an early intervention and personalised approach to prevent households from becoming homeless wherever possible. We work with families on an individual basis to help resolve issues and where necessary to access alternative accommodation.

The Council is working in a number of ways to increase supply, including purchasing accommodation for use as both temporary and settled accommodation; adding to the supply of social sector rented properties through council and housing association development programmes and negotiating with landlords to secure private rented properties for use by homeless households.

The Council will continue to work collectively with a range of partners across the borough to help homeless people.

Councillor Philip Corthorne

Cabinet Member for Social Services, Housing, Health and Wellbeing

## 1. Introduction

The Homelessness Act 2002 requires housing authorities to have in place a homelessness strategy based on a review of all forms of homelessness in their area. This strategy sets out the approach that Hillingdon Council will take, working with other organisations, to prevent homelessness and to secure appropriate support and accommodation for homeless and potentially homeless people in the borough.

A homelessness review was completed and presented to Hillingdon Council Cabinet in July 2016. The review considered all forms of homelessness in Hillingdon including those who fall within the statutory requirements for rehousing; homeless people that do not fall within priority need groups; hidden homeless households and rough sleepers. It looked at current and future homelessness demand and at the services, support and accommodation currently provided for homeless and potentially homeless people.

The following key themes and priorities emerged from the review:

- A continued focus on prevention, maximising opportunities to maintain tenancies;
- Ongoing use of the private rented sector, where possible, to ensure households can access settled accommodation as quickly as possible;
- Ensuring sufficient quantity and the right mix of housing supply;
- Improving processes for fast turnaround of decisions, closer working arrangements with social care teams and improved use of information technology;
- Managing the ongoing impacts of welfare reform.

The results of the review and subsequent developments, including the passage of the Homelessness Reduction Act 2017 (HRA), have been used to frame discussions regarding key challenges and potential responses relating to homelessness in Hillingdon. These discussions informed the content of this Homelessness Strategy, prior to formal consultation.

### **The legal framework for homelessness**

A summary of the Council's legal duties in relation to homelessness are set out in Appendix 1. This includes a statutory duty to secure accommodation for unintentionally homeless households who fall into a 'priority need' category. There is no statutory duty to secure housing for homeless single people and couples without children who are not deemed to be vulnerable for some reason. The clauses in the Homelessness Reduction Act will, when implemented in April 2018, substantially change the legislative framework concerning homelessness. Preparing for the introduction and implementation of new duties under the new legislation is a key part of this strategy.

### **Context and Challenges**

Changes that are taking place and challenges that Hillingdon faces in relation to homelessness are set out in Appendix 2. These include:

- Changes introduced by the Homelessness Reduction Act which will require Councils to provide support for more people, for longer and have significant cost implications for the Council;
- Government does not consider that current statistics provide an adequate understanding of homelessness. These are under review and it is likely that the Council will be asked to provide additional data;
- There has been a change in the nature of homelessness and those affected. The pattern of homelessness includes more private sector evictions and more working households;
- There is an increasing disparity between Local Housing Allowance (LHA), which is a flat level of housing benefit payable to tenants in the private rented sector, and the actual rents charged by landlords;
- There is a risk of increased homelessness due to evictions of households unable to meet rental costs following the application of the lowered Household Benefit Cap, rolled out in Hillingdon in November / December 2016;
- Other welfare reforms that may impact on homelessness include the roll out of Universal Credit and the removal of automatic entitlement to housing support for 18 to 21 year olds;
- A new funding model for management of temporary accommodation has been introduced from April 2017. This replaces the previous system with upfront funding for local authorities to respond to homelessness pressures;
- Proposed changes to the funding for supported housing, including hostels and refuges, will reduce funding via the benefits system and include a 'top up funding pot' for local authorities;
- A combination of welfare and affordability issues, along with a buoyant housing market means that accessing an adequate supply of suitable housing is increasingly problematic.

### **Homelessness in Hillingdon**

Information and statistics concerning the different types of homelessness and how they present in Hillingdon is summarised in Appendix 3. Key headlines include:

- Homelessness acceptances in Hillingdon increased by 6.4% between 2014/15 and 2015/16 from 311 to 331 before dropping back 15% to 280 in 2016/17;
- The rate of homelessness per thousand households in Hillingdon is higher than the average rate across England, but considerably lower than the average for London;
- By far the most common 'priority need' category is households with dependent children;
- Loss of a private rented sector tenancy was responsible for 66% of Hillingdon homelessness acceptances in 2016/17;
- Most homeless approaches in Hillingdon are dealt with through activity outside the statutory framework by preventing or relieving homelessness;
- There are around 30 homelessness approaches a week from those that do not meet statutory homelessness criteria. These are typically from single people and

couples. The HRA requires a strengthened response from local authorities in relation to this group of people;

- Heathrow Airport is a significant draw for rough sleepers, many of who have no connection to Hillingdon;
- The true extent of homelessness is difficult to quantify as 'sofa surfers' and those remaining as long as possible with friends or family, are not readily identifiable and are often referred to as 'hidden homeless'. Recent research has suggested that concealed households in Hillingdon have increased<sup>1</sup>;
- Difficulty in acquiring sufficient accommodation has meant that the number of households housed temporarily in bed and breakfast accommodation is increasingly pressured.

The following sections set out Hillingdon Council's priorities under the headings of:

- Preventing homelessness;
- Securing accommodation; and
- Securing support services.

A final section is concerned with monitoring delivery of the Homelessness Prevention Strategy.

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<sup>1</sup> London Borough of Hillingdon Strategic Housing Market Assessment



## 2. Preventing Homelessness

### Priorities

- Prepare for the implementation of the HRA 2017
- Improve prevention rates of private rented sector evictions
- Manage the impact of the reduced benefit cap
- Review data capture, storage and reporting

A homeless prevention is an intervention that enables a person who is threatened with homelessness to either remain in their existing home or to move to an alternative suitable home that will be available for at least the following 6 months.

Hillingdon Council works with potentially homeless households as soon as they present to the Council to assist them to either remain in their currently property or to source alternative accommodation. Families at a high risk of placement into temporary accommodation are contacted on a regular basis to review progress in securing accommodation and direct assistance is given to search for private rented sector properties if this is required.

By far the most common reason for people becoming homeless in Hillingdon is eviction by private landlords. This is related to both competition for rented properties and to welfare reform changes. In particular, the lowering of the benefit cap and the continuing freeze on local housing allowance levels, pose a risk of tenants facing a shortfall between rents and benefits payable and of falling behind with rent payments.

### **The Homelessness Reduction Act**

The HRA has some significant impacts for homelessness services and preparing for its implementation is a key priority.

A key area of work is to assess the likely impact of the changes and reshape services to implement new requirements, including reviewing how information is collected, maintained and reported on. There will be a need to reconsider work processes, staffing requirements and potential additional legal and ICT costs and additional costs for accessing accommodation.

The Homelessness Prevention Team has recently been subject to a service review and now includes increased management capacity and skills level, which will assist in responding to the new requirements. A key focus for the team will be on resettling clients currently placed in temporary accommodation. The extent to which the team may need to be strengthened will be kept under review as the implications of the recently published draft statutory guidance are considered and the actual impacts of the Act unfold in practice.

### Practical implications of the Act

The HRA has completed its passage through Parliament. Implementation of the Act will take place from April 2018 and an updated Draft Homelessness Code of Guidance has recently been published to support the implementation, with a final version expected before the implementation date. This section of the strategy considers the main provisions of the Act that will impact on homelessness prevention services. These are:

- Duty to provide advisory services
- Duty to assess eligible applicants' cases and agree a plan
- Duty to prevent homelessness

The proposed new duty to relieve homelessness will be covered in the next section on securing accommodation.

### Duty to provide advisory services

This measure has been included in the Act to ensure that local housing authorities provide detailed advice and information to all households in their area, including those that are homeless or at risk of becoming homeless, so that households can be empowered to seek support and solutions to their current situation.

Although local authorities already have a duty to provide advice and assistance regarding homelessness to any household in their area, the main focus for homelessness services has been statutory homeless households. The Act puts a much stronger focus on providing help and assistance to single or non priority need homeless households.

Hillingdon Council will review and document the advice and information that is currently available to households threatened with homelessness, including those that are not included within the priority need categories in homelessness legislation. This will include refreshing the advice available on the Council's website and reviewing the co-ordination of advice across housing, welfare benefits, employment, health and social care.

There is a requirement under this duty to design the service to meet the needs of specific groups of people in the area to include:

- Persons released from prison or youth detention
- Care leavers (All young people leaving care will be deemed to have a local connection in the area the local authority is providing them with care services)
- Former members of the armed forces
- Victims of domestic abuse
- Persons leaving hospital
- Persons suffering from a mental illness or impairment
- Any other group identified by the Council as being at particular risk of homelessness in its district

The recently published draft Homelessness Code of Guidance includes specific chapters related to a number of these groups and includes text on the remainder.

The Council is expected to design services to meet the needs of these groups and will ensure housing pathways and monitoring arrangements are in place for both groups named in the HRA and other priority groups in Hillingdon.

#### Duty to assess eligible applicants' and agree a plan

The existing duty to assess the housing requirements of all homeless applicants is to be strengthened. This duty will be owed if the Council is satisfied that an applicant is homeless or threatened with homelessness and they are eligible for assistance. The duty applies regardless of whether the household falls into one of the priority need categories. The duty also specifies that the assessment of the applicant's case must include:

- The circumstances that caused the applicant to become homeless or threatened with homelessness;
- The housing needs of the applicant including what accommodation would be suitable for the applicant and other members of their household;
- What support would be necessary for the applicant and other members of their household to be able to have and to retain suitable accommodation.

Following the assessment, the Council will need to work with the applicant to agree a small number of key steps that are tailored to their needs and that are most relevant to them securing accommodation. The agreement of actions that the applicant and the Council will take must be recorded in writing.

Hillingdon Council's Homelessness Prevention Team is already well placed to respond to this provision in the Act having adopted an early intervention approach, and having introduced Personal Housing Plans for homelessness applicants in May 2016. These plans encourage applicants to be proactive and realistic in managing their homelessness situation and in seeking appropriate accommodation.

Initially formalised plans were only put in place for homeless households that fell within the priority need categories. The use of Personal Housing Plans as a tool for collaboration with service users will continue to be rolled out for all households that seek assistance from the Council and are eligible, homeless or threatened with homelessness, regardless of priority need.

This is likely to mean a substantial increase in casework. During 2016/17 there were a total of 2,393 households that sought advice regarding homelessness of which 1,236 were eligible, priority need clients, that were homeless or had a homelessness threat. In future, we can expect that in excess of 2,393 households will have a full assessment undertaken and have a plan put in place. These 2,393 do not include approaches that would not have progressed to this stage, an initial 'triage' having already been completed by the Council's Contact Centre. An assessment will be made regarding the additional number of approaches currently dealt with by the Contact Centre that will require a Personal Housing Plan. The Act may well also raise expectations and encourage an unknown additional number of people to approach the Council.

The Council will review process and rewrite procedure notes to ensure that the new requirements are capable of being implemented, managed and recorded. Housing plans must be kept under review until it is considered that no further duty is required. The proposed legislation also sets out what must happen if no agreement on a plan can be reached; if the requirements of a plan change; and if there is a deliberate and unreasonable refusal to co-operate. All of which will need to be recorded and be capable of reporting on.

#### Duty to prevent homelessness

This measure extends existing homelessness prevention requirements from 28 to 56 days so that help is provided at an earlier stage. The intention is for people to seek help and advice at an early stage, to allow time for an alternative property to be identified and to avoid becoming homeless.

The duty applies regardless of priority need or intentionality. It is owed if the Council is satisfied that the applicant is threatened with homelessness and is eligible. The duty requires that the Council take reasonable steps to help an applicant to secure that accommodation does not cease to be available for their occupation. There is uncertainty as to what 'reasonable steps' constitutes and so the precise impact on the Council is still unclear.

The Government has made available a fund for prevention trailblazers that will run from 2016/17 to 2018/19. The trailblazers will build an evidence base on 'what works' to prevent homelessness, and work with other areas to share best practice. Individualised advice is seen as a key aspect. Hillingdon Council's Homelessness Prevention Team will seek to learn from emerging good practice and will continue to develop a case management, person centred, approach to homelessness prevention for both priority and non priority need clients. The range of reasonable steps offered will be developed and monitored, enabling both new approaches and solutions to be trialled and an understanding of what works to be developed.

Key elements in the Councils approach to preventing homelessness are:

- Preventing private sector evictions; and
- Working with households affected by the benefit cap, including prioritising employment

Success in tackling these issues will be monitored.

#### Sustaining tenancies and preventing private sector evictions

The Council's tenure neutral Housing Support Team makes timely interventions to sustain tenancies and reduce homelessness. Support is time limited and focussed where high risks of tenancy failure present in order to maximise the potential for successful tenancies and independent living. The team actively promotes early intervention and works creatively with partners agencies to address presenting needs and mitigate the risk of tenancy failure and homelessness.

Given that private sector evictions are by far the most common cause of homelessness, any action that the Council can take to reduce the number evictions

will have a positive impact on homelessness. Evictions take place for a variety of reasons, many of which the Council has no control over, including a buoyant housing market which means that landlords are able to achieve higher rents. There are, however instances where the Council is able to intervene to prevent an eviction process taking place. If a person presents as threatened with homelessness from a private sector tenancy, the Council will always contact the landlord to see whether it is possible to prevent eviction. Where the Council is unable to persuade a landlord to continue the tenancy with the existing tenant, the Council will explore whether the landlord is prepared to work with the Council in relation to homelessness with an alternative client. One option being considered is to trial a presence at County Court to evaluate the impact that this can have on preventing evictions.

#### Working with households affected by the benefit cap

Ensuring that tenants are well informed regarding forthcoming changes that will affect them is a key part of the strategy to prevent homelessness.

A dedicated project group, led by the Homelessness Prevention Service, has been established to manage the impact of the reduced benefit cap in Hillingdon. The group includes a range of council officers and benefits staff and staff from DWP.

Surgeries have been held at the Council offices to advise those likely to be affected regarding their options. These have stressed the importance of finding work and have discussed possibilities for finding cheaper accommodation. Clients are signposted to the Job Centre where they are able to access tailored support from P3 who have been commissioned to work with clients affected by the benefit cap to assist them to find work.

The benefit cap is particularly problematic for larger families and especially those headed by a single parent as employment and child care arrangements are often more difficult to secure.

#### Discretionary housing payments

The availability of Discretionary Housing Payments (DHP) is an important resource in preventing homelessness and assisting in accessing accommodation. During 2016/17 there were 1,723 claims for DHP, of which 1,104 have been awarded. The use of DHP will continue to be monitored and periodically reviewed. In particular, the Council will seek to ensure that the inter-relationship between DHP and potential employment opportunities are fully considered and made use of, for instance facilitating moves closer to work.

#### Data capture, storage and reporting

There is an existing requirement for the Council to provide quarterly statistics to DCLG relating to homelessness on a form known as the P1E. DCLG have confirmed an intention to redesign the P1E form to collect household level data. It currently only collects aggregated figures for statutory homeless, and limited data on prevention and relief. The intention is to collect more detailed data to better inform policy and understand homelessness. A small number of trailblazers are working with DCLG to

help them design, test and develop initial proposals for new P1E data requirements. Draft requirements will be shared with local authorities when available in 2017.

Hillingdon Council will review current data collection systems and consider how accurately, comprehensively, and efficiently they are currently utilised. It will also review the capabilities of current IT systems to respond to potential additional data requirements and the efficacy of current reporting arrangements and how they might be improved.

Working with households threatened with homelessness early in the process and ensuring the advice available reflects the options available locally will assist households to take advantage of opportunities. This does not however address the underlying issue that in areas of high demand, including Hillingdon, demand far outstrips supply for both social sector and private rented sector housing. Supply issues are considered further in the following section.

### 3. Securing Accommodation

#### Priorities

- Establishing a sustainable and suitable supply of affordable accommodation for homeless families
- Target support for benefit capped families in particular to larger families, including larger single parent families, with bigger benefit shortfalls
- Resettle households from temporary / emergency accommodation and reduce reliance on temporary accommodation
- Produce and monitor an annual social housing lettings plan setting a proportion of properties to be let to homeless households
- Investigate more radical options for securing housing supply
- Reduce the cost to the general fund of housing homeless households

Acquiring a sufficient supply of suitable accommodation that is both affordable to the client and is available without incurring unreasonable costs to Council's general fund is the most significant challenge for this strategy. At present the demand for accommodation for the Council's homelessness functions exceeds supply and consequently this is a worsening situation. There is also a potential for additional accommodation demands as a result of the requirements of the HRA.

A supply and demand model has been developed to monitor current activity and make projections for future requirements. Further refinements to the model are being made (See Section 5).

#### Hillingdon Council's responsibilities for securing accommodation

The Council has responsibilities to secure accommodation for households that are owed the main homelessness duty, and to provide interim accommodation while homelessness enquiries are being completed. It also has responsibilities for accommodation in some other instances such as when a section 17 duty is owed under the Children Act.

Hillingdon Council works with households to prevent them from becoming homeless in the first place, sometimes assisting them to remain in their existing accommodation and in other instances by helping them to secure alternative accommodation.

There is also a requirement for the Council to provide advice and assistance for households that are not owed the main homelessness duty which includes assisting them in securing accommodation.

#### Proposed new duty to relieve homelessness

The relief duty, included in the HRA requires local authorities to take reasonable steps to help to secure accommodation for any eligible person who is homeless. The duty lasts for up to 56 days, and those who have a priority need will be provided with

interim accommodation while the Council carries out reasonable steps. As with the prevention duty, the impact on the Council and on homeless households will be dependent on what constitutes reasonable steps. The type of help that is or isn't considered reasonable is not yet clear but reference has been made to rent deposits or bonds and mediation. Both priority and non priority need applicants will be entitled to assistance from the Council however, only those applicants with a priority need will be entitled to interim accommodation. While the Government has expressed a preference for longer tenancies, the relief duty can be brought to an end with a six month assured shorthold tenancy.

Local authorities will not be expected to source and secure accommodation for a person in each instance. 'Help to secure' means that the Council would be able to provide support and advice to households who would then be responsible for securing their own accommodation. It will still be open for Council's to secure accommodation under the prevention and relief duties when they think it is a reasonable approach, for example, when a vulnerable household is involved. The checks that take place for Private Rented Sector Offers under the current legislation are being extended to vulnerable households placed in the private rented sector. These include, for instance, whether there is a valid gas safety certificate, a carbon monoxide detector or whether the landlord is a 'fit and proper' person.

As with homelessness services currently, the biggest challenge from the Act is in accessing suitable affordable accommodation in the private rented sector, whether as temporary accommodation, or as a homelessness prevention or for discharge of the homelessness duty.

### Hillingdon's approach to securing accommodation

#### Homeless Households with a priority need

Hillingdon Council's preferred approach to housing homeless households is to secure private rented sector property in the borough of Hillingdon. If possible, this is secured as a preventative measure, prior to a family becoming homeless. If prevention does not prove possible and a homelessness application is taken, the preference is for discharge in the private rented sector.

Lettings in the social sector are made available to homeless households with an appropriate priority banding, however social housing is a limited resource and in addition to 273 homeless households on the housing register (as at 23<sup>rd</sup> October 2017), there are 926 council and housing association tenants registered for a transfer, and 515 other applicants registered for social housing.

If a private rented sector or social sector discharge is not available, a placement in temporary accommodation is made pending the availability of a property where the homelessness duty can be discharged. As with permanent accommodation, temporary accommodation is sought within borough as far as possible. The Council uses some of its own stock for temporary accommodation; leases property for use as temporary accommodation directly from private sector landlords; and makes placements into private rented sector accommodation leased via housing associations and other organisations. In the absence of availability of these types of



temporary accommodation, a placement will be made in bed and breakfast, nightly paid accommodation, which, as far as possible will be both within the borough and self contained. Local authorities are not permitted to place families with children in non self contained bed and breakfast accommodation for more than 6 weeks or to use such accommodation at all for 16 or 17 year olds.

#### Non priority homeless households and rough sleepers

Advice and assistance is available to all single people, however there is a distinction to be drawn between those who have support needs and those who have an accommodation need only. Some of those who are vulnerable with support needs will have a priority need, as defined in relation to homelessness statutory duties (see Appendix 1), whereas others will have some support needs without being considered 'vulnerable and in priority need'. In certain circumstances financial assistance, in the form of a voucher, can be provided to assist people in accessing accommodation. Support services, including accommodation for those with support needs, are considered further in Section 4.

The rough sleeper population in Hillingdon is vastly increased by the presence of Heathrow Airport which acts as a draw and results in an atypical rough sleeper population that is largely without connection to the borough and often having spent many years out of the country. Heathrow are the only airport in the UK to commission their own social work charity, Heathrow Travel Care, who assist rough sleepers on a daily basis and are also assisted by local Homeless outreach teams to ensure support is provided.

The Council will continue to work closely with partners in the voluntary sector to address the needs of non priority homeless households, including rough sleepers. This will include reviewing service provision in the borough in light of the requirements of the HRA, the recently published draft statutory guidance and the final version when available.

#### Location of accommodation

Where possible, homeless households are rehoused in Hillingdon, however difficulties in accessing housing locally has meant that looking further afield for accommodation is sometimes necessary. Placements are made following a detailed review of the households' circumstances and in accordance with the Temporary Accommodation and Private Rented Sector Offer (PRSO) Placement Policy approved by Hillingdon Council's Cabinet in May 2016. An assessment is currently completed for all households that are considered homeless or threatened with homelessness, in priority need and eligible to assess their circumstances, accommodation and support needs. This includes an assessment of whether they need to remain in borough or if a suitable out of borough placement can be made. Statistical information regarding the accommodation requirements from these assessments, including the number of bedrooms needed from a supply of homes in Hillingdon and in other areas will feed into the supply and demand model (see Section 5 on delivering the strategy). The assessments will be extended as necessary to meet the requirements of the HRA.

## Current supply and challenges

Accessing accommodation for homeless people is a very real challenge for this strategy, whether it is social sector or private sector accommodation. Over the last few years it has become more and more difficult to find affordable, suitable accommodation for homeless households. In reality if a family is homeless and in priority need, it is unlikely that a property will currently be immediately available for discharge and there will be a need for temporary accommodation to be provided in the interim. If possible this will be a leased property, but an initial placement is currently likely to be in emergency bed and breakfast accommodation. This does not provide a good solution for homeless families and is costly to the Council. Consequently establishing a sustainable and suitable supply of affordable accommodation for homeless families is a fundamental issue for this strategy.

The difficulties in accessing accommodation, along with changes to the way in which Councils are able to discharge their homelessness duty, has meant that there have been significant changes in the type of accommodation that is used in Hillingdon used to house homeless households.

Prior to the Localism Act 2011, the model for housing homeless households in Hillingdon, was generally, to use emergency accommodation during the homelessness decision making period. Subsequently, those accepted as homeless would be housed in a large and stable supply of leased accommodation prior to being rehoused in a Hillingdon Council owned or Housing Association property. As the homelessness duty can now be discharged in the private rented sector, other than for those households still undergoing homelessness enquiries, the only reason for maintaining a stock of temporary accommodation is if there is a lack of supply of affordable settled accommodation in both the social and private sector. There are currently difficulties in accessing sufficient supply in either the social or the private sector. It will not, however, be a sustainable solution to continue to increase the number of households residing in temporary accommodation, especially given forthcoming changes to the funding arrangements for housing benefit and the temporary accommodation management fee. It is consequently an imperative that alternative solutions to the difficulties in accessing supply for homeless households are found.

To date, the main change in temporary accommodation has not been in the overall number of units, but in the reduction in private sector leased units and a corresponding increase in the use of bed and breakfast accommodation.

Difficulty in acquiring sufficient accommodation has meant that the number of households housed temporarily in bed and breakfast accommodation is substantial. At 23<sup>rd</sup> October 2017 there were a total of 591 households in temporary accommodation of which 217 were in emergency bed and breakfast placements.

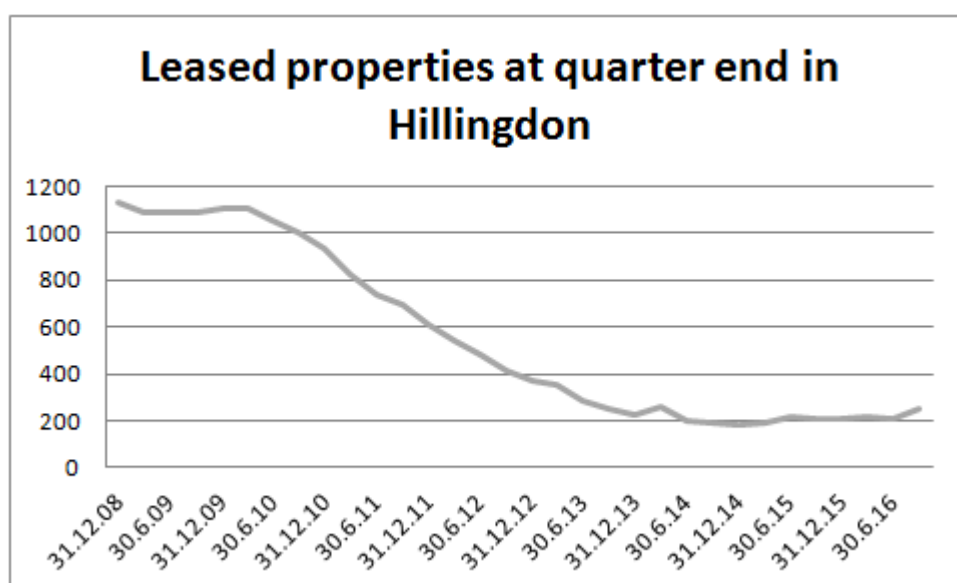
A breakdown of homeless households placed in emergency or temporary accommodation at this date is shown in table 3.1 below. Leased accommodation via housing associations, other private managing agents, or leased directly by the council accounted for 190 units at this time.

**Table 3.1: Households in Temporary Accommodation**

Type of Accommodation	Number of households
Bed and breakfast	217
Council owned short life accommodation	174
Private sector leased accommodation	84
Housing association leased schemes	106
<b>Total</b>	<b>591</b>

Chart 3.1 shows how the number of leased units in Hillingdon has reduced since 2008.

**Chart 3.1**



**Affordability and benefit issues in relation to private rented sector housing**

The Housing Benefit payable in the private rented sector / Local Housing Allowance (LHA) was based on lower level rental costs (30<sup>th</sup> percentile) for different properties sizes in a 'Broad Rental Market Area'. It was subsequently intended that it should rise in line with the Consumer Price Index (CPI), but rates have been frozen for 4 years from 2016. Meanwhile private rent levels have been substantially increasing and are expected to continue rising. This has resulted in an increasing shortfall between the benefit payable and the rent charged. There is likely to be a steady rise in the housing benefit shortfall over the next few years and, unless housing benefit is made more generous, low income households are not likely to be able to find the money to fill the gap.

National level data shows that there has been a rise in the proportion of middle-income households receiving housing benefit, and 47% of all families receiving LHA in the private rented sector are in work, nearly double the proportion it was six years ago.

LHA rates for private rented accommodation in Hillingdon are currently payable at the rates shown in table 3.2.

**Table 3.2: LHA rates in Hillingdon**

	LHA monthly rates April 2017	
	Outer West London BRMA	North West London BRMA
Shared rate	£357.11	£378.73
1 bed	£761.54	£829.31
2 bed	£995.15	£1050.10
3 bed	£1180.83	£1313.00
4 bed	£1378.00	£1622.40

Table 3.3 below provides a snapshot of local median monthly rents in the London Borough of Hillingdon as at 6<sup>th</sup> January 2017 for comparison. The LHA rates are all well short of the asking rental costs. This gap between the LHA and rents has been the most significant issue in relation to accessing the private rented sector and has resulted in London boroughs paying higher incentives to secure properties.

**Table 3.3: Median rental cost in Hillingdon**

<b>Median rents in Hillingdon at 6<sup>th</sup> January 2017</b>					
	Room	1 bed	2 bed	3 bed	4 bed
Northwood	£575	£1,049	£1,400	£1,751	£2,995
Harefield	£550	£949	£1,549	£1,499	£3,501
Ruislip	£594	£1,101	£1,300	£1,651	£2,201
Ickenham	£568	£1,101	£1,398	£1,799	£2,899
Uxbridge	£585	£1,001	£1,274	£1,599	£1,775
Cowley	£600	£901	£1,249	£1,495	£1,725
Yiewsley	£550	£1,000	£1,300	£1,525	£1,700
West Drayton	£500	£1,049	£1,300	£1,551	£1,700

Source: [Home.co.uk](http://Home.co.uk)

Note: Information based on a snapshot of a small number of properties available to rent in each area on the day

### The benefit cap

The benefit cap has been less of an issue in relation to supply to date, but may become more of an issue now that it has been reduced. The cap may impact on homelessness demand as households with a shortfall may fall into rent arrears and have an increased risk of eviction.

There is also a more direct impact where those currently housed in temporary accommodation are affected by the benefit cap.

Addressing the impact of the benefit cap as it affects homeless households will be a priority for the benefit cap project team. There are particular difficulties for capped single parents with larger numbers of children, as the shortfall may be enough to make any property unaffordable and because of child care issues, finding work can be more problematic. It is important that the available support is focussed on the

needs of these families to find solutions for their situation via housing and other means as necessary.

#### Changes to the Temporary Accommodation Management Fee

If accommodation is being used as temporary accommodation, different LHA rates apply. From April 2017 the funding regime for temporary accommodation has changed. Previously, the Department for Work and Pensions (DWP) paid local authorities in London a £40 per week management fee for temporary accommodation, except where a placement was in non self-contained bed and breakfast, or accommodation (including hostels) from the authorities own stock.

*For those placed into non self-contained accommodation, Housing Benefit (HB) subsidy is limited to the 1 bedroom self-contained LHA rate based on the location of the property.*

*For those in self-contained licensed and short-term lease accommodation, the maximum HB subsidy was determined by using 90% of the LHA rate, fixed at the January 2011 figure for the size of the property, plus an element for management costs of £40 per week for authorities in London. The scope includes properties leased by the council and housing association leasing schemes to either discharge a homelessness function or to prevent the person being or becoming homeless. Since the changes subsidy can no longer be claimed by the Council for the £40 per week management element*

The 2015 autumn statement confirmed that the management fee would end on 31<sup>st</sup> March 2017 and be replaced by new arrangements that would provide up front funding to local authorities to manage homelessness pressures. Local authorities are now given funding directly through the Flexible Homelessness Support Grant (FHSG), to manage temporary accommodation and homelessness pressures. The use of FHSG is not limited to the provision of temporary accommodation and can be used flexibly to prevent or deal with homelessness.

The call on the pot of funding made available includes both properties used to provide interim accommodation pending discharge of the homelessness duty and accommodation that is leased on a temporary basis where households have been placed to prevent homelessness.

The government points to the flexibility provided by an upfront grant as part of the resourcing for homelessness strategies, alongside other resources such as Homelessness Prevention Grant and Discretionary Housing Payment.

The TAMF arrangements applied to temporary accommodation properties made available for homelessness prevention, as well as for those provided while enquiries are ongoing, and those used as interim accommodation for households accepted as homeless. Prevention properties are not included in the homelessness temporary accommodation figures as shown in table 3.1 above, and are not usually tracked. Some of these may have subsequently been re-used for households owed a duty.

As a limited funding pot is available, and the Government is not likely to incentivise an increased use of temporary accommodation, it will be in the financial interest of

the Council, as well as a benefit for homeless households if use of temporary accommodation can be reduced.

### **Demand from homeless households**

The demand for housing for homeless households consists of new clients approaching the council and what can be considered a backlog demand from households currently housed in temporary accommodation and awaiting rehousing.

The number of households accepted as owed the main rehousing duty is currently about 24 a month, which equates to 292 over a 1 year period. In the period from April 2016 to January 2017, there was an average of 10 placements a week into temporary accommodation. These are households where homelessness has not been prevented and in most instances interim accommodation is necessary. There is an additional call on private sector supply from households where homelessness is prevented by securing alternative accommodation. Properties sought to discharge the homelessness duty in the private rented sector are accessing the same pool of properties as those sought for prevention. Some changes to the way in which supply and demand are monitored will assist in providing clarity regarding supply challenges and enable better projections of supply and demand needs by bedsize and type of provision.

Homeless households that have been accepted as owed a rehousing duty comprise the vast majority of households that are currently housed in temporary accommodation or emergency / bed and breakfast accommodation. Subsequent to the Localism Act 2011, the duty can be discharged in the private rented sector and resettling these households and reducing reliance on temporary accommodation is a key priority. Those with a 2 or 3 bedroom need form the largest number of these households, but a significant proportion are larger families with a need for a 4+ bedroom need. There is a generally a more significant cost to the Council's general fund for larger households and there is sometimes a need for families to be split across more than one room in emergency accommodation. Those with a shared accommodation or 1 bedroom need form the smallest proportion of these households housed in temporary accommodation. In the region of, half of households in temporary accommodation have been there since before the beginning of 2016 and around a quarter since before the beginning of 2015.

The supply of properties available on leased schemes has declined dramatically and this has meant more households being housed in emergency / bed and breakfast accommodation. By focusing on resettling households from temporary accommodation, remaining leased accommodation can be freed up for use by households currently placed in bed and breakfast.

The number of households that are accommodated in bed and breakfast under Section 17 of the Children Act has reduced from 30 at the end of June 2016 to 17 at the end of December 2016. These families are being actively case managed to achieve move-on as quickly as possible.

## Social sector supply

Social sector housing is a scarce resource, with demand far exceeding supply. The priorities for lettings in the social sector are set out in Hillingdon's Social Housing Allocation Policy. The objectives of the policy are to:

- Provide a fair and transparent system by which people are prioritised for social housing;
- Help those most in housing need;
- Reward residents with a long attachment to the borough;
- Encourage residents to access employment and training;
- Make best use of Hillingdon's social housing stock; and
- Promote the development of sustainable mixed communities

The policy complies with requirements to provide reasonable preference to certain categories of applicants, including those accepted as being owed the main homelessness rehousing duty. In addition, the Council will ensure that greater priority through 'additional preference' is given to applicants who have a long attachment to the borough; are working; members of the British Armed Forces or childless couples. Homeless households that have been resident in the borough for 10 years or more have a higher housing register priority than homeless households that have more recently moved to the borough.

### Allocation policy review

The Council has reviewed its Social Housing Allocation Policy in the light of a number of recent developments in case-law.

As a general rule, only persons with a local connection comprising at least 10 years' residence in the borough qualify to join the housing register. There are a number of exceptions to this rule. Following an extensive consultation process, in which the Council's proposals were strongly supported, changes to the Social Housing Allocation Policy were approved in December 2016. The policy was amended to provide clarity that applicants that fall within the statutory reasonable preference groups, including those who are statutorily homeless, are included in the exceptions to the 10 years' residence requirement and will have access to the housing register.

Local priorities continue to be recognised through the qualification and additional preference rules. Hillingdon Council's clear priority is 'putting residents first' and those with a strong connection to the borough continue to be afforded priority in the framing of the Social Housing Allocation Policy. The impact of the changes will be monitored and reviewed.

Although the Council seeks to utilise the private rented sector as far as possible to house homeless households, rehousing of families from temporary accommodation is still at present most likely to be as a result of a social sector tenancy having been secured. Continuing and worsening difficulties in accessing the private rented sector mean access to social sector accommodation continues to be an important resource for rehousing homeless households.

In order to strike the right balance of allocations to different groups and to manage the cost of homelessness, an annual lettings plan will be published each year. This will be monitored on a monthly basis and if monitoring shows that the allocation target set out in the plan is not being achieved, the council reserves the right to enhance access by advertising or by directly allocating some properties to specific groups.

#### Social sector lettings activity

The stock of social housing in Hillingdon consists of approximately 10,000 Council homes, and over 7,000 registered provider homes. Social sector lettings, combining social and affordable rent, for the years 2014/15 and 2015/16 are shown in table 3.4 below. This covers all lettings, not just those for homeless households. During 2015/16 there were 211 social lettings to homeless households equating to 17 or 18 a month. 2015/16 was an exceptional year for social lettings. During 2016/17 there were 410 lets overall, of which 97 were to homeless households.

**Table 3.4 Social Sector Lettings in Hillingdon**

	General Needs			Supported Housing		
	Local Authority	Housing Association	Total	Local Authority	Housing Association	Total
2014/15	310	246	556	116	306	422
2015/16	438	342	780	104	312	416

It is the general needs lettings that are most relevant for homeless households. There are some homeless placements in supported housing; these are usually older people in sheltered housing but the majority of homelessness applicants are working age. Monthly monitoring of social lettings to homeless households by bedsize will be included in the supply and demand model.

#### New social sector supply

New supply has a significant impact on the availability of lettings as all of the housing in a development scheme comes on stream within a relatively short period, whereas with existing housing only a small proportion is likely to turnover and become available for letting each year.

Hillingdon Council is itself developing a number of sites to add to the supply of homes. In addition some buildings are being converted for residential use and some properties are being extended to provide larger homes.

Right to buy receipts are being used on various sites to provide 30% of the development costs as allowed within the rules governing the use of right to buy receipts. The mix of homes on redevelopment sites is being planned to ensure that, wherever possible, some larger family housing is included in the dwelling mix. The Council is also actively considering the acquisition of some other particular groups of properties for use as either additional settled Council homes or as temporary accommodation.



Delivery of Affordable Rent housing by the Council's Housing Association partners is scheduled to increase substantially in 2017/18 with an increase in both overall numbers and of 3 and 4 bedroom properties. As new schemes come on stream consideration will be given to the need for local lettings plans including considering whether lettings to a greater proportion of homeless households for a specific scheme is considered appropriate at the time taking into account demand levels and the ability to access private rented sector accommodation.

The Council will monitor the delivery of new housing supply and will continue to deliver an appropriate mix of homes, through inhouse developments and by encouraging delivery by partner agencies. In addition to new build properties, the council is completing conversions and extensions to add to the supply of family sized accommodation.

Nominations agreements with housing associations will be monitored to ensure that these are delivering as they should and this will include monitoring of lettings by housing associations to homeless households.

#### Right to Buy, 'buy-back' scheme and other property acquisition

The Council has invested in buying back some properties previously sold under the Right to Buy, to add to the supply of suitable housing. Following successful purchases in 2015/16, a new programme was progressed in 2016/17 with a focus on concentrating resources on the most pressing need for larger properties. The programme was further extended into 2017/18.

Approval was also given to acquire a specific property for use as a homeless hostel. Purchase has been completed, and alterations have been carried out to create some larger units within the dwelling. This acquisition is helping to reduce the number of households in expensive Bed and Breakfast Temporary Accommodation.

The Council will monitor the acquisition of previous Right to Buy properties and other purchases and will continue to evaluate opportunities to acquire additional properties.

#### Releasing under-occupied Council housing

The Council makes available incentives to release under-occupied housing. This helps to free up family housing which is much in demand by homeless households and by other households on the Council's housing register. During the period April 2016 to March 2017, initiatives under the Home Release Reward Scheme have led to the release of 13 two bedroom properties and 15 three bedroom properties. A further 13 properties were released between April 2017 and September 2017. These comprised 3 two bedroom properties, 3 three bedroom and 1 five bedroom.

This activity will continue to be supported and the incentives and assistance offered under the scheme will be kept under review.

#### Robust action to tackle housing fraud

The Counter Fraud Team investigates suspected cases of Social Housing Fraud which are identified either by direct referral from Housing Officers, data matching

exercises or telephone calls to our fraud hotline. In 2016/17 the team recovered 64 Council properties which are now available to be re-let to residents in genuine housing need. From April to September 2017, a further 21 properties were recovered. Social housing fraud will continue to be robustly tackled.

### **Private Rented Sector Supply**

There are also some additional challenges posed by legislative and policy changes including from the:

- HRA
- Local Housing Allowance rates
- The lowered benefit cap and
- Temporary accommodation management fee

### **Private Sector Leased Schemes**

There are two types of scheme that are winding down completely. A West London contract for Privately Managed Accommodation has expired. This scheme previously housed in the region of 55 households that were a mixture of those owed a housing duty and those placed to prevent homelessness. The leases have been left to over-run and the number has been in a slow decline since 2015. As at October 2017 there were 10 properties remaining. A few have transferred onto a Housing Association Leasing scheme (HALS/HALD) but most are no longer available for use by Hillingdon Council in relation to homelessness.

The leases have expired on schemes via Orchard and Shipman and Paradigm. Many of these properties continued to be let beyond the end of the lease for some time, but they are now coming to an end. The Council handed back 145 properties during 2015/16. There are now just 15 Orchard and Shipman properties continuing to be let on this basis. Additional properties have been taken on or transferred to a HALS arrangement with Orchard and Shipman.

There are a number of Registered Providers that we have leasing arrangements with in exchange for nomination rights to the properties. These properties are used as interim accommodation for homeless households and to relieve homelessness. The key partners that Hillingdon Council works with in this way are Paradigm Housing Group; Notting Hill Housing Group; Shepherds Bush Housing Association; Genesis Housing Association; and Orchard and Shipman.

To maximise the benefit from these properties a more active programme of management will be introduced to assist clients to move on or to arrange for conversion to a private rented sector discharge.

### **New leasing schemes**

In an effort to replace the expiring schemes, there have been some new arrangements put in place, but with limited success.

Due to the rapidly changing market, landlords are not always offering the opportunity for Hillingdon to renew leases and properties are sometimes lost to other authorities

and to open market rentals. There is pressure to both complete deals quickly and to make larger incentives available.

#### PAN London Direct Purchasing Scheme

Hillingdon Council is part of a PAN London Direct Purchasing Scheme (DPS) which has replaced the old 'PMA' scheme for procurement both inside and outside London. The scheme has been very slow and numbers are expected to remain low. Many other councils are running their own schemes and procuring properties directly to remove competition with other authorities. Hillingdon Council will consider the option of establishing a new vehicle for procuring private rented sector properties via managing agents and the terms of a potential offer.

#### In-house leasing arrangements

A new Hillingdon Council internal scheme offering guaranteed rental payments (Private Sector Lease) was commenced in May 2014, since then 73 properties have been signed up with 3 year leases. An evaluation of likely end of lease dilapidation / handback costs is being undertaken, before consideration is given to expanding this scheme any further. Visits are being made to assess the likely costs from a sample comprising of the first 10 properties.

#### Finders' Fee

The other arrangement that Hillingdon Council operates directly with landlords is a finders' fee arrangement. Under this arrangement an incentive is paid to the landlord in exchange for accepting the nomination of a homeless or potentially homeless household. The tenancy offered must be for at least one year and consequently these properties are ideal for discharging homelessness duty with a private rented sector offer. The Council will continue to seek to maximise the number of properties made available through this arrangement in Hillingdon. There were 43 secured in 2016/17 and a further 34 in the first 6 months of 2017/18.

#### Bed and Breakfast procurement

Officers work to reduce costs from both existing and new landlords on shared and self-contained bed and breakfast units. Block booking arrangements are used to secure discounted rates.

All bed and breakfast accommodation is regularly visited to verify occupancy details. In 2016/17 the Counter Fraud Team cancelled 16 cases as a result of non-occupation. Between April and September 2017, occupancy checks have identified a further case that has been cancelled and there are 3 cases under investigation for non occupation.

#### Housing Zone

The Council and the Greater London Authority have agreed to establish a Housing Zone for Hayes to boost housing delivery and result in new housing in the borough. The Housing Zone area includes delivery of Crossrail together with a range of major regeneration schemes.

Throughout the delivery of the Housing Zone, the Council will make sure that the planned outputs, in both private and social sectors, relate to the housing and wider Council priorities including the needs identified in this strategy.

### **Seeking alternative solutions to supply issues for homeless households**

It is clear that despite efforts made to date, securing sufficient housing supply for homeless households is a continuing difficulty and consequently more radical solutions need to be investigated. One such solution is to investigate options for establishing one or more council owned companies to provide rented housing. This would provide an additional resource to housing currently within the housing revenue account. This could be used to provide housing for homeless households, other households in housing need and/or as an income generator to cross subsidise alternative solutions.

Issues related to the supply of supported housing are covered under the next section 4 on Securing Support.

## 4. Securing Support

### Priorities

- Document a clear housing pathway for specific groups of vulnerable people
- Prepare for the new supported housing funding and commissioning arrangements
- Improve integration across services i.e. housing, health, social care, employment.

For some households that become homeless, their only need is for accommodation, however many homeless households also have some support needs.

Structural factors related to homelessness such as poverty, housing supply and affordability, unemployment and welfare issues may result in households that do not have any support needs becoming homeless.

Personal, individualised factors and experiences related to homelessness are more likely to mean that a household has additional support needs as well as their accommodation needs. These include; poor physical health, mental health problems, alcohol and drug issues, bereavement, experience of care, and experience of the criminal justice system. There is often a complex interplay between structural and individual factors.

The homelessness review detailed the types of floating support and supported housing that is currently provided in Hillingdon for homeless and potentially homeless households.

Two of the key challenges covered in Section 1 of this document are particularly pertinent to support services for homeless households. These are:

- The HRA, and
- Changes to the funding arrangements for supported housing

One of the key areas of focus in the HRA is the advice and assistance given to key vulnerable groups. The Act requires that the housing advice given is tailored to the needs of certain groups. Groups specifically mentioned are:

- Those leaving prison or youth detention;
- Care leavers;
- Those who were formally members of the armed forces;
- People leaving hospital;
- Victims of domestic abuse;
- Those suffering from mental illness.

An aim of the strategy is to review current practice and ensure that there is a clear, documented housing pathway for groups of people in Hillingdon who need specialist support, including each of these specified groups.

Mental health problems are particularly high amongst homeless people. Over a third, suffer from depression and there are higher than average instances of bipolar disorder, personality disorder, schizophrenia and post-traumatic stress disorder. Twelve percent per cent cite a dual diagnosis<sup>2</sup>. Mental health problems are both a cause and a consequence of homelessness.

According to Crisis, 24 per cent of homeless people have been in care. Very few young people leave home at 18 and so continue to receive support from their parents. Children in care are no longer "looked after" by the council once they turn 18 and so can encounter a 'sudden cliff-edge' as the support safety net is withdrawn. There is a duty on children's services to appoint a Personal Advisor to provide support for care leavers until they reach 21, or 25 if they are in full time education. The support is based on the needs of the young person as set out in their statutory Pathway Plan and may include support from housing services. Housing and children's services work together to ensure a planned transition to independent living. Current working arrangements will be reviewed and documented to ensure compliance with requirements under both the HRA 2017 and the Children and Social Work Act 2017.

Particular areas that need to be addressed in developing the housing pathways in Hillingdon include:

- Accessing move on accommodation for a variety of vulnerable households
- Complex needs
- Needs falling short of thresholds for support

Many single homeless people are affected by one or more of poor mental health, substance addiction, or experience of abuse. Services tend to focus on a single need, such as mental health or drug use rather than on multiple needs and how those needs interact. For example there are difficulties in the mental health field about supporting people who are drinking or using drugs.

A further difficulty in accessing services is that their needs often fall short of the required threshold to qualify for specialist support. This can particularly affect those with multiple needs.

### **Funding arrangements for supported housing**

The Government is consulting on future funding models for supported housing. It has been proposed that a top up pot be devolved to local authorities in recognition of the higher average costs involved in offering supported housing compared to general needs. Costs can be higher for a variety of reasons including higher maintenance, repairs and rates of turnover and the specific characteristics of residents, which may require the provision of communal areas and facilities as well as enhance security.

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<sup>2</sup> Homeless Link, the unhealthy state of homelessness: Health audit results 2014

An additional proposal to limit benefit payable for core rent and service charges to LHA levels will no longer go ahead.

The consultation recognises that a different approach may be needed for short term accommodation, including hostels and refuges, but this type of accommodation will benefit from the same protection as supported housing in general. The Government also recognises that different funding models for short term accommodation types may also be applicable to Temporary Accommodation provided by local authorities in discharging their homelessness duties. Views are being sought on how best to provide support for short term stays alongside the monthly assessment and payment in Universal Credit.

Four task and finish groups will develop the new framework and a Green Paper is expected in autumn 2017. The new funding arrangements are to be introduced from 1<sup>st</sup> April 2019.

Supported housing is of far wider concern than homelessness strategy, but there is considerable overlap and inter-relationship. A key initial task will be to collate complete information on current supported housing and to unpick every supported housing rent and service charge, and to pull out the top-up element.

Emergency accommodation funding is particularly relevant for homelessness services. This will require a clear approach that is easy to access for service users and supports the organisations' cashflow.

The uncertainty over the funding of supported housing has to be seen as a key risk in responding to homelessness in Hillingdon. Providers have for some time been working on putting in place alternative funding arrangements to build resilience. For instance, a key partner for the Council, Trinity, is seeking to generate income through private market rental property management to cross subsidise their traditional services.

In the face of the proposed cuts to Housing Benefit for supported housing, there have been fears that supported housing services may be forced to close and that new facilities, would not be built. The uncertainty around funding has meant that there has been reluctance by providers to take on new supported housing developments. This still continues to be the case as a number of organisations are concerned over aspects of the funding plan, however there have been a number of bidders for funding for supported housing in the current affordable housing programme.

A further priority for the strategy will be to work with partners to understand the impact of the funding changes locally and to prepare for the new commissioning arrangements. For the homelessness strategy the key elements will be to ensure that those services provided for homelessness clients continue to be supported and that support which sustains tenancies is also maintained.

### **Review of semi-independent living services**

In Hillingdon semi-independent living contracts help care leavers to make successful transitions into adult life. Services are commissioned to help them develop life skills

in a supportive environment that prepares them for independent living. At present the majority of support packages are delivered through block accommodation based schemes.

A number of these contracts are due to be re-commissioned. In practice, the level of support has not always been at the right level for presenting needs and some of the clients housed have not necessarily required the support offered. Schemes have been used for both social care and housing clients. A comprehensive review of the accommodation and support services and client needs from both a social care and housing perspective is currently underway.

The review, in addition to considering the need for semi-independent living services, will also need to consider:

- How appropriate, or otherwise, the existing accommodation is for housing clients compared to available alternatives.
- The possible impact of the HRA and whether this accommodation should form part of the response
- Whether an exit strategy for homeless clients currently housed is required
- In conjunction with the owners, appropriate alternative use / redevelopment of existing accommodation

### **Aligning commissioning priorities with the prevention and relief of homelessness**

For supported housing to work effectively there need to be regular reviews of provision and identification of individuals and their support needs to be able to move-on to independent living. This needs to be aligned with an effective approach to securing an appropriate supply of accommodation.

The alignment of support commissioning priorities with the prevention and relief of homelessness will be reviewed, including the availability of short-term, flexible tenancy support. The service design will provide support for both people at risk of homelessness and people already homeless

### **Domestic Abuse**

Domestic abuse can be highly traumatising and lead to victims developing mental health problems or developing problems with drugs or alcohol which may then make them vulnerable to homelessness. Victims, most often women, become homeless as a result of fleeing a violent relationship. There have been two Domestic Homicide Reviews in recent years. This strategy gives recognition to the need to implement the recommendations from these reviews.

Hillingdon's Domestic Violence Strategy is being updated and will include the detail of how Hillingdon is responding to the reviews.

### **Pan-London Housing Reciprocal Agreement**

To improve housing pathways in London for survivors of domestic abuse and other forms of Violence Against Women and Girls (VAWG) a new Pan-London Housing



Reciprocal Agreement has been developed. The purpose of the agreement is to prevent homelessness in case of:

- Domestic abuse
- Other VAWG strands including sexual violence and exploitation (including prostitution and trafficking), so called 'honour' based violence, female genital mutilation (FGM) forced marriage and stalking
- Hate crimes
- Where people are at risk of harm from gangs or serious youth violence
- Other high risk safeguarding / community safety reasons

The agreement involves cooperation between local authorities and registered providers in London to move households where a move is needed and where suitable available accommodation can be identified. It aims to increase options for people with a social housing tenancy in London, who are at high risk of harm and need to move to a safe area of London.

Hillingdon Council has signed up to and will implement this agreement.

### **Integration across services**

The supported housing consultation makes reference to considering supported housing in the round and to incentivising efficiencies across health, support and care.

Integration with employment services is a further significant priority. The links between employment and access to accommodation have increased relevance with the introduction and recent lowering of the benefit cap. The benefit cap can mean a gap between the rent payable and benefits paid which may lead to rent arrears and possible eviction and homelessness. Gaining employment means that the benefit cap no longer applies and is consequently an important aspect of tackling homelessness.

Government has confirmed that partnerships between jobcentres, local authorities and social landlords in the provision of support will be expanded as part of the new 'universal support delivered locally' USDL service. The aim is to encourage a system of locally designed joined-up and integrated services delivered at a local level.

## 5. Monitoring Delivery of the Strategy

Responsibility for monitoring delivery of the strategy sits with the Housing Board and it will be reviewed regularly as it is being implemented.

Mechanisms to engage with partner organisations will be strengthened so that a wide range of services and stakeholders are co-ordinated in their efforts to help tackle and prevent homelessness. A homelessness forum will be established involving key partners in Hillingdon.

A Homelessness Prevention Delivery Plan will be considered on a quarterly basis and this will be updated to take account of developments in policy, legislation, funding arrangements and local circumstances.

A comprehensive review of the homelessness strategy will be completed every five years, but may be more regular depending on circumstances affecting homelessness.

Monitoring arrangements will ensure that information relevant to the Councils duties under housing and homelessness, and equalities and human rights legislation is tracked and considered.

### Supply and Demand Model

A supply and demand model tracks the number of households approaching the council as homeless and what action is taken. The model looks at how many instances there are when homelessness is prevented and how many go on to make a housing application. It tracks how many households are residing in temporary accommodation of various types, how many families move on from temporary accommodation and whether they move on to social housing or the private sector. The intention of the model is to understand the supply and demand situation to enable future planning. The existing supply and demand model will be further refined to better track supply and demand on a monthly basis and make projections for future requirements for accommodation and for payments to either retain or acquire accommodation.

The following principles underpin the model and projections:

- That homelessness is prevented where possible
- That where a homelessness duty has been accepted the preference is for a private rented sector solution
- A social sector letting may be available for households in temporary accommodation with a sufficiently high banding
- Other households would need to be placed in temporary accommodation
- If there is no longer term temporary accommodation available a placement is made in emergency accommodation
- Placements are made within borough where possible and in accordance with the Hillingdon Councils Temporary Accommodation and Private Rented Sector Offer Placement Policy

The demand for accommodation consists of both the flow of newly homeless households and those households that have been placed in temporary or emergency accommodation that still need to move on to a settled situation.

Based on current levels of activity there would be 2,425 households approaching the Council as homeless over the course of a year, of which 1,547 will be homeless, in priority need and eligible for rehousing. Where possible, homelessness will be prevented and although in some instances a client may be able to remain in their current home, in other instances the Council will assist them to find alternative accommodation. It is estimated funding for preventing homelessness is currently made available to secure 80 properties over the course of a year.

In addition to this there are 506 new additions to temporary / emergency accommodation over the course of a year and 312 that leave for reasons other than discharge of the homelessness duty, mostly as a result of a negative homeless decision. This leaves in the region of 194 households a year for that need to be accommodated. Where possible a settled property for discharge is found. For the others temporary or emergency accommodation will need to continue to be provided. A client may also, if they chose to, move to a shorter term private sector tenancy that would not qualify as a homelessness discharge.

The current rate of supply of properties for discharge is at present 98 social lettings a year to homeless households and 11 private sector discharges giving a total of 109 homelessness discharges. This leaves 85 households a year that are adding to the population in temporary / emergency accommodation.

At the same time, maintaining a supply of leased properties has become much more difficult and this has meant more households in bed and breakfast accommodation. The supply of leased properties has reduced dramatically over the last few years. Actions that the Council has taken to halt the decline, has meant that in the current year the supply of leased properties has increased slightly, but not sufficiently to meet demand.

If the supply and demand situation is rolled forward as at present, without additional demand or further loss of supply, it can be expected that in the region of an additional 7 households per month will be added to the number of households in B&B and an additional 85 over the course of a year. It is however the continuing supply and demand pressures could easily result in a worsening more households being placed in bed and breakfast.

Financial forecasts for 2017/18 are based on an additional 9 households per month in bed and breakfast. This translates to an additional 108 units of accommodation per annum over and above current turnover in supply to hold a steady state position.

However, for a more sustainable situation, there needs to be in the near future a drastic reduction in bed and breakfast use, and over the longer term a movement from temporary accommodation to settled housing solutions in the private rented sector.

The new Council owned hostel will assist in reducing bed and breakfast use. There is also a need to put in place new arrangements for leased accommodation in the short to medium term, while longer term options are appraised and developed.

## Appendix 1

### The legal framework for homelessness

#### Statutory Homelessness - the main homelessness duty

Part 7 of the Housing Act 1996, as amended by the Homelessness Act 2002 and the Localism Act 2011, provides the principle statutory framework for homelessness legislation in England. Broadly, a person is 'homeless' if they are not legally entitled to occupy accommodation that is accessible, physically available to them (and their household), and is reasonably fit to live in. Individuals are 'threatened with homelessness' if they are likely to become homeless within 28 days. The Homelessness Prevention Act extends this to 56 days.

Homelessness legislation distinguishes between those defined as in priority need, who are owed the main homelessness duty (predominantly families with children); and those who are not (predominantly single people, and including couples without dependent children).

The Council has discretion to determine whether a single person household is considered sufficiently vulnerable (based on a set of criteria) to be in priority need. It must consider how vulnerable the homeless person is compared to the ordinary person facing homelessness, not someone who is already homeless.

The 'main homelessness duty' to secure suitable settled accommodation (with suitable interim accommodation if necessary) is owed to homeless people that are eligible, 'not intentionally' homeless and fall within a priority need group. Eligibility is essentially concerned with immigration status.

Where the Council accepts the main homelessness duty, it must secure that suitable settled accommodation becomes available to the household, providing them with suitable accommodation in the interim.

Where an applicant falls within a priority need group but is 'intentionally' homeless, the local authority must ensure accommodation is available to the applicant for a period to give the applicant a reasonable opportunity to find suitable accommodation. Duties are also owed to those that are 'threatened with homelessness' and in a priority need group but the extent of the duty depends on intentionality.

For all other applicants, including non priority homeless applicants, the Council only has a duty to provide advice and assistance.

When someone approaches the Council for assistance due to homelessness the authority is obliged to carry out inquiries in order to ascertain what level of duty is owed to the applicant.

If there is reason to believe that a homeless applicant has nowhere to stay and is in priority need, there is an immediate duty to make suitable temporary accommodation available pending further inquiries.

The priority need categories are:

- a pregnant woman or a person with whom she resides or might reasonably be expected to reside;
- a person with whom dependent children reside or might reasonably be expected to reside;
- a person who is vulnerable as a result of old age, mental illness or handicap or physical disability or other special reason, or with whom such a person resides or might reasonably be expected to reside;
- a person aged 16 or 17 who is not a 'relevant child' or a child in need to whom a local authority owes a duty under section 20 of the Children Act 1989 ;
- a person under 21 who was (but is no longer) looked after, accommodated or fostered between the ages of 16 and 18 (except a person who is a 'relevant student');
- a person aged 21 or more who is vulnerable as a result of having been looked after, accommodated or fostered (except a person who is a 'relevant student');
- a person who is vulnerable as a result of having been a member of Her Majesty's regular naval, military or air forces
- a person who is vulnerable as a result of:
  - having served a custodial sentence,
  - having been committed for contempt of court or any other kindred offence, or
  - having been remanded in custody;
- a person who is vulnerable as a result of ceasing to occupy accommodation because of violence from another person or threats of violence from another person which are likely to be carried out;
- a person who is vulnerable for any other special reason, or with whom such a person resides or might reasonably be expected to reside;
- a person who is homeless, or threatened with homelessness, as a result of an emergency such as flood, fire or other disaster.

## Appendix 2

### Context and Challenges

The HRA is likely to have a significant impact on homelessness prevention services. The measures contained in the Act are set out below along with other current issues that are most likely to significantly impact on the provision of homelessness services. These include the lowering of the benefit cap and other welfare reforms; changes affecting private sector landlords and their agents; and changes to the funding models for temporary accommodation and for supported housing.

#### **The Homelessness Reduction Act**

This Act was brought forward as a Private Members Bill and drew on changes proposed following an independent review of the statutory homelessness framework, with a particular focus on how single homeless people are supported under it. The focus is on a preventative approach to homelessness, where all people, regardless of whether they are in 'priority need' receive help and assistance to stay in their home or find a new home. Those in priority need retain a right to be rehoused if they lose their home. The Act provides support for more people, for longer and has significant cost implications for local authorities. Government has confirmed that 'new burdens' funding of £61m over 2 years will be available, but it is not yet known how this will be distributed. The costs of implementing the legislation are likely to exceed this and to be ongoing.

#### Key measures in the Act

- Previously legislation<sup>3</sup> defined that a person was threatened with homelessness if it was likely that they would become homeless within 28 days. Under the Act, the number of days has been extended from 28 to 56.
- There was an existing duty to provide advice and information about homelessness. The Act specifies that advice must be provided regarding:
  - Preventing homelessness;
  - Securing accommodation if homeless;
  - The rights of those who are homeless or threatened with homelessness, and
  - Help that is available and how to access that help.

Councils will be required to ensure that services are designed to meet the needs of particular groups at increased risk of becoming homeless including (but not limited to): care leavers, people leaving prison, people who have left the regular armed forces, victims of domestic abuse, people leaving hospital, people suffering from a mental illness or impairment, and people receiving treatment for a mental health issue.

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<sup>3</sup> Part VII of the Housing Act 1996, as amended by the Homelessness Act 2002

- The Act introduces a new duty on local housing authorities to assess all eligible applicants' threatened with homelessness and to agree a plan. Meaningful assistance must be provided to everyone who is threatened with homelessness, irrespective of their priority need status. If the Council has complied with the duty, it can be ended after 56 days whether the applicant is still threatened with homelessness or not.
- If a person is already homeless or if homelessness prevention work has not been successful, they will be owed a new relief duty requiring local authorities to help secure accommodation for any eligible person who is homeless. The duty will last for up to 56 days and will be available to all those who are eligible. They will receive help and assistance for 56 days and those who have a priority need will also be provided with interim accommodation.
- There is to be a new duty on public services to notify a local authority if they come into contact with someone they think may be homeless or at risk of becoming homeless.

### **Homelessness records**

The government does not consider that the current statistics collected in relation to statutory homelessness, prevention and relief, and rough sleepers provide enough reliable information to provide an adequate understanding of homelessness. The statistics are currently under review, and it is likely that local authorities will be asked to provide additional data. New data requirements are being considered alongside the detail of the HRA. It is likely that CHAIN data will be extended beyond London and the Department for Communities and Local Government have stated that 'the scale of hidden homelessness must also be appreciated; people who are homeless but have not approached local authorities for help and those who do seek help but are turned away before a formal application is made.' It may be that case by case data will need to be made available rather than the current aggregated figures. The Council will need to review existing systems for collecting, storing and reporting on data to ensure an ability to respond to likely new data requests.

### **Changing nature of those affected by homelessness**

The causes of homelessness can be roughly divided into two groups; structural and personal. Examples of personal reasons include relationship breakdown, addiction and mental health issues, and issues affecting those leaving care and leaving the prison system. Examples of structural reasons are an inability to afford a property to live in due to the cost of housing, the level and reliability of income, and the level of benefits in relation to rental costs. In Hillingdon as elsewhere, the ending of a private rented sector tenancy is now by far the most common reason for a homelessness approach. This has not always been the case. Ten years ago the Council was citing eviction by parents, families and friends as consistently the most frequent reason for homelessness in the borough. This shift in the pattern of homelessness mirrors that found elsewhere, especially in the capital and this has been linked by homelessness



commentators to an increasing proportion of homeless clients who are employed, possibly part-time and low waged, and have lost a private sector tenancy as a result of increasing rents.

The vast majority of homeless applicants in Hillingdon are reliant on benefits to some extent, however the proportion of formal homeless applicants with an income combined of both salary and benefits has increased from 27.3% in 2014/15 to 30.6% in 2016/17.

#### Local Housing Allowance and disparity with private sector rents

Local Housing Allowance (LHA) is a flat level of housing benefit payable to tenants in the private rented sector. LHA rates are based on the 30<sup>th</sup> percentile of market rents within a Broad Rental Market Area (BRMA) for different bed sizes and it is also subject to national caps. In the Summer Budget 2015 the Government announced that working-age benefits include the LHA, would be frozen for four years.

There is an increasing disparity between the LHA and the actual rents charged by landlords and this is a very significant barrier in accessing the private rented sector. There are two BRMAs covering Hillingdon and stretching into surrounding boroughs; the Outer West London BRMA and the North West London BRMA. The former covers the more affordable parts of the borough. The current LHA rates compared to rates in the borough and the gap between them is shown in table 3.2 in the section on housing supply.

#### Welfare Reform

There are a number of changes under the broad heading of welfare reform that may impact on homelessness and need to be taken account of in services to prevent homelessness.

#### Lowering of the Household Benefit Cap

The original Household Benefit Cap was fully rolled out by September 2013, and applied a cap to total household benefits at £500 per week for couples or single people with dependent children (£26,000 per year) and £350 per week (£18,200 per year) for a single person with no children. Households with income from benefits in excess of these caps experience a reduction in their housing benefit entitlement or their housing element within universal credit. Households can exclude themselves from the benefit cap by finding employment and various other exemptions apply.

The benefit cap was designed to get people back into work or to move to a more affordable home. It makes sure that those people who are out of work are faced with the same choices as those who are in work. Hillingdon has a strong employment market and there is clear evidence that the government's aims for the benefit cap have been successful in Hillingdon through a marked reduction in the number of households capped. In early 2014 numbers were around the 300 level. At the beginning of November 2016 there were 181 capped households in Hillingdon.

The Welfare Reform and Work Act 2015 set the benefit cap at a lower level and introduced regional variations. It also introduces two important new exemptions from the lowered benefit cap for carers and guardians. The new cap thresholds are:

- £442.31 per week (£23,000 per year) for a couple or single person with children living in Greater London;
- £296.35 per week (£15,410 per year) for a single person living in Greater London;
- £384.62 per week (£20,000 per year) for a couple or single person with children living in any other part of the country; or
- £257.69 per week (£13,400 per year) for a single person living in any other part of the country.

The lowered cap has been applied from November 2016 for households that were already capped. For these households, their existing shortfall between rent and the cap was increased by £3,000 per year (£57.69 per week) for couples and single people with dependent children, and by £2,790 per year (£53.55 per week) for single people. From December 2016 the cap was extended to households that were newly capped as a result of the cap reduction. At the beginning of January 2017, there were a total of 368 capped households.

There is a risk of increased homelessness due to evictions of households unable to meet rental costs following the application of the lowered cap. A high proportion of capped households are in the private rented sector and a further erosion of the availability of private rented accommodation for households without employment is likely. There is also a risk of increased evictions in the housing association sector.

The key to reducing the impact of the benefit cap remains getting people in to work. The impact of the benefit cap disproportionately affects larger families, especially lone parents, although with the lowered cap an increasing number of smaller households are also affected. The amount of the shortfall for smaller households is generally less than for larger households.

The lowered cap has implications for management of capped households who rent from the council and for those in temporary accommodation. It also has implications for the procurement of temporary accommodation, properties for prevention and for discharge of the homelessness duty in the private rented sector. Already existing difficulties related to the gap between LHA payable and rent charged and the impact of the current cap, will be further exacerbated as the benefit cap impacts at a lower level.

Development programmes for affordable housing are already affected by reluctance amongst housing associations to provide larger properties.

#### Discretionary Housing Payments

Increased discretionary housing payments (DHP) have been made available by Government to assist with the impact of reforms. These payments are not however an entitlement and do not represent a sustainable source of funding for families affected.

According to a London Council briefing, in 2015/16, 41 per cent of DHP awards made in Greater London were linked to the benefit cap. The proportion of DHP awards in Hillingdon linked to the benefit cap is less than this, however other London boroughs with higher rent levels have far greater numbers of households affected by the benefit cap.

The use of DHP is continuously monitored and Hillingdon Council's policy for its use is periodically reviewed to respond to changing circumstances. While DHP can provide a temporary solution, this in general needs to be linked to measures that will enable sustainable housing.

### Universal Credit

The roll out in Hillingdon has begun for the most straightforward cases and as experience has shown that increased rent arrears are likely, this is one of the factors that has the potential to result in increased homelessness.

The roll out of Universal Credit for all claimant types is scheduled to be complete by September 2018. Hillingdon is currently scheduled for transition to the full Universal Credit service in July 2018. After the roll out process has completed, DWP will then begin moving all remaining existing benefits claimants to the full Universal Credit service.

### Entitlement for 18 to 21 year olds

Automatic entitlement to housing support for new claims in Universal Credit will be removed from 18-21 year olds who are out of work from April 2017, however the Department for Work and Pensions (DWP) has confirmed that vulnerable young people will be exempt from this change.

### New Funding Models

There are forthcoming changes to the funding models for temporary accommodation and for supported housing, the latter alongside a related change to general needs social housing rents. These changes may impact on accessing appropriate supply and sustaining tenancies and avoiding homelessness. Both of these financing models involve shifts from open ended funding arrangements to specific funding pots and from central government responsibility to local government.

### Temporary Accommodation Management Fee

The present model for funding temporary accommodation, other than non-self contained bed and breakfast is based on 90% of the Local Housing Allowance payment at the January 2011 rates, plus a per unit management fee, set in London at £40 per week. This fee will end on 31<sup>st</sup> March 2017, and will be replaced by new funding from the Department for Communities and Local Government (DCLG). The new arrangements are not intended to replicate the existing system, but to provide up front funding for local authorities to respond to homelessness pressures. Initial funding levels will provide an increase on current funding and an announcement on funding allocations for 2017/18 is expected in January 2017. The impact that this will have in relation to temporary accommodation supply is considered in the section on securing accommodation.

## Funding for Supported Housing

Supported Housing services cater for a broad spectrum of vulnerable groups, such as elderly people, women fleeing domestic violence, homelessness people, those with disabilities, and more. Typically, such services charge much higher rents to cover the added costs of specialised support.

From 2019/20 a new funding model is to be introduced for Supported Housing. Under the new model, core rent and service charges will be funded through Universal Credit (or Housing Benefit for pensioners and where Universal Credit has yet to be fully rolled out). Funding will be devolved to local authorities in England to provide a 'top-up' where necessary to providers, reflecting the often higher costs of offering supported housing. Government recognised that a different approach may be needed for short term accommodation including hostels and refuges, but have confirmed that this type of accommodation will benefit from the same protection as supported housing in general. Government will work with the sector to develop further options for providers of short term accommodation.

Local authorities will have an enhanced role in commissioning supported housing in their area, which will allow them to take a more coherent approach to needs across housing, health and social care.

A consultation on funding arrangements has been completed and a Government response is expected shortly.

## Appendix 3

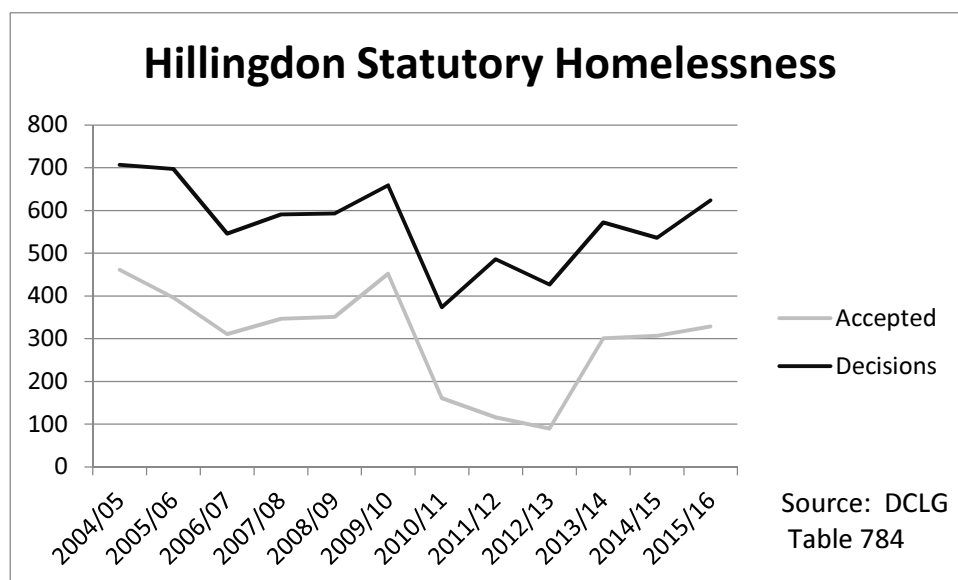
### Homelessness in Hillingdon

#### Statutory homelessness in Hillingdon

The homelessness review has shown that there is not a clear pattern in Hillingdon in relation to these statistics, although in general the trend from 2010/11 to 2015/16 is upward. Figures dipped between 2013/14 and 2014/15, before rising again in 2015/16. The chart below shows that the numbers now are still lower than they were in 2004/05 but are currently higher than in 2010/11 and 2011/12.

Across England as a whole, homelessness applications increased from 112,340 in 2014/15 to 114,770 in 2015/16<sup>4</sup>; an increase of 2.2%. Homelessness acceptances increased from 54,430 to 57,740 (+6.1%) across England, from 17,530 to 19,170 (+9.4%) in London and from 311 to 331 (+6.4%) in Hillingdon.

Chart A2.1



Of the 667 homelessness decisions in Hillingdon between 1<sup>st</sup> April 2015 and 31<sup>st</sup> March 2016, 331 (50%) were accepted as being owed the main homelessness rehousing duty. This represents 3.04 of every thousand households that make up the estimated 108,000 households in Hillingdon. This is higher than the average rate across England of 2.5 per 1,000 households, but considerably lower than the average rate across London of 5.5 per 1,000 households<sup>5</sup>. Of those accepted as owed the main homelessness duty, by far the most common priority need category was that the household included dependent children. This was the case for 265 families and the household included a pregnant woman in a further 7 instances. Any other priority need categories accounted for less than 10 homelessness acceptances each in the year. They included applicants vulnerable due to old age, physical disability, mental health problems, release from prison, and domestic violence.

<sup>4</sup> DCLG Live table 770

<sup>5</sup> DCLG Live table 784

In the first 6 months of 2016/17, there have been 270 formal homelessness decisions, an average of 45 a month or 10 a week. Of these 158, approximately 26 per month or 5 to 6 per week were accepted as owed the main homelessness rehousing duty. This is lower than the average for the previous year of 55 formal decisions a month or 13 a week, and is a roughly equivalent rate of acceptances.

Analysis for the homelessness review shows that, as in other areas, the most common reason for homelessness in Hillingdon is the loss of a private rented sector tenancy which, along with rent arrears, accounted for over 70% of all homelessness acceptances in 2015/16. This mirrors experience in other areas, particularly other London Boroughs. The prevalence of this reason for homelessness has grown and is related to a buoyant private rented sector, for which there is considerable competition, along with issues related to some of the recent welfare reforms. Other reasons for homelessness included parents or friends no longer being willing or able to accommodate them (10%); prison release/remand (3%); violent relationship breakdown (3%); and leaving HM Forces (3%).

Most homelessness acceptances are in the 25 to 44 age bracket, which is consistent with the majority of them having a priority need due to pregnancy or children. Applicants come from a range of ethnic groups.

Statutory homeless statistics provide only a partial picture of homelessness. Hillingdon, like other councils, seeks to resolve threatened homelessness at a stage when it can still be prevented, before a homelessness application is taken. The statistics do not provide a reliable estimate of non-priority or 'hidden' homeless households.

### **Prevention and relief**

Homelessness prevention involves the Council helping people to avoid homelessness through measures such as helping them to secure accommodation or to stay in their current home. Homeless relief is when the Council has been unable to prevent homelessness but has helped someone to secure accommodation, even though it was not under a legal obligation to do so.

In Hillingdon, data for the first six months of 2016/17 shows that there have been an average of 51 households a week that contacted the Council seeking advice regarding potential homelessness. On average, 23 a week were assessed as being homeless, in one of the priority need categories and eligible for assistance. An average of 21 households a week was dealt with through activity to prevent or relieve homelessness, including both priority and non priority households.

Prevention and relief activity sits outside the statutory framework. Those homeless households dealt with 'informally' through homelessness prevention are, as stated above, not included in the statutory homeless statistics relating to applications and acceptances, but separate statistics are provided on a quarterly basis for those households where homelessness has been prevented or relieved.

## Non priority homeless households

For non priority need applicants that are not owed the main homelessness duty, such as individuals or couples without dependent children and who are not deemed vulnerable, the local authority has a duty to provide advice and assistance only. This duty applies in relation to any person who contacts the Council regarding homelessness.

There are around 30 approaches to the Council each week in relation to homelessness where the applicant does not meet the criteria to be considered as a potential statutory homeless case. Many of these will be non-priority homeless households including single people and couples. These households are entitled to advice and assistance only from the Council. The proposed HRA will require a strengthened response from local authorities in relation to this group of people.

Most non-priority households do not make a formal homelessness application and consequently the 'not in priority need' category recorded in formal homelessness decisions, form only a small proportion of non priority homeless households. Figures from the homelessness review show, for instance, that there were a total of 1,101 single people that approached the council as homeless during 2015/16, making up 44% of all such approaches.

Table A2.1: Statutory Homeless Decisions in Hillingdon

<b>Decision</b>	<b>2015/16</b>
Accepted as being homeless and in priority need	331
Eligible, homeless and in priority need, but intentionally	109
Eligible, homeless but not in priority need	55
Eligible but not homeless	130
Not eligible	42
Total Decisions	667

## Rough Sleepers

Rough sleeping street counts and estimates are single night snapshots of the number of people sleeping rough in local authority areas. The autumn 2015 total of street counts and estimates across England was 3,569. This was a 30% increase on the previous year and 940 of this number were in London. Rough sleeping numbers in Hillingdon are higher than they would otherwise be, due to the presence of Heathrow Airport in the borough. The airport is a significant draw for rough sleepers and is the location where the majority of rough sleepers in Hillingdon can be found, many have no connection to Hillingdon. Without the airport the number of rough sleepers in Hillingdon is relatively small. The latest rough sleeper count, which took place on 24<sup>th</sup> November 2016 found 26 rough sleepers in the borough, of which 20 were at the airport. These figures are a reduction on the previous year.

Given that the majority of rough sleeping in the borough is generated due to the presence of the airport rather than any connection to Hillingdon Borough, this requires a distinct approach to tackling rough sleeping. While overall responsibility for homelessness rests with the Council, Heathrow Airport recognises that it has an

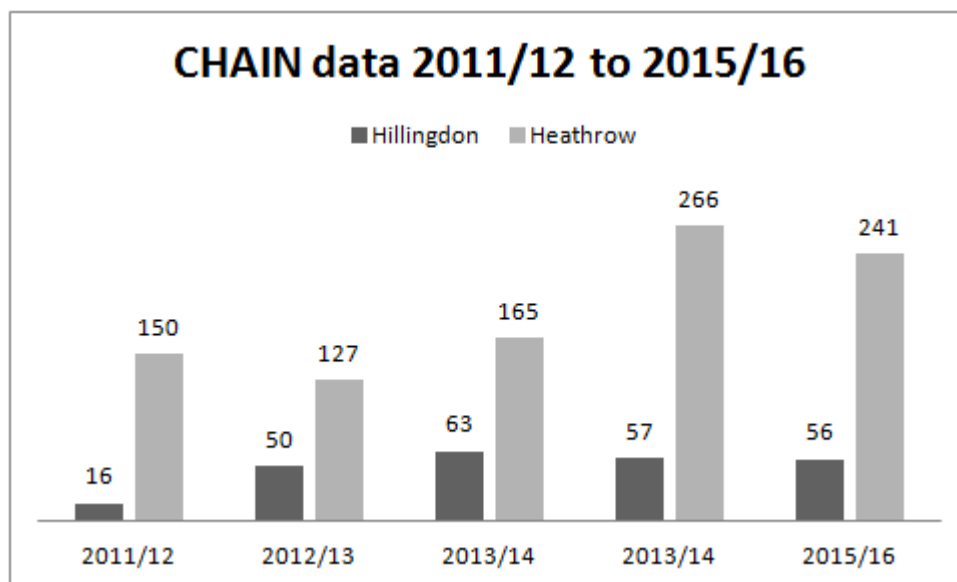
important role to play in assisting rough sleepers and re-directing them away from the Hillingdon Borough as appropriate.

In London, in addition to the annual rough sleeper counts or estimates, information on rough sleeping is available from the CHAIN (Combined Homelessness and Information Network) database which records information about rough sleepers. CHAIN is a continuing record of all contact by outreach teams and consequently provides substantially more information than the annual rough sleeper count regarding the rough sleeper population in London. The CHAIN report for 2015/16 shows 8,096 people seen sleeping rough in London. The data is broken down into three categories: flow (new rough sleepers); stock (roughs sleepers for a least two consecutive years); and returner (previous rough sleepers who have returned to the streets). For the purposes of recording on CHAIN, Heathrow is counted as a "borough" so that the particular issue of rough sleeping at the airport can be distinguished from rough sleeping in the wider borough of Hillingdon.

**Table A2.2: CHAIN data on rough sleeping 2015/16**

	London	Heathrow	Other Hillingdon
Flow	5,276	158	44
Stock	1,828	54	3
Returner	992	29	9
Total	8,096	241	56

**Chart A2.2**



Of the 56 rough sleepers in Hillingdon, 68% were seen bedded down on a single night only compared to 60% at the airport. The airport had 21 rough sleepers that had been seen bedded down on 5 or more occasions compared to 2 rough sleepers in the rest of Hillingdon borough. As shown in the chart below, rough sleeper numbers at the Heathrow have been high in the last two years. Figures in the rest of the borough have been at a relatively stable level over the last 4 years.



According to a recent report by St Mungo's, 4 in 10 people sleeping rough need mental health support and those with a mental health problem are more likely to live on the streets for longer.

### **Intentionally homeless households**

In addition to households placed under homelessness legislation, there are also some households accommodated due to duties owed under the Children Act 1989. These are generally referred to as S17 placements and are most commonly made following a finding of intentional homelessness. The Council has a statutory duty under Section 17 to safeguard and promote the welfare of children in need.

Although families found to be intentionally homeless are not owed a main rehousing duty under homelessness legislation, if there are dependent children in the household, the Council still has a responsibility for ensuring the safety of the children.

During 2015/16, of the 667 formal homelessness decisions taken, 109 were found to be intentionally homeless. As at 30<sup>th</sup> September 2016, there were 14 families housed temporarily under S17 of the Children Act.

### **Hidden Homeless**

It is difficult to get accurate information regarding the extent of homelessness because a lot of people will sofa-surf or stay with friends and family for as long as possible. The 'hidden homeless' have been described by the homelessness charity Crisis as "people who may be considered homeless but whose situation is not 'visible' either on the streets or in official statistics" and include those living in overcrowded housing, squatters, 'sofa surfers', long-term sharing and rough sleeping in hidden locations.

The Draft London Borough of Hillingdon Strategic Housing Market Assessment (SHMA) found that the number of concealed households in Hillingdon more than doubled between the census years 2001 and 2011 from 1,141 to 2,567. The majority of this increase (1,060) were aged under 55. Not all concealed households are living with another household unwillingly, however younger concealed families are more likely to have unmet housing needs due to affordability difficulties or other constraints, rather than having chosen to live as an extended family.

### **Accommodating homeless and potentially homeless households**

There are considerable challenges in securing accommodation for homeless households. Where possible the council seeks to use the private sector for relief of homelessness or discharge of duty. In the current year to date, the council has discharged the homelessness duty in the private rented sector in 7 instances.

The homelessness review shows that during 2015/16, there were 211 social lettings that went to homeless households; 153 in council properties and 58 in housing association properties. During the first six months of 2016/17 there have been 224 social lettings of which 52 went to homeless households.

Difficulty in acquiring sufficient accommodation has meant that the number of households housed temporarily in bed and breakfast accommodation is increasingly pressured. At January 2017 there were a total of 635 households in temporary accommodation of which 246 were in emergency bed and breakfast placements. This compares to a total of 577 in temporary accommodation including 213 in bed and breakfast at the beginning of April 2016.

The Housing Act 1996 requires that where it is "reasonably practicable", local authorities should secure accommodation within their administrative boundary. However rising costs mean that authorities, particularly in London are increasingly looking to house homeless households in cheaper areas outside their administrative boundaries.

## ESTABLISHMENT OF A COMMERCIAL PROPERTY AND TRADING COMPANY

<b>Cabinet Member(s)</b>	Councillor Jonathan Bianco
<b>Cabinet Portfolio(s)</b>	Finance Property and Business Services
<b>Officer Contact(s)</b>	Perry Scott, Residents Services
<b>Papers with report</b>	Appendix 1 Outline Business Case

### HEADLINES

<b>Summary</b>	<p>This report sets out the business case for establishing a wholly owned Council property company including the key items for further consideration and authorisation from the relevant delegated authorities.</p> <p>The company's role will include the development of properties for market sale and rent to generate a commercial return from sale proceeds and rental income.</p>
<b>Putting our Residents First</b>	<p>This report supports the following Council objectives of: <i>Strong financial management and our Built Environment.</i></p> <p>This report also contributes to the Council's Sustainable Community Strategy 2011 and the delivery of Local Plan part 2 - housing targets.</p>
<b>Financial Cost</b>	<p>There are no direct financial implications arising from the recommendations of this report.</p>
<b>Relevant Policy Overview Committee</b>	<p>Corporate Services and Partnerships Policy Overview Committee</p>
<b>Relevant Ward(s)</b>	<p>All</p>

### RECOMMENDATIONS

That the Cabinet:

1. Approve the business case attached as Appendix 1 and resolve to establish and incorporate of a property company (the Property Company) to build, sell and manage houses for market sale and market rent.

/continued...

2. **Delegate all necessary decisions regarding the detailed arrangements (including the completion of such legal documentation as is necessary) to allow the establishment of the Property Company, to the Leader of Council and Cabinet Member for Finance, Property and Business Services, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services and the Borough Solicitor, including the agreement of the:**
  - a. **details of the Articles of Association and the shareholder agreement between the Council and the Property Company (having regard to the need to ensure that the Council's interests are safeguarded)**
  - b. **name of the Property Company,**
  - c. **heads of Terms for the Facility Agreement;**
  - d. **process of incorporation of the Property Company; and**
  - e. **governance arrangements including who shall be the directors and the representative for the Council as the sole shareholder; and**
3. **to then commission the Borough Solicitor to complete the appropriate legal documentation.**
4. **Delegate to the Leader of Council and Cabinet Member for Finance, Property and Business Services, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services, approval of the detailed business plan for the Property Company, once finalised.**

### **Reasons for recommendation**

The Council's Sustainable Community Strategy 2011 and more recently the Hillingdon Local Plan (and London Plan) have identified the need for new homes (including affordable homes) for residents and to support the Borough's economy within the Council's role as a strategic housing authority.

The establishment of a Property Company for Hillingdon would contribute to delivering more quality housing to meet the needs of Hillingdon's residents and towards generating long term revenue income, which it is anticipated would be at a greater level than can be achieved by disposal of surplus land.

The Council has taken legal advice from Trowers & Hamlins LLP to ensure that it has the powers and capability to create the Property Company in line with legislation, and utilised KPMG to develop a financial model and overarching business case, given their previous experience in this field.

### **Alternative options considered / risk management**

1. **Do nothing.** This would reduce the options available to the Council to create new housing supply and generate revenue.

2. **A Joint Venture model.** A Joint Venture could be entered into with a private developer, however, this option is likely to take a significant time to establish, mutual agreement will be needed for decision making, and revenue income would have to be shared.
3. **Sell existing sites.** The Council could sell its land and sites to private developers but this would generate capital receipts only and would not offer the scope to generate a revenue income for the Company when suitable sites are identified.

### Policy Overview Committee comments

None at this stage.

## SUPPORTING INFORMATION

The Property Company would provide a delivery mechanism for developing new homes and will be designed to initially focus on the development of housing within the Borough for market rent and / or market sale. This will increase investment in regeneration whilst creating capital assets for the Council and enable the Council to control housing mix through the planning and design process. The objectives of the Property Company will complement other Housing initiatives that the Council is already undertaking, including the development and acquisition of properties within the Housing Revenue Account (HRA).

The Property Company would be a limited company, with all shares owned by the Council and would operate with a small board of Directors. Initially it is not anticipated that it would employ staff directly, with operational requirements largely expected to be met through existing Council staff resources, with appropriate recharge of costs.

The Property Company must be financially viable, operate in accordance with an agreed business plan and meet all its statutory obligations. It should be noted that the Housing White Paper, published on 7 February 2017 “welcomes” innovative models to provide more housing by local authorities and specifically references local housing companies and joint venture models as examples.

### Financial Implications

There are no direct financial implications arising from the recommendations of this report. There may be some minor costs associated with the establishment of the company, which together with the costs of the specialist advice obtained from Trowers & Hamblins LLP and KPMG, can be contained within existing budgets.

An Outline Business Case is attached at Appendix 1 containing the overarching financial considerations and rationale for establishing the company. The key issues include:

- The opportunity to undertake commercial development of housing and generate a long-term revenue income stream,
- The investment into the company would be at market rates to ensure State Aid issues are avoided adhering to the Market Economy Investment Principle (MEIP).
- The Council is expected to provide funds to the company through a mix of loans and investments utilising the Public Works Loan Board facility and reserves. The initial modelling suggested an approximately 70:30 debt equity split could offer best value and represents a level of Gearing is similar to that of a commercial investment.
- Risk assessment and mitigating actions associated with undertaking commercial property developments.
- The tax regime that applies to limited companies including the potential for Group relief for Stamp Duty Land Tax and treatment of VAT in the context of the operations and activities of the company. The anticipated Corporation Tax liabilities in the context of land acquisitions and property holdings.

A detailed financial model has been developed and some initial land holdings have been evaluated for transfer. This analysis indicated an internal rate of return (IRR) of at least 6%, with further benefits from indirect income from the New Homes Bonus funding that the Council would gain.

The specific sites and detailed financial modelling work for their development and tenure will be the basis of a business plan which will inform the operations of the company after it has been constituted. The decisions on the transfer of any sites will be subject to separate Cabinet decision.

## RESIDENT BENEFIT & CONSULTATION

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

Hillingdon residents will benefit from the new homes developed for sale and rent together with the additional revenue generation.

### **Consultation carried out or required**

Local residents will be statutorily consulted through the Planning process.

## CORPORATE CONSIDERATIONS

### **Corporate Finance**

Corporate Finance has reviewed this report and the associated financial modelling, which demonstrates that there is scope for the Council to secure both a sustainable revenue stream and directly contribute towards the delivery of high quality housing for residents. Creation of a wholly-owned property company will enable the Council to effectively capture the developer's'

profit margin on residential developments and re-invest this in the provision of local services. This additional value is expected to be returned to the Council through a combination of interest on lending to company and dividends on equity holdings, which would be captured in future iterations of the Council's Medium Term Financial Forecast as appropriate.

As outlined within the body of this report, the initial creation of a property company has no material financial implications but any subsequent decisions to invest in specific developments would require a range of factors to be considered. Future recommendations to invest in the property company will be subject to approval by Cabinet, and will be accompanied by a comprehensive financial appraisal of the site-specific business case and associated risks - where appropriate in house expertise is not available, any such appraisal will take account of relevant third party professional advice.

### **Legal Implications**

The Council has taken legal advice from Trowers and Hamblins solicitors who have detailed knowledge and experience of advising councils on the formation and management of commercial housing companies.

The power of general competence under section 1 of the Localism Act 2011 enables the Council to establish a company for a commercial purpose. Under section 4 of the Act all trading must be carried out through a company.

Prior to deciding to establish a company, Cabinet is required to approve the Business Case in accordance with regulation 2 of the Local Government (Best Value Authorities (Power to Trade) (England) Order 2009. Cabinet must be satisfied that the Business Case is a comprehensive statement of the objectives of the business, the investment and other resources required to achieve those objectives, any risks that the business might face, how significant those risks are and the expected financial results of the business, together with any other relevant outcomes that the business is expected to achieve.

Cabinet must also have regard to the Council's fiduciary duty in acting as a trustee on behalf of its rate and taxpayers. The Council holds and spends money on behalf of its Business Rate and Council Tax payers and in making decisions concerning the formation of the Company and any associated investment, Cabinet must give proper consideration to the risks and rewards that might arise.

Cabinet must also consider whether the Council's involvement in the Company is proportionate and properly balanced against the anticipated benefits as well as the wider interests of its local business rate and taxpayers. On a practical basis this means Cabinet should consider whether the monies they are requested to approve for investment /lending to the Company could be better used by the Council in the wider interests of its local taxpayers. This should include considering the impact on the Council and its local taxpayers should the Company become insolvent or default on any loans it has taken from the Council.

If Cabinet approves the creation of the Property Company, a further detailed report will be submitted to the Leader of the Council and Cabinet Member for Finance, Property and Business

Services, detailing the structure, working and financial arrangements of the Company together with the potential risks and benefits for the Council. This report will include detailed legal advice to ensure that the Council's interests are protected.

### **Infrastructure / Asset Management**

Infrastructure / Asset Management has authored this report.

## **BACKGROUND PAPERS**

NIL



## APPENDIX 1 - OUTLINE BUSINESS CASE

### (a) The objectives of the business:

- Generate long term revenue income; and
- Deliver high quality housing to meet the needs of Hillingdon's residents.

### (b) Investment and other Resources

The Council has access to low cost borrowing, from the Public Works Loan Board (the "PWLB") amongst other potential sources, that can be used to finance the land acquisition and property development through equity injections into or loans to the Project Company.

The current 30 year (as a proxy for long term rates applicable to market rental properties) PWLB rates are 2.69% and short term rates (as a proxy for lending against market sale developments) are 1.42%.

The Council also has the option to use some of its own reserves to invest into the company. This will likely be necessary in the first few years of the company's existence as loans will typically require interest and capital payments to be made following drawdown and the Project Company will not be able to contribute to these payments until an initial development is completed.

### Investing in the Project Company

The form of investment into The Project Company must be made at a market rate to avoid potential State Aid issues. The Company must also have sufficient equity held to avoid transfer pricing issues (i.e. interest on loans being disallowable for tax deductions). This means that some of the profits of The Project Company will be subject to Corporation Tax.

The approach to assessing whether the proposed debt structure and pricing constitute State Aid is underpinned by the principles of Market Economy Investor Principle (MEIP). The MEIP assessment involves an assessment of an appropriate rate range based on actual investment returns demanded by private investors in similar investment loan opportunities, operating under normal market economy conditions.

The investment into the property company, therefore, also needs to be at a level of gearing consistent with a commercial investment. The financial modelling that has been undertaken suggests that is likely to be an approximately 70:30 debt/equity split which is in line with commercial gearing levels for similar investments.

Similarly on pricing, a conservative margin needs to be applied to Gilt rates on loans provided by the Council to the project company. 180 Bps margin to Gilt rates which is comfortably higher than the equivalent market average spread for investment grade bonds (BBB and upward) has been tested in the financial modelling.

## Securing a return on Investment

The Council would expect to secure a return on any investment in the property company through a combination of dividends on any equity holdings and in the case of lending to the company through the differential between the lower cost of borrowing for the Council and the higher rate of interest on lending to the company.

### (c) Risk assessment:

The table below identifies the key risks associated with the proposed property company. ***These risks only emerge once the company commences trading. Up until this point the only risk associated with the creation of the company will be any costs incurred in setup and development.***

Risk area	Description	Mitigating action
<b>Design</b>	Risk that the design of the developments and homes is subsequently determined to be unsuitable for the intended market and users.	This risk can be mitigated through comprehensive market and qualitative research, as well as pre-application planning advice.
<b>Planning</b>	Risk of not obtaining planning permissions or that delays in obtaining such permissions significantly impact the project. Planning permissions may also require a greater level of affordable housing than currently modelled.	Pre-application planning advice should be sought and the Council plans to work closely with displaced tenants to identify suitable alternative accommodation. s106 payments will be factored into the Council's plans.
<b>Delivery</b>	Risk that there is a failure to invest funds and execute the project as planned. In addition to the wider failure of the project, there is a risk that the Council does not receive the planned income from the Company that allows it to make its own scheduled debt service payments.	This risk can be mitigated through the detailed planning and governance arrangements for the project. It will also important for the Council to have sufficient working capital to meet PWLB debt service requirements in the short term should difficulties be encountered through its own reserves.
<b>Construction</b>	Related to delivery risk but includes the possibility of cost overruns and delays.	This can be mitigated by thorough investigations into ground conditions (a key cause of overruns and delays) being planned prior to detailed design work. Alongside this the agreement of appropriate performance and delay penalties with contractors for delays and/or cost overruns.

<b>Maintenance</b>	Risk that in adequate maintenance is performed or that it proves more expensive than planned.	In general, residential property maintenance is well understood and so this risk is considered manageable. One option would be to carry out an annual rolling programme of "stock condition surveys" on rental properties and maintenance spend could be reviewed by the Property Company Board.
<b>Rental price growth</b>	Risk that rental price growth is not in line with projected rates.	The level of rental income that can be achieved will be driven largely by trends in the broader property market over the investment period, so there is limited scope to mitigate this broader risk beyond developing good quality housing in desirable locations and conducting research in housing demand and affordability in the local area..
<b>Demand/voids</b>	Risk that properties take longer than expected to sell or that rentals are left void due to insufficient demand.	We recommend that the Council undertake market research to understand the scale of this risk, recognising a key premise of the project is the evident lack of supply of suitable homes at present. We have considered the risk as part our sensitivity analysis, illustrating a risk of an increase in voids over a 30 year period.
<b>Sales price</b>	Risk that expected sales prices are not achieved.	The sales values achieved will reflect conditions in the broader housing market at the time. As with rental price growth The Council should ensure it is developing good quality housing in desirable locations and conducting research in housing demand and affordability in the local area. We have illustrated the impact of this risk in our sensitivity analysis on page 17.

#### (d) Tax implications:

As a limited company there will be a range of tax considerations:

1. **Stamp duty land tax (SDLT):** On the basis that no SDLT reliefs were claimed by the Council when it acquired these properties, we would expect that SDLT group relief should be available to relieve the SDLT charge otherwise due. Thus, no SDLT will be due on the acquisition of the land by the Property Company. The Council will need to ensure that chargeable consideration for the transfers will be taken to be no less than their market value
2. **VAT:** The short term letting of residential property will be exempt from VAT and any VAT incurred on related costs will be irrecoverable. The first grant of a major interest in residential property will be treated as a zero rated taxable supply and any VAT incurred on related costs will be recoverable.

It should be possible to mitigate VAT incurred on the construction of the residential units by procuring construction and professional services under a single 'design and build' contract. VAT at the standard rate will be incurred on the acquisition of the land if The

Council has made or will make an option to tax prior to the sale. This VAT will only be recoverable to the extent it relates to the grant of a major interest in the land.

3. **Corporation Tax:** As a limited company, the Property Company will be subject to corporation tax on its tax adjusted profits. Corporation tax is payable on the profits from the company's rental business and on any gains made on the sale of investment properties.

Based on the proposed structure, the Property Company could potentially incur significant additional tax costs when it disposes of the land it acquires from The Council. If the current market value of the land exceeds the original price paid by The Council (as adjusted by inflation), the inherent gain would effectively transfer with the property from The Council (where no tax is due) to Property Company (where it would be taxed).

It may be possible to prevent the tax charge from crystallising by retaining the properties in the Property Company for long term rental; or, to mitigate the additional tax due by adopting alternative structures (but additional SDLT costs and legal implications would need to be considered), or by agreement with HMRC. Developing properties with the intention to sell or with a main aim of realising a gain will need to consider this implication.

Detailed tax advice will be sought as required once the company is established and projects are being considered and developed.

## OLDER PEOPLE'S PLAN UPDATE

<b>Cabinet Member(s)</b>	Councillor Ray Puddifoot MBE Councillor Philip Corthorne
<b>Cabinet Portfolio(s)</b>	Leader of the Council Social Services, Housing and Health
<b>Officer Contact(s)</b>	John Wheatley, Residents' Services
<b>Papers with report</b>	Appendix A - Plan update

## HEADLINES

<b>Summary</b>	To provide an update on the progress in delivering the actions in the plan for older people.
<b>Putting our Residents First</b>	The Older People's Plan assists the Council to deliver its plans to put residents first. Supporting older people to live independent, active, healthy lives and providing opportunities to improve well-being is key to Hillingdon's Health and Wellbeing Strategy.
<b>Financial Cost</b>	There are no additional cost implications for the Council in respect of this report. The projects detailed in this report are financed from within existing resources across the Council including the 'Leader's Initiative for Older People' Fund.
<b>Relevant Policy Overview Committee</b>	Social Services, Housing and Health
<b>Relevant Ward(s)</b>	All wards

## RECOMMENDATION

**That the Cabinet notes the successes to date and continued progress to deliver the Older People's Action Plan during 2017-8 to improve the quality of life, health and wellbeing of older people in Hillingdon.**

## Reasons for recommendation

The Older People's Plan endorses the commitment from the Council and its partners to the continued improvement of services and support designed to create a better quality of life for older people in Hillingdon. The plan supports the Council to put residents first and contributes to improving the health and wellbeing of Hillingdon's older residents.

## Alternative options considered / risk management

None considered.

## Policy Overview Committee comments

None at this stage.

## SUPPORTING INFORMATION

1. The headline results from the 2011 Census demonstrate that more and more people in Hillingdon are living longer. Supporting older people to live independent, active lives, to make a positive contribution to local communities and helping older people to feel safer in their homes and in the wider community is at the heart of improving the health and wellbeing of older people in Hillingdon and contributes to the priorities of the Health and Wellbeing Strategy and the Better Care Fund.
2. In Hillingdon there are well-established arrangements to hear from older people and keep Hillingdon's older residents informed and involved across the Borough on important matters. This includes their involvement through Hillingdon's Older People's Assembly.
3. Hillingdon's Older People's Plan, led by the Older People's Champion (Cllr Ray Puddifoot MBE, Leader of the Council) sets out a range of actions that the Council and its partners are undertaking in response to issues that older people in Hillingdon have said are important to them. The key themes in the plan include: safety and security; preventative care; keeping independent and healthy; supporting older people in the community; and housing. The action plan is regularly updated and monitored by the Older People's Champion.
4. There have been a number of achievements during the first half of 2017-18. Several are highlighted in the summary below, with a fuller update attached at Appendix A. This includes service improvements supported by the Leader's Initiative developed within the community, with partners and across Council services to enable older people to remain independent, active and healthy.

## Safety and Security

5. Free burglar alarms – To date, the burglar alarm scheme funded by the Leader's Initiative has fitted over 7,000 free alarms to the homes of older residents. At the end of September 2017, 371 alarms had been installed under Phase 10 (1000 alarms). This

leaves 629 alarms available to older residents in Phase 10. Approval for a further 1000 alarms in Phase 11 has been granted. This will ensure that older residents can continue to receive a high-quality alarm system free of charge, together with a free service after the first 18 months. Satisfaction with the scheme remains high. Older people say they are happy with the alarm, feel safer in their own home and are less scared of being burgled.

6. Rogue traders - Trading Standards Officers continue to respond quickly to reports of rogue traders. When complaints are received officers review the circumstances of each case and decide if an intervention is required. In September, Trading Standards Officers gave a presentation on rogue traders and scams to the Older People's Assembly. During Q2 2017/18, 26 priority referrals were received from the National Trading Standards Scams Team who identified elderly and vulnerable Hillingdon residents who had been the victims of scams or rogue traders. Trading Standards Officers are in the process of visiting all these victims and are offering advice and assistance.

### **Preventative Care**

7. The TeleCareLine service supports residents to live safely and independently in their own homes using a range of equipment, such as sensors and detectors all connected back to a local staffed control centre to provide assistance to older people if needed. The development of services like TeleCareLine is part of a broader strategy in Hillingdon working to help reduce the need and frequency for admission to hospital or a nursing home for people with needs arising from a stroke, incontinence, dementia and injuries arising from a fall. Since 1st April 2014 the TeleCareLine Scheme has been free to older people aged 80 years or older. At the end of September 2017 there were 4,949 service users (4,461 households) benefiting from the use of the TeleCareLine service, of which 3,768 were aged 80+ (3,361 households). In the period from April 2017 to September 2017, 176 people new users joined the Telecare service, of which 119 are aged 80+.

### **Keeping Independent and Healthy**

8. Free swimming - The programme for older people to take up free swimming continues to be very popular. Between April and August 2017 12,830 visits were made, this is up by 2,038 compared to 10,792 visits for the same period last year. Free swimming lessons for older people are also highly successful. Lessons take place at each of the Borough's three pools and most classes are running at full capacity.
9. Tackling dementia - A significant amount of work is being done to help tackle dementia. A variety of activities are provided in Botwell and Uxbridge libraries art, seated football and reminiscence activities. Coffee mornings, singing and walks are also taking place regularly. These sessions have been well received.
10. Hillingdon is the first place in the country to make use of the 'Tovertafel' magic play table which is a play table for people with dementia, learning disabilities or autism. An additional 6 tables are to be purchased for use in libraries and residential care settings.

11. Extending the Brown Badge Parking Scheme - In the 3 months to October 2017, a total of 460 new Brown Badges were issued to our older residents and, at the start of October 2017, there were 10,715 active Brown Badge users. During the same period 58 replacement Brown Badges were issued to holders that had mislaid their badges. An additional Brown Badge bay has been made available at Ruislip Lido, bringing the total there to 8.

### **Supporting Older People in the Community**

12. Financial support - Age UK Hillingdon provides a check to ensure that older people are receiving all of the financial help they are entitled to. This service is supported by the Council and through the Leader's Initiative for Older People. In the 3 months to September 2017 a total of 88 older people were referred for a Financial Health Check provided by Age UK Hillingdon. Following these checks 66 clients received a benefit check leading to £445,479 being generated for the community.
13. Supporting community events - The Leader continues to support community groups working with older people through his Older People's Initiative. During Q2, 7 grants were made to support events for older people being planned for 2017 by community groups. Several more grants have recently been approved to enable community associations, sheltered housing tenant schemes and others to hold Christmas parties and other events.

### **Financial Implications**

There are no additional cost implications for the Council in respect of this report. The projects detailed in this report are financed from within existing resources across the Council including the 'Leader's Initiative for Older People' Fund.

## **RESIDENT BENEFIT & CONSULTATION**

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

The Older People's Plan is welcomed by older people as positively continuing to raise their value and profile and is an opportunity to improve the lives of older people in the community.

### **Consultation carried out or required**

Regular feedback from the Hillingdon Older People's Assembly Steering Group and Older People's Assembly is used to help shape future priorities. The Older People's Assembly in Hillingdon periodically receives progress updates on delivering the promises set out within the Older People's Plan.



## CORPORATE CONSIDERATIONS

### Corporate Finance

Corporate Finance has reviewed this report and the associated financial implications, noting that the broad range of initiatives outlined above are fully funded within the existing budgets - including the Leader's Initiative.

### Legal

Before the Cabinet is a progress update report on the delivery of Hillingdon's Older People's Plan for the first two quarters of 2017/18.

Under the Council's Constitution the Cabinet has the appropriate powers to agree the recommendation proposed at the outset of this report.

There are no legal issues arising out of the recommendation proposed at the outset of this report.

## BACKGROUND PAPERS

NIL

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## Appendix A

### Older People's Action Plan 2017/18, Q2 Update – October 2017

Ref No	Task	Actions	Lead	Target Dates	Progress Update
<b>1. Safety and Security</b>					
1.1	Increase home security amongst older people.	1.1.1 Ensure the free burglar alarms scheme is delivered and that a free service is offered after 18 months. (Phase 10 installations & Phase 8 servicing)	John Wheatley	31.03.18	<p><u>Ongoing</u> – To help older people feel safe and secure, free burglar alarms have been installed into the homes of older people aged over 65.</p> <p>At the end of September 2017, 371 alarms had been installed under Phase 10 leaving a further 629 to be installed in older residents' homes.</p> <p>980 18-month services to alarm systems have been completed under Phase 8, leaving 20 before Phase 9 servicing commences.</p>
1.2	Take action to tackle rogue traders.	1.2.1 Address reports of Rogue Traders including raising awareness.	Martin King	31.03.18	<p><u>Ongoing</u> - Trading Standards Officers continue to respond quickly to reports of rogue traders. When complaints are received officers review the circumstances of each case and decide if an intervention is required.</p> <p>In the second quarter of 2017/2018, only one report of doorstep crime was received by the Trading Standards Service in which an older person was targeted. The victim was overcharged for gardening work. Unfortunately it has not been possible to trace this trader.</p> <p>In July, Trading Standards Officers attended the Adult Safeguarding Team Meeting. Closer ways of working were identified to allow more effective referrals of cases involving</p>

					<p>vulnerable adults.</p> <p>In September, Trading Standards Officers gave a presentation on rogue traders and scams to the Older People's Assembly. Questions from the audience were taken and valuable intelligence gained.</p> <p>Twenty six priority referrals were received from the National Trading Standards Scams Team who identified elderly and vulnerable Hillingdon residents who have been the victims of scams/rogue traders. Trading Standards Officers are in the process of visiting these victims and offering the necessary advice and assistance to hopefully ensure they do not become repeat victims.</p>
<b>2. Preventative Care</b>					
2.1	Assist vulnerable people to secure and maintain their independence	2.1.1 Continue to deliver the TeleCareLine service	Manesh Patel	31.03.18	<p><u>Ongoing</u> - The TeleCareLine service supports residents to live safely and independently in their own homes using a range of equipment, such as sensors and detectors all connected back to a local staffed control centre to provide assistance to older people if needed. The development of services like TeleCareLine is part of a broader strategy in Hillingdon working to help reduce the need and frequency for admission to hospital or a nursing home for people with needs arising from a stroke, incontinence, dementia and injuries arising from a fall. Since 1st April 2014 the TeleCareLine Scheme has been free to older people aged 80 years or older.</p> <p>As of 30th September 2017 there are 4,949 service users (4,461 households) who are benefiting from the use of the TeleCareLine service, of which 3,768 are aged 80+ (3,361 households).</p>

					<p>In the period from April 2017 to September 2017 we welcomed 176 new service users, of which 119 are aged 80+.</p> <p>GPS Safer walking programme ongoing - This technology is supporting people living with early stages of dementia to maintain their independence and well being while accessing the community, it also supports family / carers by providing reassurance and the ability to locate their loved one if they do not return home.</p> <p>We welcomed 6 new users to the service in the quarter and there are currently a total of 27 clients using the GPS technology (the Vega watch).</p>
<b>3. Keeping Independent and Healthy (Health and Wellbeing)</b>					
3.1	Ensure all new and existing service users / carers are offered a personal budget.	3.1.1 Monitor personal budgets that lead to direct payments and pre-paid cards to meet individual needs rather than just offering personal budgets.	Nina Durnford	31.03.18	<u>Ongoing</u> – A personal care budget gives people who need care and support a greater say on deciding their support arrangements to suit their own needs.
3.2	Provide opportunities for older people to participate in sport and physical activity.	3.2.1 Work with a range of partners to deliver and promote take-up of physical activity as part of Hillingdon's Health and Wellbeing Strategy	Priscilla Simpson	31.03.18	<p><u>Ongoing</u></p> <p><u>Mature Exercise Programme</u></p> <p>12 'MOVES' classes are run each week with capacity for 198 people.</p> <p>Work is continuing to collect data to show the benefits of movement and exercise for older people.</p>

		3.2.2 Continue to offer free swimming sessions to residents aged 65+	Nicky McDermott	31.03.18	<p><u>Ongoing</u> – The programme for older people to take up free swimming continues to be popular.</p> <p>Between April and August 2017 12,830 visits were made, this is up by 2,038 compared to 10,792 visits for the same period last year.</p>
		3.2.3 Deliver free swimming lessons for people aged 65+	Nicky McDermott	31.03.18	<p><u>Ongoing</u> – Free swimming lessons in Hillingdon commenced from April 2014 and continue to be popular.</p> <p>Lessons take place at the three main pool facilities on a termly basis. Attendance has remained stable across the pools. A total of 10 classes of 30 minutes per lesson are offered each week at the 3 centres. 7 are at full capacity.</p>
		3.2.4 Hold regular tea dances and other dances for older people to promote participation in physical activity.	Priscilla Simpson	31.03.18	<p><u>Ongoing</u></p> <p>Tea Dances remain popular with good levels of attendance each month. 759 residents attended tea-dances at the Civic Centre and Winston Churchill Hall this quarter.</p> <p>Two new regular dances are being planned in the south of the borough to start in October 2017 and January 2018.</p> <p>New volunteers have been assisting at the tea dances, and a new registration format has been implemented for residents to use their Hillingdon First Cards to book onto the tea dances.</p>

		<p>3.2.5 - To better enable residents living with dementia to continue to live independently in our community and feel supported and knowledgeable of where they can access advice and help when required.</p>	<p>Priscilla Simpson</p>	<p>31.03.18</p>	<p><u>Ongoing</u> -This project to support residents with dementia is developing well in partnership with the Alzheimer's Society</p> <p><u>Dementia Action Alliance:</u> There have been 2 meetings since July 2017. There are now a total of 29 member organisations. Over the past two meetings we have had presentations on the 'Tovertafel' which is a 'play table' for people living with dementia, and developing a dementia-friendly generation. These are projects the Alliance are aiming to develop over the next year.</p> <p><u>Dementia Coffee Mornings:</u> These are continuing in Uxbridge and Botwell with around 25 people attending Uxbridge weekly and around 6 attending Botwell. During Q2 external providers joined the group to provide sessions on art, seated football and reminiscence. These sessions have been well received.</p> <p>The coffee morning group has also had the opportunity to perform songs in public on two occasions: once at a Flower and Music Festival at St Bernadette's school and once at the Day of the Older Person. A resident who has been attending the group since 2014 said recently: 'The coffee morning is a lifeline for me, I get to do what I enjoy: singing, it makes me feel alive'.</p> <p><u>Dementia Friends:</u> Two sessions were held during Q2, with 16 people attending.</p> <p><u>Dementia Healthy Walk:</u> The Dementia Friendly Walks continue at Norman Leddy Gardens. The walks are now included in the main healthy Walks leaflets.</p>
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3.3	Continue to develop and expand the Brown Badge Parking Scheme for older people.	<p>3.3.1 Continue to deliver the Brown Badge older persons parking scheme and promote the scheme to older people.</p> <p>Encourage provision of Brown Badge bays as part of planning developments wherever possible.</p>	Roy Clark	31.03.18	<p><u>Ongoing</u> -</p> <p>In the 3 months to October 2017, a total of 460 new Brown Badges were issued to our older residents and, at the start of October 2017, there were 10,715 active Brown Badge users. During the same period 58 replacement Brown Badges were issued to holders that had mislaid their badges.</p> <p>Following improvements to the car parking arrangements around Ruislip Lido, the Brown Badge bays in the Willow Lawn car park were re-marked so that they meet current national standards for parking bays. This has increased the number of spaces by 1 so that there are now 8 Brown Badge bays available to our older residents that visit the Lido.</p>
3.4	Continue to develop and expand facilities for older people in Hillingdon's allotments.	3.4.1 Improve access and facilities for older people in Hillingdon's allotments	Adrian Batten	31.03.18	<p><u>Ongoing</u> - Regular maintenance jobs continue to be carried out, including repairing water leaks to troughs, fencing, grounds maintenance and waste removal as required.</p> <p>328 free allotment plots are allocated to the over 65's. 72 plots are allocated to the over 60's at a half price concession.</p> <p>Summer maintenance works have been carried out across the borough for communal areas and pathways in September 2017, with a second cut due before the end of October.</p> <p>Chrysalis funding has been awarded to Chestnut Avenue allotments and the surrounding areas in a bid to improve ongoing drainage issues. Works are due to take place in November 2017.</p>



3.5	Actively promote the opportunities available to older people to keep healthy, independent and well and establish what difference they are making to improve the lives of older people	3.5.1 Ensure articles appear in every edition of Hillingdon People and on the Council website promoting the opportunities available and making use of feedback from older people	Emma Gilbertson / Lisa Taylor	31.03.18	<p><u>Ongoing</u> – articles appear in every edition of Hillingdon People within the older people’s page. Recent content is as follows:</p> <p><b>September/October Magazine</b></p> <ul style="list-style-type: none"> <li>• Information on the new hospital discharge information booklet for residents that was produced by Hillingdon Hospital, Hillingdon Healthwatch, Hillingdon CCG and the council.</li> <li>• Publicity for the Older People's Day event in September.</li> <li>• Article on the building extension at Bell Farm Christian Centre for their older people's social club.</li> <li>• Article on the Carers' Recognition Scheme.</li> </ul> <p>The <b>Older People’s Assembly</b> took place on 26 September in the council chamber. 88 older people attended. The theme was ‘Combating Fraud and Rogue Traders’. The Trading Standards team talked about the services they offer residents and two of their officers did role plays on different scam scenarios. Adult Social Care outlined the support available to victims and vulnerable residents and the Client Financial Affairs team provided financial help and advice.</p> <p>Attendees were given the opportunity to ask questions and further discuss their experiences relating to scams.</p>
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4. Supporting Older People in the Community					
4.1	Improve financial inclusion for older people in the Borough	4.1.1 Deliver benefits and financial advice and support sessions for older people across the Borough through the Age UK Hillingdon financial health checks	Age UK Hillingdon  Julian Lloyd	31.03.18	<p><u>Ongoing</u></p> <p>In the 3 months to September 2017 a total of 88 older people were referred for a Financial Health Check provided by Age UK Hillingdon.</p> <p>Following these checks 66 clients received a benefit check leading to £445,479 being generated for the community. Additional amounts may be generated as DWP continues to deal with claims.</p>
4.2	Support older people in their own homes to stay warm and healthy during the winter months	4.2.1 Provide free temporary heaters and small grants to cover electricity costs to older people.	John Wheatley	31.03.18	<p><u>Ongoing</u> –</p> <p>The Council continues to provide a heater loan to residents aged over 65 whose heating is not working. In addition, once the heater is returned, the Council pays a one-off small grant to people to ensure they are not discouraged from using the heater by the cost of fuel.</p> <p>33 heaters are currently held in reserve at the Harlington Road depot ready for use in colder weather.</p>
4.3	Provide and encourage opportunities for older people to actively participate in events across Hillingdon.	4.3.1 Provide support to community groups for older people as requested through the Leader's Initiative for Older People.	John Wheatley	31.03.18	<p><u>Ongoing</u> – The Leader continues to support community groups working with older people.</p> <p>During Q2, 7 grants were made to support events for older people being planned for 2017 by community groups.</p>

5. Housing					
5.1	Help older people to live independently in safe, warm homes.	5.1.2 Deliver the Handyperson Service	Age UK Hillingdon Julian Lloyd	31.03.18	<p><u>Ongoing</u> -</p> <p>Age UK Hillingdon continue to support older people in their homes by providing a range of services including the Handyperson Service where for an hourly fee subsidised by Age UK Hillingdon, the service can provide help with small jobs around the home. Age UK Hillingdon also helps residents find a trusted tradesperson, where tasks are beyond the scope of their service.</p> <p>In the 3 months to September 2017 the Handyperson Service undertook a total of 185 jobs for older people in the borough. 24 (13%) of these jobs were “safeguarding” related jobs i.e. fitting aids and adaptations, moving furniture, improved security.</p> <p>Age UK Hillingdon is reviewing its services to ensure they remain viable and the Handyperson service has been scaled down, in favour of encouraging greater use of trusted tradespeople.</p>
		5.1.3 Deliver the Falls Prevention Service	Age UK Hillingdon Julian Lloyd	31.03.18	<p><u>Ongoing</u> -</p> <p>Age UK Hillingdon provide a free Falls Prevention Service funded by Hillingdon CCG and available to anyone aged 65 or over. A member of the team will visit to carry out a falls assessment in the home and offer advice on the range of aids, adaptations and other support which may be available. Where appropriate, they may prescribe a home exercise programme to build confidence, improve strength and increase mobility. In the 3 months to September 2017, the service received 59 referrals with 50 older people receiving a falls assessment in the home. There is a 4 week waiting list for the service.</p>

5.2	Deliver the major adaptations programmes for all tenures within budget	5.2.1 Improve private sector homes for older vulnerable people  Complete major adaptations increasing independence for older people	Residents Services	31.03.17	<u>Ongoing</u> – During the period 1 <sup>st</sup> April 2017 to 30th September 2017 the DFG & Adaptations Team completed works for a total number of 138 cases. There are currently 355 active cases as at 30 <sup>th</sup> September 2017 which are being actively progressed to completion. Adaptations cover a range of works to promote independence in the home, including the installation of walk-in showers, stair lifts and kitchen works.
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## COUNCIL BUDGET - 2017/18 MONTH 6 REVENUE AND CAPITAL BUDGET MONITORING

<b>Cabinet Member</b>	Councillor Jonathan Bianco
<b>Cabinet Portfolio</b>	Finance, Property and Business Services
<b>Report Author</b>	Paul Whaymand, Corporate Director of Finance
<b>Papers with report</b>	Appendices A - G

### HEADLINE INFORMATION

<b>Purpose of report</b>	<p>This report provides the Council's forecast financial position and performance against the 2017/18 revenue budget and Capital Programme.</p> <p>A net in-year underspend of £899k is projected against 2017/18 General Fund revenue budgets as of September 2017 (Month 6) representing an improvement of £156k from the position previously reported to Cabinet.</p> <p>The latest positions on other funds and the Capital Programme are detailed within the body of this report.</p>
<b>Putting our Residents First</b>	<p>This report contributes to the Council's objective of: <i>Strong Financial Management</i></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
<b>Financial Cost</b>	N/A
<b>Relevant Policy Overview Committee</b>	Corporate Services and Partnerships
<b>Ward(s) affected</b>	All

### RECOMMENDATIONS

That Cabinet:

1. Note the forecast budget position as at September 2017 (Month 6).
2. Note the Treasury Management update as at September 2017 at Appendix E.
3. Continue the delegated authority up until the December 2017 Cabinet meeting to the Chief Executive to approve any consultancy and agency assignments over £50k, with final sign-off of any assignments made by the Leader of the Council. Cabinet are also asked to note those consultancy and agency assignments over £50k approved under

delegated authority between the 19 October 2017 and 16 November 2017 Cabinet meetings, detailed at Appendix F.

4. Approve the release of the following sums from Development and Risk Contingency to Directorate Operating Budgets:
  - a. Waste Disposal Levy and Associated Contracts - £2,728k
  - b. Demographic Growth - Looked after Children - £5,038k
  - c. Demographic Growth - Transitional Children - £1,699k
  - d. Demographic Growth - Adults - £432k
  - e. Deprivation of Liberty Safeguards - £759k
5. Approve a virement of £5,195k in 2017/18 from the HRA capital major projects programme to the HRA capital works to stock programme to fund remedial works arising from the decision to expedite fire risk assessments and major adaptations.
6. Approve virements totalling £1,851k from unallocated capital programme budgets to the Highways Structural Works programme for additional investment in the Borough's roads and footways.
7. Approve a virement of £32k from the General Fund capital contingency budget to the Property Works Programme to support refurbishment works at Merchiston House, Uxbridge.
8. Award Harlington Hospice £10k from the voluntary sector core grants budget to review and continue the work of the former Yiewsley community cancer centre to March 2018.
9. Approve the purchase of mini-bus for 1381 Squadron Air Cadets to be financed from the Youth Fund Earmarked Reserve.
10. Approve the uprating of inspection fees at Heathrow Airport for Products of Animal Origin (3 categories up to 5,000kg), alongside the introduction of new fees, amendments to structures of existing fees and operational changes with effect from 27 November 2017 as detailed in Appendix G.
11. Agree to a virement of £250k from unallocated capital programme budgets to fund initial costs relating to the relocation of the Hillingdon Outdoor Activity Centre from its current site near Harvil Road to a new site at Denham Quarry, noting that this will be funded externally.

## INFORMATION

### Reasons for Recommendations

1. The reason for **Recommendation 1** is to ensure that the Council achieves its budgetary objectives, providing Cabinet with an update on performance at Month 6 against budgets approved by Council on 23 February 2017. An update on the Council's Treasury Management activities is signposted in **Recommendation 2**.
2. **Recommendation 3** is intended to enable continued delegation of approval for appointment of consultancy and agency appointments over £50k to the Chief Executive, with final sign-off from the Leader of the Council. In addition, Appendix F reports back on use of this delegated authority previously granted by Cabinet.
3. In advance of the December Budget Report, it is proposed to release those elements of Development and Risk Contingency relating to prior year growth into base budgets. There is currently £19,216k budgets held within Development and Risk Contingency, with £10,656k of this sum directly attributable to growth which is no longer contingent. **Recommendation 4** therefore seeks authority to release this £10,656k to appropriate service operating budgets.

4. The Council is continuing to review and bring forward actions arising from fire risk assessments (FRAs) across all housing blocks, with additional funding required to expedite these works, which were already programmed, into the current financial year. The remedial works relating to Phase 1 FRAs on medium and low-rise blocks requires funding of £3,695k, and £1,000k is required to fund renewal of upgraded fire doors and emergency lighting in high-rise blocks, with **Recommendation 5** ensuring budgets are re-aligned to meet this requirement. In addition, this recommendation vires £500k to the Major Adaptations budget in order to fund further works in 2017/18. The HRA Capital Budget for future years will be refreshed in full as part of the MTFF report going to Cabinet in December.
5. A further phase of works amounting to £3,359k has been approved for delivering improvements to 30 roads and 24 footways across the Borough. This is an increase of £2,083k above the existing approved Highways Structural Works capital budget, however there are identified under spends of £232k on previously completed Highways schemes which can be reallocated to the next phase of works. Therefore the required increase to the Highways budget is £1,851k. **Recommendation 6** provides funding for this to be vired from capital schemes with slippage within the main General Fund capital programme (currently forecasting a £7,721k slippage) and the General Fund Programme of works capital budget (currently forecasting a £3,472k slippage).
6. Works are planned to refurbish Merchiston House in Uxbridge to make it suitable for accommodating five cared for young people and release 15 Mulberry Parade, where the people are currently housed, for disposal as it is no longer fit for purpose. The tendered works will cost £214k and will be funded from the remaining unallocated Property Works Programme budget of £182k with a further £32k required from the £1,500k General Fund capital contingency budget. **Recommendation 7** seeks approval to release these funds from contingency.
7. **Recommendation 8** seeks authority to award Harlington Hospice £10k from the existing Voluntary Sector Core Grants budget to review and continue the work of the former Yiewsley Community Cancer Centre over the remainder of this financial year. **Recommendation 9** seeks authority to apply funds from Youth Fund Earmarked Reserve to purchase and donate a mini-bus to 1381 Squadron Air Cadets.
8. As part of the broader BID Review of the Council's Imported Food Service, Fees and Charges have been reviewed and benchmarked against those in place at other airports with a number of revisions proposed. The majority of Fees and Charges relating to the Imported Food Service were last refreshed during 2012/13, with **Recommendation 10** intended to ensure that the Council continues to recover costs associated with providing this service.
9. The Leader of the Council recently negotiated that the responsibility for the relocation of the Hillingdon Outdoor Activity Centre be transferred to the Council from the government sponsored HS2 Ltd and that £26,500k be provided to enable the project to be funded. **Recommendation 11** seeks authority to vire £250k from capital schemes with slippage as set out in paragraph 5 to enable initial work on this transfer to commence during the current financial year. The broader financial implications of this transfer and the addition of the £26,500k capital project will be captured through the MTFF process and reflected in the Council's budgets from 2018/19.

#### **Alternative options considered**

10. There are no other options proposed for consideration.

## SUMMARY

### REVENUE

11. An underspend of £899k is projected against General Fund revenue budgets at Month 6, with underspends against both Directorate and Corporate Operating Budgets being off-set by a pressure on Development and Risk Contingency of £149k. For all material pressures identified across the General Fund, a range of initiatives are in place to contain them both in-year and in future years.
12. In March 2017 the Government announced supplementary funding to the Improved Better Care Fund, frontloading resources previously anticipated to be available from 2018/19 and 2019/20 in order to support local authorities in stabilising the Social Care provider market. The Council's 2017/18 Budget included provision within inflation allocations of £4,903k for this very purpose, which was originally to be funded from a planned £5,000k drawdown from General Reserves. As funding of £4,054k is now available in year, the planned drawdown from reserves can therefore be reduced to £946k by this exceptional item.
13. Assuming the balance of General Contingency and Unallocated Priority Growth monies are released in-year, the £946k planned drawdown from General Balances is utilised and the anticipated surplus is realised, General Fund Balances are expected to total £38,691k at 31 March 2018.
14. The 2017/18 revenue budget contains savings of £15,508k. £8,931k of savings are banked in full at Month 6 and £5,263k on track for delivery, with the remaining £1,314k reported as 'amber' primarily due to being at an early stage of delivery and are expected to be ultimately banked in full. £299k of savings have been promoted from 'amber' to on-track since Month 5, demonstrating continuing progress in the delivery of the 2017/18 savings programme.
15. With the exception of the Collection Fund, there are no material variances on other funds affecting the General Fund position. A surplus of £2,602k is reported within the Collection Fund which principally relates to a favourable position on Council Tax, which is predominantly driven by the 2016/17 outturn surplus and would be available to support the General Fund budget in 2018/19.
16. An in-year deficit of £1,308k is projected against the Schools Budget at Month 6, arising primarily from the growing cost of funding placements for High Needs children. This increases the cumulative deficit to £2,444k, which is expected to be funded from the 2018/19 Dedicated Schools Grant and therefore not impact upon the General Fund position.

### CAPITAL

17. The projected underspend against the General Fund Capital Programme for 2017/18 has increased to £23,523k due largely to slippage on project expenditure. The forecast outturn variance over the life of the 2017/18 to 2021/22 programme is an underspend of £419k. General Fund Capital Receipts of £14,500k are forecast for 2017/18, with a shortfall of £3,153k in total forecast receipts to 2021/22.
18. Prudential Borrowing required to support the 2017/18 to 2021/22 capital programme is forecast to be within budget by £9,043k. This is as a result of cost underspends of £419k and increases in grants and contributions of £11,777k, due mainly to the confirmed Basic Needs grant allocation for 2019/20 being substantially higher than original budget estimates. However this is partly offset by a forecast shortfall of £3,153k in capital receipts.



## FURTHER INFORMATION

### General Fund Revenue Budget

19. At Month 6, an underspend of £899k is reported across normal operating activities, as a result of underspends against Directorate and Corporate Operating Budgets of £643k and £405k, respectively being off-set by a £149k pressure reported across Development & Risk Contingency items.
20. The overall underspend across normal operating activities incorporates a number of pressures and risk areas which continue to be closely monitored and are discussed in detail within the appendices to this report. The more material variances are highlighted in the summary of Directorate positions below.
21. The Improved Better Care Fund grant item is being treated as an Exceptional Item as the announcement of the increase in funding was made in March 2017, after the budget was set. This funding represents an increase in Social Care funding of £4,054k for 2017/18 to be used to stabilise the Adult Social Care placements market.
22. The Council's General Fund revenue budget contains £15,508k savings, with £14,194k either banked or on track for delivery at Month 6, an improvement of £299k from the previously reported position. The projected underspend on operating budgets reflects the status of these savings, which are ultimately expected to be banked in full with alternative measures in place to mitigate the financial impact of any slippage in implementation schedules.

**Table 1: General Fund Overview**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000
			Revised Budget £'000	Forecast Outturn £'000			
194,079	3,396	Directorate Operating Budgets	197,475	196,832	(643)	(460)	(183)
1,495	482	Corporate Operating Budgets	1,977	1,572	(405)	(405)	0
19,216	0	Development & Risk Contingency	19,216	19,365	149	122	27
454	0	Priority Growth	454	454	0	0	0
5,451	(3,878)	Unallocated Budget Items	1,573	1,573	0	0	0
<b>220,695</b>	<b>0</b>	<b>Sub-total Normal Activities</b>	<b>220,695</b>	<b>219,796</b>	<b>(899)</b>	<b>(743)</b>	<b>(156)</b>
0	(4,054)	<u>Exceptional Items</u> IBCF Allocation (announced March 2017)	(4,054)	(4,054)	0	0	0
<b>220,695</b>	<b>(4,054)</b>	<b>Total Net Expenditure</b>	<b>216,641</b>	<b>215,742</b>	<b>(899)</b>	<b>(743)</b>	<b>(156)</b>
(215,695)	0	Budget Requirement	(215,695)	(215,695)	0	0	0
<b>5,000</b>	<b>(4,054)</b>	<b>Net Total</b>	<b>946</b>	<b>47</b>	<b>(899)</b>	<b>(743)</b>	<b>(156)</b>
(38,738)	0	Balances b/fwd	(38,738)	(38,738)			
<b>(33,738)</b>	<b>0</b>	<b>Balances c/fwd 31 March 2018</b>	<b>(37,792)</b>	<b>(38,691)</b>			

23. General Fund Balances are expected to fall marginally to £38,691k as a result of the forecast position detailed above, from a closing 2016/17 balance of £38,738k. The Council's current MTFE assumes that unallocated balances will remain between £15,000k and £32,000k to manage emergent risks, with any sums above that level earmarked for use to smooth the impact of government funding cuts.

### Directorate Operating Budgets (£643k underspend, £183k improvement)

24. Table 2 provides an overview of the forecast outturn on Directorate Operating Budgets as at Month 5. Further detail for each directorate is contained within Appendix A to this report.
25. The Council is currently permitted to finance the costs associated with service transformation from Capital Receipts, with both one-off implementation costs and the support for service transformation, including the BID team, being funded from this resource. Current projections include an estimate of £4,205k for such costs, which will remain under review over the remainder of the year and have been excluded from reported monitoring positions. It is anticipated that these costs will be financed from a combination of Capital Receipts and Earmarked Reserves.

**Table 2: Directorate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
7,141	267	Chief Executive's Office	Expenditure	7,408	7,429	21	9	12
(1,103)	32		Income	(1,071)	(1,096)	(25)	(10)	(15)
<b>6,038</b>	<b>299</b>		<b>Sub-Total</b>	<b>6,337</b>	<b>6,333</b>	<b>(4)</b>	<b>(1)</b>	<b>(3)</b>
16,640	903	Finance	Expenditure	17,543	17,490	(53)	(17)	(36)
(3,517)	81		Income	(3,436)	(3,649)	(213)	(198)	(15)
<b>13,123</b>	<b>984</b>		<b>Sub-Total</b>	<b>14,107</b>	<b>13,841</b>	<b>(266)</b>	<b>(215)</b>	<b>(51)</b>
109,841	2,825	Residents Services	Expenditure	112,666	113,500	834	550	284
(36,991)	(4,443)		Income	(41,434)	(42,545)	(1,111)	(777)	(334)
<b>72,850</b>	<b>(1,618)</b>		<b>Sub-Total</b>	<b>71,232</b>	<b>70,955</b>	<b>(277)</b>	<b>(227)</b>	<b>(50)</b>
129,618	5,543	Social Care	Expenditure	135,161	13,474	(414)	(385)	(29)
(27,550)	(1,812)		Income	(29,362)	(29,044)	318	368	(50)
<b>102,068</b>	<b>3,731</b>		<b>Sub-Total</b>	<b>105,799</b>	<b>105,703</b>	<b>(96)</b>	<b>(17)</b>	<b>(79)</b>
<b>194,079</b>	<b>3,396</b>	<b>Total Directorate Operating Budgets</b>		<b>197,475</b>	<b>196,832</b>	<b>(643)</b>	<b>(460)</b>	<b>(183)</b>

26. The Chief Executive's Office is reporting an improvement of £3k from Month 5, resulting in a projected £4k underspend. The Finance Directorate is projecting an underspend of £266k, an improvement relating to minor improvements across all service areas from the reported Month 5 position. The overall underspend across the Directorate relates to staffing underspends arising from the early implementation of 2018/19 savings proposals, with additional performance based grant funding supporting additional investment in agency staff within Revenues and Benefits.
27. The Residents Services position has improved by £50k from Month 5, with a number of movements across the group, including additional Planning Performance Agreement income being applied to support additional planning resource. Within the headline £277k underspend, a combination of staffing underspends totalling £1,235k and an improved outlook for income from on-street parking services are sufficient to contain expenditure pressures across ICT

and Fleet Management, alongside income shortfalls reported on off-street parking, imported food sampling and cemeteries.

28. A favourable movement of £79k is reported across Social Care budgets, due to a number of minor improvements across most service areas as the Directorate continues to review the funding of historical cases and non staffing costs. At Month 6, an overall underspend of £96k is reported with difficulties in recruitment of qualified Educational Psychologists resulting in reduced income from the Schools budget and compensatory underspends on workforce costs. Across the Directorate, staffing projections in relation to Council funded roles remain marginally lower than budget.

### Progress on Savings

29. The Council's 2017/18 General Fund revenue budget contains £15,508k savings, with all prior year savings delivered in full during 2016/17. £14,194k savings are reported as banked or on track for delivery at Month 6, with the remaining £1,314k savings being classed as Amber. Items reported as Amber are at an early stage of delivery, and no items are being reported as having serious risks of non-delivery.

**Table 3: Savings Tracker**

2017/18 General Fund Savings Programme	CE's Office & Finance	Residents Services	Social Care	Cross Cutting	Total Savings	
	£'000	£'000	£'000	£'000	£'000	%
B Banked	(1,009)	(3,583)	(4,141)	(198)	<b>(8,931)</b>	<b>57.7%</b>
G On track for delivery	(68)	(1,928)	(2,588)	(679)	<b>(5,263)</b>	<b>33.8%</b>
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	(692)	(385)	(237)	<b>(1,314)</b>	<b>8.5%</b>
R Serious problems in the delivery of the saving	0	0	0	0	<b>0</b>	<b>0.0%</b>
<b>Total 2017/18 Savings</b>	<b>(1,077)</b>	<b>(6,203)</b>	<b>(7,114)</b>	<b>(1,114)</b>	<b>(15,508)</b>	<b>100.0%</b>

### Corporate Operating Budgets (£405k underspend, nil movement)

30. Corporately managed expenditure includes revenue costs of the Council's Capital Programme, the net impact of Housing Benefit Subsidy arrangements on the Council, externally set levies and income arising from the provision of support services to other funds and ring-fenced budgets.
31. There is no movement reported from the Month 5 position. The £400k underspend relates to a £360k reduction in provision for debt repayment and external interest costs to reflect slippage in capital expenditure from 2016/17 and a £40k improvement in the outlook for investment income. The £5k underspend across Levies and Other Corporate Budgets is due to the New Homes Bonus Refund Grant being sufficient to off-set an exceptional increase in the levy for the West London Coroner's Service.

**Table 4: Corporate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
0	0	Interest and Investment Income	Salaries	0	0	0	0	
5,259	0		Non-Sal Exp	5,259	4,899	(360)	(360)	0
(104)	0		Income	(104)	(145)	(41)	(40)	(1)
<b>5,155</b>	<b>0</b>		<b>Sub-Total</b>	<b>5,155</b>	<b>4,754</b>	<b>(401)</b>	<b>(400)</b>	<b>(1)</b>
450	0	Levies and Other Corporate Budgets	Salaries	450	450	0	0	0
11,237	28		Non-Sal Exp	11,265	11,366	101	99	2
(14,788)	454		Income	(14,334)	(14,440)	(106)	(105)	(1)
<b>(3,101)</b>	<b>482</b>		<b>Sub-Total</b>	<b>(2,619)</b>	<b>(2,624)</b>	<b>(5)</b>	<b>(6)</b>	<b>1</b>
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0	0
144,372	(1,269)		Non-Sal Exp	143,103	144,372	1,269	1,269	0
(144,931)	1,269		Income	(143,662)	(144,930)	(1,268)	(1,268)	0
<b>(559)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(559)</b>	<b>(558)</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>1,495</b>	<b>482</b>	<b>Total Corporate Operating Budgets</b>		<b>1,977</b>	<b>1,572</b>	<b>(405)</b>	<b>(405)</b>	<b>0</b>

### Development & Risk Contingency (£149k overspend, £27k adverse movement)

32. The Council set aside £19,216k to manage volatile and uncertain elements of budgets within the Development & Risk Contingency, which included £18,466k in relation to specific risk items and £750k as General Contingency to manage unforeseen issues. As expected with such potentially volatile areas of activity, these will continue to be closely monitored over the coming year.

**Table 5: Development & Risk Contingency**

Original Budget	Budget Changes	Service		Month 6		Variance (As at Month 6)	Variance (As at Month 5)	Movement from Month 5
				Revised Budget	Forecast Outturn			
				£'000	£'000			
291	0	Fin.	Uninsured claims	291	291	0	0	0
1,736	0	Residents Services	Impact of Welfare Reform on Homelessness	1,736	1,736	0	0	0
3,522	0		Waste Disposal Levy & Associated Contracts	3,522	3,213	(309)	(309)	0
100	0		High Speed 2 Challenge Fund	100	100	0	0	0
200	0		Heathrow Expansion Challenge Fund	200	200	0	0	0
1,648	0	Social Care	Asylum Service	1,648	1,970	322	222	100
5,298	0		Demographic Growth - Looked After Children	5,298	6,292	994	848	146
277	0		Social Worker Agency Contingency	277	277	0	0	0
184	0		SEN transport - Contingency	184	184	0	0	0
2,910	0		Demographic Growth - Transitional Children	2,910	2,772	(138)	0	(138)
785	0		Demographic Growth - Adults	785	414	(371)	(371)	0
197	0		Winterbourne View	197	50	(147)	(147)	0
759	0		Deprivation of Liberty Safeguards	759	733	(26)	55	(81)
559	0	Corp. Items	Apprenticeship Levy	559	383	(176)	(176)	0
750	0		General Contingency	750	750	0	0	0
<b>19,216</b>	<b>0</b>	<b>Total Development &amp; Risk Contingency</b>		<b>19,216</b>	<b>19,365</b>	<b>149</b>	<b>122</b>	<b>27</b>

33. The requirement from the contingency provision of £1,736k is for homelessness continues to be projected in full, no change from the reported Month 5 position. There were households in Bed and Breakfast accommodation at the end of September which is a slight increase from the previous month, however this number is expected to be managed down to budgeted levels over the remainder of the financial year. In addition to the full contingency provision, it remains forecast that Earmarked Reserve drawdowns will be required to secure appropriate and sustainable private sector accommodation.
34. The contingency requirement for waste disposal continues to be forecast at £309k less than budget due to the Council receiving a one-off disbursement from the West London Waste Alliance in respect of excess reserves. The wider position on waste disposal costs remains consistent with budget assumptions.
35. An adverse movement of £100k is projected against the Asylum Contingency requirement from Month 5 forecasts. This is as a result of a reduction in income following confirmation from the Home Office that a number of supported individuals will no longer be eligible for funding.
36. Due to an increase in the number of Residential Placements, an adverse movement of £183k is reported against Looked After Children. The overall pressure of £848k continues to reflect

the more complex needs of Children with Disabilities and the higher cost of securing adoptions outside of the Borough.

37. The contingency requirement for Transitional Children has been reviewed following the start of the new academic year, and projections reduced by £138k to reflect a number of clients remaining in educational settings for longer than previously anticipated.
38. An improvement of £81k is projected against Deprivation of Liberty Safeguards following clarification of the impact of IR35 regulations on the payroll taxes of the Council's supplier, where projections had previously assumed an adverse financial impact. This movement is one-off in nature and is not expected to impact materially on the future cost of DoLS assessments.
39. As in previous years, the Council retains a General Contingency to meet the costs of exceptional or emerging pressures which had not been specifically provided for at the time of budget setting. To date there have been no calls on this £750k provision, which will be available to further supplement General Balances at outturn if requirements are not identified during 2017/18.

### Priority Growth

40. The 2017/18 General Fund revenue budget approved by Council in February 2017 set aside £254k of unallocated Priority Growth, in addition to £200k of base budget available to support HIP Initiatives. The 2017/18 HIP budget is supplemented by £954k brought forward balances, to provide £1,154k resources for HIP Initiatives. £128k of projects have been approved for funding from HIP resources, leaving £1,026k available for future release. Although the corporate monitoring position assumes all budgeted growth will be spent or committed during the current financial year, no priority growth has been allocated to services as at Month 6.

**Table 6: Priority Growth**

Original Budget	Budget Changes	Priority Growth	Month 6		
			Revised Budget	Approved Allocations	Unallocated Balance
£'000	£'000		£'000	£'000	£'000
200	0	HIP Initiatives Budgets	200	0	(200)
0	954	B/fwd Funds	954	128	(826)
254	0	Unallocated Priority Growth	254	0	(254)
<b>454</b>	<b>954</b>	<b>Total Priority Growth</b>	<b>1,408</b>	<b>128</b>	<b>(1,280)</b>

### Schools Budget

41. An in-year overspend of £1,308k is projected against the Dedicated Schools Grant in 2017/18, bringing the brought forward deficit on the centrally retained reserve to £2,444k. This position reflects pressures of £1,808k mainly due to a significant increase in the cost of placements as the service moves all children onto Education & Health Care Plans (EHCPs) being off-set by £500k contingency provision held back to manage such emerging pressures. Any residual deficit on the retained reserve remaining at the time of budget setting in February 2018 will be funded through a topslice on the 2018/19 Dedicated Schools Grant and therefore not impact directly upon the General Fund position.

## **Collection Fund**

42. An adverse movement of £11k is projected against the Collection Fund, which results in a surplus of £2,602k for 2017/18. This surplus is made up of a £2,671k surplus against Council Tax off-set by a forecast deficit of £69k against Business Rates. The position on Council Tax includes £2,004k from the release of historic provisions for doubtful debt following the adoption of an improved accounting methodology from 2016/17, alongside an in-year surplus of £667k primarily attributable to strong collection performance. The in-year surplus on Business Rates activity is not sufficient to off-set the £408k pressure against the brought forward £2,000k surplus from an increase in Empty Property Relief awarded during 2016/17, which results in an overall £69k deficit on Business Rates.
43. The combined surplus of £2,602k is expected to be available for release to the General Fund in 2018/19 and will be reflected in future iterations of the Council's Medium Term Financial Forecast.

## **Housing Revenue Account**

44. The Housing Revenue Account (HRA) is currently forecasting an underspend of £832k against the budgeted deficit of £11,664k, an improvement of £128k from Month 5 and results in a projected closing HRA General Balance of £34,994k. This is above the £12,000k minimum level of HRA balances threshold, with sums over and above this minimum level earmarked for investment in new or existing stock.
45. 34 properties have been sold under Right to Buy as at the end of Month 6, with a further 51 completions anticipated during 2017/18. Sufficient expenditure on the acquisition of new properties was incurred to fully utilise the initial tranche of retained receipts and therefore avoid any repayment of receipts and penalty interest to DCLG during Quarter 1 and Quarter 2.

## **Future Revenue Implications of Capital Programme**

46. Appendix D to this report outlines the forecast outturn on the 2017/18 to 2021/22 Capital Programme, with a £419k underspend projected over the five year programme. Prudential Borrowing required to support the Council's Capital Programme is projected to be £9,043k lower than the £102,775k revised budget, primarily as a result of a £11,777k favourable variance on Government Grants being off-set by a £3,153k shortfall in Capital Receipt forecasts over the medium term. This favourable variance on borrowing would ultimately result in a reduction in future revenue costs of approximately £490k per annum.
47. 2017/18 capital expenditure is projected to be £23,104k lower than the £79,186k budget, indicating that the Council will be able to defer new borrowing into later years and therefore deliver savings against capital financing budgets in 2018/19. Slippage in delivery of capital receipts will reduce any such saving; with current forecasts showing that £14,500k of the planned £23,927k will be secured during 2017/18.

## Appendix A – Detailed Group Forecasts (General Fund)

### CHIEF EXECUTIVE'S OFFICE (£4k underspend, £3k improvement)

49. The overall position for the Chief Executive's Office at Month 6 is an underspend of £4k, an improvement of £3k on Month 5. This includes covering a Managed Vacancy Factor (MVF) saving of £153k achieved through vacant posts, non-salary underspends and the over achievement of income across the Group.

**Table 7: Chief Executive's Office Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
1,466	9	Democratic Services	Salaries	1,475	1,478	3	5	(2)
1,669	26		Non-Sal	1,695	1,712	17	14	3
(596)	(58)		Exp	(654)	(641)	13	8	5
<b>2,539</b>	<b>(23)</b>		<b>Sub-Total</b>	<b>2,516</b>	<b>2,549</b>	<b>33</b>	<b>27</b>	<b>6</b>
2,001	(101)	Human Resources	Salaries	1,900	1,922	22	27	(5)
89	264		Non-Sal	353	315	(38)	(36)	(2)
(247)	90		Exp	(157)	(175)	(18)	(18)	0
<b>1,843</b>	<b>253</b>		<b>Sub-Total</b>	<b>2,096</b>	<b>2,062</b>	<b>(34)</b>	<b>(27)</b>	<b>(7)</b>
1,833	69	Legal Services	Salaries	1,902	1,928	26	8	18
83	0		Non-Sal	83	74	(9)	(9)	0
(260)	0		Exp	(260)	(280)	(20)	0	(20)
<b>1,656</b>	<b>69</b>		<b>Sub-Total</b>	<b>1,725</b>	<b>1,722</b>	<b>(3)</b>	<b>(1)</b>	<b>(2)</b>
5,300	(23)	Chief Executive's Office Directorate	Salaries	5,277	5,328	51	40	11
1,841	290		Non-Sal	2,131	2,101	(30)	(31)	1
(1,103)	32		Exp	(1,071)	(1,096)	(25)	(10)	(15)
<b>6,038</b>	<b>299</b>		<b>Total</b>	<b>6,337</b>	<b>6,333</b>	<b>(4)</b>	<b>(1)</b>	<b>(3)</b>

### Democratic Services (£33k overspend, £6k adverse movement)

50. An adverse movement in Democratic Services primarily reflects lower than anticipated income in relation to Citizenship Ceremony volumes, which has seen a reduction in demand of 21% when compared with 2016/17 levels. Following Brexit, there has been an increase in EU nationals applying for British Citizenship nationally, although total granted applications (EU and Non-EU Nationals) has seen a reduction of 13% over the same period. Income pressures will continue to be monitored closely.

### Human Resources (£34k underspend, £7k improvement)

51. Human Resources is reporting an underspend of £34k at Month 6, an improvement of £7k on the month due in the main to refreshed staffing assumptions. A bottom line forecast pressure on salaries however reflects a fully staffed establishment, with a MVF of £52k being partly mitigated by maternity leave posts within the service. A favourable non-salaries position relates to learning and development expenditure, with ongoing underspends being picked up as part of a Zero Based Review exercise delivering MTF savings in 2018/19.



## **Legal Services (£3k underspend, £2k improvement)**

52. At Month 6, Legal Services is reporting an underspend of £3k, representing a small improvement of £2k on the month due to mitigating salaries and income adjustments. Staffing assumptions now include locum costs for a Principal Planning Lawyer covering a
53. maternity leaver, whilst income is now forecast to overachieve budgeted levels by £20k due to increased planning legal income and leasehold extension fees.
54. For 2017/18, the full £221k savings presented by the Chief Executive's Office have been banked. A further cross-cutting MTFF proposal of £559k for the Council's contribution to the Apprenticeship Levy is being managed within HR, and at Month 6 £198k has been banked with the remaining £361k marked as on track for delivery.

## FINANCE (£266k underspend, £51k improvement)

55. The Finance Group is reporting an underspend of £266k at Month 6, an improvement of £51k on the position at Month 5, and includes covering a Managed Vacancy Factor of £376k.

**Table 8: Finance Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service		Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000
				Revised Budget £'000	Forecast Outturn £'000			
942	869	Business Assurance	Salaries	1,811	1,773	(38)	(13)	(25)
1,404	42		Non-Sal Exp	1,446	1,455	9	9	0
(659)	(58)		Income	(717)	(696)	21	1	20
<b>1,687</b>	<b>853</b>		<b>Sub-Total</b>	<b>2,540</b>	<b>2,532</b>	<b>(8)</b>	<b>(3)</b>	<b>(5)</b>
1,608	0	Procurement	Salaries	1,608	1,582	(26)	(19)	(7)
75	0		Non-Sal Exp	75	92	17	17	0
(31)	0		Income	(31)	(35)	(4)	0	(4)
<b>1,652</b>	<b>0</b>		<b>Sub-Total</b>	<b>1,652</b>	<b>1,639</b>	<b>(13)</b>	<b>(2)</b>	<b>(11)</b>
3,127	527	Corporate Finance	Salaries	3,654	3,522	(132)	(137)	5
(7)	2,030		Non-Sal Exp	2,023	2,022	(1)	1	(2)
(127)	(46)		Income	(173)	(176)	(3)	13	(16)
<b>2,993</b>	<b>2,511</b>		<b>Sub-Total</b>	<b>5,504</b>	<b>5,368</b>	<b>(136)</b>	<b>(123)</b>	<b>(13)</b>
4,382	(30)	Revenues & Benefits	Salaries	4,352	4,532	180	174	6
1,841	0		Non-Sal Exp	1,841	1,808	(33)	(31)	(2)
(2,360)	150		Income	(2,210)	(2,436)	(226)	(201)	(25)
<b>3,863</b>	<b>120</b>		<b>Sub-Total</b>	<b>3,983</b>	<b>3,904</b>	<b>(79)</b>	<b>(58)</b>	<b>(21)</b>
1,034	(531)	Pensions, Treasury & Statutory Accounting	Salaries	503	472	(31)	(19)	(12)
2,234	(2,004)		Non-Sal Exp	230	232	2	1	1
(340)	35		Income	(305)	(306)	(1)	(11)	10
<b>2,928</b>	<b>(2,500)</b>		<b>Sub-Total</b>	<b>428</b>	<b>398</b>	<b>(30)</b>	<b>(29)</b>	<b>(1)</b>
11,093	835	Finance Directorate	Salaries	11,928	11,881	(47)	(14)	(33)
5,547	68		Non-Sal Exp	5,615	5,609	(6)	(3)	(3)
(3,517)	81		Income	(3,436)	(3,649)	(213)	(198)	(15)
<b>13,123</b>	<b>984</b>		<b>Total</b>	<b>14,107</b>	<b>13,841</b>	<b>(266)</b>	<b>(215)</b>	<b>(51)</b>

### Business Assurance (£8k underspend, £5k improvement)

56. Business Assurance is projecting an underspend at Month 6 of £8k, an improvement of £5k on the month. Within the improvement a shortfall on Health and Safety income of £20k is projected, representing a reduced level of fee earning course take up. Staffing assumptions have been refreshed following the transfer of Counter Fraud into the service from Month 5 and include a vacancy and maternity leave posts being covered by existing staffing resource.

### Procurement (£13k underspend, £11k improvement)

57. The service is reporting an underspend of £13k as at Month 6, an improvement of £11k on the month primarily due to unplanned rebate income for pcard expenditure alongside revised staffing forecasts. Part year vacancies and maternity leave within the service are offsetting

pressures against non-salary expenditure, due to recruitment expenditure incurred filling remaining posts as part of the new structure.

### Corporate Finance (£136k underspend, £13k improvement)

58. Corporate Finance is reporting an underspend of £136k as at Month 6, due to staffing underspends resulting from part year vacancies being managed within existing resources, and implementation of the Finance BID review phase 1. The improved position reflects increased income estimates against S46 Receivership Fees within the Social Care Finance team.

### Revenues & Benefits (£79k underspend, £21k improvement)

59. A £21k improvement on the month, primarily due to additional government support for Universal Credit is reported within Revenues and Benefits. Staffing pressures reflect the cost of agency staff employed on a performance based scheme which aims to cut down fraud and reduce errors in Housing Benefit claims, funded directly from grant monies.

### Pensions, Treasury & Statutory Accounting (£30k underspend, £1k improvement)

60. The service is reporting an underspend of £30k, a £1k improvement on the position at Month 5 due to revised staffing assumptions. The mitigating adjustment across income and expenditure subjective headings relates to the movement of a previously unbudgeted Pensions Apprentice recharged to the Pension Fund.
61. At Month 6, £788k (92%) of the £856k savings proposed as part of the MTFF 2017/18 are classed as banked, with the remaining £68k classed as on track. Proposals are underway and good progress is being made against the targets.

**Table 9: Finance Development & Risk Contingency**

Original Budget	Budget Changes	Development & Risk Contingency	Month 6		Variance (As at Month 6)	Variance (As at Month 5)	Movement from Month 5
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
291	0	Uninsured claims	291	291	0	0	0
<b>291</b>	<b>0</b>	<b>Current Commitments</b>	<b>291</b>	<b>291</b>	<b>0</b>	<b>0</b>	<b>0</b>

62. At Month 6, no movement is reported on the requirement to call upon the Uninsured Claims contingency budget as insurance payments and assumptions remain constant. The contingency budget, along with the base budget of £359k, is expected to fully cover the cost of General Fund claim payments below insurance excess levels in 2017/18. Any payment amounts greater than the budget available will be managed from the Insurance reserve during 2017/18.

## RESIDENTS SERVICES (£277k underspend, £50k favourable movement)

63. Residents Services directorate is showing a projected outturn underspend of £277k at Month 6, excluding pressure areas that have identified contingency provisions.

**Table 10: Residents Services Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
15,219	(241)	Infrastructure, Waste and ICT	Salaries	14,978	14,824	(154)	(172)	18
31,833	85		Non-Sal Exp	31,918	32,308	390	360	30
(9,790)	(2)		Income	(9,792)	(10,043)	(251)	(262)	11
<b>37,262</b>	<b>(158)</b>		<b>Sub-Total</b>	<b>37,104</b>	<b>37,089</b>	<b>(15)</b>	<b>(74)</b>	<b>59</b>
16,922	(134)	Housing, Environment, Education, Health & Wellbeing	Salaries	16,788	16,563	(225)	(243)	18
23,024	471		Non-Sal Exp	23,495	24,480	985	953	32
(16,874)	96		Income	(16,778)	(17,657)	(879)	(753)	(126)
<b>23,072</b>	<b>433</b>		<b>Sub-Total</b>	<b>23,505</b>	<b>23,386</b>	<b>(119)</b>	<b>(43)</b>	<b>(76)</b>
7,430	(515)	Planning, Transportation & Regeneration	Salaries	6,915	6,960	45	(161)	206
1,901	166		Non-Sal Exp	2,067	2,487	420	369	51
(6,397)	(155)		Income	(6,552)	(6,901)	(349)	(87)	(262)
<b>2,934</b>	<b>(504)</b>		<b>Sub-Total</b>	<b>2,430</b>	<b>2,546</b>	<b>116</b>	<b>121</b>	<b>(5)</b>
1,777	0	HR, Performance & Improvement	Salaries	1,777	1,515	(262)	(246)	(16)
160	0		Non-Sal Exp	160	168	8	8	0
(270)	0		Income	(270)	(18)	252	252	0
<b>1,667</b>	<b>0</b>		<b>Sub-Total</b>	<b>1,667</b>	<b>1,665</b>	<b>(2)</b>	<b>14</b>	<b>(16)</b>
10,766	848	Administrative , Technical & Business Services	Salaries	11,614	10,975	(639)	(541)	(98)
809	2,145		Non-Sal Exp	2,954	3,220	266	223	43
(3,660)	(4,382)		Income	(8,042)	(7,926)	116	73	43
<b>7,915</b>	<b>(1,389)</b>		<b>Sub-Total</b>	<b>6,526</b>	<b>6,269</b>	<b>(257)</b>	<b>(245)</b>	<b>(12)</b>
52,114	(42)	Residents Services Directorate	Salaries	52,072	50,837	(1,235)	(1,363)	128
57,727	2,867		Non-Sal Exp	60,594	62,663	2,069	1,913	156
(36,991)	(4,443)		Income	(41,434)	(42,545)	(1,111)	(777)	(334)
<b>72,850</b>	<b>(1,618)</b>		<b>Total</b>	<b>71,232</b>	<b>70,955</b>	<b>(277)</b>	<b>(227)</b>	<b>(50)</b>

64. The overall variance is a result of staffing underspends across the directorate, with these favourable variances offset in part by pressures in ICT and fleet management, as well as parking income shortfalls at Cedars and Grainges car parks and in Imported Food sampling.
65. The Council's 2017/18 contingency budget contains provision for areas of expenditure or income within Residents Services for which there is a greater degree of uncertainty. The position against these contingency items is shown in Table 2 below.
66. At Month 6 projected calls on contingency are £309k below the budgeted provision (no change). The table below shows the breakdown for each contingency item.

**Table 11: Development and Risk Contingency**

Original Budget	Budget Changes	Development & Risk Contingency	Month 6		Variance (As at Month 6)	Variance (As at Month 5)	Movement from Month 5
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,736	0	Impact of Welfare Reform on Homelessness	1,736	1,736	0	0	0
3,522	0	Waste Disposal Levy & Associated Contracts	3,522	3,213	(309)	(300)	(9)
100	0	High Speed 2 Challenge Fund	100	100	0	0	0
200	0	Heathrow Expansion Challenge Fund	200	200	0	0	0
<b>5,558</b>	<b>0</b>	<b>Current Commitments</b>	<b>5,558</b>	<b>5,249</b>	<b>(309)</b>	<b>(300)</b>	<b>(9)</b>

67. The Month 6 data in Table 12 below shows a reduction from the previously reported B&B figures earlier in the financial year, following the impact of increased prevention work. The reducing number of Households in higher cost Bed & Breakfast accommodation is in line with MTFE assumptions made by officers in modelling Supply and Demand, with the fluctuation in demand managed with existing budgets.

**Table 12: Housing Needs performance data**

	2017		
	July	August	September
Homeless Threat, Priority Need & Eligible	116	95	102
Presenting As Homeless	40	52	38
Duty Accepted	24	27	21
<b>Households in Temporary Accommodation</b>	612	613	619
<b>Households in B&amp;B</b>	224	224	229

68. As in previous years, a contingency has been set aside in 2017/18 to resource the need for Temporary Accommodation in the Borough. The call on contingency relating to homelessness remains as per prior projections of £1,736k, which is as per the budgeted provision.
69. The Council will continue to closely monitor this risk, given the potential seasonal fluctuations which could materialise in the remainder of the financial year. It is expected that there will also be a requirement to draw on the Housing Incentives earmarked reserve given the costs of securing private sector accommodation, with any drawdown being subject to the usual approvals.
70. A contingency of £3,522k has been set aside to fund estimated increases in waste tonnages via the levy. A one-off disbursement from WLWA in respect of excess reserves has now been received by the council in the sum of £308,602.

#### **Infrastructure, Waste and ICT (£15k underspend, £59k adverse movement)**

71. The overall forecast encompasses a significant quantum of management actions, mainly within ICT, Waste and Fleet services, which will be closely monitored during the financial year. At month 6, the service is reporting a net adverse movement of £59k from the month 5 position.

72. The adverse movement is attributable to the following service areas: ICT (£27k) relating to additional recruitment advertising expenditure incurred to implement the new structure; Capital and Planned works (£16k) reflecting ineligible capital fees and Property and Estates (£14k) in respect of revised full year surveyors' fees.
73. The ICT service is progressing implementation of the recent BID review, with an associated MTFE savings target. The recently appointed Head of ICT is progressing a review of all non-staffing spend.
74. Whilst the initial service assessments of contract & licensing spend commitments are significantly above budget, the work required to take out demand/rationalise systems is ongoing. As part of this exercise the service is concluding its review of all contract and licensing spend alongside retendering a number of contracts and specific system reviews, which should give scope to mitigate pressures as improvements are implemented.
75. The reported position for fleet management reflects that the ongoing pressures from the last financial year are expected to be addressed via external review of the service. The main drivers of the pressure are vehicle maintenance contracts, vehicle damage and vehicle contract hire.

**Housing, Environment, Education, Health & Wellbeing (£119k underspend, £76k favourable movement)**

76. The overall forecast contains a number of management actions which will be monitored closely throughout the financial year.
77. At Month 6 the service is reporting an underspend projection of £119k, £76k favourable movement. Green Spaces & Culture is reporting favourable movement in the following service areas: Sport and Activity (£29k), Grounds Maintenance (Equipment hire, £12k and fuel costs £17k). Movement in income and non-staffing forecasts from month 5 relate in the main to the reduced forecast drawdown on Housing Incentives earmarked reserves.
78. There are also smaller favourable net movements this month for DFGs (£5k) and Community Safety (£8k) following revised staffing projections.

**Planning, Transportation & Regeneration (£116k overspend, £5k favourable)**

79. At month 6 there is a projected overspend of £116k (£5k favourable) across the service area, with the main pressure relating to income in Imported Food sampling continuing the trend from previous years.
80. The small favourable movement is derived from full drawdown of two Earmarked reserves, Flood management (£3k) and Hillingdon Local plan (£2k).
81. Increased gift funding projections account for the majority of the increased income forecast, with all of this funding fully committed against future staffing expenditure in the planning service.

**Performance & Improvement (£2k overspend, £16k favourable movement)**

82. There is a favourable movement of £16k relating to revised staffing projections for the Performance & Improvement team, as a result of recruitment to a new vacancy.

**Administrative, Technical & Business Services (£257k underspend, £12k favourable movement)**

83. The service is reporting a £257k underspend at Month 6, representing a £12k favourable movement from the Month 5 position.
84. The net favourable movement is a result of staffing underspends across the service, with the movement of £98k favourable primarily owing to delays in recruitment to Business Support and Technical Administration roles. In addition there are vacant posts across parking administration, the contact centre and licensing contributing to the overall staffing underspend.
85. Parking services continue to forecast pressures relating to income shortfalls at Uxbridge car parks with the latest forecast at £496k (£60k adverse) plus further non-staffing pressures relating to repairs and maintenance costs. These are netted down by wider parking income streams including the PRA.

## SOCIAL CARE (£96k underspend, £79k improvement)

86. Social Care is projecting an underspend of £96k as at Month 6, an improvement of £79k on the Month 5 position, due to a number of minor improvements across most service areas as the Directorate continues to review the funding of historical cases and non staffing costs. The underspend relates predominantly to staffing costs, where there are a number of vacant posts not covered by agency assignments. However, there are still underlying pressures that are being managed across the service, which include the cost of Agency Social Workers in Children's Services, the cost of external legal counsel providing support for Children's Services and reduced income from the Dedicated Schools Grant for the Educational Psychology Service.

**Table 13: Social Care Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service		Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000
				Revised Budget £'000	Forecast Outturn £'000			
13,299	275	Children's Services	Salaries	13,574	13,712	138	51	87
12,635	10		Non-Sal Exp	12,645	12,575	(70)	(5)	(65)
(7,804)	(23)		Income	(7,827)	(7,812)	15	0	15
<b>18,130</b>	<b>262</b>		<b>Sub-Total</b>	<b>18,392</b>	<b>18,475</b>	<b>83</b>	<b>46</b>	<b>37</b>
7,784	455	Early Intervention, Prevention & SEND	Salaries	8,239	8,020	(219)	(216)	(3)
6,257	42		Non-Sal Exp	6,299	6,298	(1)	20	(21)
(2,370)	(51)		Income	(2,421)	(2,018)	403	394	9
<b>11,671</b>	<b>446</b>		<b>Sub-Total</b>	<b>12,117</b>	<b>12,300</b>	<b>183</b>	<b>198</b>	<b>(15)</b>
4,597	(96)	Older People & Physical Disabilities Service	Salaries	4,501	4,494	(7)	(8)	1
34,209	2,973		Non-Sal Exp	37,182	37,221	39	(8)	47
(11,146)	(750)		Income	(11,896)	(11,974)	(78)	(1)	(77)
<b>27,660</b>	<b>2,127</b>		<b>Sub-Total</b>	<b>29,787</b>	<b>29,741</b>	<b>(46)</b>	<b>(17)</b>	<b>(29)</b>
11,537	(459)	Adult Social Care - Provider & Commissioned Care	Salaries	11,078	10,747	(331)	(280)	(51)
5,874	339		Non-Sal Exp	6,213	6,208	(5)	54	(59)
(590)	1		Income	(589)	(552)	37	(7)	44
<b>16,821</b>	<b>(119)</b>		<b>Sub-Total</b>	<b>16,702</b>	<b>16,403</b>	<b>(299)</b>	<b>(233)</b>	<b>(66)</b>
4,341	(603)	Learning Disability and Mental Health Service	Salaries	3,738	3,757	19	0	19
29,435	1,585		Non-Sal Exp	31,020	31,024	4	(15)	19
(5,264)	(989)		Income	(6,253)	(6,298)	(45)	(4)	(41)
<b>28,512</b>	<b>(7)</b>		<b>Sub-Total</b>	<b>28,505</b>	<b>28,483</b>	<b>(22)</b>	<b>(19)</b>	<b>(3)</b>
320	175	Directorate & Support Services	Salaries	495	514	19	22	(3)
(670)	847		Non-Sal Exp	177	177	0	0	0
(376)	0		Income	(376)	(390)	(14)	(14)	0
<b>(726)</b>	<b>1,022</b>		<b>Sub-Total</b>	<b>296</b>	<b>301</b>	<b>5</b>	<b>8</b>	<b>(3)</b>
41,878	(253)	<b>Social Care Directorate Total</b>	Salaries	41,625	41,244	(381)	(431)	50
87,740	5,796		Non-Sal Exp	93,536	93,503	(33)	46	(79)
(27,550)	(1,812)		Income	(29,362)	(29,044)	318	368	(50)
<b>102,068</b>	<b>3,731</b>		<b>Total</b>	<b>105,799</b>	<b>105,703</b>	<b>(96)</b>	<b>(17)</b>	<b>(79)</b>



**SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£634k overspend, £27k adverse movement)**

87. The Council's 2017/18 Development and Risk Contingency includes provision for areas of expenditure within Social Care for which there is a greater degree of uncertainty. In part, this is caused by in year demographic changes, including Asylum seekers and SEN Transport. Table 14 sets out the forecast spend against the Development and Risk Contingency, which is projecting an overspend of £634k, an adverse movement of £27k on the Month 5 position. There has been an adverse movement in the Asylum Service, where the grant income position has dropped further, following confirmation from the Home Office on eligible cases and the Children's Placements budget, where a number of Residential placements have been made since Month 5. These are netted down by an improved position in Transitional Children placement costs, where children are remaining in the care of Children's services rather than moving across into Adult placements and a reduced forecast against Deprivation of Liberty cases.

**Table 14: Social Care Development & Risk Contingency**

Original Budget	Budget Changes	Development & Risk Contingency	Month 6		Variance (As at Month 6)	Variance (As at Month 5)	Movement from Month 5
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,648	0	Asylum Service	1,648	1,970	322	222	100
5,298	0	Demographic Growth - Looked After Children	5,298	6,292	994	848	146
277	0	Social Worker Agency Contingency	277	277	0	0	0
184	0	SEN transport - Contingency	184	184	0	0	0
2,910	0	Demographic Growth - Transitional Children	2,910	2,772	(138)	0	(138)
785	0	Demographic Growth - Adults	785	414	(371)	(371)	0
197	0	Winterbourne View	197	50	(147)	(147)	0
759	0	Deprivation of Liberty Safeguards	759	733	(26)	55	(81)
<b>12,058</b>	<b>0</b>	<b>Current Commitments</b>	<b>12,058</b>	<b>12,692</b>	<b>634</b>	<b>607</b>	<b>27</b>

**Asylum Service (£322k overspend, £100k adverse movement)**

88. This service is projecting a drawdown of £1,970k from the contingency, an overspend of £322k as at Month 6 and an adverse movement of £100k from the Month 5 position. The adverse movement relates to a reduction in the forecast income following the receipt of confirmation from the Home Office of those UASC that they have accepted are eligible relating to claims dating back to April 2017. This pressure reflects the impact of a drop in grant income as there are a high proportion of UASC who will turn 18 this year, where the grant funding is less than that provided for under 18's. Additionally, with the introduction of the National Transfer Agreement in 2016, the number of under 18 UASC is not anticipated to grow.

89. There are expected to be future changes to the funding regime as in August 2017, the Council received correspondence from the Home Office indicating they would be undertaking a review of the grant funding that they provide to support UASC for 2018/19.
90. The service continues to review the support provided to UASC to ensure that this position can be maintained by the end of the financial year with a number of management actions in progress. These are currently focused on a review of accommodation and allowances costs. At this stage it is too early to confirm the benefit in this financial year given there will be some lead-in time associated with the mitigating actions.

**Demographic Growth - Looked After Children (£994k overspend, £146k adverse movement)**

91. The service is projecting a drawdown of £6,292k from the Contingency, £994k above the budget and an adverse movement of £146k on the Month 5 position, due to an anticipated increase in the cost of supporting children in Residential Placements. The main reason for the overspend relates to the cost of placements and support provided for Children with Disabilities and the cost of adoption, where the Service is having to place children outside of the Borough. Both of these areas are being reviewed by the service.
92. The underlying position on the Placements budget continues to show an improvement on the 2016/17 position, especially with regards to the number of children placed in Residential placements, where the numbers have dropped, from a high of 36 at the beginning of 2016/17 to 20 as at the end of September 2017. Based on an annualised cost, this translates into a cost reduction and avoidance of £1,512k, reducing from £5,563k to £4,051k. However this position can fluctuate given the wide potential variation in Children's placements costs.

**Social Worker Agency (Children's) (Nil variance, no change)**

93. This contingency provides funding to cover the additional cost of using agency staff whilst the service undertakes recruitment activity. For the 2017/18 financial year it was assumed that the service will operate at a level of 90% of posts filled by permanent staff and 10% filled by agency staff. However, the recruitment of Social Workers continues to be very competitive, and as a consequence the permanency rate is currently forecast at approximately 80% for this financial year. Therefore, the full drawdown of this contingency will be required. It is worth noting that the recruitment activity has already achieved through the first six months of 2017/18 the equivalent of the total permanent recruitment activity achieved in 2016/17, although it is apparent that this is starting to slow down.

**Demographic Growth - SEN Transport (Nil variance, no change)**

94. The service is projecting the full draw down of £184k from the SEN Transport contingency, reflecting the continued growth in the Special Educational Need children population. The main increase in this service is seen at the start of the new school year, where in September 2017 there was a net growth 57 clients. Although the majority of these new clients have been put on existing routes, several new routes have had to be added with additional passenger assistant costs. With some further, though less significant growth expected between now and the financial year end, there is an expectation that the full contingency will be required.

**Demographic Growth - Transitional Children (£138k underspend, £138k improvement)**

95. The service is projecting a reduced drawdown of £2,772k from the Transitional Children contingency. The improvement is as a result of transition clients entering the service at lower than anticipated costs as they are remaining in education settings for longer periods. This

factor partly explains some of the pressure noted in Children's placements relating to Children with Disabilities. The anticipation is that these clients will require higher cost care packages in the future once they leave education and where possible this has been reflected in the MTFE forecasts. This will continue to be monitored closely during the year and the forecast revised to reflect actual placements as the year progresses.

#### **Demographic Growth - Adults Placements (£371k underspend, no change)**

96. The service is projecting to drawdown £414k from the Adults Placements contingency, £371k less than the budget. This underspend of £371k is primarily due to ongoing process improvements for Placements, including timely assessment and recognition of external funding streams, combined with reduced demand for Physical Disability client placements. The demographic forecasting tool is regularly refreshed and expenditure areas are kept under close review.

#### **Winterbourne View (£147k underspend, no change)**

97. The service is projecting a drawdown of £50k from the Winterbourne View contingency, £147k below the budget. The current assumption is that these clients will be funded by dowry payments, however, discussions at the Transforming Care Partnership (TCP) meetings are indicating that there may not be sufficient funding to cover this from NHS England. Officers are taking the stance that this is not an issue for the Council, as it should be a matter for the CCG to resolve with NHS England.

#### **Deprivation of Liberty Safeguards (DoLS) (£26k underspend, £81k improvement)**

98. The service is projecting a drawdown of £733k from the Contingency, £26k below budget and an improvement of £81k on the Month 5 position. Resolution to a backlog of queries due to IR35 disputes has resulted in an improved position for the year. The number of DoLS referrals received to the end of September 2017 was 722, a weekly average of 27.7.

### **DIRECTORATE OPERATING BUDGETS**

#### **Children's Services (£83k overspend, £37k adverse movement)**

99. The service is reporting an overspend of £83k as at Month 6, an adverse movement of £37k from the Month 5 position, due to an increase in the staffing costs where permanent staff recruitment is still a significant challenge, resulting in an increase in the projected use of agency staff. Offsetting this increase is a reduction of £75k against the Legal pressure previously reported. Within this position there is still a significant legal cost pressure relating to a number of complex cases and the cost of staff recruitment from overseas, which is being managed through prior-year provisions that are no longer required.

#### **Early Intervention, Prevention & SEND (£183k overspend, £15k improvement)**

100. The service is reporting an overspend of £183k as at Month 6, an improvement of £15k on the Month 5 position, due to a reduction on non staffing costs across the service. The overspend is due to a projected shortfall of £386k in income from the Dedicated Schools Grant for the Educational Psychology Service, where the service has ongoing difficulties in recruiting Educational Psychologists and is therefore, currently unable to provide a non-statutory function for schools. Whilst this is netted down by a significant underspend of £326k on their staffing costs, there is also an overspend of £110k across the service, where the service is still anticipating that the staffing structure will be fully staffed by the end of the year. This position will be kept under review.

### **Older People and Physical Disabilities (£46k underspend, £29k improvement)**

101. The service is reporting an underspend of £46k as at Month 6, an improvement of £29k on the Month 5 position, due to additional income towards placement expenditure being secured from health partners.
102. It should be noted that there are inflationary increases still being negotiated with providers and the monitoring position assumes that the inflation provision included in the budget for this year will cover these increases.

### **Adult Social Care - Provider and Commissioned Care (£299k underspend, £66k improvement)**

103. The service is reporting an underspend of £299k as at Month 6, an improvement of £66k on the Month 5 position. The staffing budget is forecast to underspend by £331k, due to recruitment difficulties within the Reablement Team and posts that were vacant for part of the year in the Positive Behaviour Support Team. The transport budget is now forecast to breakeven at year end. This is a major improvement from the Outturn pressure of £1m in 2016/17 and has been delivered due to the investment in a major service review, which has introduced new and improved ways of working.

### **Learning Disability and Mental Health (£22k underspend, £3k improvement)**

104. The service is forecasting an underspend of £22k as at Month 6, an improvement of £3k on the Month 5 position, due to the ongoing review of historical placement costs and ensuring that these are being funded correctly by the appropriate organisation or directly by the client.

### **Directorate & Support (£5k overspend, £3k improvement)**

105. The Directorate budget is forecasting a marginal pressure of £5k as at Month 6, an improvement of £3k from the Month 5 position.

## Appendix B – Other Funds

### SCHOOLS BUDGET

#### Dedicated Schools Grant (£1,308k overspend, £254k adverse)

106. The Dedicated Schools Grant (DSG) is projecting an in-year overspend of £1,308k as at month 6, an adverse movement of £254k on the Month 5 projections. This adverse movement is due to a further increase in the projected cost of High Needs placements and an increase in the growth diseconomies funding relating to one of the new basic need academies. When the £1,136k deficit brought forward from 2016/17 is taken into account the deficit to carry forward to 2018/19 will increase to £2,444k.

**Table 15: DSG Income and Expenditure 2017/18**

Original Budget	Budget Changes	Funding Block	Month 6		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 6)	Variance (As at Month 5)	Change from Month 5
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(148,436)	2,966	<b>Dedicated Schools Grant Income</b>	(145,470)	(145,470)	0	0	0
112,811	(2,766)	<b>Delegated to Schools</b>	110,045	110,045	0	0	0
3,971	(342)	<b>Early Years</b>	3,630	3,507	(123)	(143)	20
3,889	0	<b>Centrally Retained</b>	3,889	4,167	278	196	82
27,265	142	<b>High Needs</b>	27,406	29,059	1,653	1,501	152
<b>(500)</b>	<b>0</b>	<b>Total Funding Blocks</b>	<b>(500)</b>	<b>1,308</b>	<b>1,808</b>	<b>1,554</b>	<b>254</b>
<b>500</b>	<b>0</b>	<b>Retained Balance</b>	<b>500</b>	<b>0</b>	<b>(500)</b>	<b>(500)</b>	<b>0</b>
<b>(0)</b>	<b>0</b>	<b>Total Schools Budget</b>	<b>0</b>	<b>1,308</b>	<b>1,308</b>	<b>1,054</b>	<b>254</b>
0	0	Balance Brought Forward 1 April 2017	1,136	1,136			
<b>0</b>	<b>0</b>	<b>Balance Carried Forward 31 March 2018</b>	<b>1,136</b>	<b>2,444</b>			

#### Dedicated Schools Grant Income (nil variance, no change)

107. There have been no further adjustments to the DSG income for 2017/18 following the reductions in month 4 relating to the actual numbers of 2 year olds and 3 and 4 year olds which accessed the free entitlement in 2016/17. The resulting reduction in early years funding should be reflected in a reduction in early years expenditure. There will be further adjustments in the coming months to reflect the two school conversions to academy status which took place on the 1 September 2017.

#### Delegated to Schools (nil variance, no change)

108. The budget has been realigned following the adjustment to the high needs recoupment figure to take account of changes to planned place numbers from September 2017 in academy schools and further education colleges.

#### Early Years (£123k underspend, £20k adverse movement)

109. The Early Years funding block is projecting an underspend of £123k as at month 6, an adverse movement of £20k on the month 5 projections. The adverse movement relates to a realignment of the projected fee income at one of the Early Years Centres following a decrease in the actual number of children accessing the provision.

110. The Early Years Psychology team still projecting a £46k underspend where uncertainty continues regarding the delivery model and the capacity of the team to deliver service to the Early Years sector. The current projection is based on the amount of educational psychology time that was allocated to Early Years in 2016/17, though this may actually be lower given the current capacity of the team.
111. There is a £54k underspend across the Early Years Advisory and Family Information Services, where there are currently vacancies that are yet to be recruited to. The expectation is that these posts will be recruited to in the coming months.

**Centrally Retained (£278k overspend, £82k adverse)**

112. The Centrally Retained funding block is projecting an overspend of £278k as at month 6. The £82k increase to the projected overspend relates to the Growth Contingency fund where the projected diseconomies funding requirement for one of the basic need academies has increased due to lower pupil numbers. The local authority is working closely with the school to monitor the position and try to identify ways to reduce the cost and subsequent impact on the growth contingency fund. There is an expectation that the growth contingency requirement will reduce over the coming few years as the new schools and expansions work their way through the primary year groups.

**High Needs (£1,653k overspend, £152k adverse)**

113. The High Needs funding block is projecting an overspend of £1,653k as at Month 6, an adverse movement of £152k on the Month 5 projections, due to a continuing increase in the cost of SEN placements as the service moves all children onto Education & Health Care plans (EHCPs) and an increase in the number of young people accessing the pupil referral unit.
114. There is a continuing budget pressure linked to the transfer of pupils in special schools from statements to Education & Health Care plans (EHCPs). As pupils are transferred to an EHCP they move onto the new banded funding model often resulting in a higher resource requirement.
115. The month 6 forecast includes additional projected expenditure to cover the cost of an increase in pupils attending the pupil referral unit. The unit currently has a planned place number of seventy, however recent pupil numbers have been in excess of this following an increase in exclusions across the borough. This has resulted in an additional funding pressure on the High Needs block as there is a requirement for the DSG to fund any numbers over and above the agreed planned places.
116. It is now assumed that the anticipated savings target within the budget for Independent and non-maintained school SEN placements will not be achieved. The saving was dependant on a number of pupils leaving at the end of the summer term 2017 and new placements not being made. However, a number of placements have been made from September 2017, (the majority of these have been placed in local independent/non-maintained provision) resulting in the achievement of the planned saving being unlikely.
117. The increase in the number and cost of post-16 students with special educational needs is also continuing with the expectation that expenditure is going to rise further when the financial impact of the new cohort in September 2017 is fully known.

118. There is a projected overspend relating to the cost of young people being temporarily educated in independent hospital settings. The local authority has very little control over these placements as they often occur with short notice following emergency intervention.
119. The above budget pressures are off-set by a projected underspend in the DSG contribution to the non-statutory work of the Educational Psychology team. Currently recruiting and retaining Educational Psychologists is proving very difficult (there is a national shortage of qualified Educational Psychologists) making it a significant challenge to deliver anything other than statutory work.

### **School Academy Conversions**

120. The Academies Act 2010, allows schools to convert to academy status and by doing so will receive funding directly from the Education Funding Agency (EFA). Schools can convert at any point in the year, once they have converted, a number of adjustments are required to realign the DSG income budget and the amount delegated to maintained schools.
121. There are two maintained primary schools which converted on 1 September 2017. The local authority is not aware of any other schools planning to convert in the current financial year.

### **Maintained School Balances & Budgets**

122. A review of balances at the end of the 2016/17 financial year identified three schools which ended the year in deficit. Any schools that fall into deficit are subject to more focused monthly monitoring by LA officers to ensure that everything possible is being done to address the situation.
123. Maintained schools ended the 2016/17 financial year with a cumulative closing surplus balance of £11.3m (revenue & capital). This was a £1.5m decrease from the previous year, though just under £1m of this was used to fund capital expenditure. Despite the relatively healthy total balance, there are a number of schools which have indicated they are beginning to experience financial difficulties due to funding being cash-limited and year on year increases in costs. However, the implementation of the National Funding Formula from April 2018 indicates that additional resources will be made available in 2018/19, and would provide at least an increase of 0.5%.
124. Of the 54 schools currently maintained by the local authority, two (one primary and one secondary) have been unable to set a balanced budget and will be requesting that the authority license a deficit. The expectation is that these schools work on a deficit recovery plan to demonstrate how they will achieve a balanced budget within at least the next three years.
125. A significant number of schools have submitted budgets with an in-year deficit, resulting in an anticipated budgeted reduction in school revenue balances of £6.1m for 2017/18. This is a concern as the use of balances is one-off and continued in-year deficits are unsustainable in the medium term. The Schools Finance team is working closely with schools to ensure that any financial concerns are addressed as early as possible.

## COLLECTION FUND (£2,602k surplus, £11k adverse movement)

126. The collection of local taxes is managed through the Council's Collection Fund in order to avoid short-term volatility in income impacting on provision of services. Sums quoted relate to the Council's own share of income and disregard monies collected on behalf of the Greater London Authority and Central Government. The projected surplus will be available to support the Council's General Fund budget in 2018/19. A headline surplus of £2,352k is projected on the Council's share of Collection Fund activity for 2017/18 at Month 6, with a £2,546k surplus on Council Tax and £194k pressure on the retained share of Business Rates. This represents an adverse movement of £261k from the reported Month 5 position.

**Table 16: Collection Fund**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
(119,465)	0	Council Tax	Gross Income	(119,465)	(120,308)	(843)	(760)	(83)
11,266	0		Council Tax Support	11,266	11,442	176	175	1
(500)	0		B/fwd Surplus	(500)	(2,504)	(2,004)	(2,004)	0
<b>(108,699)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(108,699)</b>	<b>(111,370)</b>	<b>(2,671)</b>	<b>(2,589)</b>	<b>(82)</b>
(105,520)	0	Business Rates	Gross Income	(105,520)	(105,774)	(503)	(719)	216
(1,578)	0		Section 31 Grants	(1,578)	(1,928)	(101)	(71)	(30)
51,412	0		Less: Tariff	51,412	51,412	0	0	0
5,445	0		Less: Levy	5,445	5,710	265	358	(93)
(2,000)	0		B/fwd Deficit	(2,000)	(1,592)	408	408	0
<b>(52,241)</b>	<b>0</b>	<b>Sub-Total</b>	<b>(52,241)</b>	<b>(52,172)</b>	<b>69</b>	<b>(24)</b>	<b>93</b>	
<b>(160,940)</b>	<b>0</b>	<b>Total Collection Fund</b>	<b>(160,940)</b>	<b>(163,542)</b>	<b>(2,602)</b>	<b>(2,613)</b>	<b>11</b>	

127. An improvement of £83k is reported on Council Tax collection for 2017/18, representing continued strong collection performance. A £176k pressure is reported on the Council Tax Support Scheme, a minor movement of £1k from Month 5. This is consistent with the assumption that current uptake to the scheme will continue to the end of the Financial Year. The £2,004k brought forward surplus on Council Tax relates primarily to the release of historic provisions following the adoption of an improved methodology in accounting for doubtful debts, which brings the total projected surplus available for release in 2018/19 to £2,671k.

128. An adverse movement of £93k is reported across Business Rates from Month 5, mainly as a result of the continued reduction in Gross Rates as reported last month. The in-year surplus on Business Rates activity is not sufficient to off-set the £408k pressure against the brought forward £2,000k surplus from an increase in Empty Property Relief awarded during 2016/17, which results in an overall £69k deficit on Business Rates.



## Appendix C – HOUSING REVENUE ACCOUNT

130. The Housing Revenue Account (HRA) is currently forecasting an in-year overall deficit of £10,832k, which is £832k more favourable than the budgeted position. Therefore the 2017/18 closing HRA General Balance is forecasted to be £34,994k, this is above the £12,000k minimum level of HRA balances threshold, with sums over and above the minimum level earmarked for investment in new or existing stock. The table below presents key variances by service area:

**Table 17: Housing Revenue Account**

Service	Month 6		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 6)	Variance (As at Month 5)	Movement from Month 5
	£'000	£'000	£'000	£'000	£'000
Rent Income	(55,064)	(55,577)	(513)	(513)	0
Other Income	(5,494)	(5,494)	0	0	0
<b>Net Income</b>	<b>(60,558)</b>	<b>(61,071)</b>	<b>(513)</b>	<b>(513)</b>	<b>0</b>
Housing Management	12,214	12,471	257	243	14
Tenant Services	4,973	4,594	(379)	(301)	(78)
Repairs	5,033	4,953	(80)	(16)	(64)
Planned Maintenance	4,906	4,686	(220)	(220)	0
Capital Programme Funding	28,237	28,237	0	0	0
Interest & Investment Income	15,121	15,224	103	103	0
Development & Risk Contingency	1,738	1,738	0	0	0
<b>Operating Costs</b>	<b>72,222</b>	<b>71,903</b>	<b>(319)</b>	<b>(191)</b>	<b>(128)</b>
<b>(Surplus) / Deficit</b>	<b>11,664</b>	<b>10,832</b>	<b>(832)</b>	<b>(704)</b>	<b>(128)</b>
General Balance 01/04/2017	(45,826)	(45,826)	0	0	0
<b>General Balance 31/03/2018</b>	<b>(34,162)</b>	<b>(34,994)</b>	<b>(832)</b>	<b>(704)</b>	<b>(128)</b>

### Income

131. A favourable variance of £513k is forecast on rental income and no variance is reported on other income, representing no change from the Month 5 position.

132. The number of RTB applications received in the first six months of 2017/18 was 93 compared to 143 in the first six months of 2016/17, a reduction of 35%. There have been 34 RTB completions in the first six months of 2017/18 compared to 51 in the first six months of 2016/17, a reduction of 33%. The Month 6 forecast assumes RTB sales of 85, this reflects officers' expectation of a reduction in the numbers of completed RTB sales given current market conditions.

## Expenditure

133. The Housing management service is forecast to overspend by £257k, an adverse movement of £14k on Month 5, due to minor running costs.
134. Tenant services is forecast to underspend by £379k, a favourable movement of £78k on Month 5, due to revised forecasts on salaries.
135. The overall repairs budget is forecast to underspend by £80k, a favourable movement of £64k on Month 5, due to revised forecasts on staffing related costs.
136. The Planned Maintenance budget is forecast to underspend by £220k, the interest and investment income is forecast to be overspent by £103k, whilst no variance is reported for the capital programme funding and the development and risk contingency. This represents no change from the Month 5 position.

## HRA Capital

137. The HRA capital programme is set out in the table below. The 2017/18 original budget is £71,425k and the 2017/18 revised budget is £85,896k.

**Table 18: HRA Capital Expenditure**

Programme	2017/18 Original Budget	2017/18 Revised Budget	2017/18 Forecast	2017/18 Cost Variance Forecast V Revised Budget	2017/18 Project Re-Phasing	Total Project Budget 2017-2022	Total Project Forecast 2017-22	Total Project Variance 2017-22	Movement 2017-22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Major Projects</b>									
New General Needs Housing Stock	21,418	22,645	17,234	0	(5,411)	32,618	32,618	0	0
New Build - Appropriation of Land	8,635	8,635	8,635	0	0	8,635	8,635	0	0
New Build - Shared Ownership	1,720	1,720	160	0	(1,560)	7,948	7,948	0	0
New Build - Supported Housing Provision	21,434	26,293	20,167	(1,768)	(4,358)	37,506	33,831	(3,675)	(3,675)
ICT	0	0	0	0	0	162	162	0	0
HRA General Capital Contingency	9,500	9,500	9,500	0	0	9,500	9,500	0	0
<b>Total Major Projects</b>	<b>62,707</b>	<b>68,793</b>	<b>55,696</b>	<b>(1,768)</b>	<b>(11,329)</b>	<b>96,369</b>	<b>92,694</b>	<b>(3,675)</b>	<b>(3,675)</b>
<b>Works to Stock</b>									
Works to stock programme	7,626	15,269	15,269	0	0	48,996	48,996	0	0
Major Adaptations to Property	1,092	1,834	1,834	0	0	6,720	6,720	0	0
<b>Total Works to Stock</b>	<b>8,718</b>	<b>17,103</b>	<b>17,103</b>	<b>0</b>	<b>0</b>	<b>55,716</b>	<b>55,716</b>	<b>0</b>	<b>0</b>
<b>Total HRA Capital</b>	<b>71,425</b>	<b>85,896</b>	<b>72,799</b>	<b>(1,768)</b>	<b>(11,329)</b>	<b>152,085</b>	<b>148,410</b>	<b>(3,675)</b>	<b>(3,675)</b>
<b>Movement on Month 5</b>	<b>0</b>	<b>0</b>	<b>(4,549)</b>	<b>0</b>	<b>(4,549)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Major Projects

138. The 2017/18 Major Projects programme revised budget is £68,793k and the forecast spend is £55,696k, with a forecast underspend of £1,768k and a re-phasing of £11,329k. It is proposed to utilise £5,195k of this rephasing to fund expediting fire risk assessment works and renewal of upgraded fire doors, which were already programmed, into the current

financial year and to fund further major adaptation in the current financial year as set out in recommendation 5 of the report.

### New General Needs Housing Stock

139. The 2017/18 General Needs Housing Stock budget is expected to be largely utilised. Of the £22,645k budget, £4,029k has been earmarked towards the purchase and repair of buy back properties. To date 9 buybacks have been approved with all but 1 acquisition having been completed.
140. There is a forecast re-phasing of £5,411k being reported across the General Needs programme, a £20k favourable movement on Month 5. The overall slippage is resulting from a number of approved developments not commencing construction to the expected project timescales.
141. Contractors have been appointed for all 3 elements of the housing programme. The building works with respect to the extensions and conversions are forecast to be complete by the end of December 2017. The new builds are expected to be delivered by September 2018.
142. Although approval has been obtained for the delivery of 19 units of General Needs Housing stock at Acol Crescent, a revised scheme is currently being reviewed leading to the project being rephased. A contractor is in the process of being appointed to demolish and secure the site prior to commencing development.
143. Lead Consultants and architects have been appointed for the three developments at Belmore allotments, Maple and Poplar Day Centre and Willow Tree. The employer's agents and appointed architects continue to work on finalising the design of the schemes.

### New Build - Appropriation of Land

144. New Build - Appropriation of Land, the £8,635k has been included for New Build appropriation of land for 2 sites at the former Belmore allotments and Maple / Poplar day centre.

### New Build - Shared Ownership

145. New Build Shared Ownership - the £1,720k set aside for the shared ownership budget is with respect to the developments currently being undertaken at the former Belmore Allotments and Maple / Poplar day centre. The schemes include the construction of 60 shared ownership units and the budget is to cover the costs of this element of the overall developments. The forecast spend is £160k, with a forecast re-phasing of £1,560k, an increased re-phasing of £42k compared to the Month 5 position. The schemes are being delivered concurrently with the General Needs units and as such are also behind schedule for the reasons noted in that section above.

### New Build - Supported Housing

146. The Supported Housing Programme comprises the build of 160 mixed client group units across three different sites. The development of 14 Supported Housing units at Acol Crescent has now been removed from the programme as there is no longer a requirement for the units. This has largely resulted in the forecast cost underspend of £3,675k being reported across the life of the programme, of which £1,768k is declared within the 2017/18 budget.

147. There has been an adverse re-phasing movement of £4,527k across the supported housing programme. The key areas relate to re-sequencing of non-critical path but large value items e.g. £1,500k for provisional sums (such as fixtures and fittings, substations, provision for utilities); £2,200k for groundworks, drainage, site works and external works; £700k for mechanical and electrical items; and other smaller items £127k.
148. Grassy Meadow and Parkview : The contractors continue to make progress on both sites. The topping out ceremony has taken place at Grassy Meadow and is due to take place shortly at Parkview.

#### HRA General Contingency

149. HRA General Contingency : A capital contingency of £9,500k is included within the HRA capital programme to ensure the Council retains sufficient flexibility to secure additional housing units where opportunities become available.

#### **Works to Stock**

150. The Works to Stock programme includes the delivery of safety works to sheltered housing schemes following fire risk assessments, which are in progress, a continuation of an on-going programme and the replacement of fire doors in all high-rise blocks. In addition further fire safety and improvement works at four high-rise blocks are now in progress. A nil variance is reported against the revised Works to Stock 2017/18 programme budget of £15,269k.
151. A 2017/18 virement of £,5195k from major projects general needs to works to stock is recommended in this report in order to progress remedial works of £3,695k identified following fire risk assessments on medium- and low-rise blocks (phase 1), £1,000k for replacement of fire doors and emergency lighting in high-rise blocks arising from fire risk assessments, and £500k for further major adaptations essential works. The major projects general needs budget will be replenished in future years from the works to stock budgets.
152. The major adaptations revised budget of £1,834k is forecast to be fully spent.

#### **HRA Capital Receipts**

153. There have been 34 Right to Buy sales of Council dwellings as at the end of September 2017 for a total gross sales value of £6m and a total of a further 51 sales are forecast to bring the yearly total to 85, totalling £13.5m in 2017/18.
154. The application of retained Right to Buy receipts is limited by the retention agreement to a maximum 30% of the cost of replacement housing. In the event that expenditure does not meet the criteria, funds would be payable to the DCLG.
155. During 2017/18, the £11,733k receipts generated in 2014/15 could potentially become repayable unless the following expenditure profile is achieved: Q1 £10,527k, Q2 £10,663k, Q3 £10,180k and Q4 £7,740k. Cumulative expenditure on 1 for 1 replacement from previous quarters above the minimum requirement can be carried forward. The cumulative spend requirement has been met for June 2017 and September 2017, which is Q1 and Q2 in 2017/18.

## Appendix D - GENERAL FUND CAPITAL PROGRAMME

156. As at Month 6 an under spend of £23,523k is reported on the £79,186k General Fund Capital Programme for 2017/18 due largely to slippage on project expenditure. The forecast outturn variance over the life of the 2017/18 to 2021/22 programme is an under spend of £419k.
157. General Fund Capital Receipts of £14,500k are forecast for 2017/18, with a shortfall of £3,153k in total forecast receipts to 2021/22.
158. Overall, Prudential Borrowing required to support the 2017/18 to 2021/22 capital programmes is forecast to be within budget by £9,043k. This is as a result of cost under spends of £419k and increases in grants and contributions of £11,777k due mainly to the confirmed Basic Needs grant allocation for 2019/20 being substantially higher than original budget estimates. However this is partly offset by a forecast shortfall of £3,153k in capital receipts.

### Capital Programme Overview

159. Table 19 below sets out the latest forecast outturn on General Fund capital projects, with project level detail contained in annexes A - D to this report. Forecasts for future years include capital projects and programmes of work approved by Cabinet and Council in February 2017.

**Table 19: General Fund Capital Programme Summary**

	Revised Budget 2017/18	Forecast 2017/18	Cost Variance Forecast vs Budget	Project Re-phasing	Total Project Budget 2017-2022	Total Project Forecast 2017-2022	Total Project Variance	Move-ment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools Programme	22,747	10,886	(100)	(11,761)	90,783	90,683	(100)	-
Self Financing Developments	300	150	-	(150)	27,619	27,619	-	-
Main Programme	26,396	18,658	(17)	(7,721)	86,088	86,071	(17)	-
Programme of Works	28,243	24,469	(302)	(3,472)	82,613	82,311	(302)	(50)
<b>Total Main Programme</b>	<b>77,686</b>	<b>54,163</b>	<b>(419)</b>	<b>(23,104)</b>	<b>287,103</b>	<b>286,684</b>	<b>(419)</b>	<b>(50)</b>
General Contingency	1,500	1,500	-	-	7,500	7,500	-	-
<b>Total Capital Programme</b>	<b>79,186</b>	<b>55,663</b>	<b>(419)</b>	<b>(23,104)</b>	<b>294,603</b>	<b>294,184</b>	<b>(419)</b>	<b>(50)</b>
<b>Movement</b>	<b>392</b>	<b>(1,289)</b>	<b>(50)</b>	<b>(1,631)</b>	<b>392</b>	<b>342</b>	<b>(50)</b>	

160. The revised budget has increased by £392k due to additional schools' contributions to the devolved formula capital programme.
161. The Schools Programme reports a re-phasing under spend in 2017/18 of £11,761k which is partly due to elements of the primary and secondary schools expansions programmes that are currently on hold. Construction works at two of the Primary Schools Phase 4 expansions sites have commenced for completion next year. Planned expansions at two Secondary school sites are in various stages of the planning approval process. An under spend of £100k is reported relating to unused contingency no longer required for the replacement of Northwood School.

162. The five year programme contains two major self financing developments which are in early stages. Design work has commenced on a large mixed tenure residential development at the former Belmore Allotments site with 30 units to be provided for private sale through the General Fund. A mixture of residential and leisure development is planned at Yiewsley.
163. The main programme reports a small cost under spend of £17k on completion of projects which commenced in the previous financial year. Slippage has increased to £7,721k on numerous projects and programmes that will not be completed by the end of this financial year. These include the New Theatre and Museum projects, Bessingby FC and Boxing Clubhouse refurbishment, Vehicle Replacement Programme and Youth Provision.
164. Programmes of Works are forecast to have cost under spends of £302k which relates mainly to Social Care equipment capitalisation and includes a further reduction of £50k on private sector renewal grants based on current activity levels. Slippage has increased to £3,472k on various existing programmes that will continue into next year, such as the Transport for London Local Implementation Plan and School Conditions, Corporate Technology and Innovation and Civic Centre programmes.
165. Recommendations 6 and 11 of this report set out proposals to utilise £2,101k of the slippage outlined in paragraphs 163 and 164 to fund additional investment in the Borough's roads and footways (£1,851k) and to fund initial costs relating to the relocation of the Hillingdon Outdoor Activity Centre from its current site near Harvil Road to a new site at Denham Quarry (£250k), pending the addition of this externally funded project to the capital programme as part of the MTFP report to Council.
166. There is an unallocated general contingency budget of £1,500k in 2017/18. A further £6,000k contingency funding over the period 2018-22 are forecast to be fully utilised as and when risk issues emerge.

### Capital Financing - General Fund

167. Table 20 below outlines the latest financing projections for the capital programme, with a favourable medium term variance of £9,043k reported on Prudential Borrowing, due mainly to an increase in grant funding over original budget estimates.

**Table 20: General Fund Capital Programme Financing Summary**

	Revised Budget 2017/18 £'000	Forecast 2017/18 £'000	Variance £'000	Total Financing Budget 2017-2022 £'000	Total Financing Forecast 2017-2022 £'000	Total Variance £'000	Movement £'000
Council Resource Requirement	59,046	36,805	(22,241)	213,069	200,873	(12,196)	(50)
Financed By:							
Capital Receipts	23,927	14,500	(9,427)	83,393	80,240	(3,153)	-
CIL	5,151	2,500	(2,651)	26,901	26,901	-	-
Prudential Borrowing	29,968	19,805	(10,163)	102,775	93,732	(9,043)	(50)
<b>Total Council Resources</b>	<b>59,046</b>	<b>36,805</b>	<b>(22,241)</b>	<b>213,069</b>	<b>200,873</b>	<b>(12,196)</b>	<b>(50)</b>
Grants & Contributions	20,140	18,858	(1,282)	81,534	93,311	11,777	-
<b>Total Programme</b>	<b>79,186</b>	<b>55,663</b>	<b>(23,523)</b>	<b>294,603</b>	<b>294,184</b>	<b>(419)</b>	<b>(50)</b>

168. The 2017/18 forecast is £9,427k below the revised budget due mainly to timing risk of completing several identified sales by the end of this financial year. The five year capital receipts forecast reports an under recovery of £3,153k which is due to a reduction in General Fund share of Right to Buy receipts. Forecast Right to Buy sales from 2017-2020 have been reduced by 95 from original budget estimates.
169. As at the end of September a total of £430k Community Infrastructure Levy (CIL) receipts (after administration fees) have been invoiced or received by the Council this financial year, a movement of £51k. The current year income forecast is an under recovery of £2,651k as there is increasing risk around the timing and level of receipts for existing planning applications. Budgeted eligible activity exceeds the CIL forecast with spend on Highways investment, community assets through the Chrysalis Programme and other major community infrastructure such as schools meeting the criteria for application of CIL monies.
170. Grants and contributions are £11,777k higher than the revised budget due mainly to the confirmed Basic Needs award for 2019/20 being £11,615k higher than the original budget estimate set before the announcement, although there remain £8,850k in assumed Basic Needs grant for the period 2020-22 that are not yet confirmed.
171. A favourable variance of £9,043k is reported on prudential borrowing due mainly to the increase in available grants and contributions noted above, partly offset by the forecast shortfall in capital receipts.

## ANNEX A - Schools Programme

Prior Year Cost	Project	2017/18 Revised Budget	2017/18 Forecast	2017/18 Cost Variance	Proposed Re-phasing	Total Project Budget 2017-2022	Total Project Forecast 2017-2022	Total Project Variance 2017-2022	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Education and Children Services</b>										
136,966	Primary Schools Expansions	1,066	200	0	(866)	1,565	1,565	0	1,565	0	0
786	New Primary Schools Expansions	12,599	6,462	0	(6,137)	26,614	26,614	0	11,673	14,941	0
482	Secondary Schools Expansions	6,073	1,215	0	(4,858)	55,418	55,418	0	35,836	19,582	0
42,721	Secondary Schools New Build	2,997	2,997	(100)	100	3,574	3,474	(100)	1,097	2,377	0
187	Hearing Impaired Resource Base (Vyners)	12	12	0	0	12	12	0	12	0	0
0	Additional Temporary Classrooms	0	0	0	0	2,400	2,400	0	2,400	0	0
0	Schools SRP	0	0	0	0	1,200	1,200	0	1,200	0	0
<b>181,142</b>	<b>Total Schools Programme</b>	<b>22,747</b>	<b>10,886</b>	<b>(100)</b>	<b>(11,761)</b>	<b>90,783</b>	<b>90,683</b>	<b>(100)</b>	<b>53,783</b>	<b>36,900</b>	<b>0</b>



## ANNEX B - Self Financing Developments

Prior Year Cost	Project	2017/18 Revised Budget	2017/18 Forecast	2017/18 Cost Variance	Proposed Re-phasing	Total Project Budget 2017-2022	Total Project Forecast 2017-2022	Total Project Variance 2017-2022	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Self Financing Developments</b>										
	<b>Finance, Property and Business Services</b>										
237	Yiewsley Site Development	300	150	0	(150)	23,014	23,014	0	23,014	0	0
0	Belmore Allotments Development	0	0	0	0	4,605	4,605	0	3,397	0	1,208
<b>237</b>	<b>Total Main Programme</b>	<b>300</b>	<b>150</b>	<b>0</b>	<b>(150)</b>	<b>27,619</b>	<b>27,619</b>	<b>0</b>	<b>26,411</b>	<b>0</b>	<b>1,208</b>

## ANNEX C - Main Programme

Prior Year Cost	Project	2017/18 Revised Budget £'000	2017/18 Forecast £'000	2017/18 Cost Variance £'000	Proposed Re-phasing £'000	Total Project Budget 2017-22 £000	Total Project Forecast 2017-22 £000	Total Project Variance 2017-22 £000	Project Forecast Financed by:		
									Council Resources £000	Government Grants £000	Other Cont'ns £000
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Community, Commerce and Regeneration</b>											
1,702	CCTV Enforcement (SKC's)	40	40	0	0	40	40	0	40	0	0
561	Gateway Hillingdon	2,377	2,377	0	0	2,590	2,590	0	2,590	0	0
4,897	Hayes Town Centre Improvements	1,770	1,770	0	0	4,372	4,372	0	342	2,504	1,526
224	Inspiring Shopfronts	397	397	0	0	471	471	0	447	0	24
15	Uxbridge Cemetery Gatehouse Chapel	672	50	0	(622)	985	985	0	985	0	0
100	Uxbridge Change of Heart	946	946	0	0	1,896	1,896	0	1,071	738	87
<b>Central Services, Culture and Heritage</b>											
883	Bowls Club Refurbishments	658	510	0	(148)	658	658	0	658	0	0
214	Haste Hill Golf Club	66	66	0	0	66	66	0	66	0	0
32,203	Hillingdon Sports & Leisure Centre	856	650	0	(206)	856	856	0	856	0	0
0	Ruislip Lido Railway Society Workshop	360	340	0	(20)	360	360	0	360	0	0
0	Mobile Library	117	117	0	0	117	117	0	117	0	0
<b>Finance, Property and Business Services</b>											
2,282	Battle of Britain Heritage Pride Project	3,405	3,405	0	0	3,705	3,705	0	3,705	0	0
29	Battle of Britain Underground Bunker	571	200	0	(371)	1,024	1,024	0	1,024	0	0
0	Bessingby FC and Boxing Clubhouse	1,300	180	0	(1,120)	1,370	1,370	0	1,370	0	0
0	Uniter Building Refurbishment	400	100	0	(300)	400	400	0	400	0	0
0	New Museum	1,280	100	0	(1,180)	5,632	5,632	0	4,882	0	750
0	New Theatre	1,000	100	0	(900)	44,000	44,000	0	42,950	0	1,050
0	Youth Provision	1,000	250	0	(750)	3,000	3,000	0	3,000	0	0
<b>Planning, Transportation and Recycling</b>											
57	Ruislip Lido Car Park Improvements	155	155	0	0	155	155	0	0	155	0
2,279	Cedars & Grainges Car Park	391	391	0	0	391	391	0	391	0	0
1,343	Harlington Road Depot Improvements	314	264	0	(50)	314	314	0	314	0	0
0	Purchase of Vehicles	1,390	600	0	(790)	3,390	3,390	0	3,390	0	0
0	RAGC Car Park	250	50	0	(200)	250	250	0	250	0	0
287	Street Lighting - Invest to Save	4,313	4,313	0	0	5,213	5,213	0	5,213	0	0
<b>Social Services, Housing, Health and Wellbeing</b>											
0	1 & 2 Merrimans Housing Project	620	50	0	(570)	620	620	0	620	0	0
47	Grassy Meadow Dementia Centre	0	0	0	0	2,465	2,465	0	2,465	0	0
<b>Cross Cabinet Member Portfolios</b>											
233	Environmental/ Recreational Initiatives	1,194	700	0	(494)	1,194	1,194	0	1,139	0	55
9,234	Projects Completing in 2017/18	554	537	(17)	0	554	537	(17)	537	0	0
<b>56,590</b>	<b>Total Main Programme</b>	<b>26,396</b>	<b>18,658</b>	<b>(17)</b>	<b>(7,721)</b>	<b>86,088</b>	<b>86,071</b>	<b>(17)</b>	<b>79,182</b>	<b>3,397</b>	<b>3,492</b>

## ANNEX D - Programme of Works

Prior Year Cost	Project	2017/18 Revised Budget	2017/18 Forecast	2017/18 Cost Variance	Forecast Re-phasing	Total Project Budget 2017-2022	Total Project Forecast 2017-2022	Total Project Variance 2017-2022	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
N/A	Leaders Initiative	436	298	0	(138)	1,236	1,236	0	1,236	0	0
	<b>Community, Commerce and Regeneration</b>										
N/A	Chrysalis Programme	1,512	1,295	0	(217)	5,512	5,512	0	5,504	0	8
N/A	Playground Replacement Programme	250	125	0	(125)	1,000	1,000	0	1,000	0	0
	<b>Education and Children Services</b>										
N/A	Formula Devolved Capital to Schools	1,424	1,424	0	0	2,597	2,597	0	0	1,935	662
N/A	School Condition Building Programme	3,459	2,542	0	(917)	6,459	6,459	0	1,908	3,426	1,125
	<b>Finance, Property and Business Services</b>										
N/A	Civic Centre Works Programme	1,610	1,200	0	(410)	3,610	3,610	0	3,514	0	96
N/A	Corporate Technology and Innovation	1,221	1,000	0	(432)	5,077	5,077	0	5,077	0	0
N/A	Property Works Programme	738	738	0	0	2,658	2,658	0	2,658	0	0
N/A	<b>Planning, Transportation and Recycling</b>										
N/A	Highways Structural Works	5,518	5,518	0	0	9,518	9,518	0	9,518	0	0
N/A	Road Safety	150	150	0	0	750	750	0	750	0	0
N/A	Transport for London	7,923	6,492	(17)	(1,414)	24,702	24,685	(17)	0	24,305	380
	<b>Social Services, Housing, Health and Wellbeing</b>										
N/A	Disabled Facilities Grant	2,300	2,300	0	0	11,500	11,500	0	0	11,500	0
N/A	Adaptations for Adopted Children	17	17	0	0	17	17	0	17	0	0
N/A	PSRG / LPRG	225	100	(125)	0	1,125	1,000	(125)	1,000	0	0
N/A	Equipment Capitalisation - Adult Social Care	985	825	(160)	0	4,925	4,765	(160)	0	4,765	0
	<b>Cross Cabinet Member Portfolios</b>										
N/A	Section 106 Projects	112	82	0	(30)	112	112	0	0	0	112
N/A	Equipment Capitalisation - General	363	363	0	0	1,815	1,815	0	1,815	0	0
	<b>Total Programme of Works</b>	<b>28,243</b>	<b>24,469</b>	<b>(302)</b>	<b>(3,472)</b>	<b>82,613</b>	<b>82,311</b>	<b>(302)</b>	<b>33,997</b>	<b>45,931</b>	<b>0</b>
N/A	General Contingency	1,500	1,500	0	0	7,500	7,500	0	7,500	0	0
	<b>Total GF Capital Programme</b>	<b>79,186</b>	<b>55,663</b>	<b>(419)</b>	<b>(23,104)</b>	<b>294,603</b>	<b>294,184</b>	<b>(419)</b>	<b>200,873</b>	<b>86,228</b>	<b>7,083</b>

## Appendix E – Treasury Management Report as at 30 September 2017

**Table 21: Outstanding Deposits - Average Rate of Return on Deposits: 0.41%**

	Actual (£m)	Actual (%)	Benchmark (%)
Up to 1 Month	66.9	58.63	40.00
1-2 Months	2.0	1.76	5.00
2-3 Months	5.0	4.38	5.00
3-6 Months	30.0	26.29	30.00
6-9 Months	5.0	4.38	10.00
9-12 Months	0.0	0.00	5.00
12-18 Months	5.0	4.38	5.00
18-24 Months	0.0	0.00	0.00
<b>Subtotal</b>	<b>113.9</b>	<b>99.82</b>	<b>100.00</b>
Unpaid Maturities	0.2	0.18	0.00
<b>Grand Total</b>	<b>114.1</b>	<b>100.00</b>	<b>100.00</b>

172. With the exception of the unpaid Heritable investments, deposits are held with UK or overseas institutions, all of which hold a minimum A- Fitch (or lowest equivalent) long-term credit rating. UK deposits are currently held in AAA rated Money Market Funds, Pooled Funds, Blaenau Gwent CBC, Lancashire CC, Northumberland CC, Stockport BC, Walsall Metropolitan Council, Coventry Building Society, Nationwide Building Society, Goldman Sachs International, Lloyds Bank and Santander UK plc. An overseas deposit is held with DBS.
173. The Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions whenever possible. However, due to the significant amount held in instant access facilities needed to manage daily cashflows, it is not possible to fully protect Council funds from bail-in risk. Currently at the end of September, 62% of the Council's total funds have exposure to bail-in risk compared to a September benchmark average of 64% in the Local Authority sector (latest benchmark provided quarterly by the Council's treasury advisors Arlingclose). The Council's exposure reduces to 22% once instant access facilities are removed from the bail-in total.
174. To ensure liquidity was maintained during the month, surplus cash was mainly placed in instant access accounts, and when required, funds were withdrawn from instant access accounts. A short term deposit was placed with DBS Bank, as it yielded a higher rate than that offered on some instant access accounts. An overseas deposit held in Svenska Handelsbanken in a 35 Day Notice Account, which had been called in August was repaid during September.

**Table 22: Outstanding Debt - Average Interest Rate on Debt: 3.38%**

		Actual (£m)	Actual (%)
<b>General Fund</b>	PWLB	48.43	19.09
	Long-Term Market	15.00	5.91
<b>HRA</b>	PWLB	157.32	62.00
	Long-Term Market	33.00	13.00
	<b>Total</b>	<b>253.75</b>	<b>100.00</b>

175. There were three scheduled EIP debt repayments during September, two of which were for £0.75m and the other for £1m. Gilt yields went up during this month. However, premiums remained too high to make early repayment of debt feasible. There were no breaches of the prudential indicators or non-compliance with the treasury management policy and practices.
176. In order to maintain liquidity for day-to-day business operations during October, cash balances will be placed in instant access accounts. Looking forward, opportunities to place longer term deposits will be monitored.

## Appendix F – Consultancy and agency assignments over £50k approved under delegated authority

177. The following Agency staff costing over £50k have been approved under delegated powers by the Chief Executive in consultation with the Leader and are reported here for information.

**Table 23: Consultancy and agency assignments**

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
<b>Residents Services</b>						
Licensing Officer	03/05/2016	30/10/2017	28/01/2018	55	9	64
Planning Officer	06/10/2014	02/10/2017	29/12/2017	239	24	263
Planning Enforcement Officer	03/10/2016	02/10/2017	29/12/2017	63	17	80
Major Application (PPA) Planner	16/01/2017	16/10/2017	14/01/2018	57	18	75
Compliance Officer - Dev & Assets	02/02/2017	16/10/2017	12/01/2018	76	28	104
Network Administrator	14/12/2015	02/10/2017	27/10/2017	67	3	70
Development Manager (Housing Zone)	12/04/2017	11/10/2017	05/01/2018	65	28	93
Principal Estates Surveyor	26/10/2015	16/10/2017	14/01/2018	156	24	180
Repairs Operations Manager	23/11/2015	29/08/2017	24/11/2017	154	27	181
Technical Manager M&E - Planned Works	24/10/2016	01/11/2017	03/01/2018	120	34	154
Building Control Surveyor	23/08/2012	22/10/2017	21/01/2018	168	8	175
Emergency Management & Response Manager	02/01/2017	30/10/2017	22/12/2017	58	11	69
Dev/Prog Manager - Capital	07/02/2016	30/10/2017	28/01/2018	116	24	140
DFG & Home Adaptations Surveyor	13/03/2017	30/10/2017	28/01/2018	57	29	86
<b>Social Care</b>						
Approved Mental Health Worker	01/06/2015	06/11/2017	31/12/2017	174	4	178
Approved Mental Health Worker	12/09/2015	06/11/2017	31/12/2017	159	5	164
Approved Mental Health Worker	01/03/2014	06/11/2017	01/11/2017	235	6	241
Lead Approved Mental Health Practitioner	01/06/2012	06/11/2017	31/12/2017	261	4	265
Approved Mental Health Worker	29/05/2016	06/11/2017	30/11/2017	101	6	107
Team Manager	26/06/2016	06/11/2017	31/12/2017	94	6	100
Care Worker	20/06/2015	06/11/2017	30/10/2017	51	0	51
Residential Care Worker	01/04/2012	06/11/2017	31/12/2017	151	2	153
Occupational Therapist	01/04/2015	06/11/2017	31/01/2018	177	5	182

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Occupational Therapist	07/10/2013	06/11/2017	31/12/2017	256	5	261
Occupational Therapist	06/06/2016	06/11/2017	31/12/2017	100	5	105
Occupational Therapist	03/12/2015	06/11/2017	31/12/2017	128	5	133
Senior Social Worker	03/10/2016	06/11/2017	31/12/2017	67	5	72
Senior Social	01/02/2017	06/11/2017	31/12/2017	57	5	52
Senior Social Worker (MASH)	01/04/2013	06/11/2017	31/12/2017	57	6	63
Social Worker	01/04/2013	06/11/2017	31/12/2017	97	6	103
Social Worker	01/04/2013	06/11/2017	31/12/2017	81	6	87
Early Years Practitioner	06/10/2014	06/11/2017	03/12/2017	80	2	82
Receptionist/ Administrative Assistant	01/09/2014	06/11/2017	03/12/2017	73	1	74
Early Years Practitioner	23/02/2015	06/11/2017	03/12/2017	56	2	58
Early Years Practitioner	01/05/2015	06/11/2017	03/12/2017	134	2	136
Early Years Practitioner	24/02/2014	06/11/2017	03/12/2017	59	1	60
Early Years Practitioner	02/03/2015	06/11/2017	03/12/2017	72	2	74
Early Years Practitioner	12/01/2015	06/11/2017	03/12/2017	73	2	75
Special Needs Officer	05/01/2015	06/11/2017	31/03/2018	107	7	114
Special Needs Officer	01/12/2016	06/11/2017	31/03/2018	53	5	58
Child Protection Chair	20/07/2015	06/11/2017	31/12/2017	173	6	179
Child Protection Chair	01/07/2015	06/11/2017	31/12/2017	131	7	138
Independent Domestic Violence Advisor	12/01/2015	06/11/2017	31/12/2017	124	4	128
Practice Improvement Practitioner	08/05/2014	06/11/2017	31/12/2017	149	6	155
Social Worker	01/01/2013	06/11/2017	31/12/2017	294	6	300
Social Worker	07/11/2016	06/11/2017	31/12/2017	81	6	87
Social Worker	16/12/2016	06/11/2017	31/12/2017	60	6	66
Social Worker	07/11/2016	06/11/2017	31/12/2017	78	6	84
Social Worker	04/05/2015	06/11/2017	31/12/2017	138	5	143
Social Worker	13/04/2015	06/11/2017	31/12/2017	186	6	192
Senior Social Worker	30/04/2012	06/11/2017	31/12/2017	248	6	254
Social Worker	11/07/2016	06/11/2017	31/12/2017	85	6	91
Team Manager	27/03/2017	06/11/2017	31/12/2017	53	7	60
Social Worker	27/10/2016	06/11/2017	31/12/2017	74	6	80
Social Worker	06/06/2016	06/11/2017	31/12/2017	62	5	67
Social Worker	01/01/2013	06/11/2017	31/12/2017	281	6	287
Social Worker	26/09/2016	06/11/2017	31/12/2017	78	6	84
Social Worker	04/07/2016	06/11/2017	31/12/2017	98	6	104
Social Worker	03/07/2016	06/11/2017	31/12/2017	94	6	100
Advanced Practitioner	19/12/2011	06/11/2017	31/12/2017	326	6	332
Social Worker	07/11/2016	06/11/2017	31/12/2017	59	5	64
Social Worker	21/11/2016	06/11/2017	31/12/2017	70	6	76
Social Worker	19/06/2014	06/11/2017	31/12/2017	193	6	199
Social Worker	01/09/2016	06/11/2017	31/12/2017	89	6	95
Educational Psychologist	15/11/2015	06/11/2017	03/12/2017	188	7	195

<b>Post Title</b>	<b>Original Start Date</b>	<b>Approved From</b>	<b>Proposed End Date</b>	<b>Previous Approval £'000</b>	<b>Approved £'000</b>	<b>Total £'000</b>
Educational Psychologist	01/03/2016	06/11/2017	03/12/2017	184	12	196
Educational Psychologist	16/10/2016	06/11/2017	03/12/2017	50	3	53
Educational Psychologist	15/08/2016	06/11/2017	03/12/2017	63	7	90
Educational Psychologist	24/01/2017	06/11/2017	03/12/2017	49	2	51
Placement Officer	18/03/2016	06/11/2017	31/12/2017	89	4	90
Social Worker	04/05/2015	06/11/2017	31/12/2017	148	6	154
Social Worker	26/08/2016	06/11/2017	31/12/2017	78	5	83
Social Worker	28/03/2016	06/11/2017	31/12/2017	103	5	108
Senior Social Worker	07/11/2016	06/11/2017	31/12/2017	56	6	62
Social Worker	13/11/2016	06/11/2017	31/12/2017	69	6	75
Social Worker	21/08/2016	06/11/2017	31/12/2017	88	6	94
Social Worker	05/09/2014	06/11/2017	31/12/2017	247	6	253
Social Worker	01/08/2015	06/11/2017	31/12/2017	127	6	133
Senior Social Worker	21/11/2017	06/11/2017	31/12/2017	65	6	71
Social Worker	11/08/2014	06/11/2017	31/12/2017	254	6	260
Case Progression Manager	07/04/2014	06/11/2017	31/12/2017	322	8	330
Senior Social Worker	05/10/2015	06/11/2017	31/12/2017	96	6	102

## Appendix G – Fees & Charges at Heathrow Imported Food Unit

178. The following minor amendments to fees & charges are proposed further to proposals contained in Appendix 8 to the budget report to February Cabinet. All changes are proposed to align fees with those charged by other UK airports to ensure continuing full cost recovery.

### Products of Animal Origin\* - (Except those from New Zealand). Realignment of fees

Type of Fee / Charge	Current Charge (£)	New Proposed Charge (£)	Percentage Change
0 to 100kg per CVED	£50	£56	11.20%
101 to 1,000kg per CVED	£90	£110	22.56%
1,001 to 5,000kg CVED	£140	£166	18.50%
Destruction	£10	£20	100%
Lack of Pre-notification	£0	£65	100%

\*POAO

### Catch Certificates - Change to banding of fees and charges

Type of Fee / Charge	Current Charge (£)	New Proposed Charge (£)	Percentage Change
Bilateral Countries	£15 minimum fee	1-5 certificates £20	NA
		6-10 certificates £36.40	NA
		11 - 20 certificates £46.80	NA

### Products Not of Animal Origin. Proposed introduction of new fees.

Type of Fee / Charge	Current Charge (£)	New Proposed Charge (£)	Percentage Change
Destruction	£0	£20 plus £0.68 per kg	100%
Lack of Pre-notification	£0	£65	100%

\*PNAO = Products Not of Animal Origin

\*POAO = Products of Animal Origin



Out Of Hours (OOH) - Harmonisation of all OOH fees and charges

<b>Type of Fee / Charge</b>	<b>Current Charge (£)</b>	<b>New Proposed Charge (£)</b>	<b>Percentage Change (%)</b>
Additional charge per CVED* & CED* on UK Bank Holidays	£20 flat fee	£150 Up to midnight (08:00 to 00:00). £400 After midnight (00:00 to 08:00).	NA
OOH POAO (Monday - Friday)	£150 Up to midnight ( <b>18:00</b> to 00:00). £400 After midnight (00:00 to 08:00).	£150 Up to midnight ( <b>17:30</b> to 00:00). £400 After midnight (00:00 to 08:00).	0%
OOH POAO (Weekends)	£150 Up to midnight ( <b>18:00</b> to 00:00). £400 After midnight (00:00 to 08:00).	£150 Up to midnight ( <b>15:00</b> to 00:00). £400 After midnight (00:00 to 08:00).	0%
OOH PNAO (Weekends)	£150 Up to midnight ( <b>17:30</b> to 00:00). £400 After midnight (00:00 to 08:00).	£150 Up to midnight ( <b>15:00</b> to 00:00). £400 After midnight (00:00 to 08:00).	0%

\*CVED = Common Veterinary Entry Document (POAO)

\*CED = Common Entry Document (PNAO)

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