



HILLINGDON
LONDON



Cabinet

Date: THURSDAY, 19 APRIL 2018

Time: 7.00 PM

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

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

This meeting will also be 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, 11 April 2018

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www.hillingdon.gov.uk

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Watching & recording this meeting

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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:

19 April 2018 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

11 April 2018
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 Hillingdon's response to the draft National Planning Policy Framework and Developer Contributions Reforms (Cllr Keith Burrows) 11 - 58
- 6 Monthly Council Budget Monitoring Report: Month 11 (Cllr Jonathan Bianco) 59 - 100
- 7 School Capital Programme Update (Cllr David Simmonds CBE & Cllr Jonathan Bianco) 101 - 108

Cabinet Reports - Part 2 (Private and Not for Publication)

- | | | |
|-----------|--|-----------|
| 8 | Hillingdon First Limited - Approval of Property Company Business Plan, Shareholder Committee and associated Company Documentation (Cllr Jonathan Bianco) | 109 - 174 |
| 9 | Extension of contract to Royal Bank of Scotland for the use of Purchasing Cards (Cllr Jonathan Bianco) | 175 - 178 |
| 10 | Contract Extension for the Servicing, Gas Safety Checks and Maintenance of the Council's Domestic and District Heating Systems (Cllr Jonathan Bianco) | 179 - 182 |

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.

- 11** Any other items the Chairman agrees are relevant or urgent

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Minutes & Decisions

Cabinet

Thursday, 15 March 2018

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



Published on: 16 March 2018

Decisions come into effect on: from 5pm, Friday 23 March 2018

Cabinet Members Present:

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

Members also Present:

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

1. APOLOGIES FOR ABSENCE

All Cabinet Members were present.

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 15 February 2018 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

Items to be considered in public and private were agreed as set out on the agenda.

5. UPDATES TO THE GAZETTEER OF WAR MEMORIALS IN THE BOROUGH

RESOLVED:

That the Cabinet:

- 1. Approve the proposed additions and amendments to the adopted Gazetteer of War Memorials, as set out in Appendix 1;**
- 2. Approve the publication of the updated Gazetteer on the Council's website.**
- 3. Instruct officers to carry out the necessary notification of the owners of new entries to the Gazetteer;**
- 4. Give delegated authority to the Deputy Chief Executive and Corporate Director of Residents Services, in consultation with the Leader of the Council and relevant portfolio Cabinet Members, to make minor amendments and updates to existing entries in the Gazetteer. New additions / key changes to the Gazetteer would still be agreed by Cabinet.**

Reasons for decision

Cabinet noted that following the updating of the Imperial War Museum's Register of War Memorials, some additional war memorials had come to light in the Borough, along with other updates needed to existing entries. Cabinet, therefore, agreed a revised Gazetteer to ensure there was a current and comprehensive public record of war memorials, which would give recognition to all those from the Borough who died in the two World Wars. Cabinet also welcomed the timeliness of the Gazetteer's update, in light of the centenary of the end of the First World War, demonstrating the importance of war memorials in embracing civic pride and democracy.

Alternative options considered and rejected

Cabinet could have decided not to update the Gazetteer of War Memorials.

Officers to action:

Alisha Lad/Charmian Baker, 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.

6. MONTHLY COUNCIL BUDGET MONITORING REPORT - MONTH 10

RESOLVED:

That Cabinet:

- 1. Note the forecast budget position as at January 2018 (Month 10).**
- 2. Note the Treasury Management update as at January 2018 at Appendix E.**
- 3. Continue the delegated authority up until the April 2018 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 15 February 2018 and 15 March 2018 Cabinet meetings, detailed at Appendix F.**
- 4. Approve the release of £500k from General Contingency to Residents Services budgets in respect of the following items:**
 - a. £448k Fly Tipping costs;**
 - b. £44k Storm Damage costs, and;**
 - c. £8k to extend opening of the Winter Night Shelter to 31 March 2018.**
- 5. Accept into the Housing Revenue Account grant funding of £15k from the London Fire and Emergency Planning Authority's Community Fire Safety Investment Fund for the installation of Ultraguard Mist Systems in Council housing occupied by vulnerable tenants.**
- 6. Approve acceptance of gift funding in relation to a Planning Performance Agreement on the following major development in accordance with the provisions of Section 93 of the Local Government Act 2003:**
 - a. Prologis, Stockley Park Phase 2 (£17,500)**
- 7. Accept a capital grant of £97k from the Department for Transport in respect of the Pothole Action Fund.**
- 8. Notes its decision on 25 January 2018 to agree free entry for 'serving military personnel' visiting the new Battle of Britain Bunker Visitor Centre and amends the decision so it applies to those 'personnel who have previously served or currently serve for United Kingdom military forces'.**
- 9. Agrees to waive fees currently in place of Child Burials with effect from 26 March 2018.**
- 10. Ratify a decision taken by the Leader of the Council and the Cabinet Member for Finance, Property and Business Services on 23 February 2018 that authorised the granting of an Agricultural Holdings Act (AHA) farm business tenancy.**

Reasons for decision

Cabinet was informed of the latest Month 9 forecast revenue, capital and treasury position for the current year 2017/18 to ensure the Council achieved its budgetary and service objectives.

Cabinet made a number of decisions, including the release of funding for recent storm damage, fly-tipping costs and the extension of the Winter Night Shelter. Furthermore, Cabinet agreed to waive fees for child burials, as promised by the Leader of the Council at the February budget setting Council meeting.

The Leader of the Council informed Cabinet of the latest survey issued by the Department for Transport which showed that Hillingdon had the safest roads in London, testament to the multi-million investment by the Council in highways improvements and road safety.

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.

7. 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.

8. AWARD OF A CONTRACT EXTENSION FOR THE CATERING & VENDING SERVICE FOR THE CIVIC CENTRE AND OTHER HILLINGDON PROPERTIES

RESOLVED:

That the Cabinet:

1. Approves the award of a one year extension (in line with the existing contract provisions) with Caterplus Services Limited to deliver the catering provision at the Council's Civic Centre and other corporate properties.
2. Notes that Caterplus Services Limited were acquired by Elinor UK in September 2016.

Reasons for decision

Cabinet agreed to extend the current catering and vending service to the Civic Centre and 10 other sites across the Council's non-housing property portfolio, such as meals in residential homes, early years centres and extra care schemes.

Alternative options considered and rejected

Cabinet could have decided to fully re-tender the service.

Officer to action:

Brian Colyer, 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).

9. CHLAMYDIA SCREENING & PRIMARY CARE CONTRACTS

RESOLVED:

That Cabinet:

1. Agree to extend the sexual health elements of the Council's Primary Care contract with GPs and Pharmacies for a period of one month from 1st - 30th April 2018 to allow these to co-terminate with the Chlamydia Screening Contract currently provided by Central and North West London Foundation Trust (CNWL);
2. Delegate to the Deputy Chief Executive and Corporate Director of Residents Services, in consultation with the Leader of the Council and Cabinet Member for Social Services, Housing, Health & Wellbeing,

authority to vary the Council's Integrated Sexual and Reproductive Health Service (ISRH) contract with London North West Healthcare Trust (LNWH), to include a re-specified Chlamydia Screening Programme and the sexual health elements of the Council's Primary Care contract, strictly subject to the satisfactory conclusion of negotiations outlined in the confidential report. Furthermore, Cabinet note that the proposed updated contract would run from 1st May 2018 until the agreed end of the contract on 30th April 2021 with an option to extend until 30th April 2024;

3. Agree to extend the non-sexual health Primary Care services commissioned from GPs and Pharmacies for a period of one year, from 1st April 2018 - 31st March 2019; and
4. Note there will be a review of non-sexual health Primary Care services during this period and at a later date recommendations on their long-term future will be brought forward to Cabinet.

Reasons for decision

Cabinet agreed to recommission the Chlamydia Screening contract as part of the Hillingdon Integrated Sexual & Reproductive Health Service provided by London North West University Healthcare NHS, subject to final delegated approval. Cabinet also agreed to extend arrangements for Primary Care services with GPs and Pharmacies for a year, noting a wider review of these was taking place.

Alternative options considered and rejected

Cabinet considered a number of commissioning and procurement options as part of the review of public health services.

Officers to action:

Dr Steve Hajioff, Sharon Daye - 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.

10. REDEVELOPMENT OF WOODSIDE DAY CENTRE TO PROVIDE A MEDICAL CENTRE WITH 2 GP PRACTICES AND 20 NEW BUILD SHARED OWNERSHIP FLATS

RESOLVED:

That the Cabinet:

- 1. Approves appropriation to the HRA the land in respect of the 20 Shared Ownership units by compensating the Council's General Fund at a consideration of £1,870k.**
- 2. Approves the appointment of Faithful & Gould for professional, technical and construction services, to take the scheme to tender at a cost of £228k on the basis set out in the report, and approves the appointment of design consultants Faithful & Gould to develop the outline designs up to developed designs for tender at a cost of £92k, as set out in the report.**
- 3. Approves the virement and allocation of £63k from the overall £9,270k 2017/18 HRA General Capital Contingency budget to the 2017/18 New General Needs Housing Stock Budget. This budget is to meet the initial feasibility costs for the Woodside development including surveys, planning and internal fees.**
- 4. Delegate 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, all further necessary decisions required in respect of the redevelopment and use of the site and properties.**

Reasons for decision

Cabinet progressed the redevelopment of the former Woodside Day Centre site, Uxbridge Road, Hayes to provide ground floor premises for local GP's with 20 shared ownership flats above. Cabinet welcomed this improvement in local health facilities along with the new homes for local residents.

Alternative options considered and rejected

Cabinet noted a range of other options, including disposal of the site, but considered this would not provide the health and housing benefits required locally.

Officer to action:

Jenny Evans, 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.

11. LANGLEY FARM, BARNs 1 & 2, BREAKSPEAR ROAD NORTH, HAREFIELD

RESOLVED:

That the Cabinet authorises the granting of consent to the leaseholder of Langley Farm Barns 1 & 2, Breakspear Road, Harefield to allow conversion of the barns from the current agricultural use to a one-bedroomed residential unit in accordance with planning permission reference 30836/APP/2014/2109.

Reasons for decision

Cabinet agreed to preserve the integrity of barns by granting permission for their conversion to residential use, which both the Planning Authority and English Heritage had consented to.

Alternative options considered and rejected

Cabinet could have refused its consent to the conversion of the barns to residential use and required the retention of the barns for agricultural use.

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 an individual and 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 paragraphs 1&3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.

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

No additional items were considered by the Cabinet.

The meeting closed at 7.18pm.

Internal Use only - implementation of decisions

All decisions: Meeting after Cabinet, the Executive Scrutiny Committee did not call-in any of the Cabinet's decisions. Therefore, these decisions can be implemented by officers upon the expiry of the scrutiny call-in period below:

from 5pm, Friday 23 March 2018.

Officers to action the decisions are indicated in the minutes.

The public part of this meeting was broadcast on the Council's YouTube channel [here](#). Please note that these minutes and decisions are the definitive record of proceedings by the Council of this meeting.

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

democratic@hillingdon.gov.uk

Democratic Services: 01895 250636

Media enquiries: 01895 250403

To find out more about how the Cabinet works to put residents first, visit [here](#).

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HILLINGDON'S RESPONSE TO THE DRAFT NATIONAL PLANNING POLICY FRAMEWORK AND DEVELOPER CONTRIBUTION REFORMS

| | |
|---------------------------|---|
| Cabinet Member | Councillor Keith Burrows |
| Cabinet Portfolio | Cabinet Member for Planning, Transportation and Recycling |
| Officer Contact | James Gleave: Residents Services |
| Papers with report | <p>Appendix A: Proposed response to the National Planning Policy Framework draft text for consultation.</p> <p>Appendix B: Proposed response to the Reforming Developer Contributions to Affordable Housing and Infrastructure Document for consultation.</p> |

HEADLINES

| | |
|---|---|
| Summary | <p>The National Planning Policy Framework (NPPF) was first published in 2012 and sets out the Government's planning policies for England. Consultation documents containing changes to the NPPF were published in March 2018. Alongside the NPPF, changes are also being proposed to the developer contributions system, which impact affordable housing and infrastructure. This report explains the proposed changes to both the NPPF and the developer contributions system and sets out the Council's proposed responses.</p> |
| Putting our Residents First | <p>This report supports the Council objectives of: Our People; Our Built Environment; Our Natural Environment; Our Heritage and Civic Pride. The National Planning Policy Framework aligns closely with the Local Plan Part 2, which in turn reflects the Council's Sustainable Community Strategy and its objectives, including maintaining the Borough's local heritage and to ensure it and the natural environment are protected and enhanced.</p> |
| Financial Cost | <p>The cost of preparing the proposed response can be met from existing revenue budgets.</p> |
| Relevant Policy Overview Committee | Residents' and Environmental Services |
| Relevant Ward(s) | All Wards |

RECOMMENDATIONS

That the Cabinet:

- 1. Notes the content of the consultation documents and the proposed responses attached at Appendices A and B of this report.**
- 2. Grants delegated authority to the Deputy Chief Executive and Corporate Director of Residents Services to agree the final responses, in conjunction with the Leader of the Council and Cabinet Member for Planning, Transportation and Recycling.**

Reasons for recommendation

The National Planning Policy Framework (NPPF) was first published in 2012 and sets out a framework of planning guidance for England. Separate guidance is available for Scotland and Wales. The document covers all aspects of planning and includes chapters on ensuring the vitality of town centres, promoting sustainable transport, delivering a wide choice of high quality homes and protecting Green Belt land. Whilst it is not part of the Development Plan for Hillingdon, the NPPF has significant weight in planning decisions.

The proposed reforms to the system of developer contributions will have an impact on how the Council can obtain financial contributions from developers, which are required to mitigate the impacts of growth and provide the required infrastructure for new developments. Specifically, the reforms will alter how the Council can implement and review its Community Infrastructure Levy (CIL) and Section 106 planning obligations.

It is critical that the Council provides a detailed response to both documents, to ensure the interests of residents are fully represented.

Alternative options considered / risk management

- *That the Council should not submit a response to the draft documents.*

In this instance, the Council's views would not be reflected in the final version of the NPPF, which is expected to be adopted in the Summer of 2018, or the reforms to the developer contributions system.

- *Agree the submission of the proposed response, with amendments*

Any amendments to the proposed response could be agreed through discussions with the Deputy Chief Executive and Corporate Director of Residents Services and the Cabinet Member for Planning, Transportation and Recycling.

Democratic compliance / previous authority

Responses to national planning policy consultations ordinarily require Cabinet approval, as set out in the Cabinet Scheme of Delegations.

Policy Overview Committee comments

None at this stage.

SUPPORTING INFORMATION

Background

1. The National Planning Policy Framework (NPPF) draft text for consultation was published on Monday 5th March 2018 alongside the following associated documents:

i) Draft Planning Practice Guidance: This document provides more detailed guidance to interpret a number of specific aspects of the draft NPPF relating to Viability, Housing Delivery, Local Housing Need Assessment, Neighbourhood Plans, Plan making and Build to Rent proposals.

ii) Housing Delivery Test - draft measurement rulebook: In essence, this document sets out how housing delivery should be measured. Where local authorities have a Local Plan that is less than 5 years old, the measure of the housing need (or the housing target) should be the Council's housing need figure, or the Local Plan target, whichever is smaller. Where the Local Plan is more than 5 years old, housing delivery should be measured against the defined Objectively Assessed Need (OAN) for housing.

2. The consultation period for the NPPF runs through until Thursday 10th May 2018. The consultation process focuses on the proposed changes to the current 2012 version of the NPPF, which is summarised in the 'Consultation Proposals' Document. This report focuses on the changes, rather than the content of the draft NPPF as a whole.

3. The draft document requests responses to a series of specific questions in relation to the proposed changes, which are summarised in this report.

4. The draft NPPF brings together proposals that has been previously consulted on in other documents, through:

- **National Planning Policy: consultation on proposed changes (December 2015):** This provided the government's response to the consultation on a draft policy document which sought views on proposed changes to national planning policy.
- **The Housing White Paper (February 2017):** The proposals in this White Paper set out how the Government intends to boost housing supply and, over the long term, create a more efficient housing market whose outcomes more closely match the needs and aspirations of all households and which supports wider economic prosperity.
- **Planning and Affordable Housing for Build to Rent - a consultation paper:** This document sets out the summary statistical responses to the recent government consultation on planning and affordable housing for Build to Rent, which sought views on planning measures to support an increase in Build to Rent schemes across England.
- **Planning for the right homes in the right places: consultation proposals (September 2017):** A further consultation document which seeks to increase housing delivery.

5. Alongside the proposed changes to the NPPF, the Government is also consulting on proposed reforms to the system of developer contributions. This document covers the following areas:

- **Community Infrastructure Levy (CIL)**
- **Section 106 Planning Obligations**
- **Strategic Infrastructure Tariff (SIT)**
- **Technical Clarifications to Regulations**

6. Like the NPPF, the consultation was published on Monday 5th March and runs through until Thursday 10th May 2018.

The National Planning Policy Framework: Consultation Proposals

Chapter 1: Introduction

5. Chapter 1 introduces the document and notes the key pieces of legislation that have influenced the emerging draft. Specifically, paragraph 6 clarifies that the endorsed recommendations of the National Infrastructure Commission may be material when preparing plans or determining planning applications.

Summary of proposed Council response

Q1: Do you have any comments on the text of Chapter 1?

6. Written Ministerial Statements can cover a wide range of topics and potential projects and can be entirely for political gain. For example, the Secretary of State for Transport has made a succession of Written Statements about Heathrow Airport expansion that range from positive support to general consideration. Until these statements work their way through a democratic process and result in adopted policies then they should carry no weight.

7. Similarly, recommendations by the National Infrastructure Commission should only be material once they relate to a completed process or project identified through a democratic planning process.

Chapter 2: Achieving Sustainable development

8. The current version of the NPPF contains a presumption in favour of sustainable development. For the production of Local Plans, this means that the local planning authorities should plan positively to meet the development needs in their area and meet identified objectively assessed needs for housing, unless there are specific circumstances for not doing so. Likewise, planning decisions should be made in accordance with the Local Plan without delay. Where there is not a specific policy to guide planning decisions, permission should be granted, unless there are adverse impacts that would significantly outweigh the benefits, or specific policies in the framework indicate that development should be restricted.

9. The key change proposed in the consultation draft in relation to the presumption in favour of sustainable development is that strategic plans should, as a minimum, provide for objectively assessed needs for housing and other development, as well as any other needs that cannot be

met within neighbouring areas. This is a significant change because it requires local authorities to accommodate outstanding needs in adjoining districts and boroughs.

10. Paragraphs 8-10 of the document have been amended to clarify the meaning of sustainable development for the purposes of the presumption in favour of sustainable development. In essence, this incorporates economic, social and environmental objectives.

Summary of proposed Council response

Q2. Do you agree with the changes to the sustainable development objectives and the presumption in favour of sustainable development?

11. The Council is broadly supportive of the clarification related to sustainable development objectives. There is, however, a concern regarding the proposals to accommodate need from neighbouring areas. It is unclear how this would be apportioned out and should only be implemented in exceptional circumstances, as a last resort. Further guidance is required on how this proposal would work.

12. The presumption in favour of sustainable development states that objectively assessed needs should be met, unless policies indicate a strong case for restricting development. The policy reasons for restricting development in this way are defined and include the presence of nationally significant nature conservation and landscape designations. It is considered that this list should be expanded to include locally specific reasons identified by evidence base documents, such as the presence of employment land, to meet identified needs.

Q3. Do you agree that the core principles section should be deleted given its content has been retained and moved to other parts of the Framework?

13. The Council does not have any specific comments on this question at this stage.

Q4. Do you have any other comments on the text of Chapter 2, including the approach to providing additional certainty for neighbourhood plans in some circumstances?

14. The provisions of paragraph 10 relating to neighbourhood plans are generally supported.

Chapter 3: Plan Making

15. The chapter on Plan Making contains a number of requirements which were established through the Housing White Paper. These are:

- A new plan making framework which includes strategic priorities that local authorities should consider during the plan making process. These include matters related to the overall strategy for the pattern and scale of development, the homes and workplaces needed including affordable housing, infrastructure, community facilities and climate change.
- Amendments to the tests of soundness for new Local Plans. Councils are required to demonstrate that the plan represents **an** appropriate strategy, rather than **the most** appropriate strategy for a local authority area.
- A new requirement for authorities to review Local Plan policies every five years following the date of adoption to reflect changing circumstances.

- Changes to the evidence requirements which are necessary to support a sound plan. Evidence is expected to be proportionate, relevant and up to date, focusing only on justifying the policies concerned.
16. In addition, changes that are contained in the 'Planning for the right homes in the right places' consultation are also reflected in the document. These include:
- Preparation of a Statement of Common Ground in the plan making process to demonstrate that the Duty to-co-operate has been met.
 - Changing the tests of soundness to encourage joint working between authorities.
 - Additional tests of soundness where plans should be clear on the contributions expected in association with development. This will help to ensure that developer contributions identified through plans are deliverable.
17. The tests of soundness should emphasise the role of plans in meeting objectively assessed housing needs.

Summary of proposed Council response

Q5. Do you agree with the further changes proposed in relation to the tests of soundness and to the other changes of policy in this chapter that have already been consulted on?

18. The Council notes the increased emphasis on meeting objectively assessed need for housing within the test of soundness. This principle is already well established in the current NPPF and it is not considered that further amendments as proposed will increase the delivery of housing.

19. It is important to recognise that for the most part, local authorities can only identify sites and grant planning consent for residential development. It is up to developers to actually build the housing and in many cases, sites are not brought forward in a timely manner. The tests of soundness should therefore be for local authorities to demonstrate a sufficient supply of land, either through pipeline planning consent or specific site allocations, to meet objectively assessed need.

Q6. Do you have any other comments on the text in chapter 3?

20. The Council does not have any further specific comments to make at this stage.

Chapter 4: Decision taking

21. The chapter on Decision Taking relates primarily to making decisions on planning applications. For the most part, the proposed changes to the current version of the NPPF are those made by recent legislation, such as the Government's Housing White Paper. The changes to the current version of the document are set out in the following paragraphs.

22. In relation to development viability, the document notes that proposals that meet all the relevant criteria in the plan, such as those related to affordable housing requirements, will not be required to submit a viability assessment to accompany a planning application. Where viability assessments are required, they should broadly follow the framework set out in the Government's recommended approach, which is published alongside the framework. In particular, this states that plans can set out when and how review mechanisms can be used to

trigger a review of developer contributions, that may signal additional need for viability assessments.

23. In addition to viability, the document sets out new guidance on the weight that should be given to emerging policy documents in planning decisions.

Summary of proposed Council response

Q7: The revised draft Framework expects all viability assessments to be made publicly available. Are there circumstances where this would be problematic?

24. The Council supports transparency in the viability process and a requirement to publish viability assessments. The Council supports transparency in the viability process and the requirement to publish Financial Viability Appraisals (FVAs). Genuinely commercially sensitive information is sometimes incorporated within FVA's and therefore the ability to redact parts of the FVA must be available. Such commercially sensitive information will include contingencies to deal with right to light claims

Q8: Would it be helpful for national planning guidance to go further and set out the circumstances in which viability assessments to accompany planning applications would be acceptable?

25. The Council is of the view that the requirement for financial viability assessments is already sufficiently set out in the London Plan.

Q9: What would be the benefits of going further and mandating the use of review mechanisms to capture increases in the value of large or multi-phase development?

26. This issue is already addressed through the London Plan. At this stage, the Council has no further specific comment to make on this question.

Q10: Do you have any comments on the text of Chapter 4?

27. Whilst the increased emphasis on housing delivery from developers is welcomed, there is a concern that it could encourage developers to ignore other planning considerations.

Chapter 5: Delivering a wide choice of high quality homes

28. This section of the draft document reflects the changes that have already been introduced through the Housing White Paper and the consultation document Planning for the right homes in the right places. The changes include introducing a new 'three step' approach to calculating housing need:

- A projection in the number of households in the borough over a ten year period, based on ONS data.
- An adjustment to housing need is then made based on the ratio of house prices to earnings. A one per cent increase in the ratio of house prices to earnings results in a quarter of a per cent increase in the need above predicted housing growth.
- The level of increase is capped according to the status of the Local Plan.

29. For authorities with a local plan adopted in the last five years, a cap of 40 per cent above the annual requirement set in the local plan is proposed. For authorities that don't have an up-

to-date local plan, the cap is 40 per cent above whichever is higher of the projected household growth for their area over the plan period or the annual housing requirement in their Local Plan.

30. Other proposed amendments in this chapter are based on proposals put forward in the Written Ministerial Statement on affordable housing contributions, the Planning and Affordable Housing for Build to Rent consultation and the Housing White Paper:

- At least 10% of homes on major sites should be for affordable home ownership.
- Local authorities should provide a housing requirement figure for designated neighbourhood areas.
- A need for clear policies to address groups with particular needs, such as students and travellers.
- Proposed greater use of small sites to meet housing needs on the basis that these can be built out quickly. The draft text proposes that 20% of sites allocated for housing should be <0.5 hectares.

Summary of proposed Council response

Q11. What are your views on the most appropriate combination of policy requirements to ensure that a suitable proportion of land for homes comes forward as small or medium sites?

31. The Council does not support the inclusion of a specific target for small sites. A 'one size fits all' approach to this matter is unhelpful and authorities should be allowed to decide how best to meet needs according to local circumstances. Some authorities will meet the majority of needs from large sites, others will have a greater reliance on small sites.

32. The need for clear policies to address groups with specific needs is broadly supported, although this should only be where other policies in the plan do not meet these needs.

Q12. Do you agree with the application of the presumption in favour of sustainable development where delivery is below 75% of the housing required from 2020?

34. Officers are of the view that local authorities should not be penalised for the applicants' failure to implement permissions and build out developments in a timely manner. For the most part, it is in the interest of local planning authorities to identify sufficient sites to meet housing requirements or to seek to meet these needs through other means, such as the Duty to Co-operate. To revert to the objectively assessed need for housing where targets are not being met is likely to make a bad situation worse. It will lead to uncontrolled housing development and the loss of sites by default that would not normally be granted planning consent.

35. The proposed approach could well result in the opposite of what is intended, i.e. developers holding on to brownfield sites in order to force the release of Greenfield land. Instead of focusing on delivery, local authorities should be encouraged and supported to fulfil their role in the housing delivery process, which is identifying sufficient sites to meet housing needs.

Q13: Do you agree with the new policy on exception sites for entry level homes?

36. The policy proposes allowing entry level affordable housing in unsustainable areas that would normally be deemed inappropriate for residential development and thus is opposed.

Q14: Do you have any other comments on the text of Chapter 5?

37. More emphasis should be placed on the delivery of family homes. In addition, local authorities have limited scope to influence the cause of housing under-delivery and should not be penalised for this.

Chapter 6: Building a strong, competitive economy

38. Proposed changes to the document include an increased emphasis on supporting business growth, to reflect the Government's industrial strategy. In addition, the rural section has been brought within this chapter, with a new proposal to accommodate sites for local businesses and community needs outside of local settlements.

Summary of proposed Council response

Q15: Do you agree with the policy changes on supporting business growth and productivity, including the approach to accommodating local businesses and community needs in rural areas?

39. The draft document notes that significant weight should be placed on the need to support economic growth and productivity and that this is particularly important where Britain can be a global leader in innovation. Whilst a number of criteria are set for planning policies related to economic matters, it is important to note that the economic aspects of planning are as important as meeting housing needs. This is not reflected in the amount of coverage given to economic policy, in comparison to housing matters.

40. The Council is concerned that some of the guidance in this section could be interpreted as supporting development in the Green Belt. It is important for the Government to cross reference this section with Green Belt policy, in order to avoid any confusion on this point.

41. The requirement to produce an economic strategy and vision is welcomed and local authorities need to have the flexibility to develop this in a way that best reflects their circumstances and requirements.

Q16: Do you have any other comments on the text of chapter 6?

42. The Council does not have any further specific comments to make at this stage.

Chapter 7: Ensuring the vitality of town centres

43. The draft NPPF notes that policies related to town centre needs on matters such as the growth of retail uses should look at least 10 years ahead and town centre boundaries should be kept under review to ensure they remain relevant. The policy on planning applications has also been amended, so that out of town centre sites should only be considered for retail development if suitable town centre or edge of centre sites are not expected to become available in a reasonable period. This clarifies that suitable town centre sites do not have to become available immediately in order to avoid prejudicing town centre or edge of centre sites that are in the pipeline.

44. The requirement to subject office development proposals outside of town centres to an impact assessment has also been removed, where development is over a certain floor space threshold. Office development outside of established town centres will therefore only be subject to sequential test procedures, whereby proposals need to demonstrate that no suitable town centre or edge of centre sites are available to meet the applicant's needs.

Q17: Do you agree with the proposed changes on planning for identified retail needs and considering planning applications for town centre uses?

45. Officers are broadly supportive of the proposed 'town centre first' approach for uses such as retail, office and leisure facilities. The Council supports the proposal to strengthen the case to accommodate these uses in town centres. There are no specific comments on the strategy regarding office development.

Q18. Do you have any other comments on the text of Chapter 7?

46. The Council does not have any further comments to make at this stage.

Chapter 8: Promoting healthy and safe communities

47. This chapter reflects the social and economic benefits of estate regeneration. It also notes that Local Authorities should help to deliver estate regeneration to a high standard. In addition, the draft document gives recognition to the role of planning in promoting healthy lifestyles and introduces new ways that planning can help to counter malicious threats, especially in crowded places. These measures include the layout and design of development to reduce potential threats and the resilience of places. It also relates to supporting development required for operational defence purposes.

Summary of proposed Council response

Q19: Do you have any comments on the new policies in chapter 8 that have not already been commented on?

Q20: Do you have any other comments on the text of chapter 8?

48. The Council is broadly supportive of these proposals, so long as they do not result in any adverse environmental impacts.

Chapter 9: Promoting sustainable transport

49. The chapter has been substantially revised from the guidance on transport in the current NPPF. First and foremost, the new provisions reflect the Ministerial Statement dated 25th March 2018 related to car parking. This defines the factors that should be taken into account when setting parking standards for residential and non residential development, which include:

- The accessibility of the development;
- The type, mix and use of development;
- The availability of and opportunities for public transport;
- Local car ownership levels; and
- The need to ensure an adequate provision of spaces for charging plug-in and other ultra low emission vehicles.

50. Maximum standards should only be set where there is a clear and compelling justification for doing so - that they are necessary for managing the local road network. In town centres, local authorities should seek to improve the quality of parking, so that it is safe and convenient. Paragraph 105f relates to maintaining a national network of aviation facilities. This states that planning policies should recognise the importance of maintaining a national network of general aviation facilities, taking into account their economic value in serving business, leisure, training and emergency service needs, and the Government's General Aviation Strategy.

51. The policy on assessing transport proposals has been amended to refer to a need to demonstrate highway safety, as well as addressing capacity and congestion, in order to clarify that designs should prioritise pedestrian and cycle movements.

Summary of proposed Council response

Q21: Do you agree with the changes to the transport chapter that point to the way that all aspects of the transport should be considered, both in planning for transport and assessing transport impacts?

52. The Council generally supports a holistic approach to transport assessment that takes account of and considers all aspects of transport provision. With this in mind however, local authorities should be given the flexibility to set their own parking standards. The Council generally supports the proposed provisions relating to maximum parking standards. It should be noted that the current draft London Plan proposes stringent maximum standards, which are unsuitable for an outer London borough like Hillingdon. The Council has submitted a robust response to the GLA on these points.

Q22: Do you agree with the policy change that recognises the importance of aviation facilities?

53. Paragraph 105 (point e) of the draft states that planning policies should "*provide for any large scale facilities, and the infrastructure to support their operation and growth*". The text refers to taking into account any relevant national policy statements (NPS) and specifically refers to airports.

54. The current draft airports NPS supports the expansion of Heathrow Airport. The current drafting of the NPPF implies, therefore, that Heathrow expansion is the type of nationally significant infrastructure that would need to be given weight in plan making. The Council are of the firm opinion that the draft Airports NPS is not fit for purpose and therefore cannot carry any such weight. There is a fundamental problem with giving credence to a project that has not been advanced in sufficient detail or to an NPS that fails to provide the sufficient detail.

55. For example, should the Airports NPS be adopted in its current state, then, notwithstanding any legal challenge, the Council would still be unable to attribute weight to it in plan making. The Airports NPS itself gives support for expansion at Heathrow via a north-west runway and claims it would also deliver a vast array of growth. However, it makes no attempt to quantify this growth or identify the geographical spread. In addition, to name just a few constraints to effective plan making, the NPS does not identify any development boundaries, specify flight paths, solve transport problems and identify ancillary land uses.

56. More simply put, should the NPPF stand as drafted the Council would be in the position to have to consider land allocations, policies and growth when it does not know a) where the

runway will go, b) where roads will go, c) where the most noisy areas will be, d) whether air quality will still exceed legal limits, e) how many extra houses will need to be accommodated, f) which schools will be lost or made redundant by noise and therefore where these can be relocated, g) whether there is sufficient green space left to meet amenity and green space requirements and so on. It is also known that the Lakeside Energy from Waste plant will be lost requiring the Council to reconsider its waste strategy without a suitable alternative because the NPS makes no allowance for it all. In short, there are a significant number of unanswered questions which undermines the basic premise of the Airports NPS.

57. Ultimately, it is impossible for the Council to make an allowance in its planning policies for expansion of Heathrow with so little meaningful detail. Consequently, the only option for the Council would be to await the omissions identified above. This would result in a scenario whereby a detailed planning application is driving the strategic planning of the Council. This is wholly irrational.

58. The Council's clear position from a strategic planning perspective is that it will only be able to consider the implications of important infrastructure where it has been advanced to a suitable state and degree. The Council therefore strongly objects to the proposal that has been advanced as part of the draft NPPF which makes ill-thought through infrastructure schemes a material consideration for plan and policy making.

59. Paragraph f) makes specific reference to the Government's General Aviation Strategy. The General Aviation (GA) Strategy states:

"MoD policy is to encourage the civilian sector, including GA, to have access to military airfields wherever possible".

60. The London Borough of Hillingdon is home to RAF Northolt, an MOD base which includes a commercial operation at specified times. In 2013, the Base received permission from Central Government to increase their commercial flights from a self-imposed maximum of 7,000 flights a year to 12,000 flights a year. This decision was made by Central Government and is not a decision the Council had any control or influence over. As RAF Northolt operates in an urban environment with residential areas in close proximity, the Council has received a number of complaints from residents concerned about more noise, more flights and more traffic accessing the airfield. The Council would therefore suggest that the wording of para 105 f) is changed to include the underlined text:

recognise the importance of maintaining a national network of general aviation facilities - taking into account their economic value in serving business, leisure, training and emergency service needs whilst also assessing their environmental impact and putting in place mitigation measures to address these

Q23: Do you have you have any other comments on the text of Chapter 9?

61. The Council has no further comment to make in relation to this question at this stage.

Chapter 10: Supporting high quality communications

62. The draft NPPF sets out high expectations in relation to digital infrastructure, including the next generation of mobile technology.

Summary of proposed Council response

Q24: Do you have any comments on Chapter 10?

63. The objective to maximise the use of high quality communications is broadly supported. However, the use of existing masts for mobile communication equipment should be maximised.

Chapter 11: Making effective use of land

64. This chapter combines existing provisions from the Housing White Paper. The proposals include an expectation that plans will have a clear strategy for using land. Planning policies should seek to meet objectively assessed needs in a way which makes the best possible use of previously developed land. The draft proposes making more intensive use of existing land and buildings by:

- Encouraging multiple benefits from urban and rural land.
- Recognising that some undeveloped land can perform multiple functions, such as for wildlife, recreation and flood risk mitigation.
- Giving substantial weight to the value of using suitable brownfield land within settlements for homes and other identified needs.
- Promoting and supporting the development of under-utilised buildings, especially if this would help to meet identified needs for housing.
- Supporting opportunities for the use of airspace above existing residential and commercial premises for new homes.

65. In addition to the above, the 2017 budget made provision for making more land available for housing, especially in areas of high demand. The proposals included:

- Making more effective use of empty space above shops.
- Reallocating land where there is no reasonable prospect of an application coming forward for the allocated use.
- Making it easier to convert retail and employment uses for housing.
- Expecting minimum density standards to be used in town and city centres, especially around transport hubs.

Summary of proposed Council response

Q25: Do you agree with the proposed approaches to under-utilised land, reallocating land for other uses and making it easier to convert land which is in exiting use?

66. In some cases, it is necessary to allocate under-utilised land to meet future identified needs, such as employment related uses for future job creation. These uses can take many years to come forward and it is important that local authorities retain the ability to protect these sites for their intended use. Greater recognition also needs to be given to the provision of local infrastructure, particularly community based infrastructure, to support housing development.

Q26: Do you agree with the proposed approach to employing minimum density standards where there is a shortage of land for meeting identified housing needs?

67. The draft London Plan has removed proposals for density standards on the basis that they were rarely being met. Officers are of the view that a preferable approach would be to encourage local authorities to adopt suitable higher densities around town centres that reflect local character. These proposals may be supplemented by the use of local design guides or character area appraisals to avoid development that ignores all other considerations.

Q27: Do you have any comments on the text of chapter 11?

68. The development of airspace between properties and the vertical extension of houses will have a significant impact on local character and setting. The Council is concerned that in existing low-density locations, significant harm could be caused to cherished street scenes. The additional requirement to monitor the development of sites will also have a significant impact on Council resources. There are no further comments to make on the content of this chapter at this stage.

Chapter 12: Achieving well designed places

69. The draft document notes that emerging plans should, at the most appropriate level, set out a clear design vision and expectation for the area. Specific emphasis is placed on the importance of pre-application discussions to secure good design. Revisions are also proposed to note that 'outstanding or innovative designs' should be given great weight when they are not in conflict with local policies.

Summary of proposed Council response

Q28: Do you have any comments on the changes of policy in Chapter 12 that have not already been consulted on?

Q29: Do you have any other comments on the text of chapter 12?

69. It is important that local authorities retain the flexibility to determine what constitutes good design in their borough, through the production of appropriate design guidance. The focus on the formation of community-led plans will result in lower densities and concerns relating to the delivery and need for local infrastructure to support new development. Similarly, the focus on the production of supplementary planning documents to deliver good design will have significant resource implications for the Council. At this stage, there are no further comments to make on this policy.

Chapter 13: Protecting the Green Belt

70. The draft document maintains the strong protection for Green Belt land and the stringent tests that need to be met in order to justify its release. Before seeking the release of the Green Belt land through the development plan process, local authorities should conclude that they have explored all other reasonable options for meeting the needs of new development. This should be assessed in terms of whether the proposed plan:

- Makes as much use as possible of suitable brownfield sites and under-utilised land;

- Optimises the density of development, including whether policies promote a significant uplift in minimum density standards in town and city centres and other locations well served by public transport; and
- Has been informed by discussions with neighbouring authorities about whether they could accommodate some of the identified need for development, as demonstrated through a Statement of Common Ground.

71. The Housing White Paper also proposed a number of other changes to Green Belt policies which have been incorporated into the document:

- Makes clear that neighbourhood plans may amend detailed Green Belt boundaries, once the need for a Green Belt change has been demonstrated;
- Expect policies to set out how the impact of removing land from the Green Belt can be offset; and
- Provide that facilities for existing cemeteries and development brought forward under a Neighbourhood Development Order, should not be regarded as inappropriate development.

72. In addition to the above, text has been incorporated which proposes that brownfield land in the Green Belt can be used for affordable housing, where there is no impact on openness. Current policy allows the construction of buildings in the Green Belt that are associated with sport and cemeteries, but does not allow changes of use for such purposes. Under the new proposals, material changes of use that preserve openness will be allowed.

Summary of proposed Council response

Q30: Do you agree with the proposed change to enable greater use of brownfield land for housing in the Green Belt and to provide for the other forms of development that are not inappropriate' in the Green Belt?

Q31: Do you have any other comments on the text of Chapter 13?

73. The continued emphasis on the protection of Green Belt land is supported. However, any form of housing in the Green Belt should continue to be subject to a 'very special circumstances' test. Under the provisions of current policy the use of brownfield land would be considered as part of this test and the proposals do not represent a worthwhile change to Green Belt policy.

74. The proposed text notes that Neighbourhood Plans may make detailed amendments to Green Belt boundaries. Further guidance on this point would be useful to prevent misunderstanding on the interpretation of what would constitute a detailed amendment.

Chapter 14: Meeting the challenge of climate change, flooding and coastal change

75. The chapter carries forward a number of the housing White Paper proposals to:

- Refer to the risk of overheating from rising temperatures and make clear that planning policies should support measures to ensure the future resilience of communities and infrastructure to climate change.
- Incorporate the Written Ministerial Statement on wind energy development. In essence, this states that when determining planning applications for low carbon development, local planning authorities should approve the application if its

impacts are acceptable. This should take account of the views of the local community.

- Clarify that plans should take account of the cumulative impact of flood risk, rather than from individual developments.
- Clarifying policy on the exception test that may need to be applied when considering development in locations at risk of flooding.

Summary of proposed Council response

Q32: Do you have any comments on the text of Chapter 14?

76. The proposed content on flood risk is broadly supported, however further clarification on the practical application of this guidance is required. The Council has no further comment to make on other aspects of the chapter at this stage.

Chapter 15: Conserving and enhancing the natural environment

77. This section of the draft NPPF introduces the principle put forward in the Housing White Paper that the 'agent of change' should be responsible for mitigating the environmental impact of their scheme. Where an existing business or community facility has effects that could be deemed a statutory nuisance in its vicinity, the applicant (or agent of change) should be required to secure suitable mitigation before the development has been completed, rather than the existing use.

78. Additional policy strengthening has been introduced for natural resources such as National Parks, Areas of Outstanding Natural Beauty and ancient woodland. These changes have been included to reflect the provisions of the Government's 25 Year Environment Plan.

79. The text from the current NPPF in relation to air quality has been retained and added to, however the provisions of air quality legislation are not fully reflected in the document.

Summary of proposed Council response

Q34: Do you agree with the approach to clarifying and strengthening protection for areas of particular environmental importance in the context of the 25 Year Environment Plan for national infrastructure requirements, including the level of protection for ancient woodland and aged or veteran trees?

Q35: Do you have any other comments on the text of Chapter 15?

80. The draft should reflect the current air quality legislation, as per the proposed wording of the response at Appendix A. With the exception of some reservations, the Council broadly supports the principles of the 'agent of change' and a higher level of protection for natural resources.

Chapter 16: Conserving and enhancing the historic environment

81. Paragraph 182 has been revised to clarify that World Heritage Sites are recognised internationally for their Outstanding Universal Value and that this forms part of their significance. In addition, amendments have been made to clarify that when considering the impact of a

proposed development on a designated heritage asset, decision makers should give weight to the asset's conservation, regardless of the extent of the harm to its significance.

Summary of proposed Council response

Q36: Do you have any comments on the text of Chapter 16?

82. The Council broadly supports the increased level of protection given to heritage assets.

Chapter 17: Facilitating the sustainable use of minerals

83. The Government is consulting on separate proposals relating to on-shore oil and gas extraction and a separate planning policy document for minerals. View are sought on whether this would sit better in a separate document alongside planning policy for waste.

Summary of proposed Council response

84. The Council has no specific comments to make on this chapter at this stage.

Supporting housing delivery through developer contributions: **Reforming developer contributions to affordable housing and infrastructure**

85. In November 2017, the Government commissioned an independent review into the Community Infrastructure Levy (CIL) and its relationship with planning obligations. The review was published in February 2017. It found that the system of developer contributions was not fast, simple, certain or transparent as originally intended.

86. The Government announced a package of reforms in the Autumn Budget 2017 in response to the CIL review. These reforms are put forward to complement the proposals contained in the draft NPPF and are designed to improve the current system of developer contributions by:

- Reducing complexity and increasing certainty for local authorities, developers and communities by lifting the current Section 106 pooling restriction, which prevents local authorities from using more than five Section 106 contributions to fund a single infrastructure project.
- Supporting swifter development through increased transparency in the process of assessing the viability of development proposals.
- Improving market responsiveness to CIL: Regulations currently allow different CIL rates to be set within different areas of the charging authority's boundary on the basis of the type and scale of proposed development. However, this means that CIL rates do not necessarily reflect increases in land value that can occur when planning permission is granted. It is proposed to allow CIL charges to be set on the basis of the existing value of land to capture the value generated by new development and an amount which better represents infrastructure needs.
- Additional measures are proposed to simplify the charging of complex sites and in relation to the indexation of charges, which are currently indexed against build cost inflation. Contractor costs do not necessarily increase at the same rate as house price inflation. It is therefore proposed to index charges against house prices, to allow greater scope to take account of inflation.
- Increasing transparency over where developer contributions are spent: Proposals are put forward to remove the requirement for local authorities to prepare Regulation 123 lists which set out how CIL charges are spent and also require the publication of infrastructure funding statements to explain how the spending of CIL and Section 106 planning obligations will be prioritised over the next 2 years.
- Introducing a new tariff to support the development of strategic infrastructure: The Mayor of London is current able to charge the Mayoral CIL across London Boroughs. The Government proposes to allow combined authorities and joint committees where they have strategic planning powers, to introduce a Strategic Infrastructure Tariff, to encourage cross boundary planning and support the delivery of strategic infrastructure.

87. The proposed response to this document is attached at Appendix B of this report.

4. Next Steps

88. The consultation process for the draft NPPF and Developer Contribution Reforms proposals both close on Thursday 10th May. It is the Government's intention to publish the final version of the document this summer.

Financial Implications

The cost of preparing the proposed response can be met from existing revenue budgets.

RESIDENT BENEFIT & CONSULTATION

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

Policies in the NPPF and reforms to developer contributions will have a direct impact on all aspects of the natural and built environment in Hillingdon. These changes will, therefore, have a significant impact, both short-term and long-term, upon residents, businesses, service users and all members of Hillingdon's communities.

Consultation carried out or required

The short timescales involved with the NPPF consultation have not allowed time for the Council's own consultation with residents.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance has reviewed this report, confirming that there are no direct financial implications arising from the recommended consultation response. Emerging strategic impacts of future changes to the National Planning Policy Framework will be captured in future iterations of the Council's Medium Term Financial Forecast as appropriate.

Legal

The National Planning Policy Framework constitutes guidance for local planning authorities and decision-makers both in drawing up plans and as a material consideration in determining planning applications.

The draft revised National Planning Policy Framework incorporates policy proposals previously consulted on including the Housing White Paper and the Planning for the right homes in the right places consultation.

Legislation requires that applications for planning permission be determined in accordance with the development plan unless material considerations indicate otherwise. The National Planning Policy Framework must be taken into account in preparing the development plan, and is a material consideration in planning decisions.

If Cabinet decides to approve the recommendations in this report, the Council should ensure that a response is submitted on or before the deadline, which in this case is 10 May 2018 and if possible in the format and layout suggested in the consultation paper. In considering the consultation responses, the Secretary of State must ensure there is a full consideration of the representations made by this Council, including those which do not accord with the proposals. It should be noted however, that the Ministry of Housing, Communities and Local Government is not bound to adopt the Council's views in the final version.

If specific advice is required, Legal Services should be instructed.

Infrastructure / Asset Management

There are no specific Property and Construction implications arising from the recommendations in this report at this stage.

BACKGROUND PAPERS

NIL

TITLE OF ANY APPENDICES

Appendix A: Proposed response to the National Planning Policy Framework draft text for consultation.

Appendix B: Proposed response to the Reforming Developer Contributions to Affordable Housing and Infrastructure Document for consultation.

Appendix A: National Planning Policy Framework Consultation

Response

1. Introduction

Q1 Do you have any comments on the text of Chapter 1?

1.1 Paragraph 6 refers to the inclusion of statements and endorsed recommendations of the National Infrastructure Commission.

1.2 Written Ministerial Statements can cover a wide range of topics and potential projects and can be entirely for political gain. For example, the Secretary of State for Transport has made a succession of Written Statements about Heathrow Airport expansion that range from positive support to general consideration. Until these statements work their way through a democratic process and result in adopted policies, they should not carry any weight. Similarly, recommendations by the National Infrastructure Commission should only be material once they relate to a completed process or project identified through a democratic planning process.

1.3 In any event, a statement that is material to plans and programmes would be setting a development framework. Consequently, such statements would be required to be appraised in accordance with the Environmental Appraisal of Plans and Programme Regulations and the SEA Directive for them to have effect on plans and decisions. Failure to apply these regulations and to allow statements to carry material weight would seriously undermine due process. It would also expose the planning system to the whim of statements from Ministers without full application of a democratic process. Statements and recommendations should only become material to plans and applications, and set a development framework, once they have been fully appraised and adopted in accordance with standard practice.

2. Achieving Sustainable Development

Q2 Do you agree with the changes to the sustainable development objectives and the presumption in favour of sustainable development?

2.1 The current NPPF includes examples of policies which provide a specific reason for restricting development. Paragraph 11bi) of the draft NPPF however proposes to change this to the defined list set out in footnote 7.

2.2 Whilst the certainty around a defined list of policies in the NPPF is welcomed, the wording needs to be expanded further to include the need for other competing land uses, such as maintaining and expanding employment space, when this need is demonstrated as part of an evidence base.

2.3 There is a concern related to the proposals to accommodate need from neighbouring areas. It is unclear how this would be apportioned out with neighbouring local authorities and whether it would be amongst authorities within the same regional governance, or based solely on nearest proximity. The Council believes that further guidance is required on how this would work in practice, but the

proposal will be a particular concern for outer London boroughs given the substantial increases proposed in their housing targets via the draft London Plan.

Q3 Do you agree that the core principles section should be deleted, given its content has been retained and moved to other appropriate parts of the Framework?

3.1 The Council has no specific comments to make at this stage.

Q4 Do you have any other comments on the text of Chapter 2, including the approach to providing additional certainty for neighbourhood plans in some circumstances?

4.1 Whilst the Council does not currently host an adopted neighbourhood plan containing policies and allocations to meet an identified need, the hypothetical absence of an authorities' five year land supply should not render a neighbourhood plan redundant, so long as it is meeting its identified need on sites within its boundary. The inclusion of paragraph 14 is therefore supported.

3. Plan Making

Q5 Do you agree with the further changes proposed to the tests of soundness, and to the other changes of policy in this chapter that have not already been consulted on?

5.1 The Council notes the increased emphasis on meeting OAN for housing within the tests of soundness. This principle is already well established through its inclusion in the current NPPF and it is not considered that the amendments (as proposed) would increase the delivery of housing.

5.2 It is important to recognise that, for the most part, local authorities can only identify sites and grant planning consent for residential development. The development industry actually builds the housing and in many cases, does not bring sites forward in a timely manner. The test of soundness should therefore be for Local Authorities to demonstrate a sufficient supply of land, either through pipeline consents or via site allocations to meet objectively assessed needs.

Q6 Do you have any other comments on the text of Chapter 3?

6.1 The Council has no specific comments to make at this stage.

4. Decision Making

Q7 The revised draft Framework expects all viability assessments to be made publicly available. Are there any circumstances where this would be problematic?

7.1 The Council supports transparency in the viability process and the requirement to publish Financial Viability Appraisals (FVAs). Genuinely commercially sensitive information is sometimes incorporated within FVA's and therefore the ability to redact

parts of the FVA must be available. Such commercially sensitive information will include contingencies to deal with right to light claims

Q8 Would it be helpful for national planning guidance to go further and set out the circumstances in which viability assessments to accompany planning applications would be acceptable?

8.1 The Mayor of London already sets out circumstances in which viability assessments are required to accompany planning applications within the Affordable Housing and Viability Supplementary Planning Guidance (SPG). The threshold approach, set at 35% affordable housing, is in line with the Council's own affordable housing target and as such is broadly supported. Additional national guidance is therefore not required in Hillingdon's case.

Q9 What would be the benefits of going further and mandating the use of review mechanisms to capture increases in the value of a large or multi-phased development?

9.1 The use of review mechanisms to capture increases in the value of a large or multi-phased development is currently applied through S106 agreements. The benefits are that when land values are changing, the review mechanism helps to capture the final value of development and is therefore more reflective of the value of the final scheme. The mandating of review mechanisms would, however, raise a potential issue of resourcing and where additional staff capacity could be sought to undertake this work.

9.2 However, the principle of using review mechanisms is already outlined in the Mayor's Affordable Housing and Viability Supplementary Planning Guidance (SPG) and the Draft London Plan. Additional national guidance is therefore not required. If introduced, Government should ensure that the guidance addressing review mechanisms is in line with the Mayor of London's adopted position.

Q10 Do you have any comments on the text of Chapter 4?

10.1 It is noted that there is no statutory timeframe for pre-application advice responses, but the Council generally sets an 8 week turnaround period. This is a relatively short timeframe for a response at the pre-application stage and means it is unlikely that external consultees would provide a consultation response. It is therefore considered that the process of applicants consulting external consultees directly would be to the benefit of the pre-application system.

10.2 The increased emphasis on housing delivery may encourage developers to ignore other planning considerations. Too much emphasis has generally been placed on housing delivery throughout the draft NPPF.

5. Delivering a sufficient supply of homes

Q11 What are your views on the most appropriate combination of policy requirements to ensure that a suitable proportion of land for homes comes forward as small or medium sized sites?

11.1 The Council believes that Local Authorities must retain the right to allocate sites as it wishes. It should be noted that the sites identified for housing uses in local plans have been put forward to authorities by landowners through a 'call-for-sites' process. Consequently, specifying the proportion of sites of a specific size for housing is inconsistent with the manner in which sites are currently allocated. The site allocations are ultimately dependant on what landowners put forward to local authorities.

11.2 Given that land for housing is generally in short supply, a site's suitability for allocation is unlikely to be affected by its size. Sub-division of large sites may be possible, but this may well be counter-productive in terms of both achieving faster build out and in terms of increasing affordable housing provision. For these reasons, the Council does not consider it is appropriate to specify a percentage of delivery that should come from small sites.

Q12 Do you agree with the application of the presumption in favour of sustainable development where delivery is below 75% of the housing required from 2020?

12.1 Local authorities should not be penalised for a failure to deliver a sufficient number of residential units. It is for an authority to identify a suitable number of sites, or to seek to meet such needs through the Duty to Cooperate. To revert to the Objectively Assessed Needs (OAN) figure where targets are not being met may only serve to make a bad situation worse. This would be likely to result in permissions being granted for residential uses in unsuitable and inaccessible locations, and for poor quality proposals. The proposed approach could also result in the opposite of what is intended, i.e. developers retaining brownfield sites in order to force the release of greenfield sites to meet housing targets. The Council considers that Local Authorities should be supported to identify sufficient sites to meet housing needs, instead of focusing on delivery.

12.2 In addition, the fairness of the application of the 'presumption in favour of sustainable development' is inextricably linked to the fairness of the housing requirement. For this reason, the Council does not agree with the presumption in favour of sustainable development where delivery is below 75%. The proposal is not considered to be an effective way of encouraging the housing industry to increase the rate of construction and may be counterproductive, as set out under Paragraph 12.1. Once a planning permission is granted, the Council itself cannot directly control build rates. Neither does it have any formal powers under which it can force a developer to start work or speed up the rate of construction. Please also refer to the comments under Question 14.

12.3 At present, the draft London Plan housing requirement for Hillingdon appears to be considerably greater than the housing requirement that results from the standard approach for assessing local housing need as set out in the draft Planning Practice Guidance. The amount of weighting to be assigned to the national figures within London must, therefore, be clarified by the Government and GLA. Despite Hillingdon delivering 749 homes a year on average for the past four monitoring years (a considerable margin above the current target of 559 homes per annum), a target

of 1,553 homes per annum is not achievable. The Council strongly objects to this target.

12.4 A Local Authority cannot be placed in the position where it faces handling unnecessary objections from either the GLA or the building federations around the provision of an insufficient number of homes within its submitted Plan. Failure to address this issue may well risk causing unnecessary delays in the adoption of Local Plans, accompanied by the construction of many thousands of poor quality homes in each of the areas affected by this uncertainty.

Q13 Do you agree with the new policy on exception sites for entry-level homes?

13.1 Exception sites by nature mean their development would be in conflict with adopted local planning policies and thus would not normally be acceptable in planning terms. Whilst the need for affordable housing is recognised, it is deemed inappropriate to locate them in areas considered unacceptable for residential development. Entry-level homes and other forms of affordable housing, like market housing, should be sought in sustainable locations and make up part of high quality schemes, which are supported by sufficient levels of infrastructure. It is therefore viewed that paragraph 72 should be deleted.

Q14 Do you have any other comments on the text of Chapter 5?

14.1 Paragraph 61 talks of 'strategic plans being based on a local housing needs assessment and addressing needs which cannot be met in neighbouring areas'. Many authorities have constraints which affect local land supply. Hillingdon has delivered an average of 749 homes over the last 4 years, in excess of the current target of 559 per annum. Yet it will not be possible to achieve the proposed new London Plan target of 1,553 per annum.

14.2 The only way in which the higher of the two targets could be met is if land restrictions are secondary to need, thereby helping to unlock additional sites for development. This is clearly an unacceptable position that would also not overcome other key barriers to growth, such as poor public transport infrastructure. As a general comment, a 'one size fits all' approach cannot fully respond to the complexity of housing needs and local housing markets.

14.3 There is some general tension between the proposals in Chapter 5 and the draft London Plan which affect London Boroughs. Such matters need to be addressed by the GLA and Government. For example, paragraph 62 of the draft NPPF identifies a range of groups including 'families with children', yet the consultation draft version of the London Plan has inexplicably removed the 36% target, in favour of concentrating on the delivery of 'numbers' and promoting site intensification over meeting 'need'. High land values and lower profit margins for developers already make the delivery of 3 and 4 bed homes more challenging in Greater London. Without sufficient policy support, this challenge is only likely to become ever more difficult into the future. More focus should therefore be given to the delivery of family homes.

14.4 The intention behind supporting the re-use of brownfield land by enabling a proportionate reduction in the amount payable for affordable housing may be well-intentioned. However, in Hillingdon, large vacant sites have successfully been brought forward with their associated developer contributions, due to the profitability of residential development in the area. The Council would also point out the London Plan position, which sets out that the use of vacant building credit to reduce affordable housing contributions in the manner suggested by the draft NPPF will 'not normally' be acceptable in London.

14.5 Similarly, paragraph 64 states that the provision of affordable housing should not be sought for developments that are not on major sites, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). Where Local Authorities are constrained to permitting a high proportion of housing need on small sites, this will disproportionately impact their ability to deliver affordable housing. Multiple local authorities have successfully demonstrated, through local plan examinations, that it is viable to request affordable housing contributions on small sites when residential values are high.

14.6 Paragraph 65 implements the Housing White Paper proposal that at least 10% of homes on major sites should be available for affordable home ownership. The tenure split on affordable housing should not be set at a national level, as this will have an impact on a development's viability and thus needs to be considered at the local level, in order for localised residential values and market need to be taken into account.

14.7 Regarding paragraphs 77 and 78, planning authorities have very limited control over the 'causes' of under-delivery. Local authorities must not be penalised for circumstances which are out of their control. Once a planning permission is granted and handed back to those who have signed the S106, the use of conditions to coerce a start may not necessarily be beneficial. Developers may require time to access finance before the start of works on-site, a contractor may encounter unforeseen recruitment difficulties or difficulties in sourcing specific materials, even when work begins then unexpected discoveries may be found on site - all of which will elongate the timeframe for project completion. The publication of an action plan by a Local Authority outlining steps to increase delivery would be of limited relevance given that the Council itself cannot directly control build rates.

14.8 Reducing the implementation deadline within planning conditions is not a valid solution for improving build-out rates. The 'timely' delivery of a scheme is, in most cases, not linked to planning permission expiry dates, but the local market and its ability to absorb new housing, whilst maintaining the highest sale price for developers. Reducing the implementation period would likely just lead to an increase in applicants renewing planning applications where the principle of development is already established and put additional burden on already stretched planning teams. Affordable housing review mechanisms already exist, which authorities can impose or secure in order to encourage and incentivise the delivery of developments in a 'timely manner'.

6. Building a strong, competitive economy

Q15 Do you agree with the policy changes on supporting business growth and productivity, including the approach to accommodating local business and community needs in rural areas?

15.1 Paragraph 83 is welcomed. The requirement to produce an economic vision and strategy will provide Hillingdon with an opportunity to clearly state its aspirations in terms of sustaining current economic activity, encouraging inward investment and supporting the development of new technology and innovation. The economic aspects of planning are just as important as the housing aspects. This is not reflected in the amount of coverage given to economic policy, as opposed to housing matters.

15.2 It is considered that setting out criteria and strategic sites for inward investment would be a logical progression, in terms of adopting a vision and strategy for the sustainable economic growth of the borough. However, the practicality of identifying and 'earmarking' sites for specific employment initiatives is problematic. The pressure to deliver residential accommodation while simultaneously protecting employment sites is challenging. For certain sites, permitting genuine mixed use development which enables residential, employment and community facilities to be delivered is a more realistic proposition.

15.3 Paragraph 85 is too open to interpretation from developers seeking to develop Green Belt sites. The Council is concerned that some of the guidance in the section could be interpreted as supporting development in the Green Belt. The section would benefit from some cross-referencing with national Green Belt policy; the current form of wording will make the Council's position more difficult when trying to refuse inappropriate development in the Green Belt. The focus should be on ensuring that the ambiguously defined 'local business and community needs' are met in the most sustainable locations.

Q16 Do you have any other comments on the text of chapter 6?

16.1 The Council has no specific comments to make at this stage.

7. Ensuring the vitality of town centres

Q17 Do you agree with the policy changes on planning for identified retail needs and considering planning applications for town centre uses?

17.1 The 'town centre first' approach is supported. The recognition of the role town centres have is welcomed, given the significant number of centres in Hillingdon. However, there is concern in the call to "define hierarchy" and promotion of "vitality and viability". This appears to suggest that a ranking for town centres is created, and hints that Councils should declare certain town centres as not being 'viable' in the longer term, only committing resources to centres at the higher end of the hierarchy or which are viewed as 'viable'. This approach disregards the economic and social importance of local and neighbourhood centres and would therefore not be supported.

17.2 While the sentiment behind ostensibly calling for a ten-year site allocation plan 'to meet the scale and type of development needed' may be well-meaning, in practice it is difficult to see how sites could be earmarked for 'specific usage' for such a long period. A practical example of this would be a scenario where a Council sought retail development in a particular part of the town centre, or an edge of centre location (taking account that paragraph 86 calls for 'town centre boundaries to be kept under review'), but the site in question was owned and managed by a developer looking to deliver a residential scheme. Under this example it is likely that there would be a risk of challenge for any proposals which conflicted with the site allocation, if and where alternative use(s) were proposed and accepted by the local planning authority.

Q18 Do you have any other comments on the text of Chapter 7?

18.1 The Council does not have any further comments to make at this stage.

8. Promoting healthy and safe communities

Q19 Do you have any comments on the new policies in Chapter 8 that have not already been consulted on?

19.1 The Council has no specific comments to make at this stage.

Q20 Do you have any other comments on the text of Chapter 8?

20.1 Paragraph 92 and 93 would normally be considered as best practice principle(s), and are therefore supported. Paragraph 94 has a sound approach, but lacks detail.

20.2 Paragraph 96 is a new policy relating to crime and threats. Its primary focus appears to relate more to major and large-scale threats than to other types of crime, which could be made clearer in the text. The policy's overall objectives seem reasonable, however it does state that new developments should be informed by security threats and their implications (summarised wording). If this requirement is to be interpreted as relating to all types of development, the Council would question whether the wording needs to better emphasise the need for an appropriate balance to be struck between security and other planning policy requirements. In addition, there is no reference to 'Secure by Design' in paragraph 96 - yet this is a core planning principle.

20.3 The policy does suggest that steps should be "appropriate" and "proportionate" but this is open to interpretation and may not go far enough. Operationally, where it has not been possible to fully take on board their requests, the Metropolitan Police's Crime Prevention Design Advisors have complained that planners are not qualified to assess what is 'appropriate' and 'proportionate' in terms of crime prevention measures, and that the Police requirements should take precedence over any others.

9. Promoting Sustainable Transport

Q21 Do you agree with the changes to the transport chapter that point to the way that all aspects of transport should be considered, both in planning for transport and assessing transport impacts?

21.1 The Council has adopted a holistic approach to transport assessment that takes account of all aspects of transport provision. With this in mind, local authorities should be given the flexibility to set their own parking standards. It should be noted that the draft London Plan proposes stringent parking standards, which are not suitable for an outer London borough like Hillingdon.

Q22 Do you agree with the policy change that recognises the importance of general aviation facilities?

22.1 Paragraph 105 (point e) of the draft states that planning policies should *"provide for any large scale facilities, and the infrastructure to support their operation and growth"*. The text refers to taking into account any relevant national policy statements (NPS) and specifically refers to airports.

22.2 The current draft airports NPS supports the expansion of Heathrow Airport. The current drafting of the NPPF implies, therefore, that Heathrow expansion is the type of nationally significant infrastructure that would need to be given weight in plan making. The Council are of the firm opinion that the draft Airports NPS is not fit for purpose and therefore cannot carry any such weight. There is a fundamental problem with giving credence to a project that has not been advanced in sufficient detail or to an NPS that fails to provide the sufficient detail.

22.3 For example, should the Airports NPS be adopted in its current state, then, notwithstanding any legal challenge, the Council would still be unable to attribute weight to it in plan making. The Airports NPS itself gives support for expansion at Heathrow via a north-west runway and claims it would also deliver a vast array of growth. However, it makes no attempt to quantify this growth or identify the geographical spread. In addition, to name just a few constraints to effective plan making, the NPS does not identify any development boundaries, specify flight paths, solve transport problems and identify ancillary land uses.

22.4 More simply put, should the NPPF stand as drafted the Council would be in the position to have to consider land allocations, policies and growth when it does not know a) where the runway will go, b) where roads will go, c) where the most noisy areas will be, d) whether air quality will still exceed legal limits, e) how many extra houses will need to be accommodated, f) which schools will be lost or made redundant by noise and therefore where these can be relocated, g) whether there is sufficient green space left to meet amenity and green space requirements and so on. It is also known that the Lakeside Energy from Waste plant will be lost requiring the Council to reconsider its waste strategy without a suitable alternative because the NPS makes no allowance for it all. In short, there are a significant number of unanswered questions which undermines the basic premise of the Airports NPS.

22.5 Ultimately, it is impossible for the Council to make an allowance in its planning policies for expansion of Heathrow with so little meaningful detail. Consequently, the only option for the Council would be to await the omissions identified above. This would result in a scenario whereby a detailed planning application is driving the strategic planning of the Council. This is wholly irrational.

22.6 The Council's clear position from a strategic planning perspective is that it will only be able to consider the implications of important infrastructure where it has been advanced to a suitable state and degree. The Council therefore strongly objects to the proposal that has been advanced as part of the draft NPPF which makes ill-thought through infrastructure schemes a material consideration for plan and policy making.

22.7 Paragraph f) makes specific reference to the Government's General Aviation Strategy. The General Aviation (GA) Strategy states:

"MoD policy is to encourage the civilian sector, including GA, to have access to military airfields wherever possible".

22.8 The London Borough of Hillingdon is home to RAF Northolt, an MOD base which includes a commercial operation at specified times. In 2013, the Base received permission from Central Government to increase their commercial flights from a self-imposed maximum of 7,000 flights a year to 12,000 flights a year. This decision was made by Central Government and is not a decision the Council had any control or influence over. As RAF Northolt operates in an urban environment with residential areas in close proximity, the Council has received a number of complaints from residents concerned about more noise, more flights and more traffic accessing the airfield. The Council would therefore suggest that the wording of para 105 f) is changed to include the underlined text:

recognise the importance of maintaining a national network of general aviation facilities - taking into account their economic value in serving business, leisure, training and emergency service needs whilst also assessing their environmental impact and putting in place mitigation measures to address these

Q23 Do you have any other comments on the text of Chapter 9?

23.1 The Council has no specific comments to make at this stage.

10. Supporting High Quality Communications

Q24 Do you have any comments on the text of Chapter 10?

24.1 Although policy support can be offered to the roll-out of new technology and mast sharing should be maximised, Local Authorities have no control over how or when this infrastructure is upgraded (paragraph 112). The use of existing masts may be preferable to new installations (paragraph 113) but a Council cannot force a telecommunications company to share masts with one of its competitors to reduce the number of new installations.

11. Making effective use of land

Q25 Do you agree with the proposed approaches to under-utilised land, reallocating land for other uses and making it easier to convert land which is in existing use?

25.1 The Council partially agrees with the approach set out. In some cases it is necessary to allocate land for future identified needs such as employment related uses. These uses can take many years to come forward and Councils must retain the ability to protect sites for their future intended use.

25.2 Regarding paragraph 121, recognition must be given that if and when such facilities are not available locally, housing developments require supporting infrastructure such as dentists and doctors surgeries, hospitals and schools in order to reduce the need to travel to access services. The development of such facilities also has implications for land take.

Q26 Do you agree with the proposed approach to employing minimum density standards where there is a shortage of land for meeting identified housing needs?

26.1 The Council agrees with the sentiment that proposals should make optimum use of land. A preferable approach would be to encourage local authorities to adopt suitable higher densities around town centres that reflect local character, with proposals supplemented by the use of local design guides or character area appraisals to avoid development which ignores other considerations. However with regards to paragraph 122, it should be acknowledged that viability doesn't always respond to 'housing need', affordable housing need being the most significant of these. Despite the tougher policy requirements in London set out by the Mayor, viability has also not helped in the process of delivering affordable housing numbers. Such homes are required to help respond to, and address, the said need.

Q27 Do you have any other comments on the text of Chapter 11?

27.1 The Council considers that paragraph 117 lacks detail. Furthermore, it does not mention sustainable development, which is a concern. Paragraph 118 would normally be considered as best practice principles. As such, parts a), b), c) and d) are fully supported.

27.2 However, upward extensions will not always be a suitable approach, given the significant negative impacts such developments will have on local character and cherished street scenes. This form of intensification can place additional pressure on amenity and parking provision which relates to the donor building, with negative effects on the surrounding area and residents' quality of life if and where there is any overspill. Upward extensions will not always result in the creation of additional dwellings, but may result in a single larger house for HMOs if and where a successful subdivision cannot be achieved with separate access, parking and amenity space. Furthermore, the additional requirement to monitor the development of such sites would have a significant impact on Council resources. It is not clear how this would be met.

27.3 The Council would also question the merits of including a reference to 'airspace' in national policy at this stage. The NPPF is a national policy document and is there really a high demand for new housing in airspace developments above supermarkets in small rural towns, for example? The issue appears to be mostly limited to a select number of the very largest cities, headed by London.

27.4 Bespoke airspace developers are very small-scale in nature and many of the legal questions around airspace developments are still to be conclusively answered within not only planning, but also from the legal angle. e.g. property owners may 'own' the airspace above their land, but how high does the airspace right extend? Do the owners of newly-built flats also own their 'airspace', too? Or do their rights solely extend to the roof on which their flat was constructed? Engineering limits will naturally provide a 'cap' on the additional weight which can safely be added to an existing building, irrespective of what the mathematical housing capacity would be from rooftop and 'airspace' development.

27.5 Furthermore, despite the promotion of the term, where a large retail unit becomes vacant, what is to stop the owners simply demolishing the retail unit and applying for permission to rebuild a 'mixed use development' with A-class uses at ground floor level with residential above, thus avoiding any potential legal and planning uncertainties?

27.6 There will be viability issues and delays to the delivery programme if and where CPOs are required. Additional resources would be required to identify sites and to develop appropriate proposals for redevelopment. As mentioned in paragraphs 120 and 121, we would point out that there are practicalities regarding the commitment of resources to monitor sites, and both the process and democratic process which would then follow to change plans. It could not be an instant solution.

27.7 Evidence base documents would need to be produced to support alternative uses. This again requires additional resources and time, especially for community infrastructure uses. The market needs stability and continuity to bring forward proposals for sites. Where the status of land and sites is continually changed, and/or changing, then this could stagnate development opportunities rather than accelerate them. There would be a risk of challenge for any proposals which conflict with the site allocation, if and where alternative use(s) are proposed and accepted by the Local Authority.

27.8 The Council supports a balanced approach to development and further supports the recognition of the character and setting of a place that could be at risk if the area is over-developed. Quantity must be balanced with and against quality, in order to achieve appropriate and sustainable development solutions. It is also important to recognise that the location of any proposed increased densities must be supported by local transport improvements and supporting community and social infrastructure, including new schools and hospitals where required. Where additional provision is needed and this does not happen, there is a risk to local communities which will compound the issue of existing oversubscribed services by further lengthening waiting times and waiting lists.

12. Achieving well designed places

Q28 Do you have any comments on the changes of policy in Chapter 12 that have not already been consulted on?

28.1 The Council has no additional comments to make at this stage.

Q29 Do you have any other comments on the text of Chapter 12?

29.1 It is important that local authorities retain the flexibility to determine what constitutes good design in their borough through the production of appropriate guidance. The formation of community-led plans will result in lower densities, in light of the earlier highlighted concerns pertaining to local infrastructure provision that will have to be increased to support new development. Also the issues which pertain to character and setting are usually a moot point with local residents, due to the perception that new high density development will create undesirable change that does not respect local character.

29.2 The focus on producing Supplementary Planning Documents for design matters would have resource and time implications for the Council. Planning authority budgets are already stretched. Paragraph 125 also conflicts with the desired flexibility that paragraph 120 and 121 outlines to adapt sites to change and new demands, meaning the aforementioned guidance and plans will be redundant with this approach. It is considered that the presumption in favour of high density development running through the previous chapters will, inevitably, conflict with the character and setting of some existing areas.

29.3 The proposals at paragraph 128 will require additional resources and time to undertake design reviews and assemble design review panels. Planning authority budgets are already stretched and design review panels do not always produce the best results, while members are not familiar with the site/area/location and understand any local issues and concerns. This approach could therefore conflict with paragraphs 124 and 127.

29.4 Under paragraph 129 we would comment that schemes may 'comply' with policies but could be deployed inappropriately in design terms. Therefore, LPAs should not be constrained by this approach to determine whether the scheme is appropriate or not, regardless of compliance with overarching policies.

29.5 The latter sentence of paragraph 129 sets out that "*...Conversely, where the design of a development accords with clear expectations in local policies, design should not be used by the decision-maker as a valid reason to object to development*". Where design accords with the policy requirements, design could not be a reason for potential refusal of the application. However, this does not sit easily with the statement in the latter part of paragraph 127: "*Applications that can demonstrate early, proactive and effective engagement with the community should be looked on more favourably than those that cannot*". Paragraph 127 does not explain how LPAs should penalise applicants for not undertaking consultation, neither does it advise on the threshold which is 'acceptable' for engagement with

local residents. Is the Government intending to suggest that limited consultation will result in the refusal of a planning application?

29.6 Paragraph 130 is partially supported. Some further thought needs to be given to the income streams which are generated by advertising and contractual issues (leases etc.) which may cause viability issues for companies if and where any form of advertisement boards have to be removed. Advertisements can create negative impacts but a more rigorous approach to consenting such schemes is supported.

13. Protecting Green Belt land

Q30 Do you agree with the proposed changes to enable greater use of brownfield land for housing in the Green Belt, and to provide for the other forms of development that are ‘not inappropriate’ in the Green Belt?

30.1 Any form of housing in the Green Belt should be subject to a ‘very special circumstances’ test. Under these proposals, the use of brownfield land would be considered as part of the test and the proposals would not be a worthwhile change to Green Belt policy. The text also notes that neighbourhood plans could make detailed amendments to Green Belt boundaries. Further guidance on this point would be useful, to prevent misunderstanding of what would be a very detailed amendment.

Q31 Do you have any other comments on the text of Chapter 13?

31.1 Some recognition needs to be given to the townscape impacts of building to higher densities. Concentrating on numbers alone cannot address ‘need’, unless the other complexities underpinning housing needs are also addressed. As a general comment, the draft NPPF places too much emphasis on housing delivery without sufficiently acknowledging the need for supporting infrastructure.

14. Meeting the challenge of climate change, flooding and coastal change

Q32 Do you have any comments on the text of Chapter 14?

32.1 The new NPPF includes reference to future flood risk, to cumulative impacts and a sequential approach to all forms of flooding, which is supported. This will help to ensure that all types of flood risk is managed, both now and in the future. The inclusion and strengthening of the position on the need for SuDS is also welcome.

32.2 However, further clarification on the practical application of these amendments will need to be provided in the Planning Practice Guidance on Flood Risk. This should identify the organisations involved and the level of new work required in delivering these elements. For example, the requirement of a Flood Risk Assessment for all applications identified in areas at risk of flooding - from any source - may require significant additional work and specialist comments required from both the LPA and LLFA in reviewing the FRAs.

32.3 There would be a need to agree a process for mapping constraints, which could operate in a similar way to the Environment Agency’s national mapping

programme. Future flood risk and sewer flooding would need to be factored in if this is to be included within all forms of flooding. Surface water flooding data is much less reliable and accurate in areas than fluvial flooding and so therefore less reliable to base a sequential approach on without detailed modelling. Data on the cumulative impact of developments would also be required, which may require an LPA to increase significantly the size of its Strategic Flood Risk Assessment (SFRA) to support evidence bases. It is not explicit that all sources of flooding should be considered in the prior approval process.

32.4 The potential effects in relation to flood risk of calling for boroughs to address any unmet need within neighbouring areas must also be given further thought. Rivers flow through several Council areas and, in order to actively assess and quantify the risk of flooding posed by new developments, the cumulative effects of development along the river would need to be considered. This may reveal that the most appropriate solution could be for larger scale infrastructure projects, such as new treatment plants or flood prevention barriers, rather than site-by-site piecemeal design measures.

Q33 Does paragraph 149b need any further amendment to reflect the ambitions in the Clean Growth Strategy to reduce emissions from buildings?

33.1 The Council has no specific comments to make at this stage.

15. Conserving and enhancing the natural environment

Q34 Do you agree with the approach to clarifying and strengthening protection for areas of particular environmental importance in the context of the 25 Year Environment Plan and national infrastructure requirements, including the level of protection for ancient woodland and aged or veteran trees?

34.1 The Council has no specific comments to make at this stage.

Q35 Do you have any other comments on the text of Chapter 15?

35.1 Air quality is addressed in paragraph 179. The text from the NPPF (2012) paragraph 124 remains and has been reinforced. However, given the recent emerging evidence on the detrimental impacts on health from air pollution, the paragraph should be reworded as set out below in italics, to properly reflect the purpose of the air quality legislation which is for local authorities to improve air quality for their populations and maintain that improvement. The wording is specific as it is taken from the Air Quality Directive.

“Planning policies and decisions should sustain and contribute towards compliance with relevant limit values or national objectives for pollutants taking into account the presence of AQMAs and CAZs and the cumulative impacts from individual sites in local areas. In addition, opportunities to improve air quality and preserve the best ambient air quality should be identified, including the mitigation of impacts such as through traffic and travel management, and green infrastructure provision and enhancement.”

35.2 The remainder of paragraph 179 would then be inserted in its current form.

35.3 The 'agent of change' is broadly supported given it offers a higher level of protection for natural resources. This would introduce more flexibility in land use by allowing the possibility of housing adjacent to noise generating uses without resulting in a risk of complaints against existing employment uses. However, adding mitigation measures to a building may disrupt operations and could also mean the building is less adaptable for future uses in the same use class (e.g. a B2 use that would generate more noise / light / odour than the current use). There is however still an issue with Permitted Development Rights for new housing, which would be able to circumvent this 'agent of change' policy.

16. Conserving and enhancing the historic environment

Q36 Do you have any comments on the text of Chapter 16?

36.1 The Council broadly supports the higher level of protection afforded to heritage assets.

17. Facilitating the sustainable use of minerals

Q37 Do you have any comments on the changes of policy in Chapter 17, or on any other aspects of the text of this chapter?

37.1 The Council has no specific comments to make at this stage.

Q38 Do you think that planning policy on minerals would be better contained in a separate document?

38.1 Yes, this would be better placed in a separate document.

Q39 Do you have any views on the utility of national and sub-national guidelines on future aggregates provision?

39.1 The Council has no specific comments to make at this stage.

Q40 Do you agree with the proposed transitional arrangements?

40.1 The Council has no specific comments to make at this stage.

Q41 Do you think that any changes should be made to the Planning Policy for Traveller Sites as a result of the proposed changes to the Framework set out in this document? If so, what changes should be made?

41.1 The Council has no specific comments to make at this stage.

Q42 Do you think that any changes should be made to the Planning Policy for Waste as a result of the proposed changes to the Framework set out in this document? If so, what changes should be made?

42.1 The Council has no specific comments to make at this stage.

Q43 Do you have any comments on the glossary?

43.1 The Council has no specific comments to make at this stage.

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Appendix B: Supporting housing delivery through developer contributions

Question 1 Do you agree with the Government's proposals to set out that:

i. Evidence of local infrastructure need for CIL-setting purposes can be the same infrastructure planning and viability evidence produced for plan making?

1.1 Yes, the Council agrees that the same evidence could be used, as aligning the two has the potent to avoid duplication of work and thus resources.

ii. Evidence of a funding gap significantly greater than anticipated CIL income is likely to be sufficient as evidence of infrastructure need?

1.2 Yes, the Council agrees this would be sufficient to demonstrate infrastructure need.

iii. Where charging authorities consider there may have been significant changes in market conditions since evidence was produced, it may be appropriate for charging authorities to take a pragmatic approach to supplementing this information as part of setting CIL – for instance, assessing recent economic and development trends and working with developers (e.g. through local development forums), rather than procuring new and costly evidence?

1.3 Yes, the Council agrees that this is a sensible suggestion.

Question 2 Are there any factors that the Government should take into account when implementing proposals to align the evidence for CIL charging schedules and plan making?

2.1 The proposal to simplify the preparation of, and requirements for CIL charging schedules may be well-meaning. The Government appears to believe that everything can all be achieved through the Local Plan making process, by virtue of aligning the requirements for evidence on infrastructure need and viability into one stage. This is perhaps overly idealistic as, in practice, the costs of development will often not be known until the detail of a scheme proposal is tabled. In addition, Planning Inspectors are not always able to grapple with site specific viability issues on certain sites.

Question 3 Do you agree with the Government's proposal to replace the current statutory consultation requirements with a requirement on the charging authority to publish a statement on how it has sought an appropriate level of engagement?

3.1 The Council agrees with the proposal. Such a summary could easily be produced in the style of a Regulation 22 Consultation Statement, once the necessary actions to raise awareness of the document have taken place.

Question 4 Do you have views on how guidance can ensure that consultation is proportionate to the scale of any charge being introduced or amended?

4.1 The Council has no specific comments to make at this stage.

Question 5 Do you agree with the Government's proposal to allow local authorities to pool section 106 planning obligations:

i. Where it would not be feasible for the authority to adopt CIL in addition to securing the necessary developer contributions through section 106?

5.1 Yes, the Council agrees with the suggestion

ii. Where significant development is planned on several large strategic sites?

5.2 Yes. As proposed by Paragraph 56, removal of the pooling restrictions would be a welcome development. It is not always possible for a Local Authority to have advance knowledge of schemes coming forward (or the levels of any associated financial payments) until the point that a planning application and a supporting viability assessment have been submitted. Only at that stage can work begin on the draft S106 agreement, including discussions around financial obligations. Removal of the restriction is likely to be advantageous in terms of monitoring the use and allocation of Section 106 monies, and in funding both capital and revenue spend projects.

Question 6 i. Do you agree that, if the pooling restriction is to be lifted where it would not be feasible for the authority to adopt CIL in addition to securing the necessary developer contributions through section 106, this should be measures based on the tenth percentile of average new build house prices?

6.1 It is difficult to form a view as to whether or not the removal of pooling restrictions based on the tenth percentile of average new build house prices would be effective or not, considering that no further detail is given in the document as to which boroughs/areas of the country may be affected (or disproportionately affected) by the measure. All development will generate infrastructure needs, irrespective of whether or not a borough has a CIL schedule in place.

Question 6 ii. What comments, if any, do you have on how the restriction is lifted in areas where CIL is not feasible, or in national parks?

6.2 It is not entirely clear what the purpose of this question is. Even though a CIL charge may not be feasible alongside Section 106, the requirements for developers to enter into and pay S106 charges will have always applied in such areas, and S106 would continue to apply as the main source of infrastructure funding in such locations. As such, the question of 'how' the restriction is lifted would appear to be a lesser issue than ensuring it 'is' lifted.

Question 7: Do you believe that, if lifting the pooling restriction where significant development is planned on several large strategic sites, this should be based on either:

i. a set percentage of homes, set out in a plan, are being delivered through a limited number of strategic sites;

7.1 Paragraph 55 notes that “lifting of the pooling restriction could significantly aid the funding of the infrastructure needed to support development”. In the Council’s view, this should apply irrespective of whether or not an authority has CIL in place, given that infrastructure needs will still be generated as a consequence of development.

7.2 As set out under Question 6, it is difficult to agree or disagree whether or not the removal of pooling restrictions based on the tenth percentile of average new build house prices would be effective, as no detail is given as to which boroughs/areas of the country may be affected (or disproportionately affected) by the measure. However, it should be noted that several large sites will often be served by the same infrastructure project for which contributions may be sought under Section 106 (examples including sustainable transport improvements such as a new cycle way, or the construction of a new school where Education does not figure on a Regulation 123 list). Lifting the restriction would be beneficial in such instances.

Question 7 ii. Or (should) all planning obligations from a strategic site count as one planning obligation?

7.3 The largest strategic sites will, by default, result in the greatest level of CIL and S106 funding as a consequence of the size and scale of the quantum of development to be hosted on the largest sites. It would not be realistic to record everything as a single obligation, moreover it could be argued that doing so would be very likely to create unnecessary complications for an Authority in terms of monitoring the use of such funds.

7.4 In practice, large strategic sites would be required to enter into planning obligations under S106 for multiple heads of terms, including on-site affordable housing, education, open space enhancements and child play facilities, with possible further obligations towards the provision of libraries, new healthcare and community facilities as a minimum. Some highway works improvements would also be very likely, in addition to any possible obligations entered into under Section 38 and/or 278 of the 1980 Highways Act.

7.5 It is not inappropriate to point out that various Government proposals over the last couple of years have sought to introduce greater transparency and clarity around the use of funding secured under S106 and CIL by local authorities. Those proposals and the push for transparency (as referenced in this document) would be undermined by introducing a process of one single obligation covering numerous heads of terms on large sites. Government should also note the fact that, under S106, both financial and non-financial obligations on a scheme are awarded equal legal weighting.

Question 8 What factors should the Government take into account when defining 'strategic sites' for the purposes of lifting the pooling restriction?

8.1 A 'strategic' site should be of (at least) borough-wide importance, if not of relevance across a wider sub-region. Government should take into account that such sites are typically large-scale development opportunities. The development of a strategic site will have the capability to deliver a large volume of a borough's housing target, easing the pressure for new office or retail floor space requirements. Strategic sites will also respond favourably to meeting any deficiencies which have been identified in a needs assessment - i.e. they can be suitable locations for new transport or social infrastructure, including schools and hospitals (if and where such facilities are required). Some form of public funding may also be involved.

Question 9 What further comments, if any, do you have on how pooling restrictions should be lifted?

9.1 The removal of pooling restrictions is welcomed where CIL already exists. However, seeking to retain them in areas where CIL has not been implemented suggests the Government is reaffirming its commitment to development tariffs, yet these have previously been criticised as being too rigid and slow to be implemented.

Question 10 Do you agree with the Government's proposal to introduce a 2 month grace period for developers to submit a Commencement Notice in relation to exempted development?

10.1 Yes, the Council agrees with the proposal.

Question 11 If introducing a grace period, what other factors, such as a small penalty for submitting a Commencement Notice during the grace period, should the Government take into account?

11.1 It is considered that a small penalty would be the best option.

Question 12 How else can the Government seek to take a more proportionate approach to administering exemptions?

12.1 Appropriate evidence and documents should be provided for clarification and justification.

Question 13 Do you agree that Government should amend regulations so that they allow a development originally permitted before CIL came into force, to balance CIL liabilities between different phases of the same development?

13.1 No, the Council does not agree with the suggestion.

Question 14 Are there any particular factors the Government should take into account in allowing abatement for phased planning permissions secured before introduction of CIL?

14.1 As per Question 12, appropriate evidence and documents should be provided for clarification and justification.

Question 15 Do you agree that Government should amend regulations on how indexation applies to development that is both originally permitted and then amended while CIL is in force to align with the approach taken in the recently amended CIL regulations?

15.1 Yes, the Council agrees with the suggestion.

Question 16 Do you agree with the Government's proposal to allow local authorities to set differential CIL rates based on the existing use of land?

16.1 No, the Council does not agree with the proposal. This not only risks over-complicating the process considerably, but there would be no benefit to the introduction of such a system where planning applications are seeking a change from a lower-value land use to residential, for which the infrastructure requirements would be at their greatest.

Question 17 If implementing this proposal do you agree that the Government should:

i. encourage authorities to set a single CIL rate for strategic sites?

17.1 No, the Council does not agree.

ii. for sites with multiple existing uses, set out that CIL liabilities should be calculated on the basis of the majority existing use for small sites?

17.2 Yes, the Council agrees - but with the proviso that this could only occur for small sites. There may be an element of tension basing CIL on existing use value when dealing with larger applications seeking a change from a lower-value land use to residential, for which the infrastructure requirements would be at their greatest.

iii. set out that, for other sites, CIL liabilities should be calculated on the basis of the majority existing use where 80% or more of the site is in a single existing use?

17.3 We agree in principle with the use of 80% as the threshold.

iv. What comments, if any, do you have on using a threshold of 80% or more of a site being in a single existing use, to determine where CIL liabilities should be calculated on the basis of the majority existing use?

17.4 We agree in principle with the use of 80% as the threshold. However, where a site is in multiple uses, the final version (or a separate document) may need to

advise how authorities should calculate this and if this would just be a basic calculation of floor space.

Question 18 What further comments, if any, do you have on how CIL should operate on sites with multiple existing uses, including the avoidance of gaming?

18.1 Appropriate evidence and documents should be provided for clarification and justification to clearly demonstrate the mix of uses and the proportion of floor space within each use class.

Question 19 Do you have a preference between CIL rates for residential development being indexed to either:

a) The change in seasonally adjusted regional house price indexation on a monthly or quarterly basis; or

b) The change in local authority-level house price indexation on an annual basis

19.1 It should be pointed out that house prices, like investments, can always rise and fall. The current BCIS methodology takes account of full construction costs and is recognised as the leading industry standard. Despite this, the amount of affordable housing required (or any other requirements secured under S106) in an area is entirely dependent on market viability. Upon completion, many proposals which are delivered are not fully reflective of local needs.

19.2 In the event of a downturn in the housing market and fall in house prices, a Local Planning Authority could quite conceivably find itself with no option but to accept a lower payment than had originally been calculated at the point of determining the planning application, being mindful of the three year lifespan of a planning permission and the release of monthly sales data from the Land Registry.

19.3 As house prices in London are currently falling, this proposal appears to create and 'build-in' additional gaps in infrastructure funding which previously did not exist. Moreover, the exact level of any such gap(s) could not be identified or assessed until the developer is finally ready to settle their bill, taking account of the most recent Land Registry data. Taking account of the fact that CIL is payable wherever self-contained dwellings are completed (except for where Social Housing relief has been granted) most Local Authorities will find themselves determining a high three-figure or four figure number of planning applications for residential schemes each year. The potential financial losses from this proposal, if implemented, could be considerable. Although house prices increased for many years, it is not clear what the rationale is for seeking to change the method of indexation at the present time. Neither does there appear to be any merit to the change.

19.4 When linking the indexation of a key source of infrastructure funding to average house prices, local planning authorities would find themselves placed in a strange situation. Increases in house prices would be required indefinitely in order to maximise the receipts available for infrastructure. However, following the laws of

'supply and demand', the supply of housing would need to be further constrained in order to make higher CIL receipts more likely. Does the Government wish to see an increase in the refusal of planning applications? Would additional powers of refusal be given to Local Authorities, without developers having a right to appeal in such cases?

19.5 Further consideration should be given to the fact that a borough's Infrastructure Delivery Plan (IDP) must identify the main infrastructure projects which are required over a given timeframe, and part of the IDP's role in plan-making is to provide information on funding gaps which can be ameliorated via the use of Planning Obligations.

19.6 It will not benefit the Local Authority, the Infrastructure Providers or the end users to create additional 'built-in' funding gaps for projects, particularly as the shortfall could not be quantified until a much later date. The Government would therefore need to commit to plug any funding gaps which result from a change of indexation methodology.

Question 20 Do you agree with the Government's proposal to index CIL to a different metric for non-residential development?

20.1 No, the use of BCIS should continue.

Question 21 If yes, do you believe that indexation for non-residential development should be based on:

i. the Consumer Prices Index?

21.1 No, see response to Question 20

ii. a combined proportion of the House Price Index and Consumer Prices Index?

21.2 No, see response to Question 20

Question 22 What alternative regularly updated, robust, nationally applied and publicly available data could be used to index CIL for non-residential development?

22.1 The Council thinks that BCIS should continue to be used.

Question 23 Do you have any further comments on how the way in which CIL is indexed can be made more market responsive?

23.1 The Council has no specific comments to make at this stage.

Question 24 Do you agree with the Government's proposal to:

i. remove the restrictions in regulation 123, and regulation 123 lists?

24.1 Yes, the Council agrees with the proposal.

ii. introduce a requirement for local authorities to provide an annual Infrastructure Funding Statement (IFS)?

24.2 Yes, in principle. The proposal could be supported, but the Government should note that many local authorities already include such information within their Authority Monitoring Report (AMR). There would be merit in Government clarifying whether the IFS should be produced as a separate report, or if it can be included within an AMR. In addition, the frequency of reporting should also be established, i.e. would an IFS need to be revised every 12 months.

Question 25 What details should the Government require or encourage Infrastructure Funding Statements to include?

25.1 This should cover the whole Section 106 programme and include information on monies received in the financial year of report coverage, and monies spent in the financial year of coverage, along with reporting key projects which have been delivered in whole or part using funds under S106. As an aside, some of the typical Freedom of Information requests which an authority will receive on Section 106 include: monies received and spent on affordable housing in a given year, heads of terms agreed for large regeneration projects, monies received in a given year covering the whole S106 programme, and monies spent in a given year on the S106 programme. With this in mind, a further benefit of the IFS could be to reduce the number of such requests using FOI, given that more of the required information will be in the public domain.

25.2 Information on CIL receipts and likely CIL receipts from schemes would be required in the IFS, together with detailed information on other funding sources outside of the Planning system (including monies from agreements signed under Section 38 of the Highways Act 1980 and/or payments from Transport for London. Where strategic infrastructure projects will be delivered, various localised Government grants or loans for specific area-based projects to incentivise development should also be listed).

Question 26 What views do you have on whether local planning authorities may need to seek a sum as part of section 106 planning obligations for monitoring planning obligations? Any views on potential impacts would also be welcomed.

26.1 This is a matter which, in practice, commonly happens in many local authorities. Relying on case law (examples including the Cherwell D.C. monitoring fees case of 2015 where the actual principle of a monitoring fee per se was not questioned by the Judge), has only served to cause confusion. A clear change to the rules, bringing S106 into line with CIL in this respect, would therefore be welcomed and supported.

Question 27 Do you agree that combined authorities and joint committees with strategic planning powers should be given the ability to charge a SIT?

27.1 The Strategic Infrastructure Tariff proposal is not of relevance for London Boroughs. London Boroughs already collect Mayoral CIL .

Question 28 Do you agree with the proposed definition of strategic infrastructure?

28.1 Yes, the Council agrees with the definition as proposed, and has no further comment.

Question 29 Do you have any further comments on the definition of strategic infrastructure?

29.1 The Council has no further comments at this stage.

Question 30 Do you agree that a proportion of funding raised through SIT could be used to fund local infrastructure priorities that mitigate the impacts of strategic infrastructure?

30.1 The Strategic Infrastructure Tariff proposal is not of relevance for London Boroughs. London Boroughs already collect Mayoral CIL .

Question 31 If so, what proportion of the funding raised through SIT do you think should be spent on local infrastructure priorities?

31.1 The Strategic Infrastructure Tariff proposal is not of relevance for London Boroughs. London Boroughs already collect Mayoral CIL .

Question 32 Do you agree that the SIT should be collected by local authorities on behalf of the SIT charging authority?

32.1 The Strategic Infrastructure Tariff proposal is not of relevance for London Boroughs. London Boroughs already collect Mayoral CIL .

Question 33 Do you agree that the local authority should be able to keep up to 4% of the SIT receipts to cover the administrative costs of collecting the SIT?

33.1 The Strategic Infrastructure Tariff proposal is not of relevance for London Boroughs as London Boroughs already collect Mayoral CIL. However, the percentage which authorities collecting SIT are allowed to keep for administrative costs should not exceed the levels which are afforded under Mayoral CIL rules. Currently this is set at 4%.

Question 34 Do you have any comments on the other technical clarifications to CIL?

34.1 It is not apparent how vacant sites or buildings, or vacant units within a building earmarked for development would be considered at this stage, particularly in

circumstances where 80% or more of the site is vacant, given that the text is silent on vacancy issues. Would any CIL charge be based on the previous use of the vacant site or buildings? Should such sites continue to be eligible for CIL relief, given that the land value would change dramatically when such sites have been converted to e.g. residential? From an operational standpoint, these issues will need to be clarified in the final version of the document (or preferably before its publication).

34.2 Moreover, it is likely that this proposal may consequently lead to a greater focus on development economics and the use of open book appraisals for specific sites. It may also run the risk landowners requesting greater certainty on minimum land value before entering into contracts. The caution is that this may make some landowners 'sit tight' and not make their land available for development until the 'price is right'. This could be counterproductive to the Government's desire to build more homes.

34.3 With reference to Paragraph 63, an alternative and simpler way of 'increasing market responsiveness' would be to look at the introduction of review clauses for CIL, as happens under Section 106. Planning permissions are valid for a three year period, noting that market and economic conditions can change considerably over such a timeframe. CIL becomes payable at the point of works starting on-site, while from the authority's point of view it must monitor the various trigger points at which obligations under the Section 106 would fall due for settlement throughout the build timetable. These obligations may include financial payments where it has been agreed that an obligation can be paid in instalments.

34.4 From time-to-time, applications will come forward where it has been agreed that a follow-on viability appraisal should be submitted prior to completion of the scheme. This follow-on appraisal is undertaken at the developer's expense, and includes the baseline data outlining cumulative sales receipts, and the difference in terms of profit (or loss) which the scheme has made from the projected totals which were anticipated and included in the initial viability assessment at the time of submitting the planning application.

34.5 Follow-on viability appraisals are often required where, for example, overage clauses have been used in the original S106 to secure top-up contributions for affordable housing in a buoyant market. The difference between the overage threshold (OT) and the cumulative sales values (CSV) gives an overage amount, of which a given percentage will be due for payment to the Local Authority.

34.6 An 'additional CIL' amount becoming payable as a percentage of the difference between the OT and CSV would therefore not result in any additional resource burden for the Local Authority, given it would already be monitoring the scheme for S106 purposes.

COUNCIL BUDGET - 2017/18 MONTH 11 REVENUE AND CAPITAL BUDGET MONITORING

| | |
|---------------------------|--|
| Cabinet Member | Councillor Jonathan Bianco |
| Cabinet Portfolio | Finance, Property and Business Services |
| Report Author | Paul Whaymand, Corporate Director of Finance |
| Papers with report | Appendices A - F |

HEADLINE INFORMATION

| | |
|---|--|
| Purpose of report | <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 £1,329k is projected against 2017/18 General Fund revenue budgets as of February 2018 (Month 11) representing an improvement of £137k 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> |
| Contribution to our plans and strategies | <p>Putting our Residents First: <i>Financial Management</i></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p> |
| Financial Cost | N/A |
| Relevant Policy Overview Committee | Corporate Services and Partnerships |
| Ward(s) affected | All |

RECOMMENDATIONS

That Cabinet:

1. Note the forecast budget position as at February 2018 (Month 11).
2. Note the Treasury Management update as at February 2018 at Appendix E.
3. Continue the delegated authority up until the June 2018 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 15 March 2018 and 19 April 2018 Cabinet meetings, detailed at Appendix F.

4. Approve acceptance of gift funding in relation to a Planning Performance Agreement on the following major development in accordance with the provisions of Section 93 of the Local Government Act 2003:
 - a. 1, 10 and 12 Harefield Road Uxbridge, Watkin Jones Group (£23,500)
5. Approve funding of up to £115k from the Youth Provision capital budget as a contribution to 1st Northwood Scout Group for the new Scouting Centre.
6. Approve the extension of the exemption from Telecareline charges from residents aged over 80 to those aged over 75 with effect from 1 May 2018.
7. Extend the appointment CBRE consultants to advise the Council on the Southall Gas Works site up to the value of £200k revenue.

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 11 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. As in previous years, no budget monitoring report will be presented to the May meeting of Cabinet with the next update on agency appointments to be included in the outturn report on the June Cabinet agenda.
3. Gift funding has been offered by developers which if accepted by Cabinet will be utilised to fund dedicated staff to support this pre-application and application work. **Recommendation 4** seeks authority from Cabinet to approve the acceptance of this sum in relation to Planning Performance Agreements.
4. 1st Northwood Scout Group are investing in a new Scouting Centre, for which there is a £115k shortfall. The Mayor's Charity is supporting the Scout Group this year and will fund a portion of this shortfall, however, as this amount is currently unknown, **Recommendation 5** seeks authority from Cabinet to approve funding up to £115k from the Youth Provision capital budget to provide the required funding for the Scout Group.
5. **Recommendation 6** seeks authority to amend the Council's schedule of Fees and Charges to exempt residents over the age of 75 from Telecareline charges, which is expected to bring around 500 clients into the scope of this exemption which is currently afforded to those aged over 80. An anticipated £29k reduction in service income from this policy change is to be managed within existing Social Care operating budgets, with any additional investment in equipment to be managed within existing capital funding.
6. **Recommendation 7** seeks to approve and extension of the current appointment of CBRE to advise the Council on the Southall Gas Works site up to a fee of £200k from the £150k previously approved by Cabinet in October 2016. This appointment relates to the valuation of access rights across Council owned land and the negotiation of payments to the Council of capital sums for these rights. This will be funded from the ultimate receipt once secured.

Alternative options considered

7. There are no other options proposed for consideration.

SUMMARY

REVENUE

8. At Month 11, General Fund revenue budgets are projected to underspend by £1,329k, with underspends against both Directorate and Corporate Operating Budgets continuing to be offset by a pressure on Development and Risk Contingency. 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.
9. 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.
10. 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 £39,121k at 31 March 2018, an increase of £383k from the opening 2017/18 balance.
11. As at Month 10, £13,747k of £15,508k savings are banked in full and £1,661k on track for delivery. The remaining £100k reported as 'amber' are ultimately expected to be delivered in full. £1,384k of savings have been promoted from 'green' to banked since Month 10, demonstrating continuing progress in the delivery of the 2017/18 savings programme.
12. With the exception of the Collection Fund, there are no material variances on other funds affecting the General Fund position. A surplus of £2,719k is reported within the Collection Fund relating to a favourable position on Council Tax, which is predominantly driven by the 2016/17 outturn surplus and is available to support the General Fund budget in 2018/19.
13. At Month 11 an in-year deficit of £2,371k is projected against the Schools Budget, continuing the trend of the growing cost of funding placements for High Needs children. This will increase the cumulative deficit to £3,507k, which is expected to be funded from future Dedicated Schools Grant allocations and therefore not impact upon the General Fund position.

CAPITAL

14. The projected underspend against the General Fund Capital Programme for 2017/18 is £19,558k as at Month 11, predominantly as a result of re-phasing of project expenditure. The forecast outturn variance over the life of the programme to 2021/22 is an underspend of £2,224k. Prudential Borrowing required to support the 2017/18 to 2021/22 Capital Programme is forecast to be £6,438k lower than anticipated at budget setting in February 2017. This is as a result of cost underspends of £2,224k and increases in grants and contributions of £12,316k, 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 £8,102k in Capital Receipts and Community Infrastructure Levy.

FURTHER INFORMATION

General Fund Revenue Budget

15. Across normal operating activities, an underspend of £1,329k is reported at Month 11 driven by underspends of £1,144k and £460k against Directorate and Corporate Operating Budgets, being off-set by ongoing pressures across Development & Risk Contingency items of £275k.
16. A number of pressures and risk areas within this overall position continue to be closely monitored and are discussed in detail within the appendices to this report. Material variances are highlighted in the summary of Directorate positions below, with limited movement anticipated over the final month of the financial year.
17. 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.
18. The Council's General Fund revenue budget contains £15,508k savings, with £15,408k either banked or on track for delivery at Month 11, no movement 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.

Table 1: General Fund Overview

| Original Budget £'000 | Budget Changes £'000 | Service | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 |
|--------------------------|-------------------------|--|-------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------|
| | | | Revised Budget £'000 | Forecast Outturn £'000 | | | |
| 194,079 | 12,744 | Directorate Operating Budgets | 206,823 | 205,679 | (1,144) | (1,035) | (109) |
| 1,495 | 2,982 | Corporate Operating Budgets | 4,477 | 4,017 | (460) | (425) | (35) |
| 19,216 | (11,156) | Development & Risk Contingency | 8,060 | 8,335 | 275 | 268 | 7 |
| 454 | 0 | Priority Growth | 454 | 454 | 0 | 0 | 0 |
| 5,451 | (4,570) | Unallocated Budget Items | 881 | 881 | 0 | 0 | 0 |
| 220,695 | 0 | Sub-total Normal Activities | 220,695 | 219,366 | (1,329) | (767) | (137) |
| 0 | (4,054) | Exceptional Items IBCF Allocation (announced March 2017) | (4,054) | (4,054) | 0 | 0 | 0 |
| 220,695 | (4,054) | Total Net Expenditure | 216,641 | 215,312 | (1,329) | (767) | (137) |
| (215,695) | 0 | Budget Requirement | (215,695) | (215,695) | 0 | 0 | 0 |
| 5,000 | (4,054) | Net Total | 946 | (383) | (1,329) | (767) | (137) |
| (38,738) | 0 | Balances b/fwd | (38,738) | (38,738) | | | |
| (33,738) | (4,054) | Balances c/fwd 31 March 2018 | (37,792) | (39,121) | | | |

19. As a result of the forecast position detailed above, General Fund Balances are expected to total £39,121k at 31 March 2018. The Council's current MTFF 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 (£1,144k underspend, £109k improvement)

20. Table 2 provides an overview of the forecast outturn on Directorate Operating Budgets as at Month 11 with further detail for each directorate contained within Appendix A to this report.
21. 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 £4,695k 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 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 |
|--------------------------|-------------------------|--|------------------|-------------------------|---------------------------|--|--|---------------------------------------|
| | | | | Revised Budget £'000 | Forecast Outturn £'000 | | | |
| 7,141 | 323 | Chief Executive's Office | Expenditure | 7,464 | 7,474 | 10 | 2 | 8 |
| (1,103) | 32 | | Income | (1,071) | (1,093) | (22) | (7) | (15) |
| 6,038 | 355 | | Sub-Total | 6,393 | 6,381 | (12) | (5) | (7) |
| 16,640 | 832 | Finance | Expenditure | 17,472 | 17,323 | (149) | (74) | (75) |
| (3,517) | 171 | | Income | (3,346) | (3,513) | (167) | (233) | 66 |
| 13,123 | 1,003 | | Sub-Total | 14,126 | 13,810 | (316) | (307) | (9) |
| 109,841 | 4,582 | Residents Services | Expenditure | 114,423 | 114,964 | 541 | 583 | (42) |
| (36,991) | (4,590) | | Income | (41,581) | (42,541) | (960) | (988) | 28 |
| 72,850 | (8) | | Sub-Total | 72,842 | 72,423 | (419) | (405) | (14) |
| 129,618 | 12,282 | Social Care | Expenditure | 141,900 | 141,236 | (664) | (442) | (222) |
| (27,550) | (888) | | Income | (28,438) | (28,171) | 267 | 124 | 143 |
| 102,068 | 11,394 | | Sub-Total | 113,462 | 113,065 | (397) | (318) | (79) |
| 194,079 | 12,744 | Total Directorate Operating Budgets | | 206,823 | 205,679 | (1,144) | (1,035) | (109) |

22. The Chief Executive's Office is reporting a £7k improvement from Month 10, largely as a result of an improved outlook on income streams across the directorate, including learning & development and legal services. The Finance directorate is projecting a £9k improvement at Month 11 which arises from minor favourable movements across a number of service areas.
23. Residents Services is projecting a £14k improvement at Month 11 which includes a number of compensatory variances across the directorate. The movements are mainly driven by staffing improvements, adverse income projections within Planning and reduced non-staffing expenditure within Housing, Environment, Education & Health.
24. An improvement of £79k is forecast across Social Care, mainly driven by reductions in non-staffing costs and favourable movements across staffing budgets in Older People & Physical Disabilities Service and Learning Disability & Mental Health Service where delayed recruitment has led to posts remaining vacant for the remainder of the financial year.
25. The overall underspend within Social Care continues to be driven by a large number of staffing underspends where high numbers of posts are being held vacant, off-set by pressures against agency workers in Children's Services, legal counsel, reduced income from the DSG for the Educational Psychology Service and the cost of temporary bed and breakfast accommodation for families supported under the Section 17 regulations.

Progress on Savings

26. The Council's 2017/18 General Fund revenue budget contains £15,508k savings, with all prior year savings delivered in full during 2016/17. £15,408k savings are reported as banked or on track for delivery at Month 11, with the remaining £100k being classed as Amber. The item reported as Amber is ultimately expected to be delivered in full, with 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 | (1,077) | (6,158) | (6,199) | (313) | (13,747) | 88.6% |
| G On track for delivery | 0 | (45) | (915) | (701) | (1,661) | 10.7% |
| A Potential significant savings shortfall or a significant or risky project which is at an early stage; | 0 | 0 | 0 | (100) | (100) | 0.6% |
| R Serious problems in the delivery of the saving | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Total 2017/18 Savings | (1,077) | (6,203) | (7,114) | (1,114) | (15,508) | 100.0% |

Corporate Operating Budgets (£460k underspend, £35k improvement)

27. 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.
28. An underspend of £441k is reported across Interest and Investment Income as a result of deferral of external borrowing and an improved outlook for investment income, this is further improved at Month 11 by £35k. Within Levies and Other Corporate Budgets, reduced uptake of the Council Tax Older People's Discount supplements the compensatory variances on New Homes Bonus Refund Grant and the West London District Coroners Services to deliver a £20k net underspend.
29. While there has been no material movement in the net impact of Housing Benefit Subsidy upon the Council's financial position, levels of benefit payments and associated subsidy income from the Department of Work and Pensions continue to exceed original estimates which were based upon DWP projections for claimant numbers.

Table 4: Corporate Operating Budgets

| Original Budget £'000 | Budget Changes £'000 | Service | | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 |
|--------------------------|-------------------------|--|------------------|-------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------|
| | | | | Revised Budget £'000 | Forecast Outturn £'000 | | | |
| 0 | 0 | Interest and Investment Income | Salaries | 0 | 0 | 0 | 0 | 0 |
| 5,259 | 0 | | Non-Sal Exp | 5,259 | 4,899 | (360) | (360) | 0 |
| (104) | (167) | | Income | (271) | (352) | (81) | (46) | (35) |
| 5,155 | (167) | | Sub-Total | 4,988 | 4,547 | (441) | (406) | (35) |
| 450 | 0 | Levies and Other Corporate Budgets | Salaries | 450 | 450 | 0 | 0 | 0 |
| 11,237 | 28 | | Non-Sal Exp | 11,263 | 11,349 | 86 | 86 | 0 |
| (14,788) | 3,274 | | Income | (11,514) | (11,620) | (106) | (106) | 0 |
| -3,101 | 3,302 | | Sub-Total | 199 | 179 | (20) | (20) | 0 |
| 0 | 0 | Housing Benefit Subsidy | Salaries | 0 | 0 | 0 | 0 | 0 |
| 144,372 | (1,419) | | Non-Sal Exp | 142,953 | 144,344 | 1,391 | 1,830 | (439) |
| (144,931) | 1,268 | | Income | (143,663) | (145,053) | (1,390) | (1,829) | 439 |
| (559) | (151) | | Sub-Total | (710) | (709) | 1 | 1 | 0 |
| 1,495 | 2,984 | Total Corporate Operating Budgets | | 4,477 | 4,017 | (460) | (425) | (35) |

Development & Risk Contingency (£275k overspend, £7k adverse movement)

30. 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. £10,656k of this budget was released into base budgets during Month 7 to reflect growth which is no longer contingent, with a further £500k released from General Contingency to meet one-off costs incurred during 2017/18. 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 £'000 | Budget Changes £'000 | Service | | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 |
|--------------------------|-------------------------|---|--|-------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------|
| | | | | Revised Budget £'000 | Forecast Outturn £'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 | (2,728) | | Waste Disposal Levy & Associated Contracts | 794 | 485 | (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 | 322 | 0 |
| 5,298 | (5,038) | | Demographic Growth - Looked After Children | 260 | 1,465 | 1,205 | 1,168 | 37 |
| 277 | 0 | | Social Worker Agency Contingency | 277 | 277 | 0 | 0 | 0 |
| 184 | 0 | | SEN transport - Contingency | 184 | 248 | 64 | 94 | (30) |
| 2,910 | (1,699) | | Demographic Growth - Transitional Children | 1,211 | 880 | (331) | (331) | 0 |
| 785 | (432) | | Demographic Growth - Adults | 353 | 0 | (353) | (353) | 0 |
| 197 | 0 | | Winterbourne View | 197 | 50 | (147) | (147) | 0 |
| 759 | (759) | | Deprivation of Liberty Safeguards | 0 | 0 | 0 | 0 | 0 |
| 559 | 0 | Corp. Items | Apprenticeship Levy | 559 | 383 | (176) | (176) | 0 |
| 750 | (500) | | General Contingency | 250 | 250 | 0 | 0 | 0 |
| 19,216 | (11,156) | Total Development & Risk Contingency | | 8,060 | 8,335 | 275 | 268 | 7 |

31. The reduction of households in high-cost B&B has continued, with Earmarked Reserves no longer required to finance in-year investment to secure suitable properties and funding being set aside to manage this volatile area in the new financial year.
32. The one-off disbursement from the West London Waste Authority in respect of excess reserves continues to result in a £309k underspend against waste disposal. The wider position on waste disposal costs continues to remain consistent with budget assumptions.
33. The projected drawdown from the Asylum contingency continues to be forecast as a £322k pressure. This is due to the reduction in income following confirmation from the Home Office that a number of supported individuals will no longer be eligible for funding.

34. An adverse movement of £37k is reported against the Looked After Children contingency item at Month 11 due to an increase in the cost of Looked After Children placements. The overall pressure predominantly relates to the cost of CWD placements and adoption, where the service is having to place children outside of the Borough.
35. The SEN transport contingency item is projected to be £64k overspent due to higher than anticipated growth in demand for the service. This is, however, a £30k improvement from Month 10, as a result of continuing effective route planning.
36. 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. At Month 10, £500k of this contingency was allocated to Residents Services budgets in respect of fly tipping and storm damage costs and the extended opening of the Winter Night Shelter. A total of £250k is remaining as unallocated and any balances not required would be available to further supplement General Balances at year end.

Priority Growth

37. 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.
38. £389k of projects have been approved for funding from HIP resources at Month 11, leaving £749k available for future release. The £20k allocation of Priority Growth in Table 6 below is as a result of the recommendation in the December Cabinet Report relating to the refurbishment works at Willow Tree Centre.

Table 6: Priority Growth

| Original Budget | Budget Changes | Priority Growth | Month 11 | | |
|-----------------|----------------|------------------------------|----------------|----------------------|---------------------|
| | | | 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 | 405 | (549) |
| 254 | 0 | Unallocated Priority Growth | 254 | 20 | (234) |
| 454 | 954 | Total Priority Growth | 1,408 | 425 | (983) |

Schools Budget

39. An in-year overspend of £2,371k is projected against the Dedicated Schools Grant in 2017/18, bringing the brought forward deficit on the centrally retained reserve to £3,507k. This position reflects pressures of £2,871k 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 is expected to ultimately be recouped from future Dedicated Schools Grant allocations and therefore not impact directly upon the General Fund position.

Collection Fund

40. At Month 11, a £108k improvement is reported against the Collection Fund, where a headline surplus of £2,719k is projected, made up of a £2,975k surplus on Council Tax and £256k deficit on the retained share of Business Rates. A projected surplus of £2,611k was reflected in the 2018/19 budget approved by Cabinet and Council in February 2018 and any additional surplus realised at outturn available to support delivery of services in 2019/20.
41. 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 £971k primarily attributable to strong collection performance. The in-year surplus of £152k on Business Rates activity is not sufficient to fully off-set the £408k pressure against the brought forward from 2016/17, which results in an overall £256k deficit on Business Rates.

Housing Revenue Account

42. The Housing Revenue Account (HRA) is currently forecasting an underspend of £2,610k against the budgeted deficit of £11,664k, an improvement of £86k from Month 10. This position results in a projected closing HRA General Balance of £36,772k.
43. 57 properties have been sold under Right to Buy at the end of Month 11, with a further 8 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 the Ministry of Housing, Communities and Local Government during Quarters 1, 2 and 3.

Future Revenue Implications of Capital Programme

44. Appendix D to this report outlines the forecast outturn on the 2017/18 to 2021/22 Capital Programme, with a £2,224k underspend projected over the five year programme. Prudential Borrowing required to support the Council's Capital Programme is projected to be £6,438k lower than the £102,775k revised budget, primarily as a result of a £12,316k favourable variance on Government Grants being off-set by shortfalls of £4,701k in Capital Receipts and £3,401k on Community Infrastructure Levy forecast over the medium term. This favourable variance on borrowing would ultimately result in a reduction in future revenue costs of approximately £350k per annum.
45. Since Month 10 2017/18 capital expenditure is projected to be £2,648k lower than previously reported, with a corresponding £1,416k reduction in forecast Capital Receipts, £71k improvement in grants and contributions and £340k improvement in CIL, resulting in a reduction in borrowing of £1,643k during the year. This will have a limited impact on financing costs in 2018/19.

Appendix A – Detailed Group Forecasts (General Fund)

CHIEF EXECUTIVE'S OFFICE (£12k underspend, £7k improvement)

46. The overall position for the Chief Executive's Office at Month 11 is an underspend of £12k, representing a £7k improvement from Month 10.

Table 7: Chief Executive's Office Operating Budgets

| Original Budget £'000 | Budget Changes £'000 | Service | | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 |
|--------------------------|-------------------------|--------------------------------------|------------------|-------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------|
| | | | | Revised Budget £'000 | Forecast Outturn £'000 | | | |
| 1,466 | 22 | Democratic Services | Salaries | 1,488 | 1,489 | 1 | 1 | 0 |
| 1,669 | 26 | | Non-Sal Exp | 1,695 | 1,742 | 47 | 48 | (1) |
| (596) | (58) | | Income | (654) | (613) | 41 | 43 | (2) |
| 2,539 | (10) | | Sub-Total | 2,529 | 2,618 | 89 | 92 | (3) |
| 2,001 | (86) | Human Resources | Salaries | 1,915 | 1,928 | 13 | 15 | (2) |
| 89 | 292 | | Non-Sal Exp | 381 | 317 | (64) | (70) | 6 |
| (247) | 90 | | Income | (157) | (185) | (28) | (20) | (8) |
| 1,843 | 296 | | Sub-Total | 2,139 | 2,060 | (79) | (75) | (4) |
| 1,833 | 69 | Legal Services | Salaries | 1,902 | 1,930 | 28 | 30 | (2) |
| 83 | 0 | | Non-Sal Exp | 83 | 68 | (15) | (22) | 7 |
| (260) | 0 | | Income | (260) | (295) | (35) | (30) | (5) |
| 1,656 | 69 | | Sub-Total | 1,725 | 1,703 | (22) | (22) | 0 |
| 5,300 | 5 | Chief Executive's Office Directorate | Salaries | 5,305 | 5,347 | 42 | 46 | (4) |
| 1,841 | 318 | | Non-Sal Exp | 2,159 | 2,127 | (32) | (44) | 12 |
| (1,103) | 32 | | Income | (1,071) | (1,093) | (22) | (7) | (15) |
| 6,038 | 355 | | Total | 6,393 | 6,381 | (12) | (5) | (7) |

Democratic Services (£89k overspend, £3k improvement)

47. A small improvement of £3k is reported in Democratic Services relating to revised income costs with Registration services. Staffing costs are projected to broadly breakeven, and include covering a managed vacancy factor of £46k, with pressures anticipated across non salary expenditure and income. Income pressures reflect a sustained fall in demand for Nationality Checking and Citizenship Ceremony services and have been addressed as part of zero based reviews for 2018/19.

Human Resources (£79k underspend, £4k improvement)

48. At Month 11, Human Resources is reporting an underspend of £79k, a £4k improvement from the position at Month 10, primarily due to increased learning and development income relating to newly qualified social workers.

Legal Services (£22k underspend, nil movement)

49. Legal Services is reporting no movement at Month 11, a reported underspend of £22k, which primarily relates to the overachievement of income in the year through increased planning and lease fee earning income.

50. 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 is marked as on track for delivery.

FINANCE (£316k underspend, £9k improvement)

51. The Finance Group is reporting an underspend of £316k at Month 11, an improvement of £9k on the position at Month 10.

Table 8: Finance Operating Budgets

| Original Budget £'000 | Budget Changes £'000 | Service | | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 |
|--------------------------|-------------------------|---|------------------|-------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------|
| | | | | Revised Budget £'000 | Forecast Outturn £'000 | | | |
| 942 | 869 | Business Assurance | Salaries | 1,811 | 1,765 | (46) | (48) | 2 |
| 1,404 | (29) | | Non-Sal Exp | 1,375 | 1,404 | 29 | 29 | 0 |
| (659) | 32 | | Income | (627) | (612) | 15 | 17 | (2) |
| 1,687 | 872 | | Sub-Total | 2,559 | 2,557 | (2) | (2) | 0 |
| 1,608 | 0 | Procurement | Salaries | 1,608 | 1,592 | (16) | (16) | 0 |
| 75 | 0 | | Non-Sal Exp | 75 | 75 | 0 | 0 | 0 |
| (31) | 0 | | Income | (31) | (36) | (5) | (5) | 0 |
| 1,652 | 0 | | Sub-Total | 1,652 | 1,631 | (21) | (21) | 0 |
| 3,127 | 527 | Corporate Finance | Salaries | 3,654 | 3,500 | (154) | (149) | (5) |
| (7) | 2,030 | | Non-Sal Exp | 2,023 | 2,027 | 4 | 2 | 2 |
| (127) | (46) | | Income | (173) | (187) | (14) | (14) | 0 |
| 2,993 | 2,511 | | Sub-Total | 5,504 | 5,340 | (164) | (161) | (3) |
| 4,382 | (30) | Revenues & Benefits | Salaries | 4,352 | 4,498 | 146 | 179 | (33) |
| 1,841 | 0 | | Non-Sal Exp | 1,841 | 1,762 | (79) | (41) | (38) |
| (2,360) | 150 | | Income | (2,210) | (2,373) | (163) | (230) | 67 |
| 3,863 | 120 | | Sub-Total | 3,983 | 3,887 | (96) | (92) | (4) |
| 1,034 | (531) | Pensions, Treasury & Statutory Accounting | Salaries | 503 | 475 | (28) | (28) | 0 |
| 2,234 | (2,004) | | Non-Sal Exp | 230 | 225 | (5) | (2) | (3) |
| (340) | 35 | | Income | (305) | (305) | 0 | (1) | 1 |
| 2,928 | (2,500) | | Sub-Total | 428 | 395 | (33) | (31) | (2) |
| 11,093 | 835 | Finance Directorate | Salaries | 11,928 | 11,830 | (98) | (62) | (36) |
| 5,547 | (3) | | Non-Sal Exp | 5,544 | 5,493 | (51) | (12) | (39) |
| (3,517) | 171 | | Income | (3,346) | (3,513) | (167) | (233) | 66 |
| 13,123 | 1,003 | | Total | 14,126 | 13,810 | (316) | (307) | (9) |

Business Assurance (£2k underspend, nil movement)

52. Business Assurance is projecting an underspend of £2k at Month 11, representing no movement from the position at Month 10, although minor compensating movements across staffing and income is presented. Staffing costs, which include covering a managed vacancy factor of £61k, reflect part year vacancies following implementation of restructures within the service and are mitigating pressures in non staffing and income. Income pressures demonstrate a reduced demand for fee earning health and safety courses.

Procurement (£21k underspend, nil movement)

53. Procurement is reporting an underspend of £21k, no movement at Month 11, principally achieved through part year vacancies and maternity leave posts managed within existing resources. The overachievement of income reflects a rebate against council-wide pcard expenditure.

Corporate Finance (£164k underspend, £3k improvement)

54. Corporate Finance is reporting an underspend of £164k at Month 11, a £3k improvement on the month, primarily due to revised staffing costs. The overall staffing underspend reflects implementation of the Finance Phase 1 business case delivering MTFF savings in 2018/19, with the anticipated overachievement of income relating to S46 Receivership Fees.

Revenues & Benefits (£96k underspend, £4k improvement)

55. Revenues and Benefits is reporting a small improvement on the month, with staffing and non staffing improvements offset against adverse income projections. Within the position, staffing pressures reflect the cost of temporary agency workers employed on a performance based scheme, which aims to cut down fraud and reduce errors in Housing Benefit claims, funded directly from grant contributions. Part year vacancies and grant income are contributing to the service underspend.

Pensions, Treasury & Statutory Accounting (£33k underspend, £2k improvement)

56. Pensions, Treasury and Statutory Accounting is reporting an underspend of £33k, a small improvement on the month following confirmed grant audit costs. The favourable position is primarily due a vacant post held within the team.
57. The full £856k Finance savings proposed as part of the MTFF 2017/18 have been banked.

Table 9: Finance Development & Risk Contingency

| Original Budget | Budget Changes | Development & Risk Contingency | Month 11 | | Variance (As at Month 11) | Variance (As at Month 10) | Movement from Month 10 |
|-----------------|----------------|--------------------------------|----------------|------------------|---------------------------|---------------------------|------------------------|
| | | | Revised Budget | Forecast Outturn | | | |
| £'000 | £'000 | | £'000 | £'000 | £'000 | £'000 | £'000 |
| 291 | 0 | Uninsured claims | 291 | 291 | 0 | 0 | 0 |
| 291 | 0 | Current Commitments | 291 | 291 | 0 | 0 | 0 |

58. The Development and Risk Contingency budget for Uninsured Claims is forecast to breakeven at Month 11, reporting no movement from the previous assumptions. Contingency budget, alongside base budget of £359k is expected to fully cover the cost of General Fund insurance claim payments below excess limits. Expenditure variances beyond this level can be managed from existing insurance reserves.

RESIDENTS SERVICES (£419k underspend, £14k improvement)

59. Residents Services directorate is showing a projected outturn underspend of £419k at Month 11, excluding pressure areas that have identified contingency provisions.

Table 10: Residents Services Operating Budgets

| Original Budget £'000 | Budget Changes £'000 | Service | | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 |
|--------------------------|-------------------------|---|------------------|-------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------|
| | | | | Revised Budget £'000 | Forecast Outturn £'000 | | | |
| 15,219 | 1,303 | Infrastructure, Waste and ICT | Salaries | 16,522 | 15,811 | (711) | (718) | 7 |
| 31,833 | 3,191 | | Non-Sal | 35,024 | 35,923 | 899 | 829 | 70 |
| (9,790) | (466) | | Exp | (10,256) | (10,595) | (339) | (280) | (59) |
| 37,262 | 4,028 | | Income | (10,256) | (10,595) | (339) | (280) | (59) |
| | | | Sub-Total | 41,290 | 41,139 | (151) | (169) | 18 |
| 16,922 | (433) | Housing, Environment, Education, Health & Wellbeing | Salaries | 16,489 | 16,123 | (366) | (438) | 72 |
| 23,024 | 890 | | Non-Sal | 23,914 | 25,408 | 1,494 | 1,138 | 356 |
| (16,874) | (636) | | Exp | (17,510) | (18,669) | (1,159) | (661) | (498) |
| | | | Income | (17,510) | (18,669) | (1,159) | (661) | (498) |
| 23,072 | (179) | | Sub-Total | 22,893 | 22,862 | (31) | 39 | (70) |
| 7,430 | (3,731) | Planning, Transportation & Regeneration | Salaries | 3,699 | 3,741 | 42 | 121 | (79) |
| 1,901 | (1,132) | | Non-Sal | 769 | 1,091 | 322 | 351 | (29) |
| (6,397) | 3,030 | | Exp | (3,367) | (3,812) | (445) | (605) | 160 |
| | | | Income | (3,367) | (3,812) | (445) | (605) | 160 |
| 2,934 | (1,833) | | Sub-Total | 1,101 | 1,020 | (81) | (133) | 52 |
| 1,777 | (252) | Performance & Improvement | Salaries | 1,525 | 1,504 | (21) | (22) | 1 |
| 160 | 0 | | Non-Sal | 160 | 166 | 6 | 6 | 0 |
| (270) | 252 | | Exp | (18) | (22) | (4) | (3) | (1) |
| | | | Income | (18) | (22) | (4) | (3) | (1) |
| 1,667 | 0 | | Sub-Total | 1,667 | 1,648 | (19) | (19) | 0 |
| 10,766 | 1,891 | Administrative, Technical & Business Services | Salaries | 12,657 | 11,665 | (992) | (972) | (20) |
| 809 | 2,855 | | Non-Sal | 3,664 | 3,986 | 322 | 288 | 34 |
| (3,660) | (6,770) | | Exp | (10,430) | (9,897) | 533 | 561 | (28) |
| | | | Income | (10,430) | (9,897) | 533 | 561 | (28) |
| 7,915 | (2,024) | | Sub-Total | 5,891 | 5,754 | (137) | (123) | (14) |
| 52,114 | (1,222) | Residents Services Directorate | Salaries | 50,892 | 48,844 | (2,048) | (2,029) | (19) |
| 57,727 | 5,804 | | Non-Sal | 63,531 | 66,574 | 3,043 | 2,612 | 431 |
| (36,991) | (4,590) | | Exp | (41,581) | (42,995) | (1,414) | (988) | (426) |
| | | | Income | (41,581) | (42,995) | (1,414) | (988) | (426) |
| 72,850 | (8) | | Total | 72,842 | 72,423 | (419) | (405) | (14) |

60. 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.
61. 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.
62. At month 11 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 11 | | Variance (As at Month 11) | Variance (As at Month 10) | Movement from Month 10 |
|-----------------|----------------|--|----------------|------------------|---------------------------|---------------------------|------------------------|
| | | | 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 | (2,728) | Waste Disposal Levy & Associated Contracts | 794 | 485 | (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 |
| 5,558 | (2,728) | Current Commitments | 2,830 | 2,521 | (309) | (309) | 0 |

63. The month 11 data in Table 12 below shows a reduction from the previously reported B&B and temporary accommodation 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 MTFF assumptions made by officers in modelling Supply and Demand, with the fluctuation in demand managed with existing budgets.

Table 12: Housing Needs performance data

| | 2017/18 | | |
|--|----------|---------|----------|
| | December | January | February |
| Homeless Threat, Priority Need & Eligible | 86 | 101 | 117 |
| Presenting As Homeless | 37 | 37 | 21 |
| Duty Accepted | 20 | 16 | 18 |
| Households in Temporary Accommodation | 551 | 535 | 526 |
| Households in B&B | 171 | 160 | 150 |

64. 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.
65. The Council will continue to closely monitor this risk, given the potential seasonal fluctuations which could materialise in the remainder of the financial year. Increased prevention and move-on activity is unlikely to require the service to draw on the Housing Incentives earmarked reserve. Nevertheless, this resource remains available should it be required with any drawdown being subject to the usual approvals.
66. Drawdown of £2,728k has been approved by Cabinet from the contingency of £3,522k set aside to fund estimated increases in waste tonnages via the levy. There is a projected drawdown at year end of £485k from the remaining contingency of £794k, with the £309k variance a result of one-off disbursement of reserves from WLWA earlier in the year.

Infrastructure, Waste and ICT (£151k underspend, £18k adverse movement)

67. The overall forecast encompasses a quantum of management actions, mainly within Highways, Waste and Fleet services, which will be closely monitored during the remainder of

the financial year. At month 11, the service is reporting a net adverse movement of £16k from the month 10 position.

68. The main movements within this net position are due to changes in the waste management forecast as indicated below. Overtime and standby forecast has marginally increased by £7k to reflect the level of demand within the service over the winter period.
69. The non-staffing forecast contains an increase in recycling costs to reflect the estimated impact of changes to market conditions, particularly paper waste (£59k), netted down by a reduced forecast in the requirement for waste recycling sacks and training costs (£48k)

Housing, Environment, Education, Health & Wellbeing (£31k underspend, £70k improvement)

70. The overall forecast contains a number of management actions which will continue to be monitored closely until close of the financial year.
71. At Month 11 the service is reporting an underspend projection of £31k, a net £70k favourable movement. The movement relates in the main to revised forecasts across a number of non-staffing budgets including utility costs, marketing expenses and materials purchases across a number of sites.

Planning, Transportation & Regeneration (£81k underspend, £52k adverse movement)

72. At Month 11 there is a projected underspend of £81k across the service area, with the underspend a result of part year vacant posts across the planning services. The adverse movement of £52k is due to realigned income projections for the final quarter of the year for Planning Services.

Performance & Improvement (£19k underspend, no change)

73. No change from the forecast from month 10, with the net underspend resulting from delayed recruitment in the Performance & Intelligence team.

Administrative, Technical & Business Services (£137k underspend, £14k favourable movement)

74. The service is reporting a £137k underspend at Month 11, representing a net £14k favourable movement from the Month 10 position.
75. A large number of posts in Technical Administration and Business Support continue to remain vacant and recruitment is taking longer than anticipated, resulting in significant underspend in the staffing budget.
76. There were further reductions in the staffing forecast at month 11 due to realignment of agency staff forecast costs for the call centre (£10k), reduced overtime and standby at the Mortuary (£4k) and delayed recruitment for the GIS team with no additional agency cover required (£6k).
77. There is a net favourable movement of £32k in income forecasts for Imported Food this month. This relates to improved income forecasts for (net of analysts' fees) following increased inspection work for imports of New Zealand lamb and green chillies, however the

additional inspection work and one-off refuse costs for rejected consignments broadly net down the improvement.

78. Parking services continue to forecast income shortfalls at Uxbridge car parks, for Month 11 there was an adverse £4k movement against the reported position, bringing the overall pressure to £492k. These are netted down by wider parking income streams including the PRA.

SOCIAL CARE (£397k underspend, £79k improvement)

79. Social Care is projecting an underspend of £397k at Month 11, an improvement of £79k on the Month 10 position, due to further improvements across most services. The underspend relates predominantly to staffing costs, where there are a number of vacant posts which are not being 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, reduced income from the Dedicated Schools Grant for the Educational Psychology Service and the cost of temporary bed and breakfast accommodation for families supported under the Section 17 regulations.

Table 13: Social Care Operating Budgets

| Original Budget £'000 | Budget Changes £'000 | Service | | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 |
|--------------------------|-------------------------|--|------------------|-------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------|
| | | | | Revised Budget £'000 | Forecast Outturn £'000 | | | |
| 13,299 | 244 | Children's Services | Salaries | 13,543 | 13,979 | 436 | 433 | 3 |
| 12,635 | 4,873 | | Non-Sal Exp | 17,508 | 17,708 | 200 | 171 | 29 |
| (7,804) | 815 | | Income | (6,989) | (6,940) | 49 | 24 | 25 |
| 18,130 | 5,932 | | Sub-Total | 24,062 | 24,747 | 685 | 628 | 57 |
| 7,784 | 141 | Early Intervention, Prevention & SEND | Salaries | 7,925 | 7,513 | (412) | (419) | 7 |
| 6,257 | (80) | | Non-Sal Exp | 6,177 | 6,073 | (104) | (105) | 1 |
| (2,370) | (308) | | Income | (2,678) | (2,282) | 396 | 412 | (16) |
| 11,671 | (247) | | Sub-Total | 11,424 | 11,304 | (120) | (112) | (8) |
| 4,597 | (96) | Older People & Physical Disabilities Service | Salaries | 4,501 | 4,256 | (245) | (223) | (22) |
| 34,209 | 3,469 | | Non-Sal Exp | 37,678 | 37,839 | 161 | 236 | (75) |
| (11,146) | (750) | | Income | (11,896) | (11,899) | (3) | (109) | 106 |
| 27,660 | 2,623 | | Sub-Total | 30,283 | 30,196 | (87) | (96) | 9 |
| 11,537 | (517) | Adult Social Care - Provider & Commissioned Care | Salaries | 11,020 | 10,691 | (329) | (336) | 7 |
| 5,874 | 674 | | Non-Sal Exp | 6,548 | 6,266 | (282) | (271) | (11) |
| (590) | (32) | | Income | (622) | (592) | 30 | 33 | (3) |
| 16,821 | 125 | | Sub-Total | 16,946 | 16,365 | (581) | (574) | (7) |
| 4,341 | (603) | Learning Disability and Mental Health Service | Salaries | 3,738 | 3,705 | (33) | 10 | (43) |
| 29,435 | 4,114 | | Non-Sal Exp | 33,549 | 33,488 | (61) | 55 | (116) |
| (5,264) | (989) | | Income | (6,253) | (6,458) | (205) | (236) | 31 |
| 28,512 | 2,522 | | Sub-Total | 31,034 | 30,735 | (299) | (171) | (128) |
| 320 | (110) | Directorate & Support Services | Salaries | 210 | 215 | 5 | 7 | (2) |
| (670) | 173 | | Non-Sal Exp | (497) | (497) | 0 | 0 | 0 |
| (376) | 376 | | Income | 0 | 0 | 0 | 0 | 0 |
| (726) | 439 | | Sub-Total | (287) | (282) | 5 | 7 | (2) |
| 41,878 | (941) | Social Care Directorate Total | Salaries | 40,937 | 40,359 | (578) | (528) | (50) |
| 87,740 | 13,223 | | Non-Sal Exp | 100,963 | 100,877 | (86) | 86 | (172) |
| (27,550) | (888) | | Income | (28,438) | (28,171) | 267 | 124 | 143 |
| 13,299 | 244 | | Total | 113,462 | 113,065 | (397) | (318) | (79) |

SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£760k overspend, £7k adverse movement)

80. The Council's 2017/18 Development and Risk Contingency includes a 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. At the Cabinet meeting in November 2017, it was agreed that £7,928k of this budget could be transferred into the Social Care base budget. Table 14 sets out the revised Risk Contingency budget for month 11, which takes into account this adjustment and an updated forecast spend against the Development and Risk Contingency, which is now projecting an overspend of £760k, an adverse movement of £7k on the Month 10 position. This is due to an increase in the cost of Looked After Children placements.

Table 14: Social Care Development & Risk Contingency

| Original Budget £'000 | Budget Changes £'000 | Development & Risk Contingency | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 |
|--------------------------|-------------------------|--|-------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------|
| | | | Revised Budget £'000 | Forecast Outturn £'000 | | | |
| 1,648 | 0 | Asylum Service | 1,648 | 1,970 | 322 | 322 | 0 |
| 5,298 | (5,038) | Demographic Growth - Looked After Children | 260 | 1,465 | 1,205 | 1,168 | 37 |
| 277 | 0 | Social Worker Agency Contingency | 277 | 277 | 0 | 0 | 0 |
| 184 | 0 | SEN transport - Contingency | 184 | 248 | 64 | 94 | (30) |
| 2,910 | (1,699) | Demographic Growth - Transitional Children | 1,211 | 880 | (331) | (331) | 0 |
| 785 | (432) | Demographic Growth - Adults | 353 | 0 | (353) | (353) | 0 |
| 197 | 0 | Winterbourne View | 197 | 50 | (147) | (147) | 0 |
| 759 | (759) | Deprivation of Liberty Safeguards | 0 | 0 | 0 | 0 | 0 |
| 12,058 | (7,928) | Current Commitments | 4,130 | 4,890 | 760 | 753 | 7 |

Asylum Service (£322k overspend, no change)

81. This service is projecting a drawdown of £1,970k from the contingency, an overspend of £322k as at Month 11 and no change from the Month 10 position. This pressure reflects the impact of a drop in grant income as there are a high proportion of Unaccompanied Asylum Seeking Children (UASC) who have and 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 growing at a much lower rate.
82. The service continues to review the support provided to UASC to identify where opportunities can be taken to reduce costs, which includes a review of accommodation and allowances costs, which are fed through into the projections once confirmed. Additionally the service is undertaking a review of the status of Care Leavers to provide further clarity on those that do receive grant funding from the Home Office and those that do not. A further check is also being undertaken on cases that do not receive funding to ensure that they have the relevant status that requires the Council to continue to provide support.

83. There are expected to be future changes to the funding regime, as in August 2017, the Home Office started its review of the grant funding that they provide to support UASC for 2018/19. However, as of to date, no updates have been provided.

Demographic Growth - Looked After Children (£1,205k overspend, £37k adverse movement)

84. The service is projecting a drawdown of £1,465k from the Contingency, £1,205k above the budget, an adverse movement of £37k on the Month 10 position, due to an increase in the cost of Looked After Children placements. The overspend reported predominantly relates to the cost of CWD placements 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.

Social Worker Agency (Children's) (Nil variance, no change)

85. 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.

Demographic Growth - SEN Transport (£64k overspend, £30k improvement)

86. The service is projecting a drawdown of £248k from the SEN Transport contingency, £64k above the budget, a reduction of £30k on the month 10 forecast, due to a number of routes ceasing as the service continues to ensure all routes are maximised. The pressure on this budget corresponds to the increase being experienced in the number of children requiring an Education, Health and Care Plan (EHCP), where there has been in excess of a 15% increase in the number of pupils.

Demographic Growth - Transitional Children (£331k underspend, no change)

87. The service is projecting a drawdown of £880k from the Transitional Children contingency, which results in the £331k underspend, no change on the month 10 position. The underspend 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, part of which is funded from the Dedicated Schools Grant up to and including the age of 24. However, the expectation 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 MTFF forecasts.

Demographic Growth - Adults Placements (£353k underspend, no change)

88. The service is projecting no drawdown from the Adults Placements contingency, which results in the £353k underspend, no change on the Month 10 position. The main reason for this 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. It should however be recognised that the adult population is still growing and that more eligible people still require care, however these care needs are being met in a different way, which in most cases will be at a lower cost than previous clients.

Winterbourne View (£147k underspend, no change)

89. 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) (Nil variance, no change)

90. This budget has been transferred to the Social Care base budget and as such any variance in this service will be captured within the Learning Disability and Mental Health Service.

DIRECTORATE OPERATING BUDGETS

Children's Services (£685k overspend, £57k adverse movement)

91. The service is reporting an overspend of £685k as at Month 11, an adverse movement of £57k from the Month 10 position. This is due to an increase in the projected cost of allowances for Looked After Children and legal costs for some legacy cases. The main reason for the overspend relates to the cost and use of agency staff, that are required to cover essential social worker posts, the costs associated with temporary bed and breakfast accommodation, which is a requirement under Section 17 of The Children Act 1989 to support families with children that have become homeless and legal costs relating to a number of legacy cases. 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 (£120k underspend, £8k improvement)

92. The service is reporting an underspend of £120k as at Month 11, an improvement of £8k on the Month 10 position, due to an improvement in the expected levels of income that will be charged to the DSG for Educational Psychologists, where the position is becoming clearer.
93. The overall position relates to an underspend of £413k on staffing costs, due to a review of all vacant posts and the need to recruit to them and an underspend on non-staffing costs of £103k due to effective management action being taken to restrict spend on essential items only. This is netted down by a projected shortfall of £396k in income, which relates to a reduction in funding received from the Dedicated Schools Grant for the Educational Psychology Service, where the service has had difficulties in recruiting Educational Psychologists, although recently this position has improved and statutory workloads have reduced, allowing the service to provide a restricted non-statutory function for schools and a re-phasing of the Troubled Families Grant, following a review of the grant profiling.

Older People and Physical Disabilities (£87k underspend, £9k adverse movement)

94. The service is reporting an underspend of £87k as at Month 11, an adverse movement of £9k on the Month 10 position, due to a reduction in projected client income. This relates to an underspend of £245k on staffing, where the service has had a number of staff vacancies, netted down by an overspend on non staffing spend of £161k, where the service have entered into a contract for the provision of Occupational Therapy.

Adult Social Care - Provider and Commissioned Care (£581k underspend, £7k improvement)

95. The service is reporting an underspend of £581k as at Month 11, an improvement of £7k on the Month 10 position. This relates to an underspend of £329k on staffing costs, due to recruitment difficulties within the Reablement Team, posts that were vacant for part of the year in the Positive Behaviour Support Team and recruitment to the new structure taking longer than anticipated. Additionally the non-staffing budget is forecast to underspend by £282k, which predominantly relates to a review of a number of contracts.
96. It should be noted that the Transport Service is reporting an in year overspend of £76k, due to a sustained increase in demand. However, 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.
97. The service is currently working on a new contract framework and the purchase of a new IT system. Additionally the service plan to undertake a review of the passenger assistant requirement on all SEN home-to-school routes to ensure the agency provision is at an optimum level. As stated above, the Transport service has seen significant client growth for the 2017/18 academic year with an overspend currently projected on contingency.

Learning Disability and Mental Health (£299k underspend, £128k improvement)

98. The service is forecasting an underspend of £299k as at Month 11, an improvement of £128k on the Month 10 position, due to a number of vacancies in the Mental Health Team and a reduction in non staffing costs.
99. This relates to an underspend of £33k on staffing costs, where the service has a number of staff vacancies, an underspend of £61k on non-staffing costs and additional income from external bodies of £205k.

Directorate & Support (£5k overspend, £2k improvement)

100. The Directorate budget is forecasting a marginal pressure of £5k as at Month 11, a small improvement of £2k on the Month 10 position.

Appendix B – Other Funds

SCHOOLS BUDGET

Dedicated Schools Grant (£2,371k overspend, £298k adverse movement)

101. The Dedicated Schools Grant (DSG) is projecting an in-year overspend of £2,371k as at month 11, an adverse movement of £298k on the Month 10 projections. The movement from month 10 is predominantly due to continuing pressures in the projected cost of High Needs along with an increase in the projected number of children accessing the free entitlement for 2 year olds and 3 & 4 year olds. 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 £3,507k.

Table 15: DSG Income and Expenditure 2017/18

| Original Budget | Budget Changes | Funding Block | Month 11 | | Variance (+ adv / - fav) | | |
|-----------------|----------------|--|----------------|------------------|---------------------------|---------------------------|----------------------|
| | | | Revised Budget | Forecast Outturn | Variance (As at Month 11) | Variance (As at Month 10) | Change from Month 10 |
| £'000 | £'000 | | £'000 | £'000 | £'000 | £'000 | £'000 |
| (148,436) | 5,690 | Dedicated Schools Grant Income | (142,746) | (142,746) | 0 | 0 | |
| 112,811 | (5,490) | Delegated to Schools | 107,321 | 107,483 | 162 | 0 | 162 |
| 3,971 | (341) | Early Years | 3,630 | 3,673 | 44 | 25 | 19 |
| 3,889 | 0 | Centrally Retained | 3,889 | 3,962 | 73 | 113 | (40) |
| 27,265 | 141 | High Needs | 27,406 | 29,998 | 2,592 | 2,435 | 157 |
| (500) | 0 | Total Funding Blocks | (500) | 2,371 | 2,871 | 2,573 | 298 |
| 500 | 0 | Retained Balance | 500 | 0 | (500) | (500) | 0 |
| (0) | 0 | Total Schools Budget | 0 | 2,371 | 2,371 | 2,073 | 298 |
| 0 | 0 | Balance Brought Forward 1 April 2017 | 1,136 | 1,136 | | | |
| 0 | 0 | Balance Carried Forward 31 March 2018 | 1,136 | 3,507 | | | |

Dedicated Schools Grant Income (nil variance, no change)

102. The budget and projections have been realigned to reflect the updated DSG allocation following confirmation from the Education & Skills Funding Agency (ESFA) of the adjustments to reflect the two school conversions to academy status which took place on the 1 September 2017. There are no further anticipated changes to DSG funding for 2017/18 other than the final Early Years adjustment which will happen in July 2018.

Delegated to Schools (£162k overspend, £162k adverse movement)

103. The projected expenditure on funding the free entitlement for three and four year olds has increased further now that the full detail of the autumn and spring terms uptake is known. It has been estimated that additional funding will be received to partly off-set this increase when the Early Years block funding is adjusted in July 2018.

104. The projected overspend is as a consequence of the £1.42m funding reduction which was made in July 2017. It had been hoped that it would be possible to absorb this reduction in the current year but the updated estimates indicate that there will be a £162k overspend in 2017/18

Early Years (£44k overspend, £19k adverse movement)

105. The Early Years funding block is projecting an overspend of £44k as at month 11 which is a £19k adverse movement on the position reported at month 10.
106. The Early Years Centres are projecting a £275k overspend due to a shortfall in the levels of income being generated. The focus on increasing occupancy levels continues at the three centres in order to address the shortfall.
107. The projection for the two year old free entitlement has been revised now that full detail of the uptake for the autumn and spring terms is known. Two year old funding was reduced by £341k in July 2017 following a reduction in the number of children accessing the entitlement based on the January 2017 census. It was anticipated that this funding reduction could be absorbed in the current year, however, the number of children increased in the Autumn term which has now led to a projected overspend. There will be a further adjustment to the funding in July 2018 based on numbers recorded in the January 2018 census.
108. The projected overspends are offset by a £179k underspend in the two year old capacity grant funding following a significant reduction in the number of settings applying for grant funding in 2017/18. This is despite the criteria being extended to include early years settings requiring adaptations in order to provide the additional 15 hours free entitlement for 3 & 4 year olds.
109. The Early Years Psychology team are 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.
110. There is a £48k underspend across the Early Years Advisory and Family Information Services, both of which currently have vacancies. This underspend has reduced following an increase in planned expenditure in order to meet DfE requirements for the Early Years childcare database following the introduction of the additional 15 hours free entitlement from September 2017.

Centrally Retained (£73k overspend, £40k improvement)

111. The Growth Contingency fund continues to project an overspend due to the diseconomies funding requirement for one of the basic need academies increasing due to low pupil numbers. However, this overspend has been partly off-set by a reduction in the projected expenditure on in-year growth following confirmation of actual pupil numbers from the October census.
112. A further increase in the number of pupil exclusions has resulted in £40k additional income as the local authority is able to reclaim some funding from schools relating to excluded pupils. This funding will be used to partly off-set the increase in funding paid to the in-borough alternative provision setting as a consequence of them being over planned place numbers.
113. There are projected underspends in the School Procurement team following the secondment of one of the team from November onwards and the Admissions team due to a current vacant pos.

High Needs (£2,592k overspend, £157k adverse movement)

114. The High Needs funding block is projecting an overspend of £2,592k as at Month 11, an adverse movement of £157k on the Month 10 projections. The adverse movement is predominantly linked to an increase in the number of out of borough SEN placements due to continuing pressures in placing pupils with additional needs.
115. There is an increase in the overspend on the placement of pupils with SEN in independent or non-maintained schools following an additional placement made in the current term. The High Needs budget included a savings target within the budget for Independent and non-maintained school SEN placements which 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, resulting in additional pressure on the High Needs block.
116. There has been a significant increase in the number and cost of post-16 students with special educational needs. The local authority is still negotiating with providers on the level of funding for some of these placements with the possibility that expenditure could rise further when the full financial impact of the September 2017 cohort is fully known.
117. The forecast includes additional projected expenditure to cover the cost of an increase in pupils attending in-borough alternative provision. The unit currently has a planned place number of 70, however recent pupil numbers have been in excess of this following an increase in exclusions across the borough. Income has been received from schools that have excluded which has partly off-set this pressure.
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 where the service is finding it challenging to recruit and retain Educational Psychologists (there is a national shortage of qualified Educational Psychologists) and in the SEN support services as a result of vacant posts.

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 & Skills Funding Agency (ESFA). 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. There are no further academy conversions planned in the current financial year.

COLLECTION FUND (£2,719k surplus, £108k improvement)

122. 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. A headline surplus of £2,719k is projected on the Council's share of Collection Fund activity for 2017/18, a favourable movement of £108k from the previously reported position. The surplus is made up of a £2,975k surplus on Council Tax and £256k pressure on the retained share of Business Rates. The projected surplus will be released to support the Council's General Fund budget in 2018/19.

Table 16: Collection Fund

| Original Budget £'000 | Budget Changes £'000 | Service | | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 |
|--------------------------|-------------------------|------------------------------|---------------------|-------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------|
| | | | | Revised Budget £'000 | Forecast Outturn £'000 | | | |
| (119,465) | 0 | Council Tax | Gross Income | (119,465) | (120,435) | (970) | (852) | (118) |
| 11,266 | 0 | | Council Tax Support | 11,266 | 11,265 | (1) | 176 | (177) |
| (500) | 0 | | B/fwd Surplus | (500) | (2,504) | (2,004) | (2,004) | 0 |
| (108,699) | 0 | | Sub-Total | (108,699) | (111,674) | (2,975) | (2,680) | (295) |
| (105,520) | 249 | Business Rates | Gross Income | (105,271) | (105,288) | (17) | (503) | 486 |
| (2,350) | 523 | | Section 31 Grants | (1,827) | (2,041) | (214) | (101) | (113) |
| 51,412 | 0 | | Less: Tariff | 51,412 | 51,412 | 0 | 0 | 0 |
| 6,217 | (772) | | Less: Levy | 5,445 | 5,524 | 79 | 265 | (186) |
| (2,000) | 0 | | B/fwd Surplus | (2,000) | (1,592) | 408 | 408 | 0 |
| (52,241) | 0 | | Sub-Total | (52,241) | (51,985) | 256 | 69 | 187 |
| (160,940) | 0 | Total Collection Fund | | (160,940) | (163,618) | (2,719) | (2,611) | (108) |

123. An improvement of £295k is reported on Council Tax collection for 2017/18, representing continued strong collection performance. A £1k underspend is reported on the Council Tax Support Scheme, an improvement of £177k from the Month 10 position. 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 £2,975k.
124. An adverse movement of £187k is reported across Business Rates from Month 10 forecasts, mainly as a result of the continued reduction in Gross Rates as reported throughout the year. 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 £256k deficit on Business Rates.

Appendix C – HOUSING REVENUE ACCOUNT

126. The Housing Revenue Account (HRA) is currently forecasting an in-year overall deficit of £9,054k, which is £2,610k more favourable than the budgeted position. Therefore the 2017/18 closing HRA General Balance is forecasted to be £36,772k. The table below presents key variances by service area.

Table 17: Housing Revenue Account

| Service | Month 11 | | Variance (+ adv / - fav) | | |
|-----------------------------------|-----------------|------------------|---------------------------|---------------------------|------------------------|
| | Revised Budget | Forecast Outturn | Variance (As at Month 11) | Variance (As at Month 10) | Movement from Month 10 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Rent Income | (55,064) | (55,657) | (593) | (593) | 0 |
| Other Income | (5,494) | (5,081) | 413 | 413 | 0 |
| Net Income | (60,558) | (60,738) | (180) | (180) | 0 |
| Housing Management | 12,214 | 12,800 | 586 | 476 | 110 |
| Tenant Services | 4,973 | 4,474 | (499) | (436) | (63) |
| Repairs | 5,033 | 4,864 | (169) | (182) | 13 |
| Planned Maintenance | 4,906 | 2,965 | (1,941) | (1,830) | (111) |
| 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 | 1,228 | (510) | (475) | (35) |
| Operating Costs | 72,222 | 69,792 | (2,430) | (2,344) | (86) |
| | | | | | |
| (Surplus) / Deficit | 11,664 | 9,054 | (2,610) | (2,524) | (86) |
| General Balance 01/04/2017 | (45,826) | (45,826) | 0 | 0 | 0 |
| General Balance 31/03/2018 | (34,162) | (36,772) | (2,610) | (2,524) | (86) |

Income

127. A favourable variance of £593k is forecast on rental income and an adverse variance of £413k is forecast on other income, this represents no change from the Month 10 position.

128. The number of RTB applications received in the first eleven months of 2017/18 was 159 compared to 260 for the same period in 2016/17, a reduction of 39%. There have been 57 RTB completions in the first eleven months of 2017/18 compared to 90 for the same period in 2016/17, a reduction of 37%. The Month 11 forecast assumes RTB sales of 65 for the year, an increase of 5 from the Month 10 position.

Expenditure

129. The Housing management service is forecast to overspend by £586k, an adverse movement of £110k on Month 10, due to a reduced forecast on capitalisation of salaries £80k and an increase forecast expenditure of £30k on running costs.
130. Tenant services is forecast to underspend by £499k, a favourable movement of £63k on Month 10, due to reduced forecast expenditure on running costs.
131. The repairs budget is forecast to underspend by £169k, an adverse movement of £13k on Month 10 on void repairs.
132. The Planned Maintenance budget is forecast to underspend by £1,941k, a favourable movement of £111k on Month 10, due to reduced forecast expenditure on service contracts £76k and environmental improvements £35k.
133. The interest and investment income is forecast to be overspent by £103k, whilst a nil variance is reported for the capital programme funding. This represents no change from the Month 10 position.
134. The development and risk contingency is forecast to underspend by £510k, a favourable movement of £35k on Month 10 due to reduced forecast expenditure on running costs.

HRA Capital

135. 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 £78,696k.

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 |
| Major Projects | | | | | | | | | |
| New General Needs Housing Stock | 21,418 | 17,407 | 17,044 | 0 | (363) | 32,848 | 32,848 | 0 | 0 |
| New Build - Appropriation of Land | 8,635 | 8,635 | 0 | 0 | (8,635) | 8,635 | 8,635 | 0 | 0 |
| New Build - Shared Ownership | 1,720 | 119 | 106 | 0 | (13) | 7,948 | 7,948 | 0 | 0 |
| New Build - Supported Housing Provision | 21,434 | 20,967 | 18,489 | (1,768) | (710) | 37,506 | 33,831 | (3,675) | 0 |
| ICT | 0 | 0 | 0 | 0 | 0 | 162 | 162 | 0 | 0 |
| HRA General Capital Contingency | 9,500 | 9,270 | 0 | 0 | (9,270) | 9,270 | 9,270 | 0 | 0 |
| Total Major Projects | 62,707 | 56,398 | 35,639 | (1,768) | (18,991) | 96,369 | 92,694 | (3,675) | 0 |
| Works to Stock | | | | | | | | | |
| Works to stock programme | 7,626 | 19,964 | 11,482 | 0 | (8,482) | 48,996 | 48,996 | 0 | 0 |
| Major Adaptations to Property | 1,092 | 2,334 | 1,350 | 0 | (984) | 6,720 | 6,720 | 0 | 0 |
| Total Works to Stock | 8,718 | 22,298 | 12,832 | 0 | (9,466) | 55,716 | 55,716 | 0 | 0 |
| Total HRA Capital | 71,425 | 78,696 | 48,471 | (1,768) | (28,457) | 152,085 | 148,410 | (3,675) | 0 |
| Movement on Month 10 | 0 | 0 | (10,086) | 0 | (10,086) | 0 | 0 | 0 | 0 |

Major Projects

136. The 2017/18 Major Projects programme revised budget is £56,398k and the forecast expenditure is £35,639k, with a forecast underspend of £1,768k and a full year re-phasing of £18,991k. This represents an increase in re-phasing of £8,705k compared to Month 10. The major works cost variance during the period 2017-22 remains an underspend of £3,675k.

New General Needs Housing Stock

137. The 2017/18 General Needs Housing Stock revised budget is £17,407k. There is a forecast re-phasing of £363k across the General Needs programme, representing a reduction in re-phasing of £229k compared to Month 10 due to improved progress on the new build units.
138. To date 9 buybacks have completed. A further 9 properties are currently in progress and due for completion by the end of March 2018.
139. Contractors have been appointed for all 3 elements of the housing programme. The building works with respect to the extensions have been completed with the sites being prepared for handover to the lettings team. The conversion works are due for completion shortly. Contractors are on site with respect to the remaining new build developments across 3 sites, with projected completion by August 2018.
140. 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 re-phased. A contractor has been appointed to demolish and secure the site prior to commencing development.
141. 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. Planning applications have been submitted for both the Maple/Poplar and Willow Tree sites whilst the submission for Belmore is planned shortly, with further site investigations currently being undertaken.

New Build - Appropriation of Land

142. There is a re-phasing of £8,635k for New Build appropriation of land for 2 sites at the former Belmore allotments and Maple / Poplar day centre, representing nil movement from Month 10.

New Build - Shared Ownership

143. New Build Shared Ownership - the 2017/18 revised budget is £119k, with a forecast expenditure of £106k and a re-phasing of £13k, representing a reduction in re-phasing of £4k compared to Month 10. The schemes are being delivered concurrently with the General Needs units.

New Build - Supported Housing

144. 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 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.

145. There is a reduced re-phasing in 2017/18 of a net £332k compared to Month 10, due to accelerated progress on the Grassy Meadow site of £891k, which is partly offset by £559k rephasing mainly due to delays on the Parkview site following inclement weather. The programme at Grassy Meadow is scheduled to complete by agreed timescales, however there is a risk that the development at Parkview will now run beyond its target completion date.

HRA General Contingency

146. HRA General Contingency: A capital contingency budget of £9,270k is included within the HRA capital programme to ensure the Council retains sufficient flexibility to secure additional housing units where opportunities become available. The forecast is zero, with a re-phasing of £9,270k, an increase in re-phasing of £9,270k on Month 10.

Works to Stock

147. The Works to Stock revised budget for 2017/18 is £19,964k and the forecast expenditure is £11,482k. The phasing variance is £8,482k, across various work-streams, an increase in the phasing variance of £397k compared to Month 10, due to the validation, procurement and consultation timetables required to deliver these works.
148. The major adaptations budget is £2,334k and the forecast expenditure is £1,350k, a full year re-phasing variance and increase compared to Month 10 of £984k, due to the timetable required to deliver these works.

HRA Capital Receipts

149. There have been 57 Right to Buy sales of Council dwellings as at the end of February 2018 for a total gross sales value of £10.3m and a total of a further 8 sales are forecast to bring the yearly total to 60, totalling £11.9m in 2017/18.
150. 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.
151. 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 expenditure requirement has been met for Q1, Q2 and Q3 and is anticipated to be met in Q4 in 2017/18.

Appendix D - GENERAL FUND CAPITAL PROGRAMME

152. As at Month 11 an under spend of £19,558k is reported on the £63,473k General Fund Capital Programme for 2017/18 due largely to re-phasing of project expenditure. The forecast outturn variance over the life of the 2017/18 to 2021/22 programme is an under spend of £2,224k.
153. General Fund Capital Receipts of £7,454k are forecast for 2017/18, with a shortfall of £4,701k in total forecast receipts to 2021/22.
154. Overall, Prudential Borrowing required to support the 2017/18 to 2021/22 capital programmes is forecast to be within budget by £6,438k. This is as a result of cost under spends of £2,224k and increases in grants and contributions of £12,316k 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 combined shortfall of £8,102k in capital receipts and Community Infrastructure Levy.

Capital Programme Overview

155. 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 | 10,985 | 7,234 | (442) | (3,309) | 90,783 | 90,341 | (442) | - |
| Self Financing Developments | 150 | 25 | - | (125) | 27,619 | 27,619 | - | - |
| Main Programme | 20,645 | 14,800 | (92) | (5,753) | 85,882 | 85,790 | (92) | (10) |
| Programme of Works | 30,982 | 21,856 | (979) | (8,147) | 85,352 | 84,373 | (979) | (727) |
| Total Main Programme | 62,762 | 43,915 | (1,513) | (17,334) | 289,636 | 288,123 | (1,513) | (737) |
| General Contingency | 711 | - | (711) | - | 6,179 | 5,468 | (711) | (711) |
| Total Capital Programme | 63,473 | 43,915 | (2,224) | (17,334) | 295,815 | 293,591 | (2,224) | (1,448) |
| Movement | 462 | (2,648) | (1,448) | (1,662) | 462 | (986) | (1,448) | |

156. The 2017/18 revised budget has increased by £462k due to further schools' contributions towards the devolved formula capital and school conditions programmes.
157. The Schools Programme reports a re-phasing under spend in 2017/18 of £3,309k which is mainly due to revised expenditure profiles across financial years of the two primary school expansions (Hillside and Warrender primary schools) that are progressing on site. The expansion of Vyners secondary school is expected to commence on site early next financial

year, however the tendering process is not yet completed for the other secondary school expansion at Ruislip High. The forecast under spend of £442k relates mainly to uncommitted temporary classroom funding from earlier phases of the primary schools expansions programme and unused contingency for the replacement of Northwood School.

158. The five year programme contains two major self financing mixed residential developments at the former Belmore Allotments and Yiewsley pool sites. Consultants are undertaking feasibility and survey work on the Yiewsley site redevelopment, resulting in forecast re-phasing of £125k. Design work is in progress for the housing development at Belmore Allotments with a planning application to be submitted.
159. The main programme reports a small cost under spend of £92k on completion of projects from the previous financial year. Forecast re-phasing has increased to £5,753k on numerous projects and programmes that will continue into future financial years, including Town Centre improvements, the Street Lighting LED upgrade programme and vehicle replacement programme.
160. Programmes of Works are forecast to have increased cost under spends of £979k which is a favourable movement of £727k from Month 10. This is mainly due to elements of programmes where it is anticipated future expenditure can be met from next year's budget allocation, including the Corporate Technology and Innovation budget. There are also forecast under spends on Social Care equipment capitalisation and low demand for Private Sector Renewal Grants. Forecast re-phasing amounts to £8,147k on various existing programmes that will continue into next year. School Condition works are in various stages of progress and elements of the Transport for London, Highways renewal and Civic Centre programmes will be completed next financial year.
161. The remaining unallocated general contingency budget amounts to £711k in 2017/18, after transferring £345k to fund additional enhancements to the new Battle of Britain Visitors Centre. The remaining 2017/18 contingency budget is not anticipated to be spent by the end of the financial year. A further £5,468k contingency funding over the period 2018-22 are forecast to be fully utilised as and when risk issues emerge.

Capital Financing - General Fund

162. Table 20 overleaf outlines the latest financing projections for the capital programme, with a favourable medium term variance of £6,438k 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 | 42,121 | 24,793 | (17,328) | 213,069 | 198,529 | (14,540) | (1,344) |
| Financed By: | | | | | | | |
| Capital Receipts | 23,475 | 7,454 | (16,021) | 83,393 | 78,692 | (4,701) | 150 |
| CIL | 5,151 | 3,440 | (1,711) | 26,901 | 23,500 | (3,401) | - |
| Prudential Borrowing | 13,495 | 13,899 | 404 | 102,775 | 96,337 | (6,438) | (1,494) |
| Total Council Resources | 42,121 | 24,793 | (17,328) | 213,069 | 198,529 | (14,540) | (1,344) |
| Grants & Contributions | 21,352 | 19,122 | (2,230) | 82,746 | 95,062 | 12,316 | (104) |
| Total Programme | 63,473 | 43,915 | (19,558) | 295,815 | 293,591 | (2,224) | (1,448) |

163. Forecast capital receipts amount to £7,454k after financing transformation costs. Planned appropriations of two General Fund sites to the HRA for residential development are forecast in next financial year as the schemes are in early stages. The five year capital receipts forecast reports an under recovery of £4,713k which is due to a reduction in General Fund share of Right to Buy (RTB) receipts of 140 units from 2017-22, although this has improved by £150k as forecast RTB sales in 2017/18 have increased by five from last month's estimate.
164. As at the end of February a total of £3,103k Community Infrastructure Levy (CIL) receipts (after administration fees) have been invoiced or received by the Council this financial year, a monthly movement of £159k. There are also Section 106 receipts in respect of previous planning applications available for financing existing capital expenditure where in accordance with the specific S106 agreement. 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.
165. Grants and contributions are £12,316k 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. The movement of £104k in month is due to forecast further cost under spends of £201k on the grant funded Disabled Facilities Grants and Social Care Equipment capitalisation programmes, partially offset by a recent award of £97k from the Department for Transport which will be utilised towards the existing Highways programme.
166. A favourable variance of £6,438k is reported on prudential borrowing due mainly to the increase in available grants and contributions noted above, partly offset by the forecast shortfall in other sources of funding. The favourable movement of £1,494k is due mainly to cost under spends on Programmes of Works budgets and the general contingency budget.

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 |
| | Education and Children Services | | | | | | | | | | |
| 136,966 | Primary Schools Expansions | 200 | 64 | (115) | (21) | 1,565 | 1,450 | (115) | 1,450 | 0 | 0 |
| 786 | New Primary Schools Expansions | 6,461 | 3,880 | 0 | (2,581) | 26,614 | 26,614 | 0 | 12,420 | 14,194 | 0 |
| 482 | Secondary Schools Expansions | 1,215 | 413 | 0 | (802) | 55,418 | 55,418 | 0 | 34,937 | 20,481 | 0 |
| 42,721 | Secondary Schools New Build | 3,097 | 2,865 | (327) | 95 | 3,574 | 3,247 | (327) | 465 | 2,225 | 557 |
| 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 |
| 181,142 | Total Schools Programme | 10,985 | 7,234 | (442) | (3,309) | 90,783 | 90,341 | (442) | 52,884 | 36,900 | 557 |

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 |
| | | | | | | | | | | | |
| | Self Financing Developments | | | | | | | | | | |
| | Finance, Property and Business Services | | | | | | | | | | |
| 237 | Yiewsley Site Development | 150 | 25 | 0 | (125) | 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 |
| 237 | Total Main Programme | 150 | 25 | 0 | (125) | 27,619 | 27,619 | 0 | 26,411 | 0 | 1,208 |

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 |
| | Community, Commerce and Regeneration | | | | | | | | | | |
| 1,702 | CCTV Enforcement (SKC's) | 40 | 40 | 0 | 0 | 40 | 40 | 0 | 40 | 0 | 0 |
| 561 | Gateway Hillingdon | 2,377 | 1,366 | 0 | (1,011) | 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 | 273 | 0 | (124) | 471 | 471 | 0 | 447 | 0 | 24 |
| 15 | Uxbridge Cemetery Gatehouse Chapel | 50 | 10 | 0 | (40) | 599 | 599 | 0 | 599 | 0 | 0 |
| 100 | Uxbridge Change of Heart | 946 | 867 | 0 | (79) | 1,896 | 1,896 | 0 | 1,071 | 738 | 87 |
| | Central Services, Culture and Heritage | | | | | | | | | | |
| 883 | Bowls Club Refurbishments | 510 | 350 | 0 | (160) | 658 | 658 | 0 | 626 | 0 | 32 |
| 214 | Haste Hill Golf Club | 66 | 66 | 0 | 0 | 66 | 66 | 0 | 66 | 0 | 0 |
| 32,203 | Hillingdon Sports & Leisure Centre | 650 | 0 | 0 | (650) | 856 | 856 | 0 | 856 | 0 | 0 |
| 0 | Ruislip Lido Railway Society Workshop | 382 | 340 | 0 | (42) | 402 | 402 | 0 | 402 | 0 | 0 |
| 0 | Mobile Library | 117 | 117 | 0 | 0 | 117 | 117 | 0 | 117 | 0 | 0 |
| | Finance, Property and Business Services | | | | | | | | | | |
| 2,282 | Battle of Britain Heritage Pride Project | 4,199 | 4,199 | 0 | 0 | 4,499 | 4,499 | 0 | 4,499 | 0 | 0 |
| 29 | Battle of Britain Underground Bunker | 200 | 10 | 0 | (190) | 1,024 | 1,024 | 0 | 1,024 | 0 | 0 |
| 0 | Bessingby FC and Boxing Clubhouse | 180 | 90 | 0 | (90) | 1,370 | 1,370 | 0 | 1,370 | 0 | 0 |
| 0 | Uniter Building Refurbishment | 100 | 0 | 0 | (100) | 400 | 400 | 0 | 400 | 0 | 0 |
| 0 | New Museum | 100 | 0 | 0 | (100) | 5,632 | 5,632 | 0 | 4,882 | 0 | 750 |
| 0 | New Theatre | 100 | 0 | 0 | (100) | 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 |
| 0 | Hillingdon Outdoor Activity Centre | 250 | 25 | 0 | (225) | 250 | 250 | 0 | 250 | 0 | 0 |
| | Planning, Transportation and Recycling | | | | | | | | | | |
| 57 | Ruislip Lido Car Park Improvements | 155 | 155 | 0 | 0 | 155 | 155 | 0 | 0 | 155 | 0 |
| 2,279 | Cedars & Grainges Car Park | 391 | 80 | 0 | (311) | 391 | 391 | 0 | 391 | 0 | 0 |
| 1,343 | Harlington Road Depot Improvements | 264 | 107 | (7) | (150) | 314 | 307 | (7) | 307 | 0 | 0 |
| 0 | Purchase of Vehicles | 600 | 0 | 0 | (600) | 2,600 | 2,600 | 0 | 2,600 | 0 | 0 |
| 0 | RAGC Car Park | 50 | 0 | 0 | (50) | 250 | 250 | 0 | 250 | 0 | 0 |
| 287 | Street Lighting - Invest to Save | 4,313 | 3,558 | 0 | (755) | 5,213 | 5,213 | 0 | 5,213 | 0 | 0 |
| | Social Services, Housing, Health and Wellbeing | | | | | | | | | | |
| 0 | 1 & 2 Merrimans Housing Project | 50 | 0 | 0 | (50) | 620 | 620 | 0 | 620 | 0 | 0 |
| 47 | Grassy Meadow Dementia Centre | 0 | 0 | 0 | 0 | 2,465 | 2,465 | 0 | 2,465 | 0 | 0 |
| | Cross Cabinet Member Portfolios | | | | | | | | | | |
| 233 | Environmental/ Recreational Initiatives | 834 | 797 | 0 | (37) | 1,078 | 1,078 | 0 | 1,023 | 0 | 55 |
| 9,234 | Projects Completing in 2017/18 | 554 | 330 | (85) | (139) | 554 | 469 | (85) | 469 | 0 | 0 |
| 56,590 | Total Main Programme | 20,645 | 14,800 | (92) | (5,753) | 85,882 | 85,790 | (92) | 78,869 | 3,397 | 3,524 |

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 | 258 | 0 | (178) | 1,236 | 1,236 | 0 | 1,236 | 0 | 0 |
| | Community, Commerce and Regeneration | | | | | | | | | | |
| N/A | Chrysalis Programme | 1,512 | 1,186 | 0 | (326) | 5,512 | 5,512 | 0 | 5,448 | 0 | 64 |
| N/A | Playground Replacement Programme | 250 | 0 | 0 | (250) | 1,000 | 1,000 | 0 | 1,000 | 0 | 0 |
| | Education and Children Services | | | | | | | | | | |
| N/A | Formula Devolved Capital to Schools | 2,096 | 1,645 | 0 | (451) | 3,269 | 3,269 | 0 | 0 | 1,935 | 1,334 |
| N/A | School Condition Building Programme | 3,592 | 1,489 | 0 | (2,103) | 6,592 | 6,592 | 0 | 1,908 | 3,426 | 1,258 |
| | Finance, Property and Business Services | | | | | | | | | | |
| N/A | Civic Centre Works Programme | 1,610 | 700 | 0 | (910) | 3,610 | 3,610 | 0 | 3,514 | 0 | 96 |
| N/A | Corporate Technology and Innovation | 671 | 75 | (500) | (96) | 4,527 | 4,027 | (500) | 4,027 | 0 | 0 |
| N/A | Property Works Programme | 1,089 | 900 | 0 | (189) | 3,009 | 3,009 | 0 | 3,009 | 0 | 0 |
| N/A | Planning, Transportation and Recycling | | | | | | | | | | |
| N/A | Highways Structural Works | 7,369 | 6,100 | 0 | (1,269) | 11,369 | 11,369 | 0 | 11,272 | 97 | 0 |
| N/A | Road Safety | 150 | 44 | (54) | (52) | 750 | 696 | (54) | 696 | 0 | 0 |
| N/A | Transport for London | 7,923 | 5,637 | (17) | (2,269) | 24,702 | 24,685 | (17) | 0 | 24,305 | 380 |
| | Social Services, Housing, Health and Wellbeing | | | | | | | | | | |
| N/A | Disabled Facilities Grant | 2,707 | 2,574 | (133) | 0 | 11,907 | 11,774 | (133) | 0 | 11,774 | 0 |
| N/A | Adaptations for Adopted Children | 17 | 0 | 0 | (17) | 17 | 17 | 0 | 17 | 0 | 0 |
| N/A | PSRG / LPRG | 100 | 55 | (45) | 0 | 1,000 | 955 | (45) | 955 | 0 | 0 |
| N/A | Equipment Capitalisation - Adult Social Care | 985 | 755 | (230) | 0 | 4,925 | 4,695 | (230) | 0 | 4,695 | 0 |
| | Cross Cabinet Member Portfolios | | | | | | | | | | |
| N/A | Section 106 Projects | 112 | 75 | 0 | (37) | 112 | 112 | 0 | 0 | 0 | 112 |
| N/A | Equipment Capitalisation - General | 363 | 363 | 0 | 0 | 1,815 | 1,815 | 0 | 1,815 | 0 | 0 |
| | Total Programme of Works | 30,982 | 21,856 | (979) | (8,147) | 85,352 | 84,373 | (979) | 34,897 | 46,232 | 3,244 |
| N/A | General Contingency | 711 | 0 | (711) | 0 | 6,179 | 5,468 | (711) | 5,468 | 0 | 0 |
| | Total GF Capital Programme | 63,473 | 43,915 | (2,224) | (17,334) | 295,815 | 293,591 | (2,224) | 198,529 | 86,529 | 8,533 |

Appendix E – Treasury Management Report as at 28 February 2018

Table 21: Outstanding Deposits - Average Rate of Return on Deposits: 0.41%

| | Actual (£m) | Actual (%) | Benchmark (%) |
|--------------------|-------------|---------------|---------------|
| Up to 1 Month | 72.6 | 87.68 | 90.00 |
| 1-2 Months | 0.0 | 0.00 | 0.00 |
| 2-3 Months | 5.0 | 6.04 | 0.00 |
| 3-6 Months | 0.0 | 0.00 | 5.00 |
| 6-9 Months | 5.0 | 6.04 | 5.00 |
| 9-12 Months | 0.0 | 0.00 | 0.00 |
| 12-18 Months | 0.0 | 0.00 | 0.00 |
| 18-24 Months | 0.0 | 0.00 | 0.00 |
| Subtotal | 82.6 | 99.76 | 100.00 |
| Unpaid Maturities | 0.2 | 0.24 | 0.00 |
| Grand Total | 82.8 | 100.00 | 100.00 |

167. With the exception of the unpaid Heritable investments, deposits are only held with UK 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, Lancashire CC, Northumberland CC, Lloyds Bank and Santander UK plc.
168. 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 February, 85% of the Council's total funds have exposure to bail-in risk compared to a December benchmark average of 61% in the Local Authority sector (latest benchmark provided quarterly by the Council's treasury advisors Arlingclose). Although the Council bail-in risk is significantly higher than the benchmark, it is essential to keep cash in instant access facilities to ensure liquidity over the year end period. The Council has no exposure to bail in risk once instant access balances are removed.
169. Liquidity was maintained throughout February by placing surplus funds in instant access accounts, and once at capacity, short-term deposits with the DMADF. Deposit maturities were scheduled to match outflows and where required, funds were withdrawn from instant access facilities. As well as a number of DMADF maturities, there were long-term deposits maturing with Nationwide Building Society and Thurrock Council during the month.

Table 22: Outstanding Debt - Average Interest Rate on Debt: 3.38%

| | | Actual (£m) | Actual (%) |
|---------------------|------------------|---------------|---------------|
| General Fund | PWLB | 47.30 | 18.72 |
| | Long-Term Market | 15.00 | 5.94 |
| HRA | PWLB | 157.32 | 62.28 |
| | Long-Term Market | 33.00 | 13.06 |
| | Total | 252.62 | 100.00 |

170. There were no scheduled debt repayments or early debt repayment opportunities during February. Gilts yields stayed fairly level during the month, which meant 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.
171. In order to maintain liquidity for day-to-day business operations during March, cash balances will be placed in instant access accounts and short-term deposits. Looking forward, opportunities to place longer term deposits will be monitored.

Appendix F – Consultancy and agency assignments over £50k approved under delegated authority

172. 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 |
|---|---------------------|---------------|-------------------|-------------------------|----------------|-------------|
| Residents Services | | | | | | |
| Highway Development Engineer | 05/05/2016 | 05/03/2018 | 01/06/2018 | 129 | 18 | 147 |
| Domestic Abuse Programme Lead | 28/08/2017 | 26/03/2018 | 22/06/2018 | 79 | 35 | 114 |
| Benefit Officer | 03/08/2015 | 02/04/2018 | 01/07/2018 | 136 | 14 | 150 |
| Benefit Officer | 01/12/2014 | 02/04/2018 | 01/07/2018 | 180 | 14 | 194 |
| Benefit Officer | 03/04/2017 | 02/04/2018 | 01/07/2018 | 51 | 12 | 63 |
| Quantity Surveyor - Capital Programme | 04/06/2017 | 26/03/2018 | 25/06/2018 | 74 | 23 | 97 |
| Project Manager (Acol & Yiewsley) | 07/05/2017 | 19/03/2018 | 17/06/2018 | 88 | 30 | 118 |
| Air Quality Officer | 21/09/2015 | 18/06/2018 | 16/09/2018 | 74 | 10 | 84 |
| Housing Options & Homeless Prevention Mgr | 01/01/2017 | 16/04/2018 | 08/07/2018 | 102 | 28 | 130 |
| CCTV Programme & Project Manager | 25/09/2016 | 09/04/2018 | 13/05/2018 | 85 | 6 | 91 |
| Senior Environmental Health Officer | 16/01/2017 | 26/03/2018 | 13/07/2018 | 39 | 20 | 59 |
| Major Project Officer | 20/03/2017 | 26/03/2018 | 22/06/2018 | 105 | 26 | 131 |
| Social Care | | | | | | |
| Senior Social Worker | 19/12/2011 | 02/04/2018 | 29/04/2018 | 355 | 7 | 362 |
| Senior Social Worker | 30/04/2012 | 02/04/2018 | 29/04/2018 | 276 | 6 | 282 |
| Social Worker | 01/01/2013 | 02/04/2018 | 29/04/2018 | 321 | 6 | 327 |
| Social Worker | 01/01/2013 | 02/04/2018 | 29/04/2018 | 310 | 6 | 316 |
| Social Worker | 01/04/2013 | 02/04/2018 | 29/04/2018 | 129 | 6 | 135 |
| Social Worker | 01/04/2013 | 02/04/2018 | 29/04/2018 | 111 | 6 | 117 |
| Senior Social Worker | 01/04/2013 | 02/04/2018 | 29/04/2018 | 85 | 6 | 91 |
| Early Years Practitioner | 24/02/2014 | 02/04/2018 | 29/04/2018 | 63 | 1 | 64 |
| Case Progression Manager | 07/04/2014 | 02/04/2018 | 29/04/2018 | 362 | 8 | 370 |
| Practice Improvement Practitioner | 08/05/2014 | 02/04/2018 | 29/04/2018 | 163 | 6 | 169 |
| Social Worker | 19/06/2014 | 02/04/2018 | 29/04/2018 | 225 | 6 | 231 |
| Social Worker | 11/08/2014 | 02/04/2018 | 29/04/2018 | 286 | 6 | 292 |
| Social Worker | 05/09/2014 | 02/04/2018 | 29/04/2018 | 279 | 6 | 285 |
| Special Needs Officer | 05/01/2015 | 02/04/2018 | 29/04/2018 | 133 | 8 | 141 |
| Early Years Practitioner | 23/02/2015 | 02/04/2018 | 29/04/2018 | 65 | 2 | 67 |

| Post Title | Original Start Date | Approved From | Proposed End Date | Previous Approval £'000 | Approved £'000 | Total £'000 |
|---------------------------|---------------------|---------------|-------------------|-------------------------|----------------|-------------|
| Social Worker | 13/04/2015 | 02/04/2018 | 29/04/2018 | 210 | 6 | 216 |
| Social Worker | 04/05/2015 | 02/04/2018 | 29/04/2018 | 189 | 6 | 195 |
| Social Worker | 04/05/2015 | 02/04/2018 | 29/04/2018 | 175 | 5 | 180 |
| Child Protection Chair | 01/07/2015 | 02/04/2018 | 29/04/2018 | 167 | 7 | 174 |
| Child Protection Chair | 20/07/2015 | 02/04/2018 | 29/04/2018 | 206 | 7 | 213 |
| Social Worker | 01/08/2015 | 02/04/2018 | 29/04/2018 | 157 | 7 | 164 |
| Senior Social Worker | 05/10/2015 | 02/04/2018 | 29/04/2018 | 119 | 7 | 126 |
| Educational Psychologist | 15/11/2015 | 02/04/2018 | 29/04/2018 | 189 | 8 | 197 |
| Support Worker | 20/12/2015 | 02/04/2018 | 29/04/2018 | 60 | 3 | 63 |
| Educational Psychologist | 01/03/2016 | 02/04/2018 | 29/04/2018 | 203 | 12 | 215 |
| Placement Officer | 18/03/2016 | 02/04/2018 | 29/04/2018 | 90 | 5 | 95 |
| Social Worker | 28/03/2016 | 02/04/2018 | 29/04/2018 | 125 | 5 | 130 |
| Senior Social Worker | 06/06/2016 | 02/04/2018 | 29/04/2018 | 77 | 6 | 83 |
| Social Worker | 03/07/2016 | 02/04/2018 | 29/04/2018 | 128 | 7 | 135 |
| Social Worker | 04/07/2016 | 02/04/2018 | 29/04/2018 | 140 | 6 | 146 |
| Social Worker | 11/07/2016 | 02/04/2018 | 29/04/2018 | 116 | 6 | 122 |
| Educational Psychologist | 15/08/2016 | 02/04/2018 | 29/04/2018 | 115 | 7 | 122 |
| Social Worker | 21/08/2016 | 02/04/2018 | 29/04/2018 | 121 | 6 | 127 |
| Social Worker | 26/08/2016 | 02/04/2018 | 29/04/2018 | 103 | 6 | 109 |
| Social Worker | 01/09/2016 | 02/04/2018 | 29/04/2018 | 121 | 6 | 127 |
| Supervising Social Worker | 01/09/2016 | 02/04/2018 | 29/04/2018 | 49 | 6 | 55 |
| Social Worker | 26/09/2016 | 02/04/2018 | 29/04/2018 | 104 | 6 | 110 |
| Social Worker | 27/10/2016 | 02/04/2018 | 29/04/2018 | 106 | 6 | 112 |
| Social Worker | 07/11/2016 | 02/04/2018 | 29/04/2018 | 116 | 6 | 122 |
| Social Worker | 07/11/2016 | 02/04/2018 | 29/04/2018 | 110 | 6 | 116 |
| Social Worker | 07/11/2016 | 02/04/2018 | 29/04/2018 | 97 | 6 | 103 |
| Social Worker | 13/11/2016 | 02/04/2018 | 29/04/2018 | 101 | 6 | 107 |
| Social Worker | 21/11/2016 | 02/04/2018 | 29/04/2018 | 100 | 6 | 106 |
| Special Needs Officer | 01/12/2016 | 02/04/2018 | 29/04/2018 | 78 | 6 | 84 |
| Social Worker | 16/12/2016 | 02/04/2018 | 29/04/2018 | 94 | 6 | 100 |
| Social Worker (0.5 FTE) | 19/12/2016 | 02/04/2018 | 29/04/2018 | 68 | 4 | 72 |
| Team Manager | 27/03/2017 | 02/04/2018 | 29/04/2018 | 86 | 7 | 93 |
| Social Worker | 06/04/2017 | 02/04/2018 | 29/04/2018 | 65 | 6 | 71 |
| Senior Social Worker | 29/06/2017 | 02/04/2018 | 29/04/2018 | 61 | 6 | 67 |
| Team Manager | 17/07/2017 | 02/04/2018 | 29/04/2018 | 73 | 8 | 81 |
| Senior Social Worker | 21/11/2017 | 02/04/2018 | 29/04/2018 | 90 | 7 | 97 |
| Educational Psychologist | 01/05/2017 | 02/04/2018 | 29/04/2018 | 49 | 2 | 51 |
| Social Worker | 01/05/2017 | 02/04/2018 | 29/04/2018 | 48 | 6 | 54 |
| Educational Psychologist | 01/05/2017 | 02/04/2018 | 29/04/2018 | 53 | 3 | 56 |
| Care Worker | 06/07/2016 | 02/04/2018 | 29/04/2018 | 50 | 2 | 52 |

| Post Title | Original Start Date | Approved From | Proposed End Date | Previous Approval £'000 | Approved £'000 | Total £'000 |
|--|----------------------------|----------------------|--------------------------|--------------------------------|-----------------------|--------------------|
| Social Worker | 01/03/2018 | 02/04/2018 | 29/04/2018 | 49 | 5 | 54 |
| Approved Mental Health Worker | 29/05/2016 | 02/04/2018 | 29/04/2018 | 134 | 6 | 140 |
| Team Manager | 26/06/2016 | 02/04/2018 | 29/04/2018 | 129 | 6 | 135 |
| Approved Mental Health Worker | 01/06/2015 | 02/04/2018 | 29/04/2018 | 197 | 5 | 202 |
| Support Worker | 04/04/2016 | 02/04/2018 | 29/04/2018 | 57 | 2 | 59 |
| Lead Approved Mental Health Practitioner | 01/06/2012 | 02/04/2018 | 29/04/2018 | 286 | 5 | 291 |
| Senior Social Worker | 01/05/2017 | 02/04/2018 | 29/04/2018 | 60 | 6 | 66 |
| Social Worker | 09/09/2016 | 02/04/2018 | 29/04/2018 | 54 | 5 | 59 |
| Residential Care Worker | 01/04/2012 | 02/04/2018 | 29/04/2018 | 159 | 2 | 161 |
| Occupational Therapist | 01/04/2015 | 02/04/2018 | 29/04/2018 | 200 | 5 | 205 |
| Occupational Therapist | 07/10/2013 | 02/04/2018 | 29/04/2018 | 280 | 6 | 286 |
| Occupational Therapist | 03/12/2015 | 02/04/2018 | 29/04/2018 | 151 | 6 | 157 |
| Social Worker (CHC) | 06/06/2016 | 02/04/2018 | 29/04/2018 | 123 | 6 | 129 |
| Senior Social Worker | 03/01/2017 | 02/04/2018 | 29/04/2018 | 51 | 4 | 55 |
| Social Worker | 03/10/2016 | 02/04/2018 | 29/04/2018 | 95 | 5 | 100 |

SCHOOL CAPITAL PROGRAMME - UPDATE

| | |
|-----------------------------|---|
| Cabinet Member(s) | Councillor David Simmonds CBE Councillor Jonathan Bianco |
| Cabinet Portfolio(s) | Deputy Leader of the Council / Education & Children's Services Finance, Property & Business Services |
| Officer Contact(s) | Bobby Finch, Residents Services |
| Papers with report | None |

HEADLINES

| | |
|---|--|
| Summary | This report provides an update on the primary and secondary school expansions, the school condition works programme and other school capital works. |
| Putting our Residents First | Our Built Environment; Our People; Financial Management Investment in schools to adequately address the impact of the population increase within the London Borough of Hillingdon on existing school places. This project also forms part of the Hillingdon Improvement Programme. |
| Financial Cost | The forecast of the existing Primary Schools capital programme is £138,616k including prior years. The approved budget for the new Primary Schools expansions programme is £27,400k. The Secondary Schools expansion and replacement programme forecast is a total of £101,868k and a further £2,400k is included for the provision of additional temporary classrooms whilst construction is undertaken. An additional £1,200k has been added to the capital programme to meet the growing need of placements for pupils with additional needs. |
| Relevant Policy Overview Committee | Children, Young People and Learning. |
| Relevant Ward(s) | All Wards |

RECOMMENDATIONS

That Cabinet:

1. **Note the progress made with primary and secondary school expansions, the school condition programme and other school capital projects.**
2. **Agrees that negotiations can be entered into with the relevant providers to explore the feasibility of expanding Special Educational Needs and Disability (SEND) provision in accordance with the requirements of the £3m capital funding allocation made available to the Council by the Department for Education.**

Reasons for recommendation

School expansions will meet the changing need for school places in the Borough. Progressing the School Condition Programme will allow the necessary repair or replacement works to be progressed in the schools' to avoid the potential impact on their daily operations due to parts of the building fabric being beyond repair, or equipment which is at the end of its life. Ensuring these works are undertaken will minimise the risk of health and safety related issues or the possibility of a school closure occurring.

Developing the range and capacity of local, specialist education provision in the Borough will reduce the need to place children in out of borough schools, often at high cost and will better meet the education needs of Hillingdon children with complex needs and challenges.

Policy Overview Committee comments

None at this stage.

SUPPORTING INFORMATION

SPECIAL EDUCATIONAL NEEDS AND DISABILITIES (SEND)

Provision Development

£3M capital funding is being made available by the Department for Education (DfE) to improve and increase SEND provision over a three year period.

In accordance with DfE requirements for the fund and the priorities outlined in the Council's Additional Needs Strategy, officers have developed a draft plan for consideration. The plan is informed by an assessment of gaps in local SEND provision, the views of parents and an understanding of the aspirations of providers who may be in a position to develop their offer to address gaps in provision, with particular regard to meeting the needs of children on Autistic Spectrum Disorder (ASD) and with Social, Emotional and Mental Health (SEMH) challenges, should capital resources be made available to increase or improve their settings. In principle Cabinet agreement is requested to enter into negotiations with identified providers to explore the feasibility of expanding provision in accordance with the requirements of the funding allocation.

PRIMARY SCHOOLS

School Places Forecast

The demand for school places in Hillingdon has been rising in recent years. This has largely been driven by rising birth rates, new housing developments and families moving into the Borough. Overall there is some evidence of a slowdown in the demand for additional primary school places in the north of the Borough and there remains some localised pockets of pressure in the south of the Borough. Officers are in discussion with the Education and Skills Funding Agency (ESFA) to establish the future plans for the Nanaksar Primary School.

National Offer Day for Primary School Reception places is on 16 April 2018 and all children in Hillingdon will be offered a school place on-time. In past years Hillingdon has had the best results in West London and one of the best in London in making an offer of a school place which met the preferred choice of the parent / carer (in 2017 89% of Hillingdon applicants were offered their first choice of school; London average was 86%; 98.5% of Hillingdon residents were offered a school place from one of their preferences; 97.5% was the average for London).

Permanent Expansions (Phase 4) Hillside and Warrender

The construction works continue to progress on the 1 form of entry expansion of Hillside Infant, Hillside Junior and Warrender Primary School. The overall completion dates for the projects are April 2019 for Hillside and December 2018 for Warrender with the additional accommodation being made available for September 2018 to accommodate the increased intake at both schools.

SECONDARY SCHOOLS

School Places Forecast

The most recent school places forecast shows a longer-term sustained demand for additional secondary school places, with the demand arriving first in the north of the Borough where fewer school places exist.

The additional places provided at Oakwood School (formerly Abbotsfield School) and Swakeleys School following completion of the rebuilding/expansion works has helped meet the demand for additional school places, mainly in the central and south of the Borough, with additional places required thereafter.

National offer day for secondary school places was on 1 March 2018 and as in previous years all on-time applications for children were successfully met with an offer of a school place.

Ruislip High School and Vyners School Expansions

Ruislip High: The planning application was determined at the 5 December 2017 planning committee. The S106 is with the school for signing and the planning consent can be granted once it has been signed.

Due to the low number of contractor responses to the tender on the LHC framework, to ensure that there is sufficient competition the project is being retendered using the OJEU accelerated restricted procedure. The construction works will be resequenced so that there is sufficient accommodation for the September 2019 pupil intake with a later finish for the remaining works

Vyners: Planning consent was granted on 13 February 2018. The separate works package for the installation of an All Weather Pitch (AWP) at Vyners has now started on site and will be completed ahead of the main expansion construction works. The AWP installation works are being completed first to ensure that there is sufficient hard play area available to pupils during the main expansion works.

The tender responses for the main expansion works are currently being assessed and the Cabinet Member Report for the appointment of the contractor is being prepared for submission shortly.

Priority Schools Building Programme Phase 1 (PSBP1)

Oak Wood (previously Abbotsfield) and Swakeleys Schools: The construction of the new school building at Oak Wood School has been completed and the pupils and staff moved in to the new school buildings for the start of term in January 2018. The next stage of the works which is the demolition of the old school building and the work on the playing pitches is continuing.

SCHOOLS CONDITION PROGRAMME - PHASE 2

Tranche 1

William Byrd and Grange Park Roofing Works: The roofing works that were being carried out at William Byrd School were successfully completed in November 2017. The Grange Park roofing works, which started in November 2017, are progressing well and are due for completion in May 2018.

Tranche 2

The projects listed in table 1 are currently at the pre-construction stage and the construction works will be carried out over summer and autumn.

Table 1: School Condition Works Programme (Phase 2 Tranche 2)

| School | Works |
|-------------------------------|-------------------------------|
| Newnham Infants & Juniors | M&E (Heating) and Roof Lights |
| Lady Bankes Infants & Juniors | Windows Replacement |
| Yeading Juniors | Roofing |
| Field End Infants & Juniors | Roofing |
| Oak Farm | Heating |
| Ruislip Gardens | Roofing |

PRIORITY SCHOOLS BUILDING PROGRAMME PHASE 2 (PSBP2)

In 2014 the Department of Education (DfE) announced the availability of funding under Phase 2 of Priority Schools Building Programme which is focused on undertaking major rebuilding and refurbishment works for schools and sixth form colleges in the very worst condition. These projects will be managed directly by the Education and Skills Funding Agency (ESFA).

The Council submitted 'Expressions of Interest' for a number of maintained schools of which 5 were successful; The Skills Hub, Minet Infant School, Minet Junior School, Harlington School and Meadow High School. Since the announcement of the successful schools The Skills Hub has become an Academy. A further 3 applications made directly by Botwell House Catholic Primary School, Douay Martyrs Catholic School and Queensmead School were also successful.

The desktop feasibility studies have been completed at Minet Infant/Junior and Meadow High by the ESFA appointed consultants and the control option from feasibility studies has been signed off by the schools and approved by the ESFA PSBP Board. The ESFA are progressing procurement options for the works. The Harlington School project is at the feasibility stage with the ESFA.

Financial Implications

Monitoring - Financial Summary

The School Expansions Capital Programme revised budget is £271,925k for the period up to 2021/22 including prior years. This includes £138,730k for existing primary school expansions, £27,400k for new primary school expansions and £102,195k for secondary school expansions and replacements. An additional £2,400k has been included within the programme for the provision of temporary classrooms whilst expansions are undertaken. Further to this, £1,200k budget has also been approved to support meeting the increasing demand for placements for pupils with special needs.

The forecast over the life of the schools expansion programme is reporting a cost underspend of £442k. This results partly from the release of contingency no longer required at Northwood School following project completion, and highways works at Oakwood School (previously Abbotsfield) being lower than initially envisaged.

The month 11 position is reporting a re-phasing under spend in 2017/18 of £3,310k which is mainly due to revised expenditure profiles across financial years of the two primary school expansions that are underway.

Special Education Needs and Disabilities

The DfE has confirmed a special provision fund amounting to £2,916k will be allocated to Hillingdon over the financial years 2018/19 to 2020/21. This will be used to finance the Council's need for capital resources to meet its overall Additional Needs Strategy. Recommendation 2 seeks approval to explore available opportunities with relevant providers towards meeting the increased need for SEND provision within the Borough.

Phase 4 - Permanent School Expansions

The contractor is on site at both Hillside and Warrender Schools. The expansions are on programme to complete by April 2019, although it is anticipated that the additional accommodation will be in place at both schools for the September 2018 intake to meet demand. The estimated total cost of both the expansions is £16,300k to be funded from the overall £27,400k approved budget for the phase 4 expansions.

Secondary School Expansions

The revised forecast for secondary school places shows a longer term sustained pressure for additional places equating to the need for an additional 13 FE's by September 2022. The additional places are expected to be delivered through a combination of expanding existing schools and via the delivery of potential new free schools. The approved budget is £55,900k.

Ruislip High - Approval was previously obtained for the expansion of Ruislip High by 1 Form of Entry. Planning consent will be granted subject to the school signing the S106 agreement. The procurement tender process is currently being undertaken for the appointment of contractors. It is expected that the works package will be sequenced to ensure sufficient accommodation is in place for the September 2019 intake.

Vyners - Approval was previously obtained for the expansion of Vyners School by 2 Forms of Entry. Contractors are on site with respect to providing the All Weather Pitch which is to be delivered prior to the main expansion to minimise the loss of any hard play areas. Tender responses have now been received for the main expansion and are currently being evaluated.

Priority Schools Building Programme Phase 1

Oakwood (Previously Abbotsfield) and Swakeleys Schools - The ESFA managed rebuilding of the schools has now been completed with works underway to demolish the old site. Oakwood school transferred into its new accommodation in January 2018.

The Council has contributed towards an additional 2.5 forms of entry, FF&E and highways works, a vocational centre and additional SRP provision. Additionally the Council has also met the costs of S106 and S278 obligations. This included meeting the costs for up to one third of the S106 TFL contribution for Swakeleys estimated to be £75k. The total estimated outturn to meet these costs is £12,319k which represents a cost underspend of £154k on the approved budget.

Schools Condition Programme

The revised 2017/18 Schools Conditions Programme budget is £3,592k. This includes approved carry forward slippage of £2,043k from 2016/17 and £323k devolved budget resulting from the in year school quarterly returns. This is funded from a combination of external grant funding and school contributions as per Council policy.

Phase 2, Tranche 1 - Cabinet have previously approved the schemes comprising condition works at both William Byrd and Grange Park. The roofing works at William Byrd School were completed in November at a forecast cost of £477k. The roofing works at Grange Park are

ongoing with a scheduled completion date of May 2018.

Phase 2 Tranche 2 - The remaining 2017/18 programme as detailed by way of Table 1 are in the feasibility stage. It is anticipated the works will be carried out over the 2018/19 summer holiday. All the schools within the list have agreed in principle to the school contributions policy.

All the projects will be managed within the aforementioned overall school conditions budget of £3,592k. The budget includes £267k that has been set aside meet the costs with respect to legacy schemes, completion of phase 1 projects from 2016/17 and the 2017/18 winter contingency. There is potential slippage of £2,103k which is resulting from a combination of retentions falling due in 2018/19 and the tranche 2 projects which are now due for completion next year.

Priority Schools Building Programme Phase 2 (Major Rebuild and Refurbishment)

The Council submitted expressions of interest for a number of schools to attract funding for major refurbishment as part of the PSBP 2 programme. It was successful in attracting funding for four directly maintained schools and the Hillingdon Tuition Centre.

The sites are in various stages of development with desktop feasibility having been completed at both Minet Infant/Junior and Meadow High School. The ESFA are seeking procurement options for the works. The programme is being delivered directly by the ESFA and therefore the current capital investment programme has no budget provision set aside for PSBP2.

RESIDENT BENEFIT & CONSULTATION

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

Completion of the school expansion projects will result in the provision of additional school places needed for local children, which the Council has a statutory duty to provide. In addition the completion of the other school capital projects will result in the provision of quality, fit for purpose school facilities.

Progressing the School Condition Programme allows the necessary repair or replacement works to be progressed in the school's, avoiding the potential impact on their daily operations due to parts of the building fabric being beyond economic repair, or equipment which is at the end of its life. Ensuring these works are undertaken will minimise the risk of health and safety related issues or the possibility of a school closure occurring.

Consultation carried out or required

A statutory process is required for expansion of local authority maintained school premises if this will increase the capacity of the school by more than 30 pupils and by 25% or 200, whichever is the lesser. The statutory process includes publication of proposals and a statutory consultation period. Statutory proposals for the expansion of Hillside Infant and Junior schools and Warrender Primary were published for consultation on 18 January 2017 and were approved by Cabinet on 16 March 2017.

Under the School Admissions Code, the local authority as admissions authority for community schools must consult at least the school governing body on the admission number. Foundation schools and academies are their own admissions authority and set their own admission number, subject to consultation.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance has reviewed this report and confirms the budgetary position outlined above, noting that the 2018/19 to 2022/23 capital programme approved by Cabinet and Council in February 2018 included provision for a further £69m investment to meet anticipated demand for school places. Department for Education funding over the period is expected to support £38m, with the remaining £31m falling upon the Council's own resources and therefore ultimately local taxpayers. Updates on the financial position across school expansion and improvement budgets will continue to be provided through the regular monthly budget monitoring report.

Legal

The Borough Solicitor confirms that there are no specific legal implications arising from this report. Legal advice is provided whenever necessary, in particular cases, to ensure that the Council's Interests are protected.

Infrastructure / Asset Management

Asset Management authored this report.

BACKGROUND PAPERS

NIL

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