



HILLINGDON  
LONDON



# Cabinet

**Date:** THURSDAY, 26 JULY 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, 18 July 2018

**Contact:**  
Mark Braddock  
Tel: 01895 250470  
Email: [mbraddock@hillington.gov.uk](mailto:mbraddock@hillington.gov.uk)

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

# Useful information for residents and visitors

## *Watching & recording this meeting*

You can watch the public part of this meeting on the Council's YouTube channel, live or archived after the meeting. Residents and the media are also welcome to attend in person, and if they wish, report on the public part of the meeting. Any individual or organisation may record or film proceedings as long as it does not disrupt proceedings.

Watch a **LIVE** broadcast of this meeting on the Council's YouTube Channel: *Hillingdon London*

Those attending should be aware that the Council will film and record proceedings for both official record and resident digital engagement in democracy.



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.

When present in the room, silent mode should be enabled for all mobile devices.

## *Travel and parking*

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

Please enter from the Council's main reception where you will be asked to sign-in and then directed to the Committee Room.

## *Accessibility*

For accessibility options regarding this agenda please contact Democratic Services. For those hard of hearing an Induction Loop System is available for use.

## *Emergency procedures*

If there is a FIRE, you will hear a continuous alarm. Please follow the signs to the nearest FIRE EXIT and assemble on the Civic Centre forecourt.

Lifts must not be used unless instructed by a Fire Marshal or Security Officer. In the event of a SECURITY INCIDENT, follow instructions issued via the tannoy, a Fire Marshal or a Security Officer. Those unable to evacuate using the stairs, should make their way to the signed refuge locations.



# 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:

*26 July 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**

18 July 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 - 12
- 4 To confirm that the items of business marked Part 1 will be considered in public and that the items of business marked Part 2 in private

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

- 5 Review into Air Quality by the previous 2017/18 Residents' & Environmental Services Policy Overview Committee (Cllr Philip Corthorne) 13 - 40
- 6 Revised Financing Scheme for Schools (Cllr David Simmonds CBE / Cllr Jonathan Bianco) 41 - 98
- 7 Update to Hillingdon's Local Development Scheme (Cllr Keith Burrows) 99 - 114  
*TO RECOMMEND TO COUNCIL*
- 8 Monthly Council Budget Monitoring Report - Month 2 (Cllr Ray Puddifoot MBE / Cllr Jonathan Bianco) 115 - 158
- 9 Former Adult Education Centre & Laurel Lane Primary School Academy Lease (Cllr Jonathan Bianco) \* 159 - 166

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

- |           |  |           |
|-----------|--|-----------|
| <b>10</b> | Grant of a lease to occupy workshop and yard at Harlington Road Depot (Cllr Jonathan Bianco)                           | 167 - 172 |
| <b>11</b> | Contract for Lift Replacement Programme - Melbourne House, Yeading and Skeffington Court, Hayes (Cllr Jonathan Bianco) | 173 - 188 |

*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.*

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

*\*denotes urgent business item, with no notice on Forward Plan*

This page is intentionally left blank

## Minutes

### Cabinet

Thursday, 21 June 2018

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



Published on: 22 June 2016

**Decisions come into effect from: Friday 29 June 2018**

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

Ray Puddifoot MBE  
David Simmonds CBE  
Philip Corthorne  
Jonathan Bianco  
Douglas Mills  
Keith Burrows  
Richard Lewis  
Susan O'Brien (Ex-Officio Member of the Cabinet)

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

Jane Palmer  
Nick Denys  
John Riley  
Henry Higgins  
Simon Arnold  
Wayne Bridges  
Peter Money  
Lynne Allen  
John Morse

#### **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 24 May 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 confirmed as on the agenda, with the exception of Item 10 on the Guru Nanak Academy Lease, which was deferred.

**5. REVIEW BY THE PREVIOUS 2017/18 SOCIAL SERVICES, HOUSING AND PUBLIC HEALTH POLICY OVERVIEW COMMITTEE INTO LONELINESS AND SOCIAL ISOLATION IN OLDER PEOPLE**

*Councillor Wayne Bridges, the Chairman of the 2017/18 Social Services, Housing and Public Health Policy Overview Committee presented that Committee's review into loneliness and social isolation in older residents, which was warmly endorsed by Cabinet.*

**RESOLVED:**

**That the Cabinet welcomes the Committee's findings from their review into loneliness and social isolation in older residents, and supports the recommendations outlined below:**

**Policy Overview Committee Recommendations**

- 1. The Committee concludes that Hillingdon Council has a unique and comprehensive strategy to improve the quality of life for Older People, which includes a broad range of activities to help combat loneliness and social isolation.**
- 2. That the Committee support the Council's continued use of and promotion of TeleCare Line and technology to increase independence and reduce isolation of vulnerable people.**
- 3. That the Committee welcomes the support to organisations such as the Bell Farm Christian Centre who undertake varied activities aimed at bringing older people together, noting that Ward Councillors have also provided support for one-off social activities for older people via the Ward Budget Initiative.**
- 4. That the Committee fully backs the work of the Older People's Assembly to raise the profile of the support available to older residents.**
- 5. That the Leader of the Council and Cabinet Member for Social Services, Housing, Health & Wellbeing explore as part of the Older People's Plan, some further initiatives and activities to enable older people to feel valued and engaged in Hillingdon, that may include:**
  - a. Intergenerational activities with younger people through schools and local education establishments, the Scouts, and Duke of Edinburgh groups**
  - b. Reading and life story sessions in libraries**
  - c. Singing and music groups in schools**
  - d. Promotion of volunteering opportunities**
  - e. Spare Chair Scheme**
  - f. Animal Therapy session with local organisations**
  - g. Further befriending services**



- h. Men in Sheds schemes**
- i. Seated Exercise opportunities**

- 6. That the Cabinet request officers review existing events to better incentivise attendance from male residents, based upon the initial data and feedback received by the Committee.**

#### **Reasons for decision**

Cabinet thanked the Committee for its report and positive findings on the Council's comprehensive range of support to older people. Cabinet agreed the recommendations of the review, including proposals for fresh initiatives and activities to further encourage social engagement amongst older people.

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

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

#### **Officers to action**

Kevin Byrne / Nina Durnford – Residents Services / Social Care (implementation)  
Neil Fraser - Democratic Services (monitoring)

#### **Classification: Public**

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

## **6. OLDER PEOPLE'S PLAN UPDATE**

#### **RESOLVED:**

**That Cabinet notes the successes to date and continued progress to deliver the Older People's Action Plan during 2017-18 to improve the quality of life, health and wellbeing of older people in Hillingdon.**

#### **Reasons for decision**

Cabinet reviewed the success of the Older People's Plan aimed at improving services and support designed to create a better quality of life for older people in Hillingdon. In particular, Cabinet noted that 9000 free burglar alarms had now been installed, along with nearly 12,000 Brown Badge holders across the Borough. Members welcomed the strong, preventative approach of the Plan.

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

None considered.

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

**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. BUDGET 2017/18 OUTTURN**

**RECOMMENDATIONS**

**That Cabinet:**

- 1. Note the budget position as at March 2018 (Month 12), including the in-year release of Development and Risk Contingency funds into Directorate Operating budgets as outlined in Table 5**
- 2. Note the use of Capital Receipts to fund service transformation as set out in Appendix E.**
- 3. Note the Treasury Management update as at March 2018 at Appendix F.**
- 4. Continue the delegated authority up until the July 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 19 April 2018 and 21 June 2018 Cabinet meetings, detailed at Appendix F.**
- 5. Approve the release of the following sums from Development and Risk Contingency to Directorate Operating Budgets in 2018/19:**
  - a. Waste Disposal Levy and Associated Contracts - £794k**
  - b. Demographic Growth - Looked After Children - £260k**
  - c. SEN Transport - £184k**
  - d. Demographic Growth - Transitional Children - £1,211k**
  - e. Demographic Growth - Adults - £353k**
- 6. Approve re-phasing of £16,722k 2017/18 General Fund capital expenditure and financing budgets into future years as set out in Tables 19 and 20 in this report and £30,357k of HRA Capital Budgets from 2017/18 into future years as set out in Table 18.**
- 7. Agree to the appropriation of land and premises at 15-16 Welbeck Court, Welbeck Avenue, Hayes from the Housing Revenue Account to the General Fund to be let as a commercial shop unit.**
- 8. Accept additional Transport for London Local Implementation Plan Corridor and Neighbourhood funding of £426k for 2018/19.**
- 9. 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. 30/32 Blyth Road, Hayes - Bellway Homes (£23,500)**
  - b. Chailey Industrial Estate, Pump Lane, Hayes - Fairview Homes (£43,500)**
- 10. Approve the changes to Leisure Fees & Charges as set out in Appendix H.**

11. Agree that the Council donates £14,873 to the Mayor of Hillingdon's Charitable Trust to support local good causes, funded from the proceeds of kerbside textile waste collection and matched funding from the HIP Initiatives budget, with a further donation to top up the overall income for the year to £90,000.
12. Accept grant funding of £378,241 from the Ministry of Housing, Communities & Local Government Rough Sleeping Initiative Fund for 2018/19.
13. That Cabinet agrees to delegate authority to the Leader of the Council, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services, to approve a draft schedule of penalty charges in relation to private and public sector housing in the Borough of Hillingdon which does not meet the requisite standards and legal requirements and:
  - a) Agrees that once such approval has been given, that they may authorise that the draft schedule is subject to a consultation exercise with interested parties and;
  - b) Dependent on timing, agrees the outcome of the consultation it is reported back to either the Cabinet or the Leader of the Council with the Deputy Chief Executive and Corporate Director of Residents Services, who having fully taken into account the consultation responses, have the authority to decide whether to implement a schedule of penalty charges and if so, to agree the charges and final form of the schedule.

#### **Reasons for decision**

Cabinet was informed of the out-turn revenue, capital and treasury position from the previous financial year 2017/18. Members welcomed the strong financial position the Council was in.

Cabinet made a range of other decisions in relation to the Council's budget, including the release of contingency budgets and re-phasing of capital expenditure in future years. Cabinet accepted additional grant funding in relation to transport, planning agreements and for rough sleepers, along with changes to the leisure centre fees and charges. Cabinet also donated monies to the Mayor's Charitable Trust to support local good causes, in part from the proceeds of kerbside textile waste collection.

An additional recommendation was moved, and approved, to delegate authority to consult on a draft schedule of penalty charges in relation to private and public sector landlords managing housing in Hillingdon that do not meet the requisite standards and legal requirements.

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

None.

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

Paul Whaymand, Finance Directorate

**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. DOMESTIC ABUSE STRATEGY FOR HILLINGDON 2018-2021**

**RESOLVED:**

**That the Cabinet endorse Hillingdon's Domestic Abuse Strategy 2018-2021**

**Reasons for decision**

Cabinet agreed an updated partnership based Domestic Abuse Strategy to help keep residents and their families safe from harm by preventing and reducing 'repeat victimisation', preventing patterns of offending and reducing the number of serious crimes perpetrated against residents.

Cabinet welcomed how the strategy was embedded within the wider preventative work of the Council, including how it could benefit children as they grow older, affected by such abuse in the family.

Cabinet praised Councillors Jane Palmer and Janet Gardner from the Domestic Abuse Steering Executive for their championing of this cause.

**Alternative options considered and rejected**

None.

**Officer to action:**

Jacqui Robertson, Community Safety

**Classification: Public**

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

**9. 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, to ensure use of developer funds to benefit residents.

**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.*

**10. ACADEMY LEASE - GURU NANAK SIKH COLLEGE, SPRINGFIELD ROAD, HAYES**

**The report relating to this matter was not considered at the meeting and deferred for decision.**

**Classification: Private**

*The officer report relating to this matter not considered by the Cabinet 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. REFURBISHMENT AND RELOCATION OF THE FORMER YIEWSLEY BOWLS CLUB HOUSE TO SIPSON RECREATION GROUND**

**RESOLVED:**

**A That Cabinet note the views raised by petitioners and the decision made by the Cabinet Member for Finance, Property and Business Services at the petition hearing on 11 June 2018, as detailed in the report:**

**B That, following the outcome of the petition hearing, Cabinet:**

- 1. Agree to progress with the refurbishment and relocation of the former Yiewsley Bowls Club building to Sipson Recreation Ground, for use by West Drayton Explorers Football Club.**
- 2. Allocate and approve the capital release of £145,156 from the Section 106 contribution held at E/76/276E (former Hayes Football Club), towards the project to refurbish and relocate the former Yiewsley Bowls Club building to Sipson Recreation Ground, for use by West Drayton Explorers Football Club.**
- 3. Agree to award the contract for the project to Silwood Facilities Limited on the basis of most economically advantageous tender at a cost of £107,036 for the refurbishment and relocation of the former Yiewsley Bowls Club building to Sipson Recreation Ground.**
- 4. Delegate full authority to the Deputy Chief Executive and Corporate Director of Residents Services, in consultation with the Leader of the Council and Cabinet Member for Finance, Property and Business Services, to make any further decisions required in respect of the scheme proposed.**

**Reasons for decision**

Following due consideration of a petition on the matter on 11 June 2018, Cabinet made all the necessary decisions to move forward with the project to relocate the former Bowls Club House at Yiewsley Recreation Ground and move it to Sipson Recreation Ground for use by the West Drayton Explorers Football Club. Cabinet noted that the current West Drayton Explorers Football Club facilities located in Sipson Recreation Ground were not fit for purpose. By using the existing modular building on the former Yiewsley Bowls Club site, which was surplus to requirements, Cabinet agreed this would provide the most effective solution and also improve support for youth football locally.

Cabinet noted that the site of the former Bowls Club had remained vacant for the last three years. Furthermore, Cabinet welcomed the recent investment and rebuild of three local bowls clubs in the nearby area, providing residents with much improved facilities for playing bowls.

**Alternative options considered and rejected**

Cabinet could have not progressed with the scheme, agreed to fund the scheme through alternative means or suggested alternative projects that could have benefited from the relevant s106 agreements.

**Officers to action:**

Nicola Wyatt / Michael Naughton, Residents Services

**Classification: Private**

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

**12. PROVISION OF ADVOCACY, INDEPENDENT VISITOR AND RETURN INTERVIEW SERVICES WITHIN CHILDREN'S SERVICES**

**RESOLVED:**

**That the Cabinet agrees to award a contract to Coram Voice for Provision of Services for an Advocacy Service, Independent Visitor Scheme And Return Interview Service.**

**Reasons for decision**

Cabinet noted the Council's legal obligation to provide Advocacy, Independent Visitors and Return Home Interviews to ensure effective support services are available for looked after children and care leavers. Following a review by officers, Cabinet agreed to award a new contract for these services.

**Alternative options considered and rejected**

None.

**Officer to action:**

Helen Smith, Janice Altenor – Social Care

**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.*

**13. PURCHASE OF FOUR REFUSE COLLECTION VEHICLES**

**RESOLVED:**

**That Cabinet approve the purchase four Refuse Collection Vehicles for use by Waste Services based at Harlington Road Depot at a cost of £567,560 from the supplier Dennis Eagle Ltd.**

### **Reasons for decision**

Cabinet agreed to purchase new slim-line refuse collection vehicles to improve the operational efficiency of the refuse collection carried out by Waste Services from their base at Harlington Road Depot.

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

Cabinet could have decided to continue using vehicles beyond economical repair or hire them, but this would not have achieved value-for-money.

### **Officer to action:**

Bobby Finch, Resident Services

### **Classification: Private**

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

## **14. CONTRACT FOR PRINTING & POSTAGE SERVICES FOR REVENUES & BENEFITS**

### **RESOLVED:**

**That Cabinet agrees to award a contract, with effect from 1 August 2018, for 1 year plus the option to extend for two further periods of 12 months, to DSI Billing Services Ltd to provide printing & postage services for the Revenues & Benefits Service.**

### **Reasons for decision**

Cabinet awarded a contract to ensure that printing and postage services required for residents and businesses, in the provision of Council Tax, Business Rates, Sundry Debt, Adult Social Care Financial Assessments and Benefits services, were carried out efficiently and effectively.

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

None.

### **Officer to action:**

Rob Smith, Finance



## **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.*

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

No additional items were considered by the Cabinet.

The meeting closed at 19.35pm.

---

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

### **When the Cabinet's decisions come into effect**

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 date below:

**from 5pm, Friday 29 June 2018**

Officers to action the decisions are indicated in the minutes. The minutes are the official notice for any subsequent internal process approvals required by officers to action the Cabinet's decisions.

---

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@hillington.gov.uk](mailto:democratic@hillington.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](#).

This page is intentionally left blank

## REVIEW INTO AIR QUALITY BY THE PREVIOUS RESIDENTS' AND ENVIRONMENTAL SERVICES POLICY OVERVIEW COMMITTEE 2017/18

<b>Cabinet Member(s)</b>	Councillor Philip Corthorne
<b>Cabinet Portfolio(s)</b>	Social Services, Housing, Health and Wellbeing
<b>Officer Contact(s)</b>	Anisha Teji, Chief Executive's Office
<b>Papers with report</b>	Review of Air Quality in Hillingdon : Updating the Air Quality Action Plan

### HEADLINES

<b>Summary</b>	To receive the previous Residents' and Environmental Services Policy Overview Committee's 2017/18 review of Air Quality in Hillingdon and updating the Council's Air Quality Action Plan.
<b>Putting our Residents First</b>	This report supports the following Council objectives of: <i>Our People and Our Natural Environment</i> .
<b>Financial Cost</b>	No direct financial implications from the recommendations contained within this report.
<b>Relevant Policy Overview Committee</b>	Residents, Education & Environmental Services Policy Overview Committee
<b>Relevant Ward(s)</b>	All

### RECOMMENDATIONS

That Cabinet:

- A. Welcome the upcoming review of the Council's Air Quality Action Plan in 2018 and the positive and comprehensive work being undertaken by the Council to tackle air quality issues locally.
- B. Note that in support of this, the Committee has examined the topic of Air Quality and makes the following recommendations to Cabinet, for consideration as part of the wider review as follows:

1. The Action Plan should maintain a strong focus on Hillingdon school travel plans. It should prioritise work with schools most affected by air pollution, particularly to explore measures to tackle car/coach idling emissions.
2. Further promotion of the Air Text service/pollution alerts for Borough residents should be considered.
3. Explore ways in which the Council can work with businesses to help them and their employees improve air quality in the Borough.
4. Review the air quality monitoring networks across the Borough to ensure that there is appropriate coverage, particularly in Air Quality Focus Areas.
5. As the whole Borough is designated a Smoke Control Area, that the Council explores further ways to make businesses and residents aware of their responsibilities.
6. That existing work by the Council to promote healthier and greener alternatives to driving, such as cycling and walking and other practical ways to reduce pollution be integrated into the Action Plan along with ways to evaluate their impact in helping to reduce emissions.

### **Reasons for recommendations**

To consider the report of the previous Residents' & Environmental Services Policy Overview Committee during 2017/18 and its recommendations on how the air quality in Hillingdon can be improved.

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

The Cabinet could decide to reject some or all of the Committee's recommendations, or pursue alternative routes in which to progress the objectives of the review.

## **SUPPORTING INFORMATION**

Air quality is a significant issue across all areas of the capital and the London Borough of Hillingdon is no exception. The matter is attracting more attention on a daily basis with many neighbouring Boroughs opting for different solutions to attempt to manage this rising global issue. Although the Council has come a long way in terms of recognising the triggers and regulating air quality, there is still work to be done to meet the changing demands of technology and community concerns. Therefore, the Residents' and Environmental Services Policy Overview Committee decided to explore this topic, in light of the upcoming review of the Council's Air Quality Action Plan (AQAP).

The Terms of Reference of the review were agreed as follows:

1. To understand the Council's responsibilities on air quality, examine how air quality in Hillingdon has been managed by the Council since 2004, why expected improvements are not as large as predicted and what is now required with the GLA's air quality regime in terms of reviewing the AQAP.
2. To consider the options available for reducing pollution, including actions that can be taken directly by the Council, and identify the best means by which the Council can influence other organisations whose activities detrimentally impact on the air quality in Hillingdon.
3. In terms of the Council, examine the interactions that will be necessary between departments in order to bring about improvements in pollution levels and make a positive contribution to securing improvements to health.
4. To consider how the Council should prioritise air quality improvements, for example, Air Quality Focus Areas, on Borough-wide initiatives, directed towards at-risk/vulnerable groups.
5. To look at measures to best inform residents and local businesses in the Borough of the actions required to reduce air pollution.
6. To advise on the development of the Air Quality Action Plan before its submission to Cabinet for approval.

Members considered air pollution in Hillingdon generally and the areas most affected by poor air quality. Members also explored the measures currently in place and how areas could be improved. The Committee undertook a range of witness sessions with a variety of internal and external representatives, including hearing from an independent air quality expert. Members appreciated how insightful these witness sessions were to assist them in their review.

The Committee has made a number of recommendations which it is hoped will recognise the positive work already being undertaken by the Council and partners and also identify areas that can be strengthened further to ensure that air quality is managed within the Borough.

### **Officer comments on recommendations**

Whilst the attached report from the Committee sets out the review in more detail, officers advise Cabinet that the Committee has made some positive recommendations to take forward.

If Cabinet agrees the recommendations, these will be considered and incorporated within the revised Air Quality Action Plan which will come to Cabinet to approve in 2018. These areas will continue to be a priority and work stream within the Action Plan. Following that, it is proposed that updates are provided to the Cabinet Member and the Committee detailing the effectiveness of the Action Plan's implementation.

## **Financial Implications**

No direct financial implications from the recommendations contained within this report. In the event of additional action implemented following recommendations in this report, work is expected to be contained within existing approved revenue budgets.

## **RESIDENT BENEFIT & CONSULTATION**

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

The recommendations will support the Council's efforts to make sure residents in Hillingdon are not subjected to poor levels of air quality.

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

The Committee sought a wide range of external witness testimony as set out in its report.

## **CORPORATE CONSIDERATIONS**

### **Corporate Finance**

Corporate Finance has reviewed the report and confirms that there are no direct financial implications arising from the recommendations.

### **Legal**

The Borough Solicitor confirms that there are no specific legal implications arising from this report.

## **BACKGROUND PAPERS**

NIL.

# Review of Air Quality in Hillingdon

## Updating the Air Quality Action Plan



### **A review by the Residents' and Environmental Services Policy Overview Committee 2017/18**

#### **Councillors on the Committee:**

Michael White (Chairman), Michael Markham ( Vice - Chairman), Lynne Allen, Tony Burles, Patricia Jackson, Kuldeep Lakhmana, Allan Kauffman, Judy Kelly and Brian Stead

**2017/18**



## Contents

	Pages
<b>Chairman's Foreword</b>	3
<b>Summary of recommendations to Cabinet</b>	4
<b>Background to the review</b>	5
<b>Evidence and Witness Testimony</b>	12
<b>Findings and Conclusions</b>	20
<b>Terms of Reference</b>	22
<b>Witness and Committee Activity</b>	23
<b>References</b>	24



## Chairman's Foreword

# Review of Air Quality in Hillingdon Updating the Air Quality Action Plan



Air quality is a significant issue across all areas of the capital and the London Borough of Hillingdon is no exception. The matter of air quality is attracting more attention on a daily basis with many neighbouring Boroughs opting for different solutions to attempt to manage this rising global issue. Although the Council has come a long way in terms of recognising the triggers and regulating air quality, there is still work to be done to meet the changing demands of technology and community concerns. On behalf of the Residents' and Environmental Services Policy Overview Committee, I am therefore pleased to present this report recommending ideas to incorporate into the upcoming review of the Council's Air Quality Action Plan.

The Committee heard from a number of expert witnesses that specialise in air quality which allowed the Committee to undertake a full and informed review of the current ways of working and to recommend areas for improvement. The Committee also recognised the positive work already undertaken by the Council to seek to mitigate air pollution. It is hoped that our findings will be supported by Cabinet in the upcoming review of the Air Quality Action Plan for Hillingdon.

I would like to offer my sincere thanks to all the witnesses and to the Members of the Committee who have been fully engaged in this review, with the interests of residents first and foremost in their mind.

**Councillor Michael White**

**Chairman of the Residents' and Environmental Services Policy Overview Committee 2017/18**

## Summary of recommendations to Cabinet

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

<b>A</b>	<b>Welcome the upcoming review of the Council's Air Quality Action Plan in 2018 and the positive and comprehensive work being undertaken by the Council to tackle air quality issues locally.</b>
<b>B</b>	<p><b>Note that in support of this, the Committee has examined the topic of Air Quality and makes the following recommendations to Cabinet, for consideration as part of the wider review as follows:</b></p> <ol style="list-style-type: none"> <li><b>1. The Action Plan should maintain a strong focus on Hillingdon school travel plans. It should prioritise work with schools most affected by air pollution, particularly to explore measures to tackle car/coach idling emissions.</b></li> <li><b>2. Further promotion of the Air Text service/pollution alerts for Borough residents should be considered.</b></li> <li><b>3. Explore ways in which the Council can work with businesses to help them and their employees improve air quality in the Borough.</b></li> <li><b>4. Review the air quality monitoring networks across the Borough to ensure that there is appropriate coverage, particularly in Air Quality Focus Areas.</b></li> <li><b>5. As the whole Borough is designated a Smoke Control Area, that the Council explores further ways to make businesses and residents aware of their responsibilities.</b></li> <li><b>6. That existing work by the Council to promote healthier and greener alternatives to driving, such as cycling and walking and other practical ways to reduce pollution be integrated into the Action Plan along with ways to evaluate their impact in helping to reduce emissions.</b></li> </ol>

## Background to the review

### Aim of the review

In scoping and agreeing the review's Terms of Reference, which are set out in the appendices, the Committee sought to gain an in-depth understanding of how the Council currently managed air quality in the Borough. The Committee sought to ascertain the extent of air pollution in Hillingdon, the way that the Council has managed air quality since the last Air Quality Action Plan (AQAP) was agreed in 2004 and to assist in the development of a revised AQAP for the Council during 2018, which the Council is obliged to undertake.

### Setting the scene

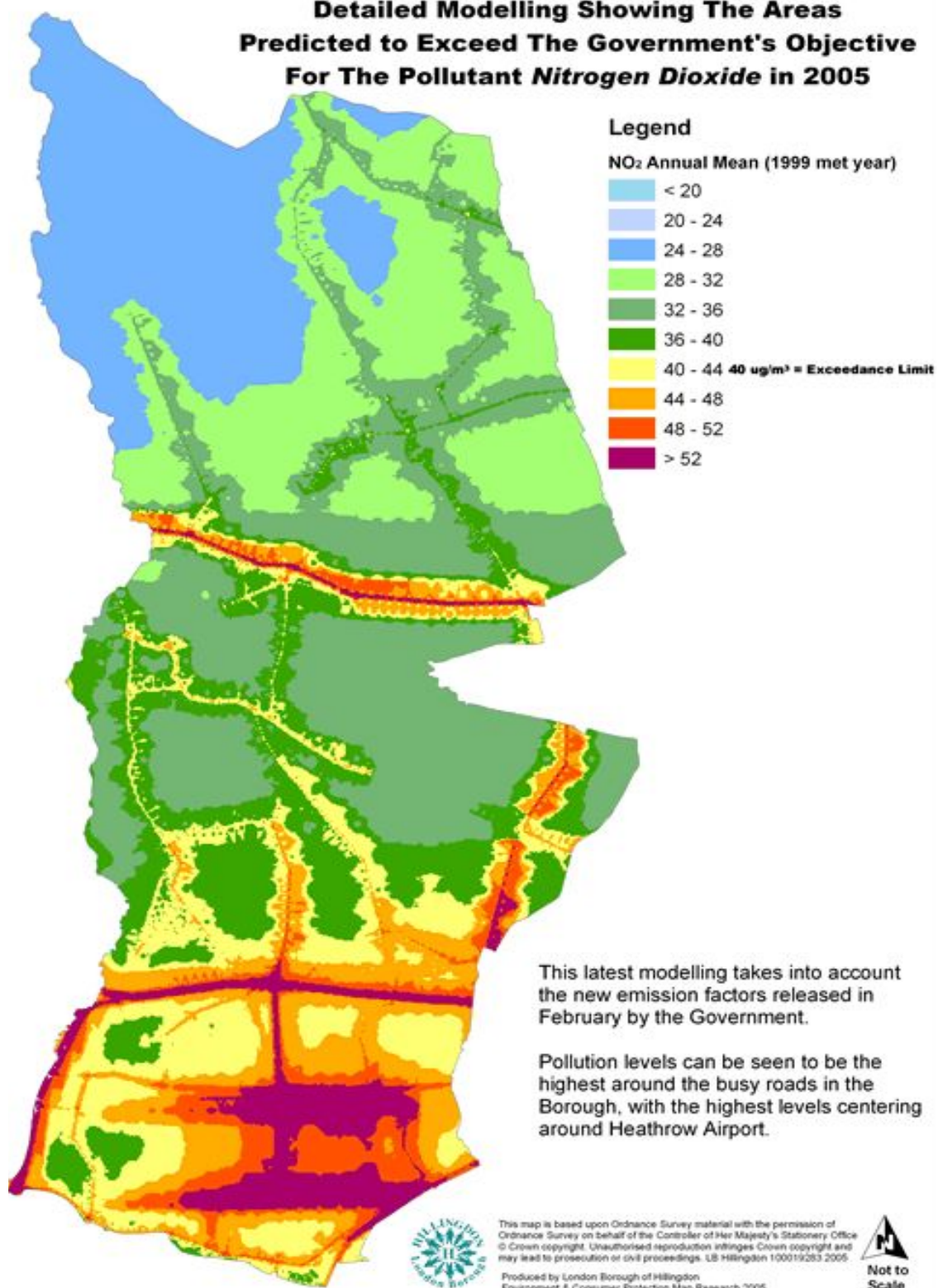
The Committee was given a detailed background to air pollution in Hillingdon.

Poor air quality has been described as the largest environmental risk to public health in the UK, known to have a particularly severe effect on vulnerable groups, for example the elderly, children and people suffering from poor health such as respiratory diseases (para 3, Department for Environment Food & Rural Affairs (DEFRA) Air Quality Plan, 2017). Recent research has also suggested that every Londoner is breathing in dangerous levels of toxic air particles.

The Environment Act 1995 obliged Central Government and local administrations to produce a national air quality strategy, which contains standards, objectives and steps adopted to manage air quality. In Hillingdon, the Council has a specific duty to protect its local area from air pollution and to produce a Local Air Quality Strategy to work towards improving those areas where the pollution is above the recommended limits. To do this, pollutants are monitored to establish the levels in the Borough. The review of Hillingdon's AQAP during 2018 provides an opportunity to incorporate measures that will not only reduce pollution but, in doing so, will also bring about improvements to health.

In 2003 detailed assessments, as required in the legislation set by the Environment Act 1995, were carried out. Members were informed that these assessments identified that the national air quality standard for the pollutant nitrogen dioxide was predicted to be above the recommended limit level across areas of the Borough. This was most notable in the south of the Borough around Heathrow Airport, in areas associated with the major road networks such as the M4, the A312, the A40 and the A4 and on busy parts of Hillingdon's road network which passed through the Borough's towns. This original pollution information is displayed in the map below.

### Detailed Modelling Showing The Areas Predicted to Exceed The Government's Objective For The Pollutant *Nitrogen Dioxide* in 2005



Using this information, the Council declared an Air Quality Management Area (AQMA) for the pollutant nitrogen dioxide. The AQMA boundary was chosen to ensure it covered all the areas

that had been predicted to have levels of pollution above the recognised health limit for nitrogen dioxide when measured as a yearly average. The AQMA covered approximately the bottom two thirds of the Borough.

Following on from this declaration, in 2004 an AQAP was developed which explored measures that could be taken to improve air quality. The plan recognised that this would require input and actions from a range of sources including the Council itself, residents, businesses and employees in the Borough, together with action by other organisations and businesses whose operations influenced the levels of pollution, but over which the Council had no direct control.

The plan was divided into seven packages which reflected the sources of pollution which needed to be tackled in order to bring about reductions in pollution:

- Switching to cleaner transport modes
- Tackling through traffic
- Promotion of cleaner vehicle technology
- Measures specific to Heathrow
- Measures concerning local businesses and industry
- Improvements through the planning system
- Working with regional and central government

It was reported that, in accordance with the legislative requirements, the Borough has continued to produce annual air quality progress reports for submission to DEFRA and the Greater London Authority (GLA). These include an annual update of the air quality monitoring carried out in the Borough and an update on the actions taken within each year to address air quality. All of this information is publicly available.

## Progress to date

The Committee heard that many mechanisms have been put in place to improve air quality. The GLA was one of the first regional powers to declare a Low Emission Zone across the whole of London which has restricted access to polluting lorries, buses and coaches. In addition to this, best practice guidance has been published to reduce emissions from large constructions sites together with technical guidance for assessing potential pollution impacts from new developments. Improvements have also been made in terms of promoting the use of cleaner technologies in buses, lorries, taxis and cars, including the installation of plug in electric charging points across London.

In Hillingdon, the implementation of measures, via the AQAP, has influenced actions across the Council. For example, all schools in the Borough now have travel plans; there are more dedicated cycle and walking paths; new developments are required to produce air quality assessments and include mitigation to reduce their impact on pollution levels; residents and people working in the

Borough are able to sign up to a free service, AirText, which alerts users to when a pollution episode is predicted to allow them to take appropriate action; pilot projects have been undertaken in regards to the use of green infrastructure to protect vulnerable receptors from pollution, and there is now Borough-wide enforcement against idling vehicles. Regrettably, despite continued actions by regional and local government over the years, the air quality levels in certain areas still remain above the recommended limits.

It is now recognised that the assumed dramatic reduction in emissions as a result of improved road vehicle technology, which the Government has relied upon for a number of years as being the solution to the pollution problem, has, in reality not materialised. Data from air quality monitoring stations, confirmed by those within Hillingdon, demonstrate that, although newer vehicles have been used on the roads in more recent years, the pollution levels have remained more or less static and show few signs of a dramatic reduction.

Evidence from the increased use of diesel vehicles, along with the "Dieselgate Scandal" regarding falsification of the actual emissions being emitted by diesel vehicles, is now accepted as being one of the major causes of the lack of improvement in air pollution in urban areas.

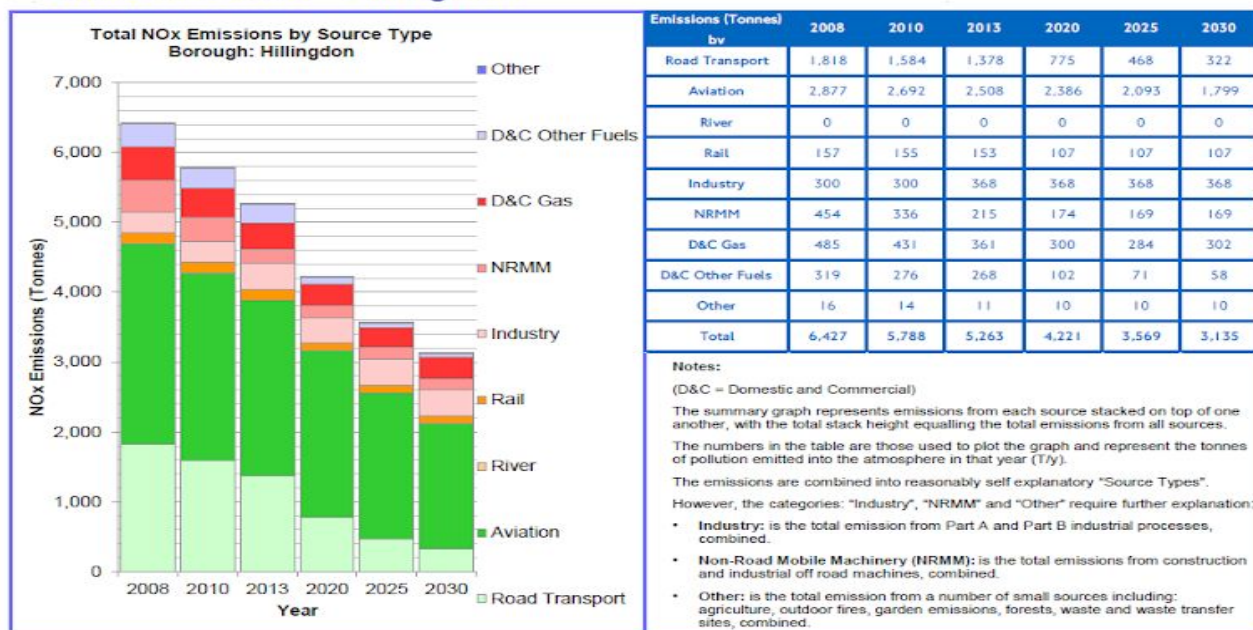
### New pollution information: Hillingdon specific

The GLA has provided updated information for each London Borough which includes a breakdown of the sources of pollution. For Hillingdon, this information demonstrated that road transport emissions, airport-related emissions, industrial emissions and domestic and commercial heating all contributed to the pollution levels found in the Borough.



# London Atmospheric Emissions Inventory

## NOx Emissions - Hillingdon



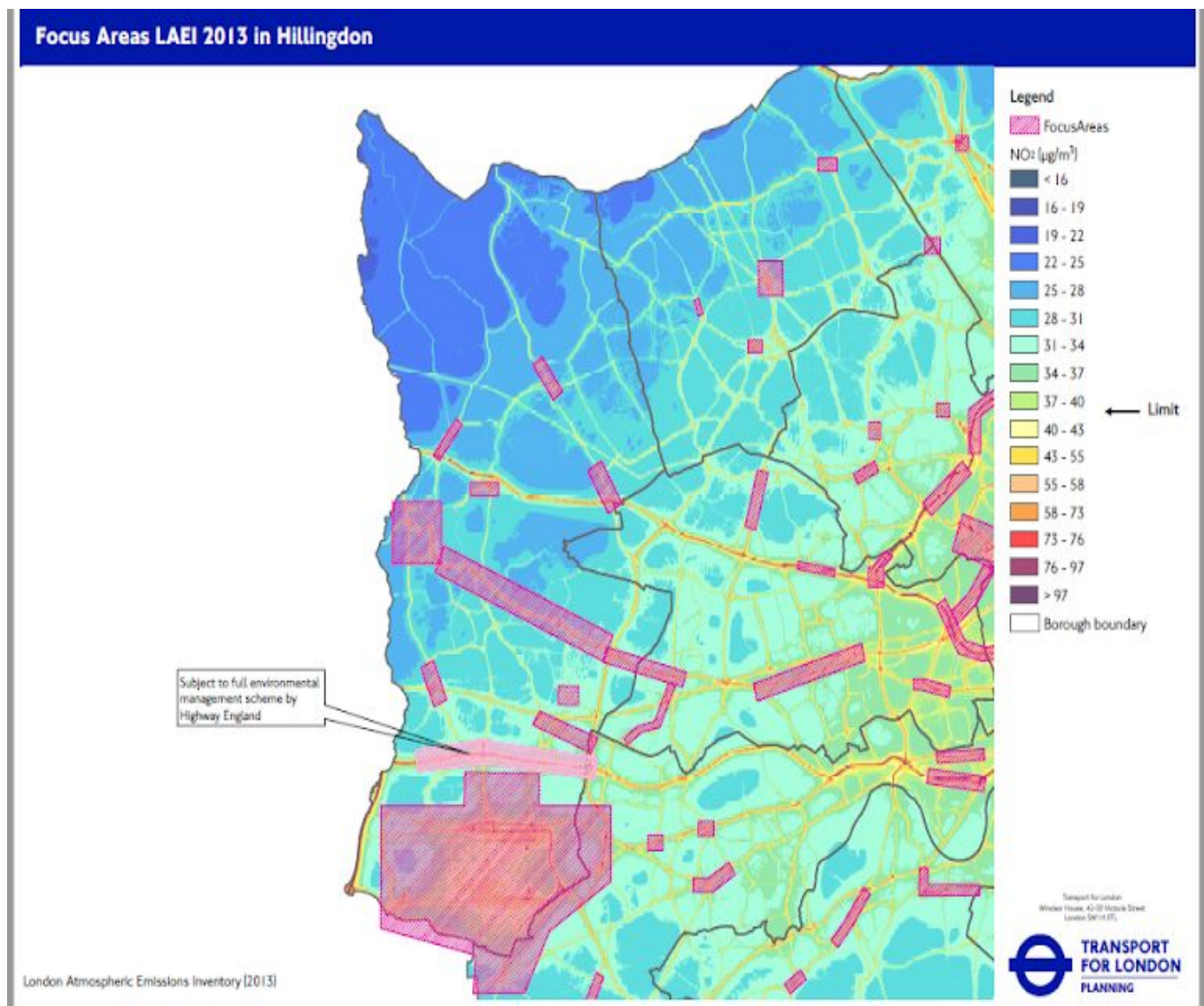
GREATER LONDON AUTHORITY

CLEANER AIR  
FOR LONDON

MAYOR OF LONDON

In addition to this information, the Committee was provided with the latest pollution map for the Borough. This updated map indicates the same distribution of pollution as that predicted back in 2004, as shown in map 1, for the original Action Plan. The higher levels are found to the south of the Borough, with Heathrow airport an easily identifiable pollution hotspot. The operation of the road network through the Borough such as the A40, the A312, M4, A4, Uxbridge Road, continues to contribute significantly to the pollution levels with congested high streets and road junctions adding to local levels of pollution.

Alongside the new pollution map, the Committee was informed that the GLA had introduced the concept of Air Quality Focus Areas. A Focus Area is defined as being an area where there are higher levels of pollution alongside a greater number of people exposed; hence is an area where action should be prioritised. Map 2 below shows the new pollution modelled map with the Air Quality Focus Areas for Hillingdon superimposed.



Using the updated pollution information, the GLA now expects each borough to take the opportunity to review their AQAPs. The Committee was informed that each borough was required to consider the following six areas for taking action:

- Emissions from developments and buildings
- Public health and awareness raising
- Delivery servicing and freight
- Borough fleet actions
- Localised solutions
- Cleaner transport

Whilst these areas are similar to the packages outlined in the Borough's original action plan, Hillingdon is impacted by a number of sources outside its direct control, which detrimentally



impact on the air quality in the Borough. As such this will require the consideration of additional areas for inclusion, for example, specific liaison with Heathrow Airport and with the GLA, to ensure measures to improve air quality within Hillingdon are a priority for these organisations. In addition, the Borough is impacted by a number of decisions taken by national Government such as hard shoulder running on the M4, the construction of High Speed 2 and a proposed expansion of Heathrow Airport. The Action Plan would need to include a mechanism by which the Council's concerns can be brought to the attention of national Government.

## Responsibilities with regard to the AQAP

In recognition of the importance the Council affords to the issue, the development of a revised AQAP, in addition to this Committee's efforts, will also include consultation with the Health and Wellbeing Board to ensure air quality and health improvements are integrated in terms of their approach to bring about reductions in pollution. This approach is in line with the new London local air quality management guidance which requires that, in updating the Council's AQAP, the relevant Directors responsible for Public Health and Transport be involved in approving the Plan; in addition to ensuring strong political support by submitting the Plan for final Cabinet approval.

The Committee also considered that achieving air quality improvements would require commitment across the Council, across businesses and residents in the Borough and from the major stakeholders whose actions influence the pollution levels experienced in the Borough. The Committee was in no doubt that good air quality not only benefited businesses but could reduce the risk of health problems amongst staff. Some of the improvements could be achieved via the provision of information and guidance to enable an informed change in behaviour; however, other improvements would require the enforcement of legislation to bring about reductions, while some would need a coordinated approach with other stakeholders to bring about improvements.

## Evidence & Witness Testimony

During its information gathering sessions, the Committee considered it vital to take into account a wide range of views from expert witnesses. The following sections will outline the evidence received and the witness testimony.

### Impact of poor air quality

The Committee heard from the Council's Environmental Specialist who explained that poor air quality has been described as the largest environmental risk to public health in the UK. The Committee was informed that it is known to have had more severe effects on vulnerable groups, for example the elderly, children and people already suffering from poor health such as respiratory disease.

It was reported that in Hillingdon, the Public Health team had undertaken an assessment which highlighted that respiratory diseases were the third highest causes of death in Hillingdon and that air pollution was a risk factor which has been linked to 1,100 life years lost due to matters such as exacerbations of asthma and Chronic Obstructive Pulmonary Disease (COPD) leading to emergency admissions to hospital. The health effects of air pollution were distributed unequally across the population with the heaviest burden borne by those with the greatest vulnerability and/or exposure.

The Committee heard evidence regarding The National Institute for Health and Care Excellence (NICE) guidelines on "Air Quality: outdoor air quality and health". This Report provided information on road traffic related air pollution and its links to ill health. The paper provided details on steps that could be taken to improve air quality which would in turn help to prevent a range of detrimental health conditions from worsening and would contribute to improvements in the numbers of life years lost.

The Committee was advised that Air Text is a service provided by Cambridge Environmental Research Consultants (CERC Ltd) where alerts of high pollution are predicted based on forecasts of expected air quality over three days. It is a free service provided to the public, providing air quality alerts by text message, email and voicemail, detailing forecasts of air quality, pollen uv and temperature across Greater London. Member local authorities pay a small annual subscription to be a part of the service which enables predictions to be given out specific to their Borough. In this Borough there are currently only 145 subscribers to Air Text which signified to the Committee the current lack of awareness and knowledge of this service. It was reported that an additional benefit of Air Text was that it would help reduce traffic build up in congested areas as it would encourage people to opt for healthier and less congested routes. Many residents and

businesses were unaware that the service existed and knew nothing of the benefits it would bring. Suggestions to improve the status quo included active engagement, adverts in Hillingdon People, leaflets and increased publicity on the Council's website.

---

## Background to the Clean Air Act

The Committee was informed that the Clean Air Act 1956 was enacted in response to the "Great Smog" of London in 1952. The Act introduced a number of measures which aimed to reduce air pollution, including the introduction of "smoke control areas" where only smokeless fuels could be burned. By shifting the sources of heat in homes towards cleaner coals, electricity and gas, the amount of smoke pollution and sulphur dioxide from household fires was reduced.

Members noted that Hillingdon was a smoke control area which meant that, under the Clean Air Act, the whole Borough was subject to regulations when burning substances such as coal or wood in domestic fireplaces. In fact, it is an offence to do so, and offences carry fines.

The Committee was aware that the GLA had also recently highlighted the increased use of wood and coal burning stoves as a major concern in London. In January 2017, pollution from wood burning was a major contributor to the highest levels of pollution recorded in London since 2011, resulting in a winter smog lasting nine days.

---

## How the Planning System could improve Air Quality

The Council's Head of Planning, Transportation and Regeneration attended a witness session and provided the following evidence.

In order to address air quality matters in terms of planning, the Committee was informed that major developers are being requested to incorporate a low emissions approach to their schemes. This ensures improved air quality measures to minimise public exposure are incorporated within the design. Some of the measures adopted included:

- Setting back residential buildings from main roads;
- Siting play areas away from roads;
- Energy provision in developments to use low emission technologies;
- Provision of easy access to public transport;
- Adequate, appropriate and well located green space and infrastructure.

Examples were given of good practice where these measures had worked well and were successful: At stage 3 of the Stockley Park Development, "green walls" were constructed which

---

helped soak up the air pollution; At St Helens School, which was a National Eco School, revolutionary eco measures had been included such as solar panels, green roofs, natural lighting and ventilation.

In addition, where further mitigation is required, the use of planning conditions and obligations can be used where these are relevant to the particular development. For example a condition stipulating the use of low emission vehicles to and from the site, enforcement of no idling policies within the site, a targeted travel plan to reduce car movements and, where appropriate, financial obligations to take forward actions within the Air Quality Action plan to improve air quality in the surrounding area.

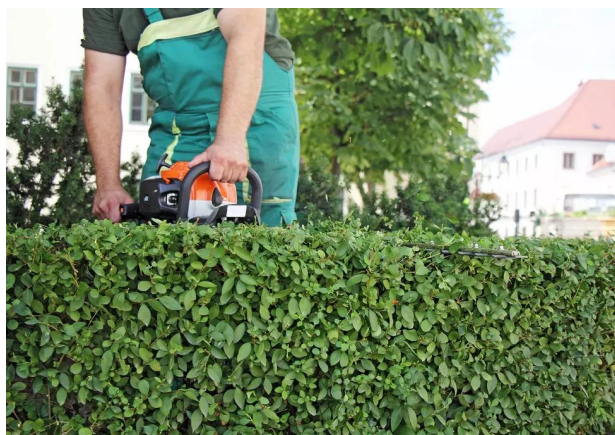
---

### School Travel Plans and Road Safety Education, Training and Publicity team

The Committee heard evidence from the Council's Transport and Projects Senior Manager. The Committee was provided with details of the work carried out by the Team in relation to School Travel Plans and on Road Safety Education, Training and Publicity. As a means of engaging with young people, there were 140 Junior Road Safety Officers, 47 Mini Road Safety Officers and 50 Youth Travel Ambassadors.

The Committee was keen to explore the possibility of addressing the issue of air quality by working closely with schools and engaging with representatives of school children in order to raise awareness of the issue and use it as a tool to educate and help change travel habits. The Committee discussed the possibility that this could include exploring ways to enforce no idling or introducing stop and go areas in more schools in the Borough. For example, keeping engines running whilst parking or waiting had the potential to create elevated levels of localised pollution close to the school areas where children congregate. Given the increased health risks such as asthma and heart disease from exposure to air pollution, school air quality champions could be appointed, and School Travel Plans updated, to enable them to be more effective in reducing pollution in the areas in close proximity to the schools.

The Committee bore in mind the evidence it heard from the the Council's Environmental Specialist in which it was reported that a good example of a school taking mitigation measures in relation to poor air quality was Botwell Primary School. Said school, in conjunction with the Council and with funding from the GLA, took part in a pilot project called Cleaner Air for Schools. Part of the initiative included creating a green wall infrastructure to provide a denser barrier between the playground and the road to reduce exposure to pollution in the playground. Devices were also used to monitor nitrogen dioxide levels and other initiatives, such as adding solar film for use on windows, were implemented to reduce emissions from the building by lowering the requirement for energy to keep the classrooms at a more even temperature.



Encouraging greener walls, hedges, screens and vegetation can all contribute to reducing pollution. The Committee was keen to explore ways to develop and promote this.

## No Idling

The issue of idling vehicles has become increasingly recognised as a potential cause of pollution in localised areas. This was supported by the recent guidance from Public Health England (PHE) and NICE, June 2017, which recommends that restricting the time spent with an engine idling should be investigated by local authorities, especially in areas where vulnerable groups could be impacted such as close to residential housing, near schools and near hospitals.

In Hillingdon, the problem of idling vehicles was noted some time ago following numerous complaints from residents in the areas near Heathrow Airport who were being negatively impacted by emissions from idling vehicles, especially private hire minicabs associated with pick-ups from Heathrow Airport. As a result of this, the Council chose to run a pilot in the Heathrow Villages ward to combat this form of pollution. Using powers under the Anti Social Behaviour Crime and Policing Act 2014, s59, the Council enforced a Public Space Protection Order (PSPO) which included "leaving the engine of a stationary or parked vehicle running" as an offence enforced by the issuing of Fixed Penalty Notices (FPN). FPNs give the perpetrator the opportunity to discharge liability for prosecution by paying a penalty of £80 within 14 days; an early discount of £50 is applied if payment is made within 10 days.

Following the success of this pilot, the Council undertook a public consultation exercise and, on 19 April 2017, the PSPO condition relating to idling vehicles was applied across the Borough. Since August 2016, the following number of FPN's have been issued for breaches of the PSPO condition relating to idling vehicles:

Month Number of FPN's Issued	
August 2016	15
September 2016	30
October 2016	18

November 2016	35
December 2016	6
January 2017	20
February 2017	20
March 2017	14
April 2017	65
May 2017	96
June 2017	58
Data source - Contractor - Apcoa Parking	

Heathrow Villages remains the ward where Environmental Enforcement officers are witnessing the highest volume of idling vehicles. Officers patrol this ward three times per day to address breaches of PSPO conditions; this also includes eight operations per month working with TFL Enforcement and On Street Operations Team

---

## Other forms of travel and reducing emissions from road vehicles

### Cleaner public transport

In relation to Public Transport, Members were informed that the Council was working with Transport for London (TfL) and London Buses on moving to the use of lower emission buses. Members were advised that TfL had started to deliver on their plan to rollout Ultra Low Emission buses throughout London. In Hillingdon, there are low emissions buses being used on routes along the Uxbridge Road and on the 222 bus route which passes through the Borough from Uxbridge to Hounslow. This employment of cleaner technologies, combined with measures to encourage residents to use public transport and reduce the number of cars on the road, would significantly improve air quality.

The Committee was conscious that reducing the number of diesel vehicles on the roads would help in terms of reducing the emissions of damaging air pollutants and consideration by the Government of a fully-funded diesel scrappage scheme could assist in this endeavour. The Committee was informed that residents would be able to identify, and avoid buying, the dirtiest

diesel and most polluting petrol cars and vans with a new emissions scoring scheme introduced by the GLA. This is a new online 'cleaner vehicle checker' which would include test results for new car and van models on the market. This could encourage residents who were purchasing vehicles to check emissions and be actively involved in terms of reducing emissions and enabling them to make an informed choice.

### **Promotion of cleaner vehicle technologies and active travel**

It was reported that some local authorities employ differentiated car parking charges for different vehicle types. There were several local authorities with different schemes ranging from free parking permits for low emission vehicles to increased surcharges for diesel vehicles. Officers outlined details of the work carried out in Merton Council, the Merton Air Quality Parking Project. Some of the changes introduced in this project included residents or businesses being subjected to a surcharge via the parking permits system if they were registering a diesel vehicle. A reduced fee was also being introduced for permits for residents who were registering electric vehicles.

It was acknowledged that Hillingdon was home to a range of businesses that used diesel vehicles for their operation and there were also likely to be a number of residents who owned diesel vehicles. The Committee viewed such changes in charging schemes as more of an issue to be dealt with nationally. There was also a concern that residents on low incomes would be adversely affected as they may not be able to afford to replace a diesel car.

The Committee heard evidence that the promotion of safer cycling, in order to help increase the numbers of people cycling as opposed to driving, would be a useful measure to reduce car use and improve air quality. The Committee was informed that working alongside the Road Safety Team, officers worked with a company called '2WheelsLondon', which went into workplaces to promote safety for those riding powered two wheels and those riding pedal cycles. Reference was made to the possibility of using footpaths for cycling and Members were informed that footpaths had to be of a sufficient width to make this viable. In addition there needed to be work carried out in terms of potential conflicts of pedestrians and cyclists on particular footpaths. Reference was also made to the potential to increase the use of canal towpaths for cycling.

Furthermore the Committee was informed about the Liveable Neighbourhoods programme which gave London boroughs the opportunity to bid for funding for long-term schemes that encouraged walking, cycling and the use of public transport. Grants were provided of between £1m and £10m for a wide range of community-supported projects, which included creating green spaces and cycling infrastructure, redesigning junctions and widening of walking routes. These initiatives would reduce car trips and promote active travel which would both help mitigate poor air quality and improve residents' health.

In terms of minimising public exposure to pollution from roads, reference was made to the work carried out at Hayes Parade whereby trees were used as green screens. It was suggested that



these types of practical solutions, such as the use of appropriate screening by vegetation and hedges on highly polluted roads in the Borough could be a useful mechanism to protect pedestrians and create a healthier walking environment. Such an action would also provide protection for communities and vulnerable receptors, such as schools, located close to highly trafficked roads. It was noted that such an action could be incorporated into new developments to help improve air quality.

---

## Focus areas and monitoring strategies

The Committee heard evidence from Dr Ana Grossinho - an independent air quality expert. The Committee was provided with detailed information on air quality monitoring around the Borough. It was reported that whilst the south of the Borough had the most continuous automatic monitoring units, a method that is also used to monitor air quality is through the use of diffusion tubes. These smaller devices are placed around the Borough in potential pollution hotspots.

The introduction of the concept of Air Quality Focus Areas was discussed using examples of Hayes, Uxbridge and Ruislip Town Centres. Information about the air quality in focus areas is shared with the planning and the transport teams. Air quality improvements in such areas will involve working across several Council departments to deliver measures to reduce pollution and minimise public exposure. The Council will be required to review the current air quality monitoring regime to ensure there is appropriate coverage in the Focus Areas to allow the Council to monitor the effectiveness of improvement measures.

There was a general consensus that securing improvements in air quality needed to be managed nationally, with the Government and vehicle manufacturers working together to ensure future vehicle technologies actually delivered pollution emission reductions. There was recognition that Hillingdon, on its own, could not solve the issue of poor air quality, but the Council would ensure it had robust strategies in place to make improvements and help manage pollution.

---

## Local Authority Pollution, Prevention and Control

The Committee heard that, with regards to the industries in the Borough, there was legislation in place for the relevant authorities to regulate and enforce emissions to air arising from the industrial processes operating within the Borough. In the case of very large facilities, for example the Heathrow Energy Centre, the Environment Agency is the regulating authority. For other industries, the local authority is the regulating authority. It was reported that the local authority authorised the issuing of permits for specific industrial processes in the Borough and that the

---



permits are issued to set controls and emission standards to minimise pollution from these industrial activities. The types of industrial processes regulated by the local authority include roadstone coating plants, car re-sprayers, crematoria, petrol stations and dry cleaners. An example was given regarding dry cleaners, where the main source of toxic air pollutants was the solvent used in the cleaning process. Details were provided about perchloroethylene and how it polluted the environment.

---

### Council's Fleet of vehicles and reductions in energy

The Committee was provided with information on the Council's fleet of vehicles and reductions it was making in regards to emissions from the buildings it operated. For example, the Council spent approximately £500k on electricity in the Civic Centre. In June, LED lighting was implemented in the Civic Centre which replaced 1,100 fittings. This has been projected to save the Council £29k per annum and will reduce emissions in terms of a reduction in energy use..

## Findings & Conclusions

The Committee acknowledged that air quality is an important issue for the Council, its residents, businesses and the local environment. It was clear that since 2004, technology, legislation and society have all changed considerably. The issues affecting Hillingdon still exist or have increased in terms of public exposure given the population increases since 2004 in the Borough. Therefore, the threat of unacceptable air pollution continues. In light of this, the Committee welcomed the upcoming review of the Council's AQAP in 2018 and hoped that the matters considered in this review could be incorporated into the plan to further enhance the quality of life of the residents in the London Borough of Hillingdon.

Therefore, the Committee is pleased to present the following finding:

**A**

**Welcome the upcoming review of the Council's Air Quality Action Plan in 2018 and the positive and comprehensive work being undertaken by the Council to tackle air quality issues locally.**

However, notwithstanding the positive actions already undertaken and the upcoming review of the AQAP, the Committee also considered a number of areas that could be strengthened. Members considered that improvements could be made by taking small steps together with our partners, businesses and residents to understand both the impact of air pollution and our collective responsibility. To this end, the Committee has made some recommendations as set out below:

**B**

**Note that in support of this, the Committee has examined the topic of Air Quality and makes the following recommendations to Cabinet, for consideration as part of the wider review as follows:**

- 1. The Action Plan should maintain a strong focus on Hillingdon school travel plans. It should prioritise work with schools most affected by air pollution, particularly to explore measures to tackle car/coach idling emissions.**

- 2. Further promotion of the Air Text service/pollution alerts for Borough residents should be considered.**
- 3. Explore ways the Council can work with businesses to help them and their employees improve air quality in the Borough.**
- 4. Review the air quality monitoring networks across the Borough to ensure that there is appropriate coverage, particularly in Air Quality Focus Areas.**
- 5. As the whole Borough is designated a Smoke Control Area, that the Council explores further ways to make businesses and residents aware of their responsibilities.**
- 6. That existing work by the Council to promote healthier and greener alternatives to driving, such as cycling and walking and other practical ways to reduce pollution be integrated into the Action Plan along with ways to evaluate their impact in helping to reduce emissions.**

## Terms of Reference of the review

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

1. To understand the Council's responsibilities on air quality, examine how air quality in Hillingdon has been managed by the Council since 2004, why expected improvements are not as large as predicted and what is now required with the GLA's air quality regime in terms of reviewing the AQAP.
2. To consider the options available for reducing pollution, including actions that can be taken directly by the Council, and identify the best means by which the Council can influence other organisations whose activities detrimentally impact on the air quality in Hillingdon.
3. In terms of the Council, examine the interactions that will be necessary between departments in order to bring about improvements in pollution levels and make a positive contribution to securing improvements to health.
4. To consider how the Council should prioritise air quality improvements, for example, Air Quality Focus Areas, on Borough-wide initiatives, directed towards at-risk/vulnerable groups.
5. To look at measures to best inform residents and local businesses in the Borough of the actions required to reduce air pollution.
6. To advise on the development of the Air Quality Action Plan before its submission to Cabinet for approval.

## Witnesses and Committee activity

The Committee received evidence from the following sources and witnesses:

<b>Witness Session 1</b>	<ul style="list-style-type: none"> <li>• Val Beale - LBH Environmental Specialist</li> <li>• James Rodger - LBH Head of Planning, Transportation and Regeneration</li> <li>• Dr Mike Holland - Member of the Committee on the Medical Effects of Air Pollution (COMEAP)</li> </ul>
<b>Witness Session 2</b>	<ul style="list-style-type: none"> <li>• David Knowles - LBH Transport &amp; Projects Senior Manager</li> <li>• Bill Hickson - LBH Anti-Social Behaviour and Environment Team Manager</li> <li>• Val Beale - LBH Environmental Specialist</li> </ul>
<b>Witness Session 3</b>	<ul style="list-style-type: none"> <li>• Bill Hickson - LBH Anti-Social Behaviour and Environment Team Manager</li> <li>• Dr Mike Holland - Member of the Committee on the Medical Effects of Air Pollution (COMEAP)</li> <li>• Dr Steve Hajioff - LBH Director of Public Health</li> <li>• Perry Scott - Deputy Director, Infrastructure, Procurement, Waste Services</li> <li>• Dr Ana Grossinho - Executive Director at Air Quality Experts Global Ltd</li> <li>• Val Beale - LBH Environmental Specialist</li> </ul>

## References

Link here:

Revealed: every Londoner breathing dangerous levels of toxic air particle (2017). Available at : <https://www.theguardian.com/environment/2017/oct/04/revealed-every-londoner-breathing-dangerous-levels-of-toxic-air-particle> (Accessed: 2 March 2018)

What is Air Text (2018). Available at: <http://www.airtext.info/about> (Accessed: 6 March 2018)  
<https://www.london.gov.uk/what-we-do/environment/pollution-and-air-quality/how-were-cleaning-londons-air> (Accessed: 4 March 2018)

[https://www.london.gov.uk/sites/default/files/borough\\_air\\_quality\\_report\\_2017\\_final\\_2.pdf](https://www.london.gov.uk/sites/default/files/borough_air_quality_report_2017_final_2.pdf)  
(Accessed: 3 March 2018)

<http://www.uksmokecontrolareas.co.uk/> (Accessed: 20 February 2018)

[https://www.london.gov.uk/sites/default/files/botwell\\_house\\_rc\\_primary\\_school-case\\_study-final.pdf](https://www.london.gov.uk/sites/default/files/botwell_house_rc_primary_school-case_study-final.pdf) (Accessed: 7 February 2018)

<https://www.standard.co.uk/lifestyle/london-life/hedges-can-soak-up-london-s-toxic-air-pollution-better-than-trees-a3541356.html> (Accessed: 20 February 2018)

<https://www.gov.uk/government/consultations/air-quality-draft-clean-air-strategy-2018> (Accessed: 2 February 2018)

## REVISED FINANCING SCHEME FOR SCHOOLS

<b>Cabinet Member(s)</b>	Councillor David Simmonds CBE Councillor Jonathan Bianco
<b>Cabinet Portfolio(s)</b>	Deputy Leader & Education and Children's Services Finance, Property and Business Services
<b>Officer Contact(s)</b>	Peter Malewicz, Finance
<b>Papers with report</b>	Revised Scheme for Financing Schools

## HEADLINES

<b>Summary</b>	This report seeks Cabinet approval to agree the proposed amendments to the Scheme for Financing Schools, to be effective from 1 August 2018, following the release of revised statutory guidance on 22 March 2018.
<b>Putting our Residents First</b>	This report supports the following Council objectives of: <i>Strong financial management.</i>
<b>Financial Cost</b>	There are no direct financial implications arising from this report. However, the changes to the Scheme, provide clarity on what constitutes as a loan and differentiates this from advance payments of the schools budget share for those schools facing cashflow difficulties. It also provides clarity on the treatment of school balances should a school close
<b>Relevant Policy Overview Committee</b>	Residents, Education and Environmental Services
<b>Relevant Ward(s)</b>	All Wards

## RECOMMENDATION

**That the Cabinet approves the Revised Scheme for Financing Schools.**

### Reasons for recommendation

The Scheme for Financing Schools is a statutory document that sets out the financial relationship between the Council and maintained schools within the Borough and the duties placed on both within that relationship. The Council is required to have in place an up to date and agreed Scheme for Financing Schools, which needs to be readily accessible to the general public.

## Alternative options considered / risk management

If the Council does not have an agreed and up to date Scheme in place, it potentially stands the risk of not being able to charge legitimate costs to schools, as it would not have the ability to do so.

## Policy Overview Committee comments

None at this stage.

## SUPPORTING INFORMATION

1. The Department for Education released the latest update to the Scheme for Financing Schools statutory guidance on 22 March 2018. This guidance sets out the financial relationships that exist between maintained schools and the local authority and the duties placed on both within that relationship.
2. The requirements of the regulations are that the Council must consult with Schools Forum (maintained school representatives only) prior to acceptance by the Council. Historically the Council has consulted with all schools, but in this instance, as all of the changes are those required by the DfE or are mandated changes as directed by the Secretary of State, this step has not been taken.
3. The revised Scheme was discussed at the Schools Forum meeting on 27 June 2018. At this meeting it was proposed that the value of debt write off approval be increased from £250 to £500, which is in line with the Council's policy. Schools Forum agreed to accept the changes.
4. The changes noted in the revised Scheme are **highlighted** in the revised scheme attached and include all of the revisions set out in the statutory guidance and also include post title amendments, where applicable. The major changes to note are as follows:

### *Balances of closing and amalgamating schools*

5. Updates have been made to the DfE guidance, to mirror changes in the Schools and Early Years Finance (England) Regulations 2018, in relation to the balances of closing schools. The updated guidance provides more clarity on the treatment of balances of closing schools, as detailed under Regulation 25 (9). The revised wording is in paragraph 4.8 within the Revised Scheme for Financing Schools.

### *Loan schemes*

6. The DfE ran two consultations, one in March 2017 and another in November 2017, which sought views on proposed changes to the definition of a loan within the Scheme for Financing Schools. Most of the local authorities who responded to the consultation were



not in favour of the proposed changes, however, the DfE remain of the view that the Scheme for Financing Schools needs to be amended to clarify what is deemed as a loan.

7. Effective from 22 March 2018, local authorities will no longer be able to classify an advance of cash to assist with a schools cash-flow as a loan, but will need to classify it as a Cash Advance of the schools delegated budget. As this is a directed revision from the DfE there is not a requirement for the local authority to consult on this change to the scheme. This change is in paragraph 4.10 of the Scheme for Financing Schools.

## **Financial Implications**

There are no direct financial implications arising from this report. However, the clarity provided on the treatment of school balances could potentially result in the Council having to fund school deficits on closure. Additionally, the change in the definition of a loan, changes the way in which local authorities treat advance payments of a schools delegated budget to schools that are experiencing cash flow difficulties, which also generally ties into those schools that are in deficit.

As stated in the main report, the Scheme for Financing Schools sets out the financial relationship between the Council and maintained schools.

## **RESIDENT BENEFIT & CONSULTATION**

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

Having an up to date Scheme for Financing Schools in place ensures the correct treatment of costs between the Council's base budget and the Dedicated Schools Grant.

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

As most of the changes to the Scheme for Financing Schools have been directed by the Secretary of State, it was felt sensible that only Schools Forum needed to be consulted. This consultation took place at the Schools Forum meeting on 27 June 2018, at this meeting, Schools Forum proposed one amendment, which was to increase the level at which schools needed to seek permission from the Council for writing off debt from £250 to £500.

## **CORPORATE CONSIDERATIONS**

### **Corporate Finance**

Corporate Finance has reviewed the report and the detailed revised Scheme for Financing Schools from August 2018. It is noted that although the recommendations have no direct financial implications, the revised scheme for financing schools sets out the framework through which maintained schools should manage their financial resources and how they will work with the Council to ensure that its responsibilities for school related financial administration is undertaken as required by the DFE.

## Legal

The Borough Solicitor confirms that the Council's Scheme for Financing Schools complies with the Statutory Guidance issued by the Department for Education and that there are no legal impediments to Cabinet approving the Scheme.

## BACKGROUND PAPERS

[Schemes for Financing Schools 2018](#) - the statutory guidance issued by the Department for Education which sets out the requirements for what needs to be included in a local Scheme for Financing Schools.

**London Borough of Hillingdon**

# **Scheme for Financing Schools**

**July 2018**



## Scheme for Financing Schools

Section	Title
Section 1	<a href="#"><u>Introduction</u></a>
Section 2	<a href="#"><u>Financial Controls</u></a>
Section 3	<a href="#"><u>Instalments of budget share: banking arrangements</u></a>
Section 4	<a href="#"><u>Treatment of surpluses and deficits</u></a>
Section 5	<a href="#"><u>Income</u></a>
Section 6	<a href="#"><u>Charging of school budget shares</u></a>
Section 7	<a href="#"><u>Taxation</u></a>
Section 8	<a href="#"><u>Provision of services and facilities by the Authority</u></a>
Section 9	<a href="#"><u>PFI Clauses</u></a>
Section 10	<a href="#"><u>Insurance</u></a>
Section 11	<a href="#"><u>Miscellaneous</u></a>
Section 12	<a href="#"><u>Responsibility for repairs and maintenance</u></a>
Section 13	<a href="#"><u>Community Facilities</u></a>
Appendix 1	<a href="#"><u>Schools subject to the scheme</u></a>
Appendix 2	<a href="#"><u>Best Value and Schools</u></a>
Appendix 3	<a href="#"><u>Categories of work for repairs and maintenance</u></a>
Appendix 4	<a href="#"><u>Responsibility for redundancy and early retirement costs</u></a>
Appendix 5	<a href="#"><u>NQT Loan Application Model</u></a>

## **Section 1: Introduction**

### **1.1 The funding framework**

The funding framework which replaces Local Management of Schools is based on the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998.

Under this legislation, local authorities determine for themselves the size of their Schools Budget and their non-schools education budget – although at a minimum a local authority must appropriate its entire Dedicated Schools Grant to their Schools Budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items. Authorities may deduct funds from their schools budget for purposes specified by regulations made by the Secretary of State under s.45A of the Act (the centrally retained expenditure). The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their Schools Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the Schools Budget left after deduction of centrally retained funds is termed the Individual Schools Budget (ISB). Expenditure items in the non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).

Local authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act. The financial controls within which delegation works are set out in a scheme made by the authority in accordance with s.48 of the Act and approved by the Secretary of State. All proposals to revise the scheme must be approved by the Schools Forum, though the authority may apply to the Secretary of State for approval in the event of the forum rejecting a proposal or approving it subject to modifications that are not acceptable to the Local authority.

Subject to any provision made by or under the scheme, governing bodies of schools may spend budget shares for the purposes of their school\*. They may also spend budget shares on any additional purposes prescribed by the Secretary of State in regulations made under s.50 of the Act. (\*Section 50 has been amended to provide that amounts spent by a governing body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (s50(3A) of the Act.)

An authority may suspend a school's right to a delegated budget if the provisions of the Local Authority's financing scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. There is a right of appeal to the Secretary of State. A school's right to a delegated budget share may also be suspended for other reasons (s.17 of the SSAF Act 1998).

Each authority is obliged to publish each year a statement (the section 251 statement) setting out details of its planned Schools Budget and other expenditure on children's services showing the amounts to be centrally retained and funding delegated to schools. After each financial year the authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.

The detailed publication requirements for financial statements are set out in regulations issued by the Secretary of State, but the statements must be made available on a publicly accessible website.

Regulations also require a local authority to publish their scheme and any revisions to it on a website accessible to the general public, by the date that any revisions come into force, together with a statement that the revised scheme comes into force on that date.

## **1.2 The role of the scheme**

The scheme is binding on both the Authority and maintained schools. It aims to set the financial relationship between the Local Authority and the maintained schools which it funds. The scheme contains requirements relating to financial management and associated issues and sets parameters within which schools can exercise the financial and management freedoms they have experienced in Hillingdon, both as LA maintained schools with high levels of delegation and local bank accounts, and as former grant maintained schools with full delegation.

The scheme represents the minimum requirements necessary for the Chief Financial Officer of the Authority to exercise his/her responsibilities under s.151 of the Local Government Act 1972.

### **1.2.1 Application of the scheme to the Authority and maintained schools**

This scheme applies to all community, nursery, special, voluntary, foundation (including trust), foundation special schools and PRUs maintained by the authority whether they are situated in the area of the authority or situated elsewhere.

It does not apply to schools situated in the authority's area which are maintained by another authority. Nor does it apply to academies, free schools, University Technical Colleges or Studio Colleges.

A list of the schools to which this scheme applies is in **Appendix 1**.

### 1.3 Publication of the scheme

A copy of the scheme and any amendments to it will be published on <http://www.hillingdon.gov.uk/article/23526/Financing-schools-scheme> so that it is accessible to all schools and the general public.

### 1.4 Revision of the scheme

Any proposed revisions to the scheme will be the subject of consultation with the governing body and head teacher of every school maintained by the Local Authority. Following consultation, all proposed revisions must be submitted to the schools forum for approval by members of the forum representing maintained schools. Where the schools forum does not approve them or approves them subject to modifications which are not acceptable to the authority, the authority may apply to the Secretary of State for approval.

### 1.5 Delegation of powers to the head teacher

It is a requirement that each Governing Body puts in writing the **financial** powers it has delegated to sub-committees and to the head teacher. Any decision (and subsequent revisions) should be recorded in the minutes of the governing body. The precise arrangements are for each Governing Body to determine for itself, but the LA would recommend as good practice that a Finance sub-committee be established to consider the budget position of the school and to report to the Governing Body on its findings. The LA would also wish to recommend the following split between Governing Body (and sub-committee) and the head teacher.

#### **Financial responsibilities to be retained by the Governing Body (including those responsibilities delegated to a Finance sub-committee):**

- Overall responsibility for the financial management and budgetary control of the school.
- Approval of the revenue budget as prepared and submitted by the head teacher.
- Regular review of the school's expenditure against the budget based upon reports from the head teacher, giving details of performance, especially with respect to variations on the budget plan resulting in under/ over-spends.
- Approval of proposals to exceed agreed limits of delegated authority.
- Approval of funds to be spent on prescribed capital projects subject to the Council's agreement and statutory regulations.
- Approval of additional insurance cover to be funded from the school's delegated budget.
- Approval of the disposal of obsolete or surplus items of equipment valued at more than **£100**, but not exceeding **£5,000** (above which the approval of the Chief Financial Officer is required.)
- The opening and acceptance of tenders required to comply with the Council's standing orders for contracts provided to or by the governing body.

### **Financial responsibilities to be delegated to the head teacher.**

- Day-to-day responsibility for the financial management and budgetary control of the school.
- Any other financial responsibilities apart from those listed above as remaining the responsibility of the Governors.
- To ensure compliance with the Council's standing orders and financial regulations.

The Governing Body is responsible for approving the first formal budget plan of each financial year, regardless of the arrangements for delegations.

### **1.6 Maintenance of Schools**

The Local Authority is responsible for maintaining the schools covered by the scheme, (except in the case of a voluntary aided school where some of the expenses are, by statute, payable by the governing body). Part of the way an authority maintains its schools is through the delegation of funding to schools including a provision for maintenance.



## Section 2: Financial Controls

### 2.1.1 Application of financial controls to schools

Schools are obliged to adhere to requirements on financial controls and monitoring in the management of their delegated budget and any earmarked sums devolved to the school. In particular, schools must comply with:

- a) Hillingdon's **Financial Regulations** – Appendix 1 of **Guidance to Schools on Financial Management** (reminder sent to NV and SC 9.3.12)
- b) Hillingdon's **Standing Orders (Schools)** – Appendix 2 of **Guidance to Schools on Financial Management**

### 2.1.2 Provision of financial information and reports

Schools should provide the authority with details of anticipated and actual expenditure and income, in a form and at times determined by the authority, currently the local authority require schools to submit quarterly returns. The necessary reports are explained in the **Requirements on Financial Reporting** within the **Guidance to Schools on Financial Management** (section 2).

The format determined by the LA for submission of information should so far as possible take account of the Consistent Financial Reporting framework and the desirability of compatibility with that framework.

### 2.1.3 Payment of salaries; payment of bills

School's internal procedures for paying salaries and other bills can be set at the discretion of the governing body, within the constraints of the Council's Financial Regulations and Standing Orders. Separate guidance on setting internal procedures is provided to schools in the **Guidance to Schools on Financial Management**.

### 2.1.4 Control of assets

The governing body is responsible for the management of the school's resources which include the custody and control of stocks and stores and the maintenance of a record of stock receipts and issues.

Requirements relating to inventories are included in the Hillingdon **Financial Regulations (contained in Appendix 1 of Guidance to Schools for Financial Management)**.

The Scheme for Financing Schools only requires schools to maintain asset registers for items with a value in excess of **£1,000**, whereas the Financial Regulations refer to items with a value in excess of **£250**. While the Scheme for Financing Schools prevails, schools are urged to abide by the Financial Regulations as good practice.

### 2.1.5 Accounting policies (including year-end procedures)

Schools' accounts, provided to the local authority during the year, are to be prepared either on a receipts and payments basis or an accruals basis and each governing body should indicate at the start of the year the basis they would wish to adopt. In either case the reports should be cumulative.

At the year end the accounts will need to be on an accruals basis. Schools will be expected to maintain the accounts in their own financial systems in such a way as to facilitate the production of a detailed analysis which meets the requirements set out in the **Guidance to Schools on Financial Management**. Schools will be required to provide details of outstanding creditors, outstanding debtors, pre-payments and income in advance in order that the local authority's accounts can appropriately reflect each school's balance sheet position.

This scheme does not seek to impose a particular system of accounting (i.e. cash, commitments or accruals) for the school's internal purposes.

### 2.1.6 Writing off of debts

Once all reasonable courses of action have been taken to recover monies where an invoice has been raised, a governing body may write-off the income if the outstanding amount on the invoice is less than **£500**. It is recommended that the Governing Body take this decision itself and an annual list of items written off should be sent to the Finance Manager - **Social Care, Education and Schools**.

..

Where the amount outstanding on the invoice exceeds **£500** the write-off should be approved by the Finance Manager - **Social Care, Education and Schools**.

## 2.2 Basis of accounting

The financial year runs from 1st April to 31st March. Reports provided to the local authority during the year will be either on a cash or accruals basis. This is made clear in the **Guidance to Schools on Financial Management**.

## 2.3 Submission of budget plans

Schools are required to submit a budget plan for their individual school budget and any known earmarked sums, approved by the full Governing Body, by **31<sup>st</sup> May of each financial year**. Schools may take account of balances at the end of the previous year in planning their budget for the new financial year. The format of the budget plan should be as per the **Guidance to Schools on Financial Management**.

During the year the Governing Body is required to report on their expected outturn financial position for the year as part of the quarterly reporting process, as set out in the **Guidance to Schools on Financial Management**. This is to enable the Chief Financial Officer to fulfil his responsibilities under Section 151 of the Local Government Act 1972, ensuring the necessary financial standards are

being met and to make an informed response to questions raised in relation to schools.

The local authority is bound by this scheme to supply schools with all information held on income and expenditure data which it holds which is necessary for efficient planning by schools.

### **2.3.1 Submission of Financial Forecasts**

The LA requires schools to submit a financial forecast for at least three years in the format prescribed in the **Guidance to Schools for Financial Management**. Budget plans received from schools will be used for assessment against Schools Financial Value Standards forms and to monitor school balances.

## **2.4 Efficiency and Value for Money**

Schools must seek to achieve efficiencies and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the Authority's purchasing, tendering and contracting requirements outlined in section 2.10.

It is for heads and governors to determine at school level how to secure better value for money. There are significant variations in efficiency between similar schools, and so it is important for schools to review their current expenditure, compare it to other schools and think about how to make improvements.

## **2.5 Virement**

Schools have the freedom to vire budgets between budget heads in the expenditure of their delegated budget share.

Schools may not, however, vire between the delegated budget share and any earmarked sums. The arrangements for virement within each earmarked sum will vary, depending on the nature of the expenditure. Virement arrangements for earmarked sums will be notified to schools when they are advised of the purposes to which the sums may be put.

## **2.6 Audit: General**

From April 1999 the accounts of all maintained schools have formed part of the total income and expenditure subject to external audit and all schools are therefore within the scope of the LA external audit regime. The governing body must bear in mind that whilst external auditors must plan, perform and evaluate their audit work to have a reasonable expectation of detecting material misstatements arising from error or fraud, the duty to deter and detect fraud rests primarily with the Governing Body.

In addition the internal audit of schools is an obligation imposed upon the Council by the **Local Audit and Accountability Act 2014** which require the maintenance of an adequate and effective system of internal audit of the accounting records and systems of the council. The responsibility for Internal

Audit of schools has been delegated to the LA's Section 151 Officer. To enable the LA's internal auditors to carry out their duties schools must allow the auditors full access at all times to all papers and records of the school and provide explanations the auditors consider necessary. School must pass on to auditors any information that the auditors should be aware of to carry out their audit.

Internal audit has introduced a fully risk-based approach to the internal audit coverage of Hillingdon schools. Financial regulations require the governing body to inform the Head of **Business Assurance** immediately, in any circumstances where a financial irregularity occurs or is suspected.

The reports provided to the Authority as per the **Guidance to Schools on Financial Management**, will provide most of the information necessary to allow external audit to form a view on schools' accounts. Nevertheless, external audit may wish to visit schools on a sample basis to examine prime documents at source and schools are required to provide all internal and external auditors with access to such records or information as they believe to be necessary in the completion of their audit.

The records which schools are required to retain for audit and other inspection are included in **para 1.25** of the **Financial Regulations**, (Retention of Documents Policy).

## **2.7 Separate external audits**

Schools may, if they wish, arrange for an external audit of their accounts, separate from and in addition to the LA internal and external audit process described in **Section 2.6** above, using funds from their delegated budget share.

Schools should consider whether the service they require is financial advice, rather than a full or partial audit.

## **2.8 Audit of voluntary and private funds**

Schools' voluntary funds must be kept completely separate from the delegated budget. Governing Bodies of community schools should take account of the charities legislation which requires that private school funds are legally required to be registered as a charity if income exceeds **£5,000** per annum. Voluntary and foundation schools are exempt from registering.

There should be a clear audit trail if any monies are donated from the voluntary fund to the school budget. Where a donation is made to the delegated budget of the school, this should be recorded as income for the school and should not be coded to offset the expenditure on the item for which the donation was made.

The school is required to have an annual audit or, where appropriate, an independent examination of expenditure, and to have available the audit certificates, in respect of any private school funds held by the school or the accounts of any trading organisations controlled by the school. There is **no** requirement that these be sent to the LA; rather they should be available for inspection by internal audit if requested.

## 2.9 Register of business interests

All schools are required to establish and maintain a register of business interests. This will list, for each member of the governing body and the head teacher, any business interests they or any member of their immediate family have along with details of any other educational establishments they govern and any relationships between governors and members of the school staff including spouses, partners and relatives.

The register should include the information in the example format in the **Guidance for Schools on Financial Management**. All schools are required to keep their register up-to-date using notifications of changes, as well as reviewing all entries on an annual basis.

The register does **not** need to be sent to the LA but should be available for scrutiny by governors, staff, parents and auditors on request. From 1 September 2015, governing bodies will be under a duty to publish their register of interests on the school website.

## 2.10 Purchasing, tendering and contracting requirements

Schools are required to abide by the Council's Standing Orders with respect to purchasing, tendering and contracting matters. Details of LBH's Standing Orders are contained in **The Guidance to Schools on Financial Management**, Appendix 2A and 2B. In particular, schools must assess in advance, where relevant, the health and safety competence of contractors, taking account of the LA's policies and procedures.

The current values of contracts which require particular numbers of quotations and tenders is set out below:

Value Range	Process to follow	Description	Approval
Up to £3,000	Best Value	Officers to demonstrate best value has been achieved	Headteacher
£3,001 - £10,000	Quotes	Three written quotes required	Headteacher
£10,001 – £50,000	Quotes	Minimum of 5 written quotes	Governing Body
£50,001 - £100,000	Tenders	Minimum of 5 tenders	Governing Body
£100,000 and above	Tender	Minimum of 5 tenders	Governing Body and Local Authority
<b>£181,302</b> and above	OJEU notice	European tender (goods/services)	Governing Body and Local Authority

## **2.11 Application of contracts to schools**

Schools have the right to opt out of LA-arranged contracts except where they lost that right for particular contracts where they have agreed to be bound into the specified terms and conditions.

Although Governing Bodies are empowered under paragraph 3 of schedule 1 to the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the LA as maintainer of the school and the owner of funds in the budget share. To comply with Hillingdon's constitution, Governing Bodies are required to obtain LA countersignature on contracts with third parties where the value of the contract exceeds £100,000. The only exceptions to this are:

- a) contracts of employment entered into by aided or foundation schools;
- b) contracts for the works or fees associated with building projects at aided schools where the project is the governors' liability;
- c) contracts for the works or fees associated with building projects at foundation schools where the funding (including DfE funding) provided via the LA is less than £100,000 (i.e. in practice this exemption is likely to occur only where a foundation school has generated the funding for the project itself through land disposal, sponsorship or other fund-raising).

## **2.12 Central funds and earmarking**

The LA is authorised to make sums available to schools from central funds, in the form of allocations which are additional to and separate from the schools' budget shares. Such earmarked funding from centrally retained funds should be spent only on the purposes for which it is given and must be returned to the LA if not spent within the period stipulated.

Schools will be required to code expenditure relating to earmarked sums to a cost-centre, determined by the LA, with the required subjective analysis. This will be reflected in the expenditure return submitted to the local authority to demonstrate that the requirement for which the funding has been given is complied with.

The LA may not deduct from payments to schools of devolved specific or special grant, any sum in respect of interest costs to the LA.

## **2.13 Spending for the purposes of the school**

The governing body may use their delegated budget and any earmarked sums for the purposes of the school, this includes spending on pupils at other maintained schools or academies and spending on community facilities or services. The Governing body must not make or sanction gifts or ex-gratia payments from public funds. Gifts / benefit payments to staff in cash or kind are not permitted. Schools are allowed to grant loans to Newly Qualified Teachers up to the value of £1,500 in accordance with the Council's Human Resources policy. Appendix 5 contains a model loan application form for use when issuing such loans.

## 2.14 Capital spending from budget shares

To avoid conflict with the Government's capital expenditure controls, governors must inform the LA's Chief Financial Officer if they wish:

a) to enter into a contract for the acquisition, enhancement or replacement of any buildings / structures, plant machinery, apparatus or vehicles costing more than **£10,000** per single item; or

b) to enter into an operating lease agreement where the value is more than **£10,000** (schools are not permitted to enter into finance leases).

This is to ensure that the Chief Financial Officer accounts for the expenditure appropriately; schools do not need the permission of the Chief Financial Officer to enter into such agreements.

Where schools intend to use their budget share for capital expenditure the governing body must notify the LA and take account of any advice from the Chief Financial Officer as to the merits of the proposed expenditure if it exceeds **£15,000**. These provisions help to ensure compliance with the current School Premises Regulations and DfE Construction Standards, and health and safety legislation. Expenditure from capital allocations made available by the Authority outside of the delegated budget share are not affected by these provisions.

## 2.15 Notice of concern

The LA may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Chief Financial Officer and the Corporate Director of **Social Care**, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the local authority or the school.

Such a notice will set out the reasons and evidence for it being made and may place on the governing body restrictions, limitations or prohibitions in relation to the management of funds delegated to it.

These may include:

- insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- insisting that an appropriately trained/qualified person chairs the finance committee of the governing body;
- placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the local authority;
- insisting on regular financial monitoring meetings at the school attended by local authority officers;
- requiring a governing body to buy into a local authority's financial management systems; and

- imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

The notice will clearly state what these requirements are and the way in which and the time by which such requirements must be complied with in order for the notice to be withdrawn. It will also state the actions that the authority may take where the governing body does not comply with the notice.

## **2.16 Schools Financial Value Standard (SFVS)**

All local authority maintained schools (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.

Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner. Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines. All maintained schools with a delegated budget must submit the form annually to the local authority before 31 March each year.

## **2.17 Fraud**

All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.

The governing body and head teacher must inform all staff of school policies and procedures related to fraud and theft, the controls in place to prevent them; and the consequences of breaching these controls. This information must also be included in induction for new school staff and governors.



### **Section 3: Instalments of Budget Share (includes any place-led funding for special schools or pupil referral units); Banking Arrangements**

#### **3.1 Frequency of instalments**

Cash advances based on budget shares for the year (including top-up payments for pupils with high needs) will be paid to schools in 12 instalments by crediting schools' nominated bank accounts (i.e. cleared funds) on the last banking day before the 15<sup>th</sup> of the month (or the preceding day if the 15<sup>th</sup> falls on a non-banking day) to allow schools to meet their payroll commitments in time.

#### **3.2 Proportion of budget share payable at each instalment**

The Authority will calculate the amount to be paid to each school on the following basis.

During the financial year schools will need cash in order to meet commitments arising from their delegated and devolved budgets. The Authority will identify each month what the total known budgets for the school are.

In the monthly instalments between April and March the amount payable will be:

$$(A - B) \times 1/C$$

where

**A** = known budgets at time when monthly cash advance transaction needs to be calculated (i.e. normally 2 weeks prior to the date the cash is transferred to schools' bank accounts).

**B** = cash advances already made to the school for that financial year's funding.

**C** = the number of monthly cash advances till year-end

From April 2013, Special schools, Pupil Referral Units and Specialist Resource Provision units will receive 12% of their planned placed funding and top up funding (for Hillingdon pupils only) in April and 88% of the remaining funding in 11 equal instalments from May to March.

After the end of the financial year the total cash advanced will be compared against the total delegated and devolved budgets for the financial year. The resulting balance will either be added to or deducted from the monthly cash advance following the confirmation by the LA of the carry-forward balance for all schools i.e. a one-off adjustment to the cash advances for either July or August of the year following that financial year. A worked example is in the **Guidance for Schools on Financial Management**.

The only exceptions to this standard distribution are:

- Grants which may be paid to the Local Authority for distribution to schools
- Capital funding for specific projects (i.e. other than formula capital allocations) will be distributed on a school by school basis in accordance with the planned expenditure on the project agreed with the LA.

- Where a maintained school converts to Academy, adjustments will be made to the maintained school's cash advance to adjust funding no longer owing to the school or recoup overpayments

### **3.3 Interest clawback**

There will be no deduction for interest where a school receives cash advances in the pattern and for the amounts calculated in **Sections 3.1** and **3.2** above.

#### **3.3.1 Interest on Cash Advance Reprofitting**

**Where schools require additional cash arising from overspending, a formal application for a cash advance reprofiling will be required.**

**Any advance payments will accrue interest at the prevailing London Inter Bank Offered Rate (LIBOR) effective for the term of the advance prevailing on the day the advance is obtained from the LA until the amount is repaid. Interest on longer term advances or advances for periods above one year will be charged at the prevailing Public Works Loan Board (PWLB) rate at the time the advance is taken reviewed annually at the start of each financial year. This will affect those schools whose patterns of expenditure are different to the norm or those that have accumulated deficit budgets. An example of the application form to be used is in the Guidance to Schools on Financial Management.**

#### **3.3.2 Interest on Loans**

**Where a school requires a loan to assist in spreading the cost over more than one year of large one-off individual items of a capital nature, the loan will accrue interest calculated on the same basis as detailed in Section 3.3.1 above**

Schools are not permitted to borrow money from any other source (**see para 3.6**).

### **3.3.2 Interest on Late Budget Share Payments**

In circumstances where the LA fails to provide the monthly cash advance on the predetermined date, and this was due to LA error, schools will be entitled to interest at the prevailing **London Inter Bank Bid Rate (LIBID)**.

### **3.4 Budget shares for closing schools**

Budget shares of schools for which approval for discontinuation has been secured may be made until closure on a monthly basis net of estimated pay costs at the discretion of the Chief Financial Officer.

### 3.5 Bank and building societies

All maintained schools may operate a bank account separate to the Council's own bank account.

When converting to become an Academy a closing maintained school's bank account mandate should provide that the LA is the owner of the funds during the period that the accounts are being finalised which is three months from the date the school ceases to exist.

Any interest generated from bank account balances may be retained by the school, credited to the school's budget share (**never** the private school fund). Schools having bank accounts with other banks prior to 1 April 2001 are allowed to retain those accounts.

The **Hillingdon Financial Regulations** include requirements on bank accounts, in particular **paras 3.124**.

#### 3.5.1 Restrictions on accounts

Schools can use any of the following banks:

Royal Bank of Scotland, Barclays, HSBC, Lloyds Banking Group, Natwest and Standard Chartered Bank.

No other banks should be used without written consent of the Council's Chief Financial Officer. Schools may operate more than one bank account, but each one, other than those for unofficial funds, would need to be reconciled to the same timetable as is specified in Appendix 4 of the **Guidance to Schools on Financial Management**.

If a school's bank account is opened under its own name provision should be made for the LA to take control and be the owner of the funds if the school's right to a delegated budget is suspended by the LA.

Every cheque **must** be signed by two authorised individuals and at least one of those individuals **must** be a member of staff. It is advised that signatories should be Headteacher, Deputy Headteacher and/or a senior member of staff.

It is **strongly advised** that the school administrative (or finance) officer **is not involved** in the cheque signing process. The need to have a separation of duties would suggest that it is best practice for the school administrative (or finance) officer not to be a cheque signatory.

It is also **advised** that governors **should not be routine** cheque signatories. Under the scheme of delegation for sub-committees and the headteacher, it is recommended that the headteacher have delegated authority to run the day-to-day finances of the school; signing cheques is an operational aspect of financial administration. Where governors are cheque signatories the school is likely to encounter problems in having sufficient cheque signatories in an emergency. Equally, however, smaller schools may be able to resolve some of the difficulties

they often face in ensuring separation of duties by including a governor on the bank mandate.

Governing bodies may decide that it is appropriate for cheques above a certain amount (e.g. **£20,000**) to be counter-signed by a governor, but there is no requirement for this to be the case. Schools which do decide to include a governor on the bank mandate **must** check that the school's insurance policy covers governors for **fidelity guarantee**.

In considering which bank to use, governors should consider:

- **service charges** (many banks offer a deal where service charges are nil for as long as the account is not overdrawn)
- **interest receivable** (interest rates between banks and for different accounts in the same bank will vary from the prevailing base rate)
- **accessibility** (if the bank is to be visited frequently it may be useful to use a bank close to the school)
- **services included as standard** (banks may offer more frequent statements or an interest earning current account or other services which their competitors may charge for)
- **the implications of changing banks** (all schools now have their own bank account and the advantages of a different bank may be outweighed by the inconvenience and expense of changing banks)

Banks do not offer exactly the same service and schools should choose a bank which best meets their needs.

### **3.6 Borrowing by schools**

Schools cannot borrow money (including the use of finance leases), unless they have the written permission of the Secretary of State. This does not apply to any loans granted by the LA within the provisions of this scheme.

This provision also extends to the use of credit cards by schools, which are regarded as borrowing. However, this does not bar schools from using debit cards or the government purchase card, which can be a useful means of facilitating electronic purchase. Schools are required to manage the use of the purchase cards and must abide by the repayment criteria. Schools are required to adhere to separate guidance (contained in the **Guidance to Schools on Financial Management**) on the use of purchase cards. The use of purchase cards is not considered to infringe the borrowing restrictions imposed on schools as long as the balance on the account is cleared in full within the month. All costs and charges for cards should be met from the school's budget share.

## **Section 4: The treatment of surpluses and deficit balances arising in relation to budget shares**

### **4.1 Right to carry forward surplus balances**

Schools are permitted to carry forward from one financial year to the next any shortfall in expenditure relative to the school's budget share for the year plus / minus any balance brought forward from the previous year.

The amount of a surplus balance will be that shown in the relevant out-turn statement published in accordance with s.251 of the Apprenticeships, Skills, Children and Learning Act 2009.

Where a school's surplus balance is more than 8% for Nurseries, Specials and Primaries and 5% for Secondaries of the school's total income (including brought forward balances) for that financial year, the governing body is required to report to the LA on the use to which the school intends to put the surplus balance, this to be submitted with the budget plan by 31<sup>st</sup> May.

### **4.3 Interest on surplus balances**

Surplus balances will be accounted for in the accounts of the local authority but, in cash terms, schools' balances (subject to year-end reconciliations) will be held in their local bank accounts. Interest accrued on all cash in schools local bank accounts is retained by the school. (See **section 3.5**)

### **4.4 Obligation to carry forward deficit balances**

Where a school's expenditure during a financial year exceeds the budget share plus / minus the balance brought forward from the previous financial year the school is obliged to carry forward the deficit. Any deficit carried forward will be the first call on the budget share for the following year.

Where deficits at schools maintained by the LA exist, a schedule of repayments may be agreed with the governing body.

### **4.5 Planning for deficit balances**

Governing bodies may not plan for a deficit. If, during the year, expenditure patterns suggest that a deficit is likely, governing bodies are under an obligation to take all appropriate measures to avoid a deficit occurring. If, in spite of all efforts a deficit is not avoidable, the local authority may, in exceptional circumstances, licence a deficit where the governors have provided a satisfactory business plan for putting the school's financial position back into balance. An application for deficit licence must be made to the LA stating the recovery strategies and when the school is to return to a balanced position. (See **Section 4.9** below)

#### 4.6 Charging of interest on deficit balances

Interest will not be charged on deficit balances, but schools should note that deficit balances will require a cash advance reprofiling which interest will be charged. (See **Section 3.3**). Where schools have deficit budgets, any direct payments by the LA on behalf of the school will be treated as if they were supplementary cash loans and interest will be charged on those sums too.

#### 4.7 Writing off deficits

The local authority is not permitted to authorise the use of Dedicated Schools Grant to write off any deficits accumulated by governing bodies. In certain instances the LA may agree to give assistance towards the elimination of a deficit balance where agreed by Schools Forum. Funding to support schools in financial difficulty can only come from a de-delegated contingency for mainstream schools, or a central budget for special schools and PRUs.

#### 4.8 Balances of closing and amalgamating schools

***Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, a local authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share (including any surplus carried over from previous funding periods) of the closing school for the funding period in which it closes***

In 2013, Schools Forum agreed to amend this requirement. The current arrangement is that schools which fall under this definition will be allocated funds equivalent to any surplus balance that is to be retained, subject to Schools Forum agreement. It was also agreed that any deficits would be funded from the centrally retained DSG.

#### 4.9 Licensed deficits

In exceptional circumstances, where a governing body has explored all alternatives to the satisfaction of the local authority, it may be appropriate for the Chief Financial Officer to agree to license a deficit for a specific period. The local authority may only license deficits up to a maximum of **40%** of the amount of surplus balances at the end of the previous financial year held by schools maintained by the authority.

It would be expected that the vast majority of deficits should be for one financial year only i.e. carry forward a deficit at the end of one year and return to a nil or surplus balance at the end of the following year. In particularly exceptional circumstances governing bodies may agree with the local authority to manage a deficit over / up to three financial years. Such an agreement could only be entered into where the expected deficit at the end of the first year was likely to be in excess of **15%** of the school's annual budget share. This assumes that the school has encountered financial difficulties.

Should the amount of licensed deficits due to schools experiencing financial difficulties be less than **40%** of the amount of surplus balances at the end of the previous financial year held by schools maintained by authority, the authority may consider formal requests from governing bodies who wish to undertake curricular or building projects which they expect will require funding over more than one financial year. It is not likely that the local authority will agree to license a deficit for any such project before October of the financial year in which the deficit would occur.

All deficits of the school's budget share must be licensed by the local authority, and the Governing Body has to take all measures necessary to avoid a deficit. Nevertheless, governing bodies with deficits of whatever level will be required to report to the local authority on the reasons for them and the plans they have in place to remove the deficit.

#### **4.10 Loan schemes**

The LA will operate a supplementary cash loan scheme (**See also Section 3.3**).

***Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year. Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income. If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new Academy school.***

##### **4.10.1 Cash Advance Reprofileing**

***Schools experiencing cash flow problems arising either from natural variations from the standard pattern of cash advances or from overspending will be able to request a re-profileing of their school budget share payments through the cash advance.***

##### **4.10.2 Credit union approaches**

Schools wishing to operate a credit union, using pooled bank balances to fund loans to participating schools may do so. It is a requirement that the local authority is sent a copy of the constitution of any such credit union and that an annual audit certificate is provided.

## **Section 5: Income**

### **5.1 Income from lettings**

Schools may retain income from lettings of the school premises, subject to alternative provisions arising from any joint use or PFI agreements. Income from lettings of school premises should not normally be payable into voluntary or private funds held by the school because the assets and revenue expenditure used to generate the income are most likely to have been provided with LA funds. Voluntary Aided schools might in certain circumstances be able to demonstrate that the assets were bought with governor / DFE funds and that the costs associated with lettings are to be fully charged to the private school fund; it is not likely that foundation or community schools could demonstrate both circumstances. Crediting income to the private fund is likely to have tax implications. Moreover, private school funds are now to be accounted for as part of Consistent Financial Reporting to improve transparency of this area of school accounts.

Schools may cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to the budget share. Schools are required to have regard to the Policy on Community Use of School Premises which only applies to premises owned by the London Borough of Hillingdon.

### **5.2 Income from fees and charges**

Schools may retain income from fees and charges except where a service is provided by the LA from centrally retained funds. Schools should have regard to the Policy on Charging for School Activities.

### **5.3 Income from fund raising activities**

Schools may retain income from fund-raising activities. It is appropriate for such funds to be lodged in the school's private fund.

### **5.4 Income from the sale of assets**

Schools may retain the proceeds of the sale of assets except in cases where the asset is purchased with non-delegated funds (in which case the LA will decide whether the school should retain the proceeds), or the asset concerned is land or buildings forming part of the school premises and owned by the London Borough of Hillingdon.



## **5.5 Administrative procedures for the collection of income**

Where schools are producing invoices for the recovery of monies due, they must have due regard to whether the income is subject to VAT. The **Guidance to Schools on Financial Management** identifies typical circumstances in which VAT is recoverable and guidance will be issued to schools periodically when HMRC regulations are updated.

If VAT is recoverable, it is a requirement that invoices issued by the school be in the format set out in the **Guidance to Schools on Financial Management**.

## **5.6 Purposes for which income may be used**

Income generated from the sale of assets purchased may only be spent for the purposes of the school.

## **Section 6: The Charging of School Budget Shares**

### **6.1 General position**

The LA cannot charge the budget share of any school without the consent of the governing body except in circumstances expressly permitted by this scheme. Where the LA intends to make such a charge the LA must consult with the school(s) concerned as to the intention to so charge and notify schools when it has been done. In circumstances where the LA is to charge the costs of salaries of school based staff to the school's budget share, this will be on the basis of actual costs.

In the event of a dispute the school should contact the Finance Manager - **Social Care, Education and Schools**, who will arbitrate. In the event that this post-holder has been involved in the decision to charge the school, the matter will be referred to the Chief Financial Officer who will make alternative arrangements for the matter to be considered. Where no objection to the charge has been received by the LA within one calendar month of the notification that the charge has been made being sent to the school, it shall be deemed that the school has accepted the charge and no further correspondence on the matter can be entered into.

The LA may de-delegate funding for permitted services without the express permission of the governing body, provided this has been approved by the appropriate phase representatives of the Schools Forum.

#### **6.1.1 Charging of salaries at actual cost**

In circumstances where the LA is to charge the costs of salaries of school based staff to the school's budget share, this will be on the basis of actual costs.

### **6.2 Circumstances in which charges may be made**

6.2.1 Where premature retirement costs have been incurred without the prior written agreement of the LA to bear such costs (the amount chargeable being only the excess over any amount agreed by the authority);

6.2.2 Other expenditure incurred to secure resignations where the school had not followed authority advice;

6.2.3 Awards by courts and industrial tribunals against the authority, or out of court settlements, arising from action or inaction by the governing body contrary to the authority's advice.

6.2.4 Expenditure by the authority in carrying out health and safety work or capital expenditure for which the authority is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work;

6.2.5 Expenditure by the authority incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the authority.

6.2.6 Expenditure incurred by the authority in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the authority;

6.2.7 Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement, and the result is that monies are owed by the school to the authority;

6.2.8 Recovery of penalties imposed on the authority by the Board of Inland Revenue, the Contributions Agency, HM Revenue and Customs, Teachers Pensions, the Environment Agency or regulatory authorities as a result of school negligence.

6.2.9 Corrections of authority errors in calculating charges to a budget share (e.g. pension deductions).

6.2.10 Additional transport costs incurred by the authority arising from decisions by the governing body on the length of the school day, and failure to notify the LA of non-pupil days resulting in unnecessary transport costs.

6.2.11 Legal costs which are incurred by the authority because the governing body did not accept the advice of the LA (see also Section 11).

6.2.12 Costs of necessary health and safety training for staff employed by the authority, where funding for training had been delegated but the necessary training not carried out.

6.2.13 Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.

6.2.14 Cost of work done in respect of teacher pension remittance and records for schools using non-authority payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory obligations.

6.2.15 Costs incurred by the authority in securing provision specified in a **Education, Health & Care plan** where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence and /or specific funding for a pupil with High Needs;

6.2.16 Costs incurred by the authority due to submission by the school of incorrect data.

6.2.17 Recovery of amounts spent from specific grants on ineligible purposes.

6.2.18 Costs incurred by the authority as a result of the governing body being in breach of the terms of a contract.

6.2.19 Costs incurred by the authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.

6.2.20 Costs incurred by the authority in administering admissions appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.

## Section 7: Taxation

### 7.1 Value Added Tax (VAT)

Governing bodies are required to identify all of the VAT relating to payments made by the school or income received by the school to the same timetable as the actual expenditure returns (see **Appendix 4** in the **Guidance to Schools on Financial Management**).

It is imperative that the format and timetable for reporting VAT transactions is adhered to strictly by schools. The Chief Financial Officer will need to be satisfied that governing bodies which do not provide the information by the due date have appropriate systems of financial administration in place. This could involve supplementary audit visits and an instruction that the governing body provide the information more frequently until administrative procedures are fully operational (as per the **Guidance to Schools on Financial Management**).

Some guidance on VAT with examples of typical situations is included in the **Guidance to Schools on Financial Management and the VAT guidance booklet**.

### 7.2 Construction Industry Taxation Scheme (CIS)

Schools no longer come under the scope of CIS from 1<sup>st</sup> April 2007 if the contract is directly with the school paid for from the delegated budget. Schools however will need to determine whether a contractor is 'employed' or 'self employed'. Schools should check with the HMRC to establish the employment status of the worker. (Further guidance available in the **Guidance to Schools Financial Management**).

Although the changes mean that schools can pay for construction payments made from delegated budget resources through their local accounting systems, there are certain responsibilities for schools in terms of reporting payments for services to HMRC and checking the employment status of workers which must be fulfilled by the school.

## **Section 8: The Provision of Services and Facilities by the Authority**

### **8.1 Provision of services from centrally retained budgets**

It is for the Authority to determine the basis on which services from centrally retained funds will be provided to schools. This includes redundancy and premature redundancy contribution (PRC) payments. The Authority must not discriminate in its provision on the basis of categories of school except where such discrimination is justified by differences in statutory duties.

### **8.2 Provision of services bought back from the authority using delegated budgets**

Services offered to schools for buy-back are included in an annual Service Level Agreement document. The length of agreements varies from service to service, but any initial agreement to buy services or facilities from the LA must not exceed three years from the inception of the scheme or the date of the agreement, whichever is later. Subsequent agreements relating to the same service must not exceed five years.

When a service is provided for which expenditure is not retainable centrally by the LA under the Regulations made under Section 46 of the Act, it must be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service must be met by the total income, even if schools are charged differentially.

#### **8.2.1 Packaging**

For those services for which the LA has delegated funding and which the LA is offering on a buy-back basis, the authority must not package services in a way which unreasonably restricts schools' freedom of choice among the services available, and where practicable, this will include provision on a service-by-service basis as well as in packages of services.

### **8.3 Service level agreements**

If services or facilities are provided under a service level agreement, whether free or on a buyback basis, the terms of any such agreement starting on or after the inception of the scheme will be reviewed at least every three years if the agreement lasts longer than that.

Service Level Agreements must be in place by 1<sup>st</sup> April for insurance related services (i.e. supply, premises, employee related etc) and all other services. Schools must have at least one month to consider the terms of the agreement.

Where services are offered by the LA, they will be available on the basis of buy-back for an extended period or on a pay-as-you-go basis. Different rates will apply to the different types of agreement.

## **8.4 Teachers' Pensions**

In order to ensure that the performance of the duty on the Authority to supply Teachers' Pensions with information under the Teachers' Pension Regulations 1997, the following conditions are imposed on the Authority and governing bodies of all maintained schools covered by this Scheme in relation of their budget shares.

The conditions apply to all governing bodies of maintained schools who provide payroll services.

A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the Authority which the Authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Authority will advise schools each year of the timing, format and specification of the information required. A governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the Authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

A governing body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the Authority which the Authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Authority will advise schools each year of the timing, format and specification of the information required from each school. A governing body shall also ensure that Additional Voluntary Contributions (AVCs) are passed to the Authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

## **Section 9: Private Finance Initiative / Public-Private Partnerships**

9.1 Where a school is operating through a Private Finance Initiative the Authority will make the full monthly payment directly to the Special Purposes Vehicle (SPV). The school will make a contribution to the costs of the PFI contract on a monthly basis by cheque or CHAPS transfer to L B Hillingdon.

9.2 Currently the only Private Finance Initiative deal is with **Barnhill Community High School**. The school will make a contribution, per pupil, to the overall cost of the annual charge. This will be indexed throughout the life of the project on the same basis as the indexation in the contract (for those elements which are to be indexed).

9.3 Before 1st April each financial year the calculations for uprating the school's per pupil contribution will be made and this will be applied to the appropriate numbers of pupils. A schedule of expected monthly payments for the year will be provided to the school.

9.4 The monthly contribution will be determined on the basis of the pupil numbers used in the local Fair Funding Formula (or its replacement). Currently, this is on the basis of total pupil numbers in the school on the annual School Census (formerly PLASC) in January immediately preceding the start of the financial year. Any prior year adjustments will be charged at or paid at the new year prices. The school's contribution is unlimited i.e. the greater are the formula funded pupils, the greater the contribution.

9.5 The school's contribution to the annual charge will be transferred to the LA on a monthly basis. The amount will be as determined in 9.4 above.

9.6 Penalties incurred by the contractor should be retained by the school (except in the circumstances described in paragraphs 9.8). The school will deduct penalty payments from the sum determined in paragraph 9.4 above in the same month where such penalties are reflected in the contract payment.

9.7 In the event of the LA incurring direct additional costs (which are not reimbursable through insurance) as a result of non-availability or poor performance by the contractor, these costs will be outlined and refunded by the school by an increase in the following month's allocation. This clause deals with circumstances in extremis and the school would not contribute any more than the amount of contract penalties relating to the non-availability or poor performance.

9.8 The contract penalties to be retained by the school in any one financial year should not exceed the amount of the school's contribution to the PFI contract, as per the calculation in 9.4 above.

## **Section 10: Insurance**

Funds for insurance are delegated. Governing bodies must arrange appropriate levels of insurance for the school. As a minimum, schools are required to demonstrate that cover relevant to the Authority's insurable interests, under a policy arranged by the governing body, is at least as good as the relevant minimum cover arranged by the LA.

The LA's guideline cover levels for schools are set out in the "Risk Management Advice - Guide to Insurance" provided to schools each year by Hillingdon's Insurance Services section.



## **Section 11: Miscellaneous**

### **11.1 Right of access to information**

In addition to the specific requirements elsewhere in this document, governing bodies are required to supply all financial and other information which might reasonably be required to enable the Authority to satisfy itself as to the school's management of its delegated budget share, or the use made of any central expenditure by the Authority (e.g. earmarked funds) by the school. This would include access for the School Financial Monitoring Team.

### **11.2 Liability of governors**

Because a governing body is a corporate body and because of the terms of Section 50(7) of the SSAF Act 1998, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

### **11.3 Governors' expenses**

The LA may delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses.

Under section 50(5) of the Act, only allowances in respect of purposes specified in regulations made under section 19 of the Education Act 2002 may be paid to governors from a school's delegated budget share. It is forbidden for governors to be paid any other allowances. Schools are also barred from payment of expenses duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

### **11.4 Responsibility for legal costs**

Legal costs incurred by the governing body, although the responsibility of the LA as part of the cost of maintaining the school, unless they relate to the statutory responsibility of aided school governors for buildings, may be charged to the school's budget share unless the governing body acts in accordance with the advice of the Authority. A school cannot expect to be reimbursed with the cost of legal action against the Authority itself. Governing bodies are free to use the budget share to seek alternative sources of legal advice.

### **11.5 Health and Safety**

Governing bodies are required to have due regard to duties placed on the LA in relation to health and safety, and the Authority's policy on health and safety matters in the management of the budget share.

### **11.6 Right of attendance for Chief Financial Officer**

Governing bodies are required to permit the Chief Financial Officer of the Authority, or any officer of the Authority nominated by the Chief Financial Officer, to attend meetings of the governing body at which any agenda items are relevant to the exercise of his/her responsibilities. Such attendance will normally be limited to items which relate to issues of probity or overall financial management. The Authority will give prior notice of such attendance unless this is impracticable.

### **11.7 Special Educational Needs**

Schools are required to make their best endeavours in spending the budget share, to secure the special educational needs of their pupils.

### **11.8 Interest on Late Payments**

Schools are reminded of the entitlement of small businesses to interest payments where invoices are paid outside of the agreed payment terms. As a public sector organisation schools should aim to pay 95% of their invoices within the credit terms (usually 30 days). Liability for any penalties will be the responsibility of the school, charged to the school's delegated budget share and not the LA.

### **11.9 Whistleblowing**

School staff or governors who wish to complain about financial management at the school should address their complaints to the Finance Manager - **Social Care, Education and Schools**. Complaints about financial propriety should be referred to the Head of Internal Audit.

### **11.10 Child Protection**

Schools are reminded of the importance of releasing staff to attend child protection case conferences and other related events. Schools are expected to meet the costs of release time from within their delegated resources.

### **11.11 Redundancy / early retirement costs.**

Section 37 of the 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. In accordance with this regulation and effective from 1<sup>st</sup> April 2011, all premature retirement costs of staff in maintained schools will be charged to the school's delegated budget while redundancy costs will normally be charged to the local authority's budget unless there is good reason for these costs not to be centrally funded. The examples set out below indicate the situations in which exceptions to the default position might be taken.

Charge of dismissal/resignation costs to delegated school budget;

- If a school has decided to offer more generous terms than the Authority's policy then it would be reasonable to charge the excess to the school,
- If a school is otherwise acting outside the Authority's policy,
- Where the school is making staffing reductions which the Authority does not believe are necessary to either set a balanced budget or meet conditions of a licensed deficit,
- Where staffing reductions arise from a deficit caused by factors within the school's control,
- Where the school has excess surplus balances and no agreed plan to use them,
- Where a school has refused to engage with the Authority's redeployment policy

Charge of premature retirement costs to Authority non-schools budget

- Where a school has a long-term reduction in pupil numbers and charging such costs to their budget would impact on standards,
- Where a school is closing, does not have sufficient balances to cover the costs and where the central Schools Budget does not have capacity to absorb the deficit,
- Where charging such costs to the school's budget would prevent the school from complying with a requirement to recover a licensed deficit within the agreed timescale,
- Where a school is in special measures, does not have excess balances and employment of the relevant staff is being/has been terminated as a result of LA or government intervention to improve standards.

Appendix 4 is attached to provide further guidance of the process and information on the responsibility for redundancy and early retirement costs.

## **Section 12: Responsibility for Repairs and Maintenance**

The LA delegates all revenue funding for day to day repairs and maintenance to schools. Schools manage devolved capital projects on behalf of the LA. For these purposes, expenditure may be treated as capital only if it fits the definition of capital used by the local authority for financial accounting purposes in line with the CIPFA Code of Practice on local authority accounting. In particular, no item may be regarded as capital if its value is below **£10,000**, unless being charged to specific capital grants of value below the de minimis.

*In cases where the value of enhancement is below **£10,000** expenditure would normally be revenue in nature, unless it can be demonstrated that items will be in use for more than one financial year and represents a significant proportion of available capital funding.*

**Appendix 3** identifies the categories of work which governing bodies must expect to finance from their budget.

Voluntary Aided governor responsibilities are included in the examples. VA governors will continue to be eligible for grant from the DfE in respect of their statutory duties and, in addition, they will have responsibility for other repair and maintenance items on the same basis as Community and Foundation schools (subject to amendment as stated above). The de minimis limit for capital works in VA schools is that applied by the DfE, not the de minimis limit used by the Authority.

## **Section 13: Community Facilities**

### **13.1 Introduction**

#### **The Application of the Scheme for Financing Schools to the Community Facilities powers**

13.1.1 Schools which chose to exercise the power conferred by s.27 (1) of the Education Act 2002 to provide community facilities will be subject to a range of controls.

- First, regulations made under s.28 (2), if made, can specify activities which may not be undertaken at all under the main enabling power
- Secondly, the school is obliged to consult its LA and have regard to advice from the Authority.
- Thirdly, the Secretary of State issues guidance to governing bodies about a range of issues connected with exercise of the power, and a school must have regard to that.

13.1.2 However, under s.28 (1), the main limitations and restrictions on the power will be:

- a) those contained in schools' own instruments of government, if any; and
- b) in the maintaining LA's scheme for financing schools made under section 48 of the School standards and Framework Act 1998. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of governing bodies to provide community facilities.

13.1.3 Schools are therefore subject to prohibitions, restrictions and limitations in the scheme for financing schools.

13.1.4 This section of the scheme does not extend to joint-use agreements, transfer of control agreements, or agreements between the Authority and schools to secure the provision of adult and community learning.

13.1.5 Schools may use their budget shares to fund community facilities.

13.1.6 Mismanagement of community facilities funds can be grounds for suspension of the right to a delegated budget.

### **13.2 Consultation with the LA – financial aspects**

13.2.1 Before exercising the community facilities power, governing bodies must consult the authority and have regard to advice given to them by their LA. Schools should write to the Finance Manager - **Social Care, Education and Schools** and set out the following:

- the nature of the proposal;
- the timescales;
- what accommodation will be used, whether new or existing;
- what staffing resources will be required to set up and then run the proposed facility;

- the expected set-up and on-going costs and income;
- a consideration of the risks of the venture;
- any organisational issues (e.g. whether the facilities will be operated by a third party, if a steering committee is to be established etc)

13.2.2 The LA will be required to provide advice within 20 school days of the proposal being submitted. Schools will be required to report back to the authority on the action to be taken once LA advice has been received. There will be no charge levied for advice from the LA.

### **13.3 Funding Agreements – local authority powers**

13.3.1 Any funding agreement between a governing body and a third party in exercise of the community facilities power must be submitted to the LA in the same manner as that described in 13.2.1 and 13.2.2 above. The LA has no right of veto on such agreements. Where a third party requires LA consent to the agreement for it to proceed, such a requirement and the method by which the LA consent is to be signified, is a matter for that third party, not this scheme.

13.3.2 If an agreement has been or is to be concluded against the wishes of the LA, or has been concluded without informing the LA, which in the view of the Authority is seriously prejudicial to the interests of the school or the Authority, that may constitute grounds for suspension of the right to a delegated budget.

### **13.4 Other prohibitions, restrictions and limitations**

13.4.1 The LA may require a governing body in exercise of its community facilities power to either carry out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for risks associated with the project in question, as specified by the authority.

### **13.5 Supply of financial information**

13.5.1 Schools exercising the community facilities power are required to provide the Authority with a summary financial statement, showing the income and expenditure for the school arising from the facilities in question for the previous six months and on an estimated basis, for the next six months. Financial information relating to community facilities will be included in returns made by schools under the Consistent Financial Reporting (CFR) Framework, and these should be relied upon by LAs as their main source of information for the financial aspects of community facilities.

Schools with on-site Children's Centres will be required to code expenditure relating to the Children Centre to a separate fund with the required subjective analysis within their financial management system. This will be reflected in the expenditure return submitted to the local authority. In the event of the school spending less than the budget, the unspent balance will be lost to the school at the end of the year during which schools are allowed to use the funding. In the event of the school spending more than the budget, the excess expenditure will be treated as the first call on the following year's budget.

13.5.2 Where, in the view of the LA, there is cause for concern as to the school's management of the financial consequences of the exercise of the community facilities power, such schools could be required to provide financial statements every three months. If the LA sees fit, to require such schools to submit a recovery plan for the activity in question.

## **13.6 Audit**

13.6.1 Schools are required to grant access to the school's records connected with the exercise of the community facilities power to internal and external auditors on income and expenditure. Any funding agreements entered into as part of the exercise of the community facilities power should allow for audit access to financial information.

## **13.7 Treatment of income and surpluses**

13.7.1 Schools may retain all net income derived from the community facilities, except where otherwise agreed with a funding provider, whether that be the LA or some other person.

13.7.2 Schools may carry forward such retained net income from one financial year to the next as a separate community facilities surplus. Schools may transfer all or part of any community facilities surplus into their budget share.

13.7.3 If the school is a community or community special school and the LA ceases to maintain the school, any accumulated retained income obtained from exercise of the community facilities power reverts to the LA unless otherwise agreed with a funding provider.

## **13.8 Health and Safety matters**

13.8.1 The requirements applying to the school under the Scheme for Financing Schools on Health and Safety apply in the exercise of the community facilities power.

13.8.2 The governing body is responsible for costs of securing Disclosure & Barring Service (DBS) clearance for all adults involved in community activities taking place during the school day. Governing bodies would be free to pass on such costs to a funding partner as part of an agreement with that partner.

## **13.9 Insurance**

13.9.1 The governing body is responsible for ensuring that adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, taking professional advice as necessary. Such insurance should not be funded from the school budget share.

13.9.2 The LA is empowered to undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant cost to the school. Such costs could not be charged to the school's budget share.

### **13.10 Taxation**

13.10.1 Schools must obtain advice from the LA and the local VAT office on any issues relating to the possible imposition of Value Added Tax on expenditure in connection with community facilities, including the use of the local authority VAT reclaim facility.

13.10.2 Schools are reminded that if any member of staff employed by the school or the LA in connection with community facilities at the school is paid from funds held in a school's own bank account (whether a separate account is used for community facilities or not) the school is likely to be held liable for payment of income tax and National Insurance, in line with Inland Revenue rules.

13.10.3 Schools are required to follow LA advice in relation to the Construction Industry Scheme where this is relevant in the exercise of the community facilities power.

### **13.11 Banking**

13.11.1 Schools must open a separate bank account for their operations in connection with the community facilities power.

13.11.2 Schools are reminded that they may not borrow money without the written consent of the Secretary of State. This requirement does not extend to monies lent to schools by their maintained authority.



## Schools subject to the 'Scheme for Financing Schools'

### Primary

Botwell House  
 Bourne  
 The Breakspear School  
 BWI  
 Cherry Lane  
 Colham Manor  
 Coteford Infant  
 Deanesfield  
 Dr Triplets CE  
 Field End Infant  
 Field End Junior  
 Frithwood  
 Glebe  
 Grange Park Infant  
 Grange Park Junior  
 Harefield Infant  
 Harefield Junior  
 Harlyn  
 Harmondsworth  
 Hayes Park  
 Heathrow  
 Hermitage  
 Highfield  
 Hillside Infant  
 Hillside Junior  
 Holy Trinity  
 Lady Bankes Infant  
 Lady Bankes Junior  
 Minet Infant  
 Minet Junior  
 Newnham Infant  
 Newnham Junior  
 Oak Farm Infant  
 Oak Farm Junior  
 Rabbsfarm  
 Ruislip Gardens  
 Sacred Heart RC  
 St Andrew's CE  
 St Bernadette's RC  
 St Catherine's RC  
 St Mary's RC  
 St Swithun Wells RC  
 Warrender  
 Whitehall Infant  
 Whitehall Junior  
 Whiteheath Infant  
 Whiteheath Junior

### Primary (contd)

Yeading Infant  
 Yeading Junior

### Nursery

McMillan Nursery School

### Secondary

Abbotsfield  
 Harlington

### Special

Hedgewood  
 Meadow

### Summary

Nursery	1
Primary	49
Secondary	2
Special	2

### Total

54

## Best Value and Schools

1. This paper is intended to assist schools in considering the relevance of best value principles to the expenditure of funds from their delegated budget share.
2. Best value is a statutory duty to deliver services to clear standards, covering both cost and quality, the most effective, economic and efficient means available. Legislation is to place a duty on local authorities to secure best value in respect of the way in which they exercise their functions. The new duty is not intended to apply to those functions which are exercised by the governing bodies of authority maintained schools. However, schools will be encouraged to adopt the best value performance management framework.
3. In relation to schools and expenditure from delegated budgets, the main features of best value can be summarised as a need for the governing body of a school to ensure:
  - a) the existence of a programme of performance review which will aim for continual improvement. Existing mechanisms such as school development plans and post-OFSTED inspection plans can be developed to satisfy the requirements for review. The reviews should include:
    - challenging how and why a service is provided (including consideration of alternative providers);
    - comparison of performance against other schools taking into account the views of parents and pupils;
    - mechanisms to consult stakeholders, especially parents and pupils;
    - embracing competition as a means of securing efficient and effective services;
  - b) the development of a framework of performance indicators and targets which will provide a clear practical expression of a school's performance, taking national requirements into account;
  - c) that the following are included in school development plans -
    - a summary of objectives and strategy for the future;
    - forward targets on an annual and longer term basis;
    - description of the means by which performance targets will be achieved;
    - a report on current performance
  - d) that internal and external audit takes place ensuring that performance information is scrutinised. Authority oversight of school finances provides external review.
4. The independent inspection and intervention elements of the best value framework will be the responsibility of other bodies and therefore not relevant to demonstration by a governing body of adherence to best value principles.

## Categories of Repairs and Maintenance

### LA Capital /Revenue Split and items which are the separate responsibility of Governors in VA Schools.

Illustrative examples in line with DfE interpretation of the CIPFA Code of Practice.

All capital works are subject to a de minimis limit of **£10,000** i.e. if works are less than that, they are revenue. An exception to this rule is made where schools have capital budgets such as Devolved Formula Capital which is below the £10,000 limit and where expenditure against these budgets can only be recorded as a capital expenditure. Capital works must involve the acquisition or the substantial enhancement of the value or economic life of an asset and meet the de minimus requirement.

ELEMENT	CAPITAL: AS CIPFA CODE OF PRACTICE	REVENUE: REPAIRS & MAINTENANCE	VA SCHOOLS - GOVERNORS RESPONSIBILITIES
<b>Roofs</b>			
<u>Flat</u>	Structure. New (not replacement) structure	Repair/replacement of small parts of an existing structure	New structure and repair replacement of structure
	Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of same	Replace small areas of rotten or defective timber, make good minor areas of spalling concrete where reinforcing bars exposed	Replacement of structure
	Screed / insulation in a new building/extension	Repair/replacement of screed/insulation where defective.	New screed/insulation and repairs
	Screed / insulation. Replacement/repair of substantially all. Improve effectiveness of insulation Finish on new build. Replacement of all/substantially all on existing roof	Work to improve insulation standards, during work to repair/ replace small areas of roof. Replacement of roof finish on existing building. Re-coating chippings to improve life expectancy	Replacement/repair of screed/insulation  Finish on new build. Replacement of roof finish on existing building. Re-coating
	Edge Trim/ Fascia on new build	Repairs/ replacement. (uPVC) Repainting.	Edge Trim/fascia on new build and repairs/ replacement/repainting
	Edge Trim/ Fascia, replacement of all / substantially all on existing roof Drainage on new build	Repairs/ replacement. (uPVC) Repainting.  Clearing out gutters and downpipes. Replacement/ repair/ repainting of individual gutters/pipes	Replacement of edge Trim/Fascia on existing building  Drainage on new building and repairs/replacement/ Repainting ( <u>NOT</u> cLANing gutters/downpipes)
	Other e.g. Flashings, rooflights on new build	Repair/ Replacement/ cleaning of individual items	Flashings/rooflights on new building and repair/

ELEMENT	CAPITAL: AS CIPFA CODE OF PRACTICE	REVENUE: REPAIRS & MAINTENANCE	VA SCHOOLS - GOVERNORS RESPONSIBILITIES
	Replacement of all/substantially all on existing roof		replacement ( <u>NOT</u> cleaning)
<u>Pitched</u>	Structure. New (not replacement) structure	Repair/replacement of small parts of an existing structure	Structure of new roof and all repairs <u>EXCEPT</u> trusses (i.e. internal repairs)
	Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	Replace/ repair small areas of rotten/ defective joists, rafters, purlins etc. Not complete trusses	Replacement of internal structure <u>EXCEPT</u> trusses (i.e. internal repairs)
	Insulation in a new building/extension	Repair/replacement/ increasing thickness of insulation in an existing roof	Insulation in new building and repair/replacement.
	Insulation. Replacement /repair of substantially all. Improve insulation to current standards		Repair/replacement or improve insulation
	Roof finish in a new building/extension, replacement of all/substantially all on existing roof	Replace missing/ damaged	Finish in new building/extension and repair/replacement in existing building
	Bargeboards/ Fascias in a new building/extension, replacement of all/substantially all on existing roof	Repairs/ replacement/ repainting	Bargeboards/fascias in new building/extension and repairs/replacement/ repainting in existing building
	Drainage in a new building/extension	Clearing out gutters and downpipes. Replacement/repairs of individual pipes/gutters	Drainage in new building/extension and repair/replacement. ( <u>NOT</u> cleaning guttering or downpipes)
	Drainage. Replacement of all/substantially all on existing roof		Drainage replacement in existing roof.
	Other e.g. Flashings, Roof windows in a new building/extension, replacement of all/substantially all on existing roof	Repair/ Replacement /cleaning	Flashings, roof windows in new building/ extension and repair replacement ( <u>NOT</u> cleaning) in existing roof
<u>Other</u>	Provide new covered link etc. between existing buildings	Minor repairs, maintenance to existing covered link	Provide new covered link and repairs to existing. ( <u>NOT</u> cleaning)
	Rebuild or substantially repair structure of existing covered link		Re-build or repair structure of existing covered link.
	Add porch etc. to existing building	Minor repairs, maintenance to existing	Add new porch and minor repairs to existing
	Rebuild / substantially repair structure of existing porch		Re-build or repair existing porch.

#### Floors

ELEMENT	CAPITAL: AS CIPFA CODE OF PRACTICE	REVENUE: REPAIRS & MAINTENANCE	VA SCHOOLS - GOVERNORS RESPONSIBILITIES
<u>Ground Floor</u>	Structure and dpc in new building	Repair/replacement of small parts of an existing structure	Structure and dpc of new building and replacement of existing structure
	Structure and dpc - Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of same		
	Screed and finish in new build, replacement of all/substantially all on existing floor - e.g. replacement of most carpets/ tiles in a room	Replacement and repair of screed and finishes/ Replacement of mats/ matwells. Maintenance e.g. revarnishing wooden floors.	Provide screed and finish in new buildings (NOT repairs to finishes, matwells etc.)
<u>Upper Floor</u>	Structure - as ground floor	As ground floor	Structure of new buildings and replacement of existing structure
	Screed and Finish - as ground floor	Repairs of finishes/ Replacement - as ground floor	As ground floor
<b>Ceilings</b>			
<u>Top/ only storey</u>	Suspension	Repair/ replacement incl. From water damage, & necessary decoration	Provision, (NOT repair or replacement)
	Membrane		Provision, (NOT repair or replacement)
	Fixed	Repair/ replacement Inc. from water damage	Provision, (NOT repair or replacement)
	Access panels	Repair/ replacement	Provision, (NOT repair or replacement)
<u>Lower storeys</u>	Suspension	Repair/ replacement	Provision, (NOT repair or replacement)
	Membrane		Provision, (NOT repair or replacement)
	Fixed	Repair/ replacement	Provision, (NOT repair or replacement)
<u>All</u>	Specialist removal/ replacement of damaged/ disturbed Asbestos based materials, planned or emergency	Inspection/ air testing Applying sealant coats to asbestos surfaces for protection	Removal/replacement of damaged/disturbed asbestos EXCEPT where part of repair project.
<b>External walls</b>			
<u>Masonry/ cladding</u>	Structure Underpinning/ propping for new build	Repairs Preventive measures e.g. tree removal	Structure, underpinning/ propping of new building and repairs, (NOT tree removal unless part of clearing new site)

ELEMENT	CAPITAL: AS CIPFA CODE OF PRACTICE	REVENUE: REPAIRS & MAINTENANCE	VA SCHOOLS - GOVERNORS RESPONSIBILITIES
	External Finish on new build	Repair/replacement of small parts of an existing structure. e.g. repointing/ recladding a proportion of a wall where failure has occurred.	External finish on new building and repairs/replacement of existing structure including re-pointing/re-cladding
	External Finish on existing build where needed to prevent imminent or correct actual major failure of the structure. e.g. repointing/recladding work affecting most of a building /replacement build		External finish on existing building including correcting of structure.
<u>Windows and Doors</u>	Framing - new build	Repair/ replacement of individual frames. Repainting frames	New window frames and doors in new building and repairs/replacement (NOT replacement/ repair/ re-painting of internal doors or windows)
	Framing - structural replacement programme	Repair/ replacement of individual windows. Repainting frames	New windows in replacement programme
	Glazing - new build	Replacing broken glass	Glazing new building and replace broken glass.
	Glazing Upgrading existing glazing		Upgrading existing glazing
	Ironmongery Improved security	Repair/ replacement, upgrading locks etc.	Ironmongery to improve security and repair/replacement.
	Internal and external decorations to new build	Internal and external decoration to include cleaning down and preparation.	Internal and external decoration of new provision, external re-decoration (NOT internal redecoration)
<u>Masonry chimneys</u>	Structure		Structure of chimneys
	Jointing including expansion and mortar joints/ pointing/ DPC	Repair/ re-pointing	Jointing/Pointing and dpc of chimneys and repair/re-pointing.
<b>Internal walls</b>			
<u>Solid</u>	Complete including various internal finishes, linings and decorations	Repairs and redecoration to internal plaster/ linings tiles, pin boards etc.	New walls & finishes, (Not repair/ replacement)
	Refurbishment and alterations	Minor alterations	
<u>Partitions</u>	Complete structure including linings, framing, glazing, decoration etc.	Repairs and redecoration.	New partitions, (Not repair/ replacement)
	Refurbishment and alterations	Minor alterations	

ELEMENT	CAPITAL: AS CIPFA CODE OF PRACTICE	REVENUE: REPAIRS & MAINTENANCE	VA SCHOOLS - GOVERNORS RESPONSIBILITIES
<u>Doors &amp; Screens</u>	Framing/ Screens/ Doors to new buildings including glazing, ironmongery, jointing and internal decorations	Internal maintenance and redecoration. Repair/ replacement of defective doors and screens	Provision of new, ( <u>Not</u> repair/ replacement)
<u>All</u>	Glazing to meet statutory Health & Safety requirements	Replacement of broken glass	New glazing and replacement of broken glass, ( <u>Not</u> internal window repairs)
<b>Sanitary Services</b>			
<u>Lavatories</u>	In new buildings provision of all toilet fittings, waste plumbing and internal drainage.	Repair/ replacement of damaged sanitary ware, fittings, waste plumbing etc.	Provision. ( <u>Not</u> repair/ replacement of damaged sanitary ware)
	Large scale toilet refurbishment	Small areas of refurbishment	Provision / refurbishment ( <u>Not</u> replacement of damaged sanitary ware)
	Provision of disabled facilities, and specialist facilities related to pupils with a <u>Education, Health &amp; Care plan</u>	Repair/ replacement of damaged fittings, waste plumbing etc.	Provision, ( <u>Not</u> repair/ replacement of damaged fittings etc.)
<u>Kitchens</u>			
	Kitchens in new buildings, complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations.	Maintain kitchen to requirements of LA Cleaning out drainage systems	
	General refurbishment	Redecoration Repairs	
	Large and costly items of equipment	Repairs/ replacement parts	
<b>Mechanical services</b>			
<u>Heating/ hot water</u>	Complete heating and hot water systems to new projects, including fuel, storage, controls, distribution, flues etc.  Safe removal of old/ damaged asbestos boiler and pipework insulation, where risk to Health & Safety.  Planned replacement of old boiler/ controls systems past the end of their useful life  Emergency replacement of boiler plant/ systems	General maintenance of all boiler house plant including replacement of defective parts. Regular cleaning. Energy saving projects Monitoring systems  Health & safety issues  Replacement of defective parts	Provision of complete system, ( <u>Not</u> repair/ replacement or maintenance)
<u>Cold water</u>	Provision of cold water services, storage tanks,	Maintenance and repair/ replacement of defective parts	Provision of complete system, ( <u>Not</u> repair/ replacement or

ELEMENT	CAPITAL: AS CIPFA CODE OF PRACTICE	REVENUE: REPAIRS & MAINTENANCE	VA SCHOOLS - GOVERNORS RESPONSIBILITIES
	distribution, boosters, hose reels etc. in major projects	such as servicing pipes. Annual servicing of cold water tanks.	maintenance)
<u>Gas</u>	Distribution on new and major refurbishment's, terminal units	Repairs, maintenance and gas safety	
<u>Ventilation</u>	Mechanical ventilation/ air conditioning to major projects	All servicing Provision of local ventilation. Repair/ replacement of defective systems and units	Provision, ( <u>Not</u> repair/ replacement)
<u>Other</u>	Swimming pool plant and its complete installation, including heat recovery systems	Repair/ replacement of parts to plant, pumps and controls. Water treatment equipment and all distribution pipework. Simple heat recovery systems. Solar heating plant and equipment.	If governors provided.
<b>Electrical services</b>			
<u>General</u>	Main switchgear and distribution in major projects.	Testing/ replacement of distribution boards. The repair and maintenance of all switchgear and interconnecting cables including that in temporary buildings.	Provision, ( <u>Not</u> repair/ replacement or maintenance)
	Replacement of obsolete and dangerous wiring systems, including distribution boards	All testing, earthing and bonding to meet Health & Safety. All servicing.	
<u>Power</u>	Control gear, distribution, fixed equipment, protection etc.	All testing, repair and replacement of small items of equipment	Provision, ( <u>Not</u> repair/ replacement)
<u>Lighting</u>	Provision of luminaires and emergency	Replacement of luminaires, all testing, adjustments and improvements to emergency	Provision, ( <u>Not</u> repair/ replacement)
<u>Other</u>	Lightning protection in new build Alarm systems, CCTV, lifts/ hoists etc.,	Repair/ replacement Repair and maintenance	Provision and repair Provision, ( <u>Not</u> repair or maintenance)
	New installation of communication systems, radio/ TV, call, telephone, data transmission, IT etc. and provision in new build.	Repair/ replacement/ maintenance, including all door access systems	
<b>External Works</b>			
<u>Pavings</u>	Provision of new roads, car parks, paths, court, terraces, play pitches, steps and handrails, as part of major project, including disabled access	Maintenance and repair Car park and playground markings.	Provision if part of statutory proposal project. <u>Not</u> repair or maintenance  Provision and repair of ramps and steps.



<b>ELEMENT</b>	<b>CAPITAL: AS CIPFA CODE OF PRACTICE</b>	<b>REVENUE: REPAIRS &amp; MAINTENANCE</b>	<b>VA SCHOOLS - GOVERNORS RESPONSIBILITIES</b>
Miscellaneous	Provision of walls, fencing, gates and ancillary buildings as part of major project	Maintenance and repair of all perimeter/ boundary/ retaining walls, fencing and gates.	
<u>Drainage</u>	Drains, soakaways, inspection chambers and sewage plant as part of new projects	Maintenance and repair of drains, gullies, grease traps and manholes between buildings and main sewers. Cleaning of the above and unblocking as necessary.	Foul drainage plus external gutters and drainpipes. Not maintenance
<u>Open air pools</u>	Structure, Hygiene/ safety in new build	Hygiene, cleaning, maintenance and repairs, including replacement parts. Simple energy saving systems.	If governors provided.
<u>Services distribution</u>	Heating mains gas mains water mains electricity mains, renewal of any above.	Annual servicing	Provision grant aided but <u>not</u> for repair

## School Redundancy Reimbursement Procedure and Processes

### 1. Introduction

Under Section 37 (5) of the Education Act 2002 the Council is normally required to fund the cost of school redundancy payments. In order to access this funding, schools will need to demonstrate that they have followed the Council's Procedures and Processes which are set out in the following paragraphs.

### 2. Procedure and Processes

With any redundancy exercise the local authority will need to be satisfied that the school has clear documentation outlining the rationale for the proposal, that all alternative solutions to a redundancy have been explored, and the appropriate consultation has been undertaken.

In line with the above, the school will need to ensure that the **Deputy Director – Housing, Environment, Education and Health & Wellbeing** is advised of any redundancy proposals at the earliest opportunity, preferably at the beginning of the process. Schools will also need to demonstrate that they have sought advice from their HR Service provider throughout the process. The school should also show that they have accessed advice from Schools Finance and any other appropriate forums in relation to their proposal and the viability of any other solution.

In relation to the consultation with staff and the relevant Trade Unions it is advised that the schools use the LA's model consultation guidance and that it is in line with the Redundancy Policy and Procedure adopted by the school.

As part of the consultation exercise, the school will need to provide a copy of the paper to the Head of Policy and Standards - Education, Housing and Public Health. The school will also need to provide the Finance Manager - **Social Care, Education and Schools** with the following documents:

- i) The most recent school budget plan.
- ii) The most up to date monitoring position of the school budget.
- iii) An explanation of the use of any surplus balances held by the school.
- iv) An explanation of changes of more than 10% on any budget, both expenditure and income.
- v) The estimated cost of redundancy for each post being made redundant

The school will need to provide responses to any questions that the Local Authority might have within one week of the request.

All of this supporting documentation will be provided to the **Deputy Director – Housing, Environment, Education and Health & Wellbeing**, who will produce a Cabinet Member Report for consideration by the Cabinet Member for Education and Children's Services for their final decision. The school will be notified within one week, once a decision is reached.

Schools will be able to claim the reimbursement of redundancy costs by submitting an invoice, one for the first tranche payment and a further invoice for the second and final tranche payment at least three months after the relevant persons have left the schools employment and signed the copy documentation confirming that they have not obtained further employment.

Failure to manage any redundancy process as outlined above may result in the Local Authority not meeting the redundancy costs or any part of those costs incurred by the school in accordance with guidance and regulations under the Education Act.

### **Education Act 2002 – Section 37 extract**

Section 37 of the 2002 Education Act says:

(4) costs incurred by the local education authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the authority agree with the governing body in writing (whether before or after the retirement occurs) that they shall not be so met.

(5) costs incurred by the local education authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from the school's budget share for any financial year except in so far as the authority have good reason for deducting those costs, or any part of those costs, from that share.

(6) The fact that the authority have a policy precluding dismissal of their employees by reason of redundancy is not to be regarded as a good reason for the purposes of subsection (5); and in this subsection the reference to dismissal by reason of redundancy shall be read in accordance with section 139 of the Employment Rights Act 1996 (c. 18).

The default position, therefore, is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the local authority's budget. In the former case, the local authority has

to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy. Ultimately, it would be for the courts to decide what was a good reason, but the examples set out below indicate the situations in which exceptions to the default position might be taken.

Charge of dismissal/resignation costs to delegated school budget:

- If a school has decided to offer more generous terms than the authority's policy, then it would be reasonable to charge the excess to the school
- If a school is otherwise acting outside the local authority's policy
- Where the school is making staffing reductions which the local authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit
- Where staffing reductions arise from a deficit caused by factors within the school's control
- Where the school has excess surplus balances and no agreed plan to use these
- Where a school has refused to engage with the local authority's redeployment policy

Charge of premature retirement costs to local authority non-schools budget:

- Where a school has a long-term reduction in pupil numbers and charging such costs to their budget would impact on standards
- Where a school is closing, does not have sufficient balances to cover the costs and where the central Schools Budget does not have capacity to absorb the deficit
- Where charging such costs to the school's budget would prevent the school from complying with a requirement to recover a licensed deficit within the agreed timescale
- Where a school is in special measures, does not have excess balances and employment of the relevant staff is being/has been terminated as a result of local authority or government intervention to improve standards

Costs of early retirements or redundancies may only be charged to the central part of the Schools Budget where the expenditure is to be incurred as a result of decisions made before 1st April 2013. Costs may not exceed the amount budgeted in the previous financial year.

It is important that the local authority discusses its policy with its Schools Forum. Although each case should be considered on its merits, this should be within an agreed framework. It may be reasonable to share costs in some cases, and some authorities operate a panel to adjudicate on applications.

A de-delegated contingency could be provided, if Schools Forum agree, to support individual schools where "a governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share".

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, and can be funded from the school's delegated budget if the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement. Section 37 now states:

(7) Where a local education authority incur costs -

(a) in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or

(b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes,

they shall recover those costs from the governing body except in so far as the authority agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.

(7A) Any amount payable by virtue of subsection (7) by the governing body of a maintained school in England to the local authority may be met by the governing body out of the school's budget share for any funding period if and to the extent that the condition in subsection (7B) is met.

(7B) The condition is that the governing body are satisfied that meeting the amount out of the school's budget share will not to a significant extent interfere with the performance of any duty imposed on them by section 21(2) or by any other provision of the Education Acts.

(9) Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the two purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs.

(10) Regulations may make provision with respect to the recovery from governing bodies of amounts payable by virtue of subsection (7).

(11) Subsections (1) to (6) do not apply to a maintained school at any time when the school does not have a delegated budget by virtue of any suspension under section 17 of, or Schedule 15 to, the School Standards and Framework Act 1998 (c. 31).

(12) In this section "community purposes" means the purposes of the provision of facilities or services under section 27

## Scheme for financing schools

XXXXXXXXXXXXX SCHOOL

### MODEL APPLICATION FOR AN INTEREST FREE LOAN FOR A NEWLY QUALIFIED TEACHER OF UP TO £1,500

Completed form to be returned to:

XX

For queries about this form, please telephone XXXXXXXXXXXXXXXX

#### PERSONAL DETAILS

Surname..... (Mr/Mrs/Ms/Miss)

Forename(s) .....

Department ..... Payroll No:.....

Home Address.....

.....

.....

Work tel no..... Home/mobile no .....

#### DECLARATION

The details given above are complete and correct and I hereby apply for a loan of £1,500. I agree that I shall repay the full amount of the loan by 12 equal consecutive monthly instalments of £125.00 commencing on \_\_\_\_\_(Date), which sum I agree to being deducted from my salary each month until the total sum advanced be repaid.

I have read the conditions below and agree to be bound by them.

Signature..... Date .....

#### AUTHORISATION – To be completed by the Headteacher

I confirm that the details given are correct as far as I am aware and I recommend that the loan be granted.

Signature ..... Date .....

## CONDITIONS

1. In consideration of the loan made to the employee by the School, the employee agrees to make twelve monthly repayments to the School on the last day of each month by deduction from salary until the whole loan has been repaid.
2. The School shall be entitled to deduct each monthly instalment as it falls due from the next payment of the employee's salary.
3. If before the whole of the amount loaned has been repaid to the School by the employee as provided in Condition 2 the employee shall:-
  - 1) cease to serve the Council for any reason whatsoever; or
  - 2) fail to observe any of the conditions of the loan; or
  - 3) become bankrupt; or
  - 4) make any composition or agreement with creditors; or
  - 5) die;

the whole of the amount remaining on loan to the employee shall immediately become payable to the School by the Employee or in the case of death by the Employee's personal representative.

4. In the event of any amount under the loan becoming repayable as provided in Condition 3 hereof the School shall in addition to exercising all other legal or equitable rights and remedies be entitled to deduct such amount from any sum that may be or become due to the employee by the School whether by way of salary, refund of superannuation contributions, or otherwise.
5. The employee may at any time during the continuance of the loan repay to the School any balance on the loan then outstanding and owing.
6. Please note this loan is only available to Newly Qualified Teachers upon initial recruitment only. It is not to be used as an on-going loan facility.

I hereby further agree that in the event of my leaving the employment of the School within twelve months of the date of receiving this loan, the whole of the sum outstanding as at that date shall be deducted from my final payment of salary and any refund of superannuation to which I may be entitled. In the event that my final payment of salary and superannuation refunds be insufficient to cover the said sum I undertake to repay to the school on demand such balance as may be due.

Dated this                                      day of                                      20\_\_

Signed ..... Name .....  
(in block letters)  
of (address) .....

School .....

This page is intentionally left blank



## UPDATE TO HILLINGDON'S LOCAL DEVELOPMENT SCHEME (LDS)

<b>Cabinet Member(s)</b>	Councillor Keith Burrows
<b>Cabinet Portfolio(s)</b>	Planning, Transportation and Recycling
<b>Officer Contact(s)</b>	James Gleave: Residents Services
<b>Papers with report</b>	Appendix 1: London Borough of Hillingdon Local Development Scheme: June 2018

## HEADLINES

<b>Summary</b>	This report seeks approval for a revision to the Council's Local Development Scheme which sets out timescales for the production of forthcoming Local Plan documents.
<b>Putting our Residents First</b>	The Local Development Scheme is a statutory document that sets out the timetable for the production of future Local Plan documents. As such, it will assist in delivering the objectives of the Sustainable Community Strategy and its objectives, including maintaining the borough's local heritage and ensuring that the natural environment is protected and enhanced. It will also contribute to delivering key plans and strategies, in particular the Transport Strategy, Economic Development Strategy and Housing Strategy.
<b>Financial Cost</b>	The cost of preparing the Local Development Scheme can be met from the existing revenue budget for 2018/19.
<b>Relevant Policy Overview Committee</b>	Residents, Education and Environmental Services Policy Overview Committee.
<b>Relevant Ward(s)</b>	All

## RECOMMENDATIONS

**That the Cabinet:**

- 1. Endorses and recommends that the Local Development Scheme is referred to Full Council in September 2018 for adoption.**
- 2. Grants delegated authority to the Deputy Chief Executive and Corporate Director of Residents Services to agree, in conjunction with the Cabinet Member for Planning, Transportation and Recycling, any editing and textual changes to the Local Development Scheme prior to submission to Council.**

## **Reasons for recommendation**

The Council's current Local Development Scheme (LDS) was published in January 2016 and is considered to be out of date. Under the provisions of the Planning and Compulsory Purchase Act 2004 (As amended) the Council is required to publish an up to date LDS setting out the timetable for the production of Local Plan documents. In the absence of evidence that the necessary steps are being taken to prepare an up to date version, there is a risk that the Local Plan Part 2, will not be found to be 'legally compliant' at examination. This could result in a suspension of the examination process and a delay in the adoption of the Plan.

Legal advice confirms that the decision for the LDS to take effect must be taken by Full Council. As such, Cabinet is asked to recommend that the document be referred to the next meeting of the Full Council in September 2018.

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

Cabinet may decline to recommend that the updated LDS at Appendix 1 is referred to Full Council. This option could result in the legal compliance of the Local Plan Part 2 being challenged and a delay in its adoption.

A further option would be to instruct officers to make amendments to the LDS, before it is referred to Full Council. Depending on the nature of the changes this option could delay the publication of the LDS and affect the examination process for the Local Plan Part 2.

## **Policy Overview Committee comments**

Relevant Policy Overview Committees have previously be consulted on key aspects in developing the Local Plan.

# **SUPPORTING INFORMATION**

## **Background**

1. The Local Development Scheme (LDS) is a project plan for the production of the Local Plan and other planning policy documents. It sets out the documents that the Council intends to produce and the timescale for their production. In order to be considered legally compliant in accordance with the Planning and Compulsory Purchase Act 2004, the Council's Local Plan documents should be in general conformity with the LDS. This means they should be listed in the LDS and prepared in accordance with the timescales set out in the document.

2. The current LDS was prepared in 2016 and whilst the Local Plan Part 2 documents approved by Cabinet for Public Consultation on 24<sup>th</sup> September 2015 are listed, the timescales for document production are now out of date. A new, up to date LDS is therefore required to ensure the Local Plan is found to be legally compliant with the necessary regulations at Examination.

## Content of the Local Development Scheme

3. The proposed LDS is attached at Appendix 1 of this report. Table A below summarises the documents and timescales that are identified in the document.

**Table A: Timescale for Key Documents identified in the Local Development Scheme**

Document	Proposed timescale for:		
	Submission	Examination	Adoption
Local Plan Part 2: Development Management Policies, Site Allocations and Designations and Policies Map Atlas of Changes.	May 2018	July 2018 - March 2019	April -June 2019
Review of the Local Plan Part 1: Strategic Policies	July - Sept 2020	October 2020 - June 2021	July - Sept 2021
Community Infrastructure Levy Charging Schedule	To be confirmed		

4. The following paragraphs provide further commentary on the documents identified in Table A.

### Local Plan Part 2: Development Management Policies, Site Allocations and Designations and Policies Map Atlas of Changes

5. Cabinet approved a recommendation to undertake further consultation on these documents in September 2015. The documents were submitted for examination in May 2018 and the public examination hearings have been set for August 2018. Adoption of the Local Plan Part 2 is expected in early 2019.

### Local Plan Part 1: Strategic Policies

6. Following the Adoption of the Local Plan Part 2, officers propose to commence a review of the Local Plan Part 1 to ensure the document reflects up to date evidence and Council policy, as well as maintaining general conformity with recently proposed changes to the National Planning Policy Framework (NPPF) and London Plan. The timetable for this review has been prepared to broadly mirror the production of the new London Plan and is expected to commence in the latter part of 2018.

### Community Infrastructure Levy Charging Schedule

7. The Council's current Community Infrastructure Levy (CIL) Charging Schedule was adopted by the Council in April 2014. The timing of a further review of the CIL charging schedule will be considered in the light of updated viability evidence and any additional charges proposed by the Mayor of London.

### West London Waste Plan

8. The West London Waste Plan was adopted in July 2015. During the examination, it was agreed to carry out an early review of the document to take account of changes to waste apportionment targets. Whilst the timetable has yet to be agreed, identifying this item allows this work to commence, subject to Cabinet approval and the agreement of the other boroughs in the West London waste planning area.

### Heathrow Opportunity Area Planning Framework

9. The Heathrow Opportunity Area is identified in the London Plan as one of 38 Opportunity Areas with the capacity to accommodate 9,000 new homes and 12,000 new jobs. Revised figures are put forward in the Mayor of London's draft London Plan, published in December 2017. Whilst the boundary of the area has not yet been defined, it is described in the London Plan as covering much of the southern part of Hillingdon, Heathrow Airport and western Hounslow.

10. Paragraph 5.32 of the Local Plan Part 1 notes that the Council will work with key partners to prepare and implement a spatial planning framework for the Heathrow Opportunity Area. It is noted that further capacity testing is required by Hillingdon and Hounslow to establish what proportion of jobs and new homes in the Opportunity Area will be provided by each Borough. The details of this work will be subject to Cabinet approval, however, the LDS notes that the production of the Opportunity Area Planning Framework will likely commence in mid 2019.

### **Next Steps**

11. Subject to Cabinet approval, the LDS will go forward to Full Council in September 2018. The document will then be made available on the Council's website.

### **Financial Implications**

12. The cost of preparing the LDS will be contained within existing revenue budgets.

## **RESIDENT BENEFIT & CONSULTATION**

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

The preparation of the LDS will ensure that the Council's Local Plan can be kept up to date and that the objectives of the Sustainable Community Strategy will continue to be met.

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

The LDS is a project plan for the production of the Council's own Local Plan and as such no consultation is required beyond the statutory internal consultees below.

## CORPORATE CONSIDERATIONS

### Corporate Finance

Corporate Finance has reviewed this report and confirms that there are no direct financial implications arising from the publication of an updated Local Development Scheme. The timescales contained within the Local Development Scheme indicate that Local Part Plan 2 is scheduled for adoption by Spring 2019.

### Legal

The Council is required to prepare a Local Development Scheme (LDS) in accordance with the requirements of section 15 of the Planning and Compulsory Purchase Act 2004 (as amended). The Planning and Compulsory Purchase Act 2004 (as amended) requires the LDS to be revised at such times as the Local Planning Authority considers appropriate.

Section 19 of the Planning and Compulsory Purchase Act 2004 (as amended) requires Development Plan Documents to be prepared in accordance with the LDS. As such it is vital that the LDS is updated to ensure the Council's Local Plan can be found legally compliant in accordance with the Planning and Compulsory Purchase Act 2004 (as amended) and relevant supporting legislation.

Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended) requires a resolution of the Council, which must specify the date from which the LDS is to have effect.

### Infrastructure / Asset Management

There are no Corporate Property and Construction implications arising from the recommendations in this report.

## BACKGROUND PAPERS

Report to Cabinet - Local Plan Part 2: Draft Development Management Policies, Site Allocations and Designations and Policies Map. September 2015

This page is intentionally left blank

# **London Borough of Hillingdon Local Development Scheme**

**July 2018**





## 1 INTRODUCTION

In accordance with Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011) the London Borough of Hillingdon must prepare a Local Development Scheme (LDS).

### 1.1 Background and Purpose

This LDS was approved by the Council's Cabinet on **[date]** and takes effect from **[date]**. It will replace the previous version which was published in January 2016.

The LDS is essentially a project plan which identifies the documents to be prepared and an indicative timetable for preparation, including milestones to be achieved. It must be made publicly available and kept up-to-date. This enables the public and stakeholders to find out about planning policies in their area, the status of those policies and the details of and timescales for the production of all relevant documents.

## 2 THE ADOPTED DEVELOPMENT PLAN

At the time of writing the adopted Development Plan for Hillingdon consists of the following documents:

- The Local Plan Part 1: Strategic Policies (November 2012)
- The Unitary Development Plan (UDP) Saved Policies (September 2007)
- The Unitary Development Plan Proposals Map (September 1998)
- The West London Waste Plan (July 2015)<sup>1</sup>
- The London Plan: The Spatial Development Strategy for London Consolidated with Alterations Since 2011 (March 2016)<sup>2</sup>

Some of the strategic policies in the Local Plan Part 1 are supported by Supplementary Planning Documents, which provide greater detail to assist in the interpretation of the parent policy. The adopted Supplementary Planning Documents that form part of Hillingdon's planning framework are set out in Appendix 2 of this LDS.

Whilst there may be a need for the Council to revise and/or prepare Supplementary Planning Documents, they do not form part of the statutory Development Plan for Hillingdon. As such, the programme for future SPDs is not identified in this LDS.

---

<sup>1</sup> The West London Waste Plan was prepared jointly by the London Boroughs of Brent, Ealing, Harrow, Hillingdon, Hounslow and Richmond upon Thames

<sup>2</sup> The London Plan is prepared by the Mayor of London and represents the Regional Spatial Strategy for London

### **3 EMERGING DOCUMENTS**

The Council is currently preparing the Local Plan Part 2, which comprises the following documents:

- Site Allocations and Designations
- Development Management Policies
- Policies Map Atlas of Changes

These three documents are being progressed concurrently and were subject to pre-submission consultation in late 2014 and then again in October 2015. Appendix 1 sets out the indicative timetable for the remaining stages in the preparation of the Local Plan Part 2. Once adopted, the Local Plan Part 2 will supersede and fully replace the Unitary Development Plan Proposals Map (September 1998) and the Saved Policies (September 2007).

### **4 DOCUMENTS TO BE REVIEWED/PREPARED**

#### **4.1 Local Plan Part 1: Strategic Policies**

Following the publication of the latest version of the London Plan in March 2015, Hillingdon's annual average housing supply monitoring target currently stands at 559 units. A full review of the London Plan is now underway and is likely to result in further changes to strategic growth targets. The Council is therefore proposing an update to its Local Plan Part 1 which will broadly follow the timescales of the production of the new London Plan. The review is expected to commence in 2017 and will conclude with the adoption of the new Local Plan Part 1 in 2020. Further details of this timetable are contained in Appendix 1.

#### **4.2 Community Infrastructure Levy Charging Schedule**

The Council's current Community Infrastructure Levy (CIL) Charging Schedule was adopted by the Council in April 2014. The timing of a review of the CIL charging schedule will be considered in the light of updated viability evidence and any additional charges proposed by the Mayor of London.

#### **4.3 West London Waste Plan**

The West London Waste Plan was adopted in July 2015. During the examination process the West London Boroughs jointly agreed to carry out an early review to take account of changes to waste apportionment targets in the current version of the London Plan. The review is expected to commence in 2019.

#### **4.4 Heathrow Opportunity Area Planning Framework**

Opportunity Areas are London's major source of brownfield land with significant capacity for new housing, commercial and other development linked to existing or potential improvements to public transport accessibility. The London Plan 2016 identifies the Heathrow Opportunity Area as one of 38 Opportunity Areas in London and suggest it has the capacity to accommodate 9,000 homes and 12,000 jobs. The Heathrow Opportunity Area extends across the southern part of the London Borough

of Hillingdon into Hounslow. The London Plan states that boroughs should develop more detailed policies for these areas.

**An indicative timetable for the preparation or review of plans and planning policy documents is set out in Appendix 1.**

## **5 MONITORING**

The Local Development Scheme will be monitored and updated as necessary, in accordance with the timescales set out in Hillingdon's Authority Monitoring Report.

## Appendix 1: Indicative Timetable for the Preparation of Plans and Planning Policy Documents

Document /Plan	Nature of Plan	Plan Area	Status and forward work plan
<b>Local Plan Part 2</b>	<ul style="list-style-type: none"> <li>• Site Allocations and Designations</li> <li>• Development Management Policies</li> <li>• Changes to Policies Map Atlas of Changes</li> </ul>	Borough-wide	Submitted to the Secretary of State for examination on 18 <sup>th</sup> May 2018. Documents to be progressed in accordance with the following timetable.

2018				2019				2020	
Jan - March	April - June	July - Sept	Oct - Dec	Jan - March	April - June	July - Sept	Oct - Dec	Jan - March	April - June
P	S	EP	EP	EP	A				

P	Plan preparation and Consultation
S	Submission to Examination
EP	Examination in Public
A	Adoption

Document/ Plan	Nature of Plan	Plan Area	Status and forward work plan
<b>Local Plan Part 1</b>	Strategic Policies	Borough-wide	To be commenced in Spring 2019 and progressed in accordance with the following timetable.

2018				2019				2020	
Jan - March	April - June	July - Sept	Oct - Dec	Jan - March	April - June	July - Sept	Oct - Dec	Jan - March	April - June
					EG	EG	EG	P	P

2020		2021				2022			
July - Sept	Oct - Dec	Jan - March	April - June	July - Sept	Oct - Dec	Jan - March	April - June	July - Sept	Oct - Dec
P	P	S	EP	EP	EP	A			

EG	Evidence Gathering
P	Plan Preparation and Consultation
S	Submission to Examination
EP	Examination in Public
A	Adoption

Document/Plan	Nature of Plan	Plan Area	Status and forward work plan
<b>Community Infrastructure Levy Charging Schedule.</b>	Sets out charging rates for different types of development to be spent on new infrastructure.	Borough-wide	To be confirmed.

Document/Plan	Nature of Plan	Plan Area	Status and forward work plan
<b>West London Waste Plan</b>	Joint Local Plan Document, including strategic policies and site allocations	West London, including the London Boroughs of Brent, Ealing, Harrow, Hillingdon, Hounslow and Richmond upon Thames	To be confirmed.
<b>Heathrow Opportunity Planning Framework</b>	Joint non-statutory planning framework	Heathrow Opportunity Area	Likely to commence in mid 2019.

## **Appendix 2: Supplementary Planning Documents (SPD)**

1. Planning Obligations SPD (July 2014)
2. Accessible Hillingdon SPD (September 2017)
3. RAF Uxbridge Planning Project (January 2009)
4. Hillingdon Design and Accessibility Statement: Residential Extensions (December 2008)
5. Affordable Housing SPD (May 2006)
6. Noise SPD (May 2006)
7. Live/Work SPD (May 2006)
8. Hillingdon Design and Accessibility Statement: Shopfronts (July 2006)
9. Hillingdon Design and Accessibility Statement: New Residential Layouts (July 2006)
10. Hillingdon Design and Accessibility Statement: Transport Interchanges (July 2006)
11. Porters Way Planning Brief SPD (December 2005)
12. Air Quality (SPD 2002)

This page is intentionally left blank



## COUNCIL BUDGET 2018/19: MONTHLY BUDGET MONITORING REPORT (MONTH 2)

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

### HEADLINE INFORMATION

<b>Purpose of report</b>	<p>This report provides the Council's forecast financial position and performance against the 2018/19 revenue budget and Capital Programme.</p> <p>A net in-year underspend of £111k is reported against 2018/19 General Fund revenue budgets as of May 2018 (Month 2).</p> <p>The latest positions on other funds and the Capital Programme are detailed within the body of this report.</p>
<b>Contribution to our plans and strategies</b>	<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>
<b>Financial Cost</b>	N/A
<b>Relevant Policy Overview Committee</b>	Corporate Services, Commerce and Communities
<b>Ward(s) affected</b>	All

### RECOMMENDATIONS

That Cabinet:

1. Note the budget position as at May 2018 (Month 2) as outlined in Table 1.
2. Note the Treasury Management update as at May 2018 at Appendix E.
3. Continue the delegated authority up until the September 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 21 June 2018 and 26 July 2018 Cabinet meetings, detailed at Appendix F.

4. Delegate full authority to the Leader of the Council and Cabinet Member for Finance, Property and Business Services, in consultation with the Deputy Chief Executive and Director of Residents Services, to make all necessary procurement and financial decisions, including approving the appointment of further consultancies and the placing of building contracts required for the development of the mixed tenure scheme at Acol Crescent comprising 19 General Needs and 14 Shared Ownership housing units.
5. Accept a capital grant of £205k from the Department for Education in respect of the Healthy Pupils Capital Fund.
6. Accept an award of £200k from Transport for London in respect of the Borough Principal Roads programme.
7. Agree to fund a lease for a horse to support a local paralympic athlete at a cost of £8k per annum for up to three years.
8. Agree an annual grant for 2018/19 of £81,000 to the Metropolitan Police Service for a variety of activities including, twelve month leasing of semi-marked police cars, pro-active operations to tackle drug misuse and support for responses to domestic abuse cases

## 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 2 against budgets approved by Council on 22 February 2018. An update on the Council's Treasury Management activities is signposted in **Recommendation 2**.
2. **Recommendation 3** is intended to enable continued delegation of approval for appointment of consultancy and agency appointments over £50k to the Chief Executive, with final sign-off from the Leader of the Council. In addition, Appendix F reports back on use of this delegated authority previously granted by Cabinet.
3. The Council is developing a mixed tenure scheme, providing both general needs and shared ownership housing. The completion of the scheme will add 33 new dwellings to the HRA stock. Approval of **Recommendation 4** will enable placing of building contracts in a timely manner supporting the completion of the project to agreed timescales.
4. In March 2018, the Department for Education announced a funding allocation of £205k for 2018/19 called the Healthy Pupils Capital Fund. The grant outlined in **Recommendation 5** is intended to improve and increase children's access to facilities that will improve their health and wellbeing.
5. Transport for London have confirmed Borough Principal Roads funding of £200k for 2018/19 for improvement works to the Uxbridge Road (A4020) as laid out in **Recommendation 6**.
6. Natasha Baker MBE is a multiple gold medal winning para-athlete who requires funding to obtain a horse in her attempts to qualify for the 2020 Olympic Games in Tokyo. Approval of **Recommendation 7** would enable the funding of a lease via the All-Age Sport & Activity earmarked reserve for up to 3 years, which would cover £8k per annum of the total cost.
7. An annual grant is awarded to the Metropolitan Police Service for a variety of activities including, twelve month leasing of semimarked police cars, pro-active operations to tackle

drug mis-use and support for responses to domestic abuse cases. **Recommendation 8** seeks approval of the awarding of this grant.

**Alternative options considered**

8. There are no other options proposed for consideration.

## SUMMARY

### REVENUE

9. General Fund revenue budgets are projected to underspend by £111k at Month 2. An overspend of £318k is projected against Directorate Operating Budgets, with the most significant pressures relating to fleet management. An underspend across Corporate Operating Budgets of £199k partly offsets this pressure, alongside a £230k projected underspend across Contingency items arising from reduced demand for Temporary Accommodation.
10. General Fund Balances are expected to total £39,482k at 31 March 2019, under the assumption that the balance of General Contingency and Unallocated Priority Growth monies are released in-year, the £950k planned drawdown from General Balances is utilised and the anticipated surplus materialises. This is a reduction of £839k from the opening balance of £40,321k.
11. Of the £10,655k savings included in the 2018/19 budget, £7,875k are either banked or classed as 'on track for delivery', with £2,780k classified as being higher risk or in the early stages of delivery. Ultimately, all £10,655k savings are expected to be delivered in full, with any items with potential issues being covered by alternative in-year savings proposals and management actions.
12. A surplus of £1,050k is reported within the Collection Fund relating to favourable positions on both Council Tax and Business Rates, which is predominantly driven by strong growth in Gross Rates in the Borough and a carry forward surplus within Council Tax. Any surplus realised at outturn will be available to support the General Fund budget in 2019/20.
13. The Dedicated Schools Grant is projecting an in-year overspend of £942k at Month 2. This overspend is predominantly due to continuing pressures in the cost of High Needs and results in a forecast carry forward cumulative deficit at 31 March 2019 is £5,067k. It is becoming increasingly unlikely that this pressure can be contained within the Schools Budget, and therefore the longer-term solution to this pressure may represent a significant risk within the context the Council's own medium term financial planning. This is a problem across the sector and as such there is significant lobbying of government in progress.

### CAPITAL

14. At Month 2 the projected underspend against the 2018/19 General Fund Capital Programme is £6,520k, predominantly as a result of re-phasing of project expenditure. The forecast outturn variance over the life of the programme to 2022/23 is an marginal underspend of £90k. This planned investment will require £178,366k Prudential Borrowing, £210k lower than anticipated at budget setting in February 2018. This is as a result of cost underspends of £90k and increases in grants and contributions of £140k being offset by a £20k shortfall of Capital Receipts.

## FURTHER INFORMATION

### General Fund Revenue Budget

15. An underspend of £111k is reported across normal operating activities at Month 2, with the most significant pressure relating to fleet management. These pressures result in a £318k pressure across Directorate Operating Budgets, which are offset by underspends against Interest and Investment Income and reduced contingency drawdowns as detailed later in this report.
16. £10,655k of savings are included in the 2018/19 General Fund revenue budget. Currently £4,594k are banked, delivery is currently in progress against £3,281k of savings, £2,780k are either in the early stages of delivery or deemed higher risk although all savings are expected to ultimately be delivered in full.

**Table 1: General Fund Overview**

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000
			Revised Budget £'000	Forecast Outturn £'000	
207,578	(1,799)	Directorate Operating Budgets	205,779	206,097	318
4,878	0	Corporate Operating Budgets	4,878	4,679	(199)
8,929	0	Development & Risk Contingency	8,929	8,699	(230)
200	0	HIP Initiatives	200	200	0
(1,249)	1,799	Unallocated Budget Items	550	550	0
<b>220,336</b>	<b>0</b>	<b>Sub-total Normal Activities</b>	<b>220,336</b>	<b>220,225</b>	<b>(111)</b>
(219,386)	0	Budget Requirement	(219,386)	(219,386)	0
<b>950</b>	<b>0</b>	<b>Net Total</b>	<b>950</b>	<b>839</b>	<b>(111)</b>
(40,321)	0	Balances b/fwd	(40,321)	(40,321)	
<b>(39,371)</b>	<b>0</b>	<b>Balances c/fwd 31 March 2019</b>	<b>(39,371)</b>	<b>(39,482)</b>	

17. General Fund Balances are expected to total £39,482k at 31 March 2019 as a result of the forecast position detailed above. 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

18. Directorate Operating Budgets represent the majority of the Council's investment in day-to-day services for residents, with more volatile or demand-led areas of activity tracked separately through the Development and Risk Contingency. Further information on latest projections for each service is contained within Appendix A to this report, with salient risks and variances within this position summarised in the following paragraphs.

**Table 2: Directorate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service		Month 2		Variance (As at Month 2) £'000
				Revised Budget £'000	Forecast Outturn £'000	
7,591 (1,092)	32 0	Chief Executive's Office	Expenditure	7,623	7,625	2
			Income	(1,092)	(1,112)	(20)
<b>6,499</b>	<b>32</b>		<b>Sub-Total</b>	<b>6,531</b>	<b>6,513</b>	<b>(18)</b>
17,262 (3,170)	(47) 0	Finance	Expenditure	17,215	17,389	174
			Income	(3,170)	(3,392)	(222)
<b>14,092</b>	<b>(47)</b>		<b>Sub-Total</b>	<b>14,045</b>	<b>13,997</b>	<b>(48)</b>
116,355 (43,096)	342 (377)	Residents Services	Expenditure	116,697	117,657	960
			Income	(43,473)	(44,205)	(732)
<b>73,259</b>	<b>(35)</b>		<b>Sub-Total</b>	<b>73,224</b>	<b>73,452</b>	<b>228</b>
142,505 (28,777)	(381) (1,368)	Social Care	Expenditure	142,124	142,355	231
			Income	(30,145)	(30,220)	(75)
<b>113,728</b>	<b>(1,749)</b>		<b>Sub-Total</b>	<b>111,979</b>	<b>112,135</b>	<b>156</b>
<b>207,578</b>	<b>(1,799)</b>	<b>Total Directorate Operating Budgets</b>		<b>205,779</b>	<b>206,097</b>	<b>318</b>

19. An underspend of £18k is reported on Chief Executive's Office budgets at Month 2 as a result of an improved outlook for income within Democratic Services and Human Resources. Across Finance, a net underspend of £48k is projected as a result of vacant posts across the directorate while compensatory variances on income and expenditure relate to performance based grant funding to support Housing Benefit administration and associated investment in additional staffing.
20. At this early stage in the financial year a net pressure of £228k is reported across Residents Services, largely due to a £581k pressure linked to the operation of the Council's vehicle fleet. In addition a drawdown from earmarked reserves of £300k has been actioned to mitigate pressures in projected income at Uxbridge Town Centre car parks. It is Council policy to hold parking charges well below commercial rates hence the allocation of reserves to sustain this policy. A further £500k has been drawdown from earmarked reserves to Waste Services as a result of increased recycling costs and greater use of overtime as a result a challenging recruitment environment for agency staff. Again reserves have been allocated to sustain this priority service rather than take actions within the service to mitigate the pressure that may hit service standards. The overall Residents Services position is partially mitigated by an underspend on workforce budgets arising from vacancies across the Group.
21. A net £156k pressure is reported across Social Care budgets, consisting of £677k non-staffing pressures arising higher than anticipated placement costs arising from the delayed completion of the Parkview and Grassy Meadow developments alongside SEN Transport and

Children's Services legal costs. This position is partially offset by staffing underspends across the directorate and a minor favourable movement on client income.

22. The Council is 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 £1,532k 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.

### Progress on Savings

23. Savings of £10,655k were included in the 2018/19 budget, of which £7,875k are either banked or on track for delivery at this early stage of the year. £2,780k savings are in the early stages of delivery or potentially subject to greater risk to delivery, however ultimately all £10,655k are expected to be delivered in full, with any items with potential issues being covered by alternative in-year savings proposals and management actions.

**Table 3: Savings Tracker**

2018/19 General Fund Savings Programme	CEOs	Finance	Residents Services	Social Care	Cross-Cutting	Total 2018/19 Savings	
	£'000	£'000	£'000	£'000	£'000	£'000	%
B Banked	(58)	(436)	(1,457)	(2,396)	(247)	(4,594)	43.1%
G On track for delivery	0	(142)	(1,157)	(1,506)	(476)	(3,281)	30.8%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	(150)	(500)	(1,026)	(1,104)	(2,780)	26.1%
R Serious problems in the delivery of the saving	0	0	0	0	0	0	0.0%
<b>Total 2018/19 Savings</b>	<b>(58)</b>	<b>(728)</b>	<b>(3,114)</b>	<b>(4,928)</b>	<b>(1,827)</b>	<b>(10,655)</b>	<b>100.0%</b>

### Corporate Operating Budgets

24. 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.
25. As a result of anticipated capital expenditure and associated borrowing being slipped from 2017/18, alongside proactive use of capital grants and alternative funding, a £265k underspend is reported on provision for repayment of external borrowing at Month 2. No variance is reported on budgeted investment income, including higher yielding Strategic and Long-dated funds.
26. Externally set levies are reporting a pressure of £66k in relation to additional investment to support implementation of the West London District Coroners Service Improvement Plan. All other levies have been confirmed by awarding bodies and are not expected to vary materially over the remainder of the financial year.





**Table 4: Corporate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service		Month 2		Variance (As at Month 2) £'000
				Revised Budget £'000	Forecast Outturn £'000	
0	0	Interest and Investment Income	Salaries	0	0	0
6,259	0		Non-Sal Exp	6,259	5,994	(265)
(371)	0		Income	(371)	(371)	0
<b>5,888</b>	<b>0</b>		<b>Sub-Total</b>	<b>5,888</b>	<b>5,623</b>	<b>(265)</b>
480	0	Levies and Other Corporate Budgets	Salaries	480	480	0
11,237	0		Non-Sal Exp	11,237	11,303	66
(11,602)	0		Income	(11,602)	(11,602)	0
<b>116</b>	<b>0</b>		<b>Sub-Total</b>	<b>115</b>	<b>181</b>	<b>66</b>
0	0	Housing Benefit Subsidy	Salaries	0	0	0
147,529	0		Non-Sal Exp	147,529	147,529	0
(148,654)	0		Income	(148,654)	(148,654)	0
<b>(1,125)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(1,125)</b>	<b>(1,125)</b>	<b>0</b>
<b>4,878</b>	<b>0</b>	<b>Total Corporate Operating Budgets</b>		<b>4,878</b>	<b>4,679</b>	<b>(199)</b>

### Development & Risk Contingency

27. For 2018/19 £8,929k was set aside to manage uncertain elements of budgets within the Development & Risk Contingency, which included £7,929k in relation to specific risk items and £1,000k as General Contingency to manage unforeseen issue. At this early stage in the financial year, an underspend of £230k is projected against this provision.

**Table 5: Development & Risk Contingency**

Original Budget £'000	Budget Changes £'000	Service		Month 2		Variance (As at Month 2) £'000
				Revised Budget £'000	Forecast Outturn £'000	
291	0	Fin.	Uninsured claims	291	291	0
1,736	0	Resident Services	Impact of Welfare Reform on Homelessness	1,736	1,512	(224)
1,172	0		Waste Disposal Levy & Associated Contracts	1,172	1,172	0
200	0		Heathrow Expansion Challenge Fund	200	200	0
1,885	0	Social Care	Asylum Service	1,885	1,885	0
797	0		Demographic Growth - Looked After Children	797	797	0
367	0		Demographic Growth - Children with Disabilities	367	367	0
277	0		Social Worker Agency Contingency	277	277	0
443	0		SEN transport	443	443	0
730	0		Demographic Growth - Adult Social Care	730	730	0
50	0		Winterbourne View	50	50	0
381	0	Corp. Items	Apprenticeship Levy	381	376	(6)
(400)	0		Additional Investment Income	(400)	(400)	0
1,000	0		General Contingency	1,000	1,000	0
<b>8,929</b>	<b>0</b>	<b>Total Development &amp; Risk Contingency</b>		<b>8,929</b>	<b>8,699</b>	<b>(230)</b>

28. The managed reduction in households accommodated in Bed and Breakfast seen throughout 2017/18 has continued into 2018/19, with projections assuming that the number of households will be maintained at 150 for the remainder of the year. Alongside continuing management, action to reduce broader costs of Temporary Accommodation and an improved

outlook for expenditure against the Temporary Accommodation Temporary Support Grant this is expected to deliver a £224k underspend against contingency provision.

29. No other material variances are reported against contingency items; with a minor £6k underspend on the Apprenticeship Levy reflecting current payroll expenditure. At this early stage in the financial year, it has been assumed that the £1,000k General Contingency will be required in full.

### HIP Initiatives

30. £200k of HIP Initiative funding is included in the 2018/19 General Fund revenue budget, which is supplemented by £891k brought forward balances, to provide £1,091k resources. £42k of projects have been approved for funding from HIP resources as at Month 2, leaving £1,049k available for future release.

**Table 6: HIP Initiatives**

Original Budget	Budget Changes	HIP Initiatives	Month 2		
			Revised Budget	Approved Allocations	Unallocated Balance
£'000	£'000		£'000	£'000	£'000
200	0	HIP Initiatives Budgets	200	0	(200)
0	891	B/fwd Funds	891	42	(849)
<b>200</b>	<b>891</b>	<b>Total HIP Initiatives</b>	<b>1,091</b>	<b>42</b>	<b>(1,049)</b>

### Schools Budget

31. At Month 2 the Dedicated Schools Grant position is an in-year overspend of £942k. This is predominantly due to continuing pressures in the cost of High Needs. When the £4,125k deficit brought forward from 2017/18 is taken into account, the deficit to carry forward to 2019/20 is £5,067k.

### Collection Fund

32. A £1,050k surplus is projected against the Collection Fund at Month 2, which is made up of a £577k surplus on Council Tax and a £473k surplus on Business Rates. The Council Tax surplus is largely as a result of strong in-year collection rates contributing £78k and the brought forward surplus of £499k relating to better than expected performance during 2017/18. The favourable variance across Business Rates is due to strong growth in Gross Rates as a number of new developments in the Borough have been brought into rating, with a £913k in-year surplus is sufficient to off-set the brought forward deficit of £440k

### Housing Revenue Account

33. The Housing Revenue Account is currently forecasting a £168k favourable position, resulting in a drawdown of reserves of £21,269k. This results in a projected 2018/19 closing HRA General Balance of £15,839k. The use of reserves is funding investment in new housing stock

### Future Revenue Implications of Capital Programme

34. Appendix D to this report outlines the forecast outturn on the 2018/19 to 2022/23 Capital Programme, with a marginal £90k underspend projected over the five-year programme. Alongside marginal variances on Government Grant income and Capital Receipts, Prudential Borrowing is projected to be £120k lower than the £178,576k revised budget and therefore

have limited impact on the £8,133k uplift in capital financing costs over the current MTFF period.

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

### CHIEF EXECUTIVE'S OFFICE

35. The overall position for the Chief Executive's Office at Month 2 is a forecast underspend of £18k, primarily achieved through part-year vacancies and the over achievement of income across the Group.

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

Original Budget £'000	Budget Changes £'000	Service		Month 2		Variance (As at Month 2) £'000
				Revised Budget £'000	Forecast Outturn £'000	
1,445	0	Democratic Services	Salaries	1,445	1,481	36
1,750	(29)		Non-Sal Exp	1,721	1,718	(3)
(602)	0		Income	(602)	(610)	(8)
<b>2,593</b>	<b>(29)</b>		<b>Sub-Total</b>	<b>2,564</b>	<b>2,589</b>	<b>25</b>
2,012	(13)	Human Resources	Salaries	1,999	2,034	35
361	12		Non-Sal Exp	373	377	4
(230)	0		Income	(230)	(242)	(12)
<b>2,143</b>	<b>(1)</b>		<b>Sub-Total</b>	<b>2,142</b>	<b>2,169</b>	<b>27</b>
1,954	75	Legal Services	Salaries	2,029	1,959	(70)
69	(13)		Non-Sal Exp	56	56	0
(260)	0		Income	(260)	(260)	0
<b>1,764</b>	<b>62</b>		<b>Sub-Total</b>	<b>1,825</b>	<b>1,755</b>	<b>(70)</b>
5,411	62	Chief Executive's Office Directorate	Salaries	5,473	5,474	1
2,180	(30)		Non-Sal Exp	2,150	2,151	1
(1,092)	0		Income	(1,092)	(1,112)	(20)
<b>6,499</b>	<b>32</b>		<b>Total</b>	<b>6,531</b>	<b>6,513</b>	<b>(18)</b>

#### Democratic Services (£25k overspend)

36. Democratic Services are reporting a £25k overspend at Month 2, due in the main to a fully resourced establishment presenting a Managed Vacancy Factor (MVF) pressure, partly mitigated by a favourable income position. Income from Registration of Births, Deaths and Marriages has marginally exceeded expectations up to Month 2, with an income shortfall against Nationality Checking services offset against a favourable Citizenship Ceremony position.

#### Human Resources (£27k overspend)

37. A reported £23k pressure primarily relates to an MVF of £57k, currently unachievable through an almost fully resourced establishment. The overachievement of income reflects an increased number of Newly Qualified Social Worker placements in Learning & Development.

#### Legal Services (£70k underspend)

38. Legal Services are reporting a £70k underspend at Month 2, including covering an MVF of £59k, due to staffing underspends with a number of part year vacant posts. Non-salary and Income projections are currently forecast to breakeven.

## FINANCE

39. The overall position for Finance at Month 2 is a forecast underspend of £48k, primarily achieved through part-year vacancies in the Business Assurance and Corporate Finance functions, which are netted down by the use of contracts and agency to cover these vacancies. The table below shows the position for each Service area within the Group.

**Table 8: Finance Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service		Month 2		Variance (As at Month 2) £'000
				Revised Budget £'000	Forecast Outturn £'000	
2,058	(155)	Business Assurance	Salaries	1,903	1,842	(61)
1,443	0		Non-Sal Exp	1,443	1,470	27
(567)	0		Income	(567)	(567)	0
<b>2,934</b>	<b>(155)</b>		<b>Sub-Total</b>	<b>2,779</b>	<b>2,745</b>	<b>(34)</b>
1,540	0	Procurement	Salaries	1,540	1,557	17
64	0		Non-Sal Exp	64	63	(1)
(35)	0		Income	(35)	(35)	0
<b>1,570</b>	<b>0</b>		<b>Sub-Total</b>	<b>1,569</b>	<b>1,585</b>	<b>16</b>
3,505	0	Corporate Finance	Salaries	3,505	3,465	(40)
1,785	0		Non-Sal Exp	1,785	1,805	20
(151)	0		Income	(151)	(151)	0
<b>5,139</b>	<b>0</b>		<b>Sub-Total</b>	<b>5,139</b>	<b>5,119</b>	<b>(20)</b>
4,277	155	Revenues & Benefits	Salaries	4,432	4,632	200
1,847	(47)		Non-Sal Exp	1,800	1,806	6
(2,090)	0		Income	(2,090)	(2,303)	(213)
<b>4,034</b>	<b>108</b>		<b>Sub-Total</b>	<b>4,142</b>	<b>4,135</b>	<b>(7)</b>
536	0	Pensions, Treasury & Statutory Accounting	Salaries	536	545	9
207	0		Non-Sal Exp	207	204	(3)
(327)	0		Income	(327)	(336)	(9)
<b>416</b>	<b>0</b>		<b>Sub-Total</b>	<b>416</b>	<b>413</b>	<b>(3)</b>
11,916	0	Finance Directorate	Salaries	11,916	12,041	125
5,346	(47)		Non-Sal Exp	5,299	5,348	49
(3,170)	0		Income	(3,170)	(3,392)	(222)
<b>14,092</b>	<b>(47)</b>		<b>Total</b>	<b>14,045</b>	<b>13,997</b>	<b>(48)</b>

### Business Assurance (£34k underspend)

40. This underspend is predominantly on staffing costs as a result of a number of vacant posts across the service. These posts are currently being covered through the increased use of external audit support, which is showing in the adverse position in non-salaries.

### Procurement (£16k overspend)

41. Procurement is forecasting a small pressure of £16k at Month 2, primarily as a result of staffing costs due to vacancies following implementation of a small restructure within the service. Non-salary costs are broadly expected to breakeven.

### Corporate Finance (£20k underspend)

42. Corporate Finance is projecting an underspend at Month 2 of £20k, reflecting a number of vacant posts within the service. Non-salary expenditure and income are forecast to breakeven.

#### **Revenues & Benefits (£7k underspend)**

43. Revenues & Benefits are reporting an underspend of £7k, with staffing pressures reflecting the cost of temporary agency workers employed on grant funded performance based schemes aiming to cut down fraud, and reduce errors, in Housing Benefit claims. Following implementation of significant restructure in the service, a number of vacant posts are assumed to be filled throughout the year.

#### **Pensions, Treasury & Statutory Accounting (£3k underspend)**

44. Pensions, Treasury and Statutory Accounting is reporting an underspend of £3k, principally due to a vacant post held within the service. In addition, there are reduced costs against the external audit contract with Ernst & Young and increased charges to the Pension Fund for support provided.

**Table 9: Finance Development & Risk Contingency**

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 2		Variance (As at Month 2) £'000
			Revised Budget £'000	Forecast Outturn £'000	
291	0	Uninsured claims	291	291	0
<b>291</b>	<b>0</b>	<b>Current Commitments</b>	<b>291</b>	<b>291</b>	<b>0</b>

## RESIDENTS SERVICES

45. Residents Services directorate is showing a projected outturn overspend of £228k at Month 2, excluding pressure areas that have identified contingency provisions

**Table 10: Residents Services Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service		Month 2		Variance (As at Month 2) £'000
				Revised Budget £'000	Forecast Outturn £'000	
16,671	(405)	Infrastructure, Waste and ICT	Salaries	16,266	16,453	187
35,528	(91)		Non-Sal Exp	35,437	36,498	1,061
(10,525)	182		Income	(10,343)	(11,341)	(998)
<b>41,673</b>	<b>(314)</b>		<b>Sub-Total</b>	<b>41,360</b>	<b>41,610</b>	<b>250</b>
17,549	442	Housing, Environment, Education & Health & Wellbeing	Salaries	17,991	17,452	(539)
23,467	453		Non-Sal Exp	23,920	24,282	362
(17,361)	(550)		Income	(17,911)	(17,841)	70
<b>23,654</b>	<b>345</b>		<b>Sub-Total</b>	<b>24,000</b>	<b>23,893</b>	<b>(107)</b>
3,995	49	Planning, Transportation & Regeneration	Salaries	4,044	3,863	(181)
685	64		Non-Sal Exp	749	998	249
(4,059)	(40)		Income	(4,099)	(4,121)	(22)
<b>622</b>	<b>73</b>		<b>Sub-Total</b>	<b>694</b>	<b>740</b>	<b>46</b>
1,514	(160)	Performance & Improvement	Salaries	1,354	1,284	(70)
204	0		Non-Sal Exp	204	204	0
(18)	0		Income	(18)	(18)	0
<b>1,700</b>	<b>(160)</b>		<b>Sub-Total</b>	<b>1,540</b>	<b>1,470</b>	<b>(70)</b>
12,626	3	Administrative, Technical & Business Services	Salaries	12,629	12,444	(185)
4,116	(13)		Non-Sal Exp	4,103	4,179	76
(11,133)	31		Income	(11,102)	(10,884)	218
<b>5,609</b>	<b>21</b>		<b>Sub-Total</b>	<b>5,630</b>	<b>5,739</b>	<b>109</b>
52,355	(71)	Residents Services Directorate	Salaries	52,284	51,496	(788)
64,000	413		Non-Sal Exp	64,413	66,161	1,748
(43,096)	(377)		Income	(43,473)	(44,205)	(732)
<b>73,259</b>	<b>(35)</b>		<b>Total</b>	<b>73,224</b>	<b>73,452</b>	<b>228</b>

46. The overall variance is a result of a pressure in Fleet management off-set by staffing underspends across the directorate.
47. The Council's 2018/19 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 11 below. At Month 2 projected calls on contingency are £224k below the budgeted provision. The table below shows the breakdown for each contingency item.

**Table 11: Development and Risk Contingency**

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 2		Variance (As at Month 2) £'000
			Revised Budget £'000	Forecast Outturn £'000	
1,736	0	Impact of Welfare Reform on Homelessness	1,736	1,512	(224)
1,172	0	Waste Disposal Levy & Associated Contracts	1,172	1,172	0
200	0	Heathrow Expansion Challenge Fund	200	200	0
<b>3,108</b>	<b>0</b>	<b>Current Commitments</b>	<b>3,108</b>	<b>2,884</b>	<b>(224)</b>

48. The Month 2 data in Table 12 below shows a continuation of the reduction achieved in 2017-18 of the use of Temporary Accommodation. The number of Households in higher cost Bed & Breakfast accommodation is in line with MTFE assumptions made by officers in modelling Supply and Demand.

**Table 12: Housing Needs performance data**

	April 18	May 18
All Approaches	207	274
Full Assessment Required	187	260
New into Temporary Accommodation (Homeless and Relief)	17	22
Households in Temporary Accommodation	531	511
Households in B&B	161	149

49. As in previous years, a contingency has been set aside in 2018/19 to resource the procurement of Private Sector placements or the need for Temporary Accommodation in the borough. The call on contingency relating to homelessness is forecast at £1,512k, £224k below the budgeted provision. The service is forecasting the number of clients in B&B accommodation will stay at 150 whilst reducing the overall use and cost of Temporary Accommodation. This is expected to be achieved through an increase in placements into the private sector funded from reduced expenditure against the Temporary Accommodation Flexible Support Grant and continued close monitoring of unit costs.
50. The Council will continue to closely monitor this risk, given the introduction of the Homeless Reduction Act in April 2018 potential pressures could materialise in the remainder of the financial year. Increased prevention and move-on activity may require the service to draw on the Housing Incentives earmarked reserve, with any drawdown being subject to the usual approvals.
51. The call on the Waste contingency is as per the budgeted provision of £1,172k, to fund estimated population driven increases in the cost of tonnages via the West London Waste Authority (WLWA) levy and associated waste disposal contracts. The first two months of 2018/19 has shown a material increase in waste volumes compared to the same period last year. It is currently assumed that this can be managed within the existing contingency sum with the position expected to become clearer as the year progresses and the impact of seasonal fluctuations and wider market factors materialise.



### **Infrastructure, Waste and ICT (£250k overspend)**

52. At Month 2, there is a £250k forecast overspend across the service, from a number of variances across services areas reflecting a combination of staffing and non-staffing pressures. The overall forecast encompasses a number of management actions which will be closely monitored during the financial year.
53. The forecast pressure for Fleet of £581k relates primarily to the vehicle repairs and maintenance, with a combination of legacy costs from the outgoing contractor and some additional costs from the new contractor. There are also risks associated with increasing fuel costs, potential risks regarding the service's performance in relation to insurance claims and pressures from hired vehicle costs. There are a range of management actions underway and the service are finalising the capital vehicle replacement programme that should enable some in-year savings to further mitigate the pressures.
54. An earmarked reserve drawdown of £500k is funding the pressure of £259k in Waste Services. This projected overspend is as a result of a temporary increase in overtime payments within the Waste Service resulting from performance issues with agency staff and wider recruitment difficulties in the refuse/recycling area owing to demand and competition. Non-staffing costs are forecasting a pressure, due to the cost of refuse sacks for green and garden waste and mixed dry recycling.
55. The Highways and Street Lighting service is showing an underspend largely reflecting anticipated over-achievement against income targets, attributable to various revenue streams including S38, S278, vehicle crossings and fixed penalties.
56. The Capital and Planned Works service is showing a projected pressure of £106k against base budget. This is predominantly the residual expenditure for staffing costs after forecast fees have been assumed as chargeable to capital projects. The service is reviewing the cost of some of its higher cost agency to improve the position.

### **Housing, Environment, Education, Health & Wellbeing (£107k underspend)**

57. Green Spaces is reporting a breakeven position at Month 2. Underspends on hard to recruit posts within the staffing structures in Grounds Maintenance and Youth Centres are netting down the impact of staffing pressures in Libraries, reductions in income streams as a result of HS2 within Golf and potential pressures on non-staffing budgets within Parks and Open Spaces resulting from one-off work above planned service provision.
58. Vacant posts within Trading Standards and Community Safety are leading to underspends within the service in year, although recruitment is underway and posts are due to be filled in Quarter 2. Public Health is subject to an extensive BID review, targeting areas of contract spend and ensuring efficient provision of mandated services.

### **Planning, Transportation & Regeneration (£46k overspend)**

59. A net overspend of £46k is reported across the service at Month 2, primarily arising from a £181k underspend on staffing budgets across Planning Services and Road Safety being offset by £249k pressures on non-staffing expenditure. The workforce underspend within Planning Services reflects challenging market conditions impacting upon the recruitment and retention of professional Planning Officers, with the corresponding increased reliance on external consultancy driving the non-staffing pressure. The reported position includes a £130k uplift in fees for outsourcing planning application processing, for which a specific funding strategy is still to be determined.

60. No material variance is reported across the £3,942k Development and Building Control revenue streams at this early stage in the financial year, although these continue to be closely monitored given both the potential impact of changing property market conditions and the need to maintain sufficient capacity within the service to support Planning Performance Agreements and Pre-Application Advice.

**Performance & Improvement (£70k underspend)**

61. The Performance and Improvement Service is showing an underspend of £70k against budget in Month 2. Primarily this is as a result of vacant posts following the recent restructure in the Business Performance and Corporate Communications teams.

**Administrative, Technical & Business Services (£109k overspend)**

62. Overall, the service is reporting a forecast overspend of £109k at Month 2, which is primarily as a result of pressures on income budgets being partially funded by a drawdown from earmarked reserves of £300k. The majority of which relates to unachievable income targets for Cedars and Grainges car parks and have a current expected pressure of £430k. Income targets within Food and Safety are showing an improvement on the 2017/18 outturn position and if the first 2 months of the year are replicated, will deliver a small short fall of approximately £25k.
63. These pressures on income are netted down by vacancies across the Service, particularly in Business Services, Technical Administration and the Contact Centre, due to the fluid nature of the staffing of the functions and the high level of vacancies carried.

## SOCIAL CARE (£156k overspend)

64. Social Care is projecting an overspend of £156k as at Month 2. This is due primarily to the continued use of Social Worker agency staff in Children's Social Care, although, it should be noted that this position expects that there will be a significant improvement in permanent recruitment following the recent announcement that the Council's Ofsted inspection resulted in a good rating. Additionally the service is managing ongoing cost pressures relating to the cost of Legal Counsel and the provision of Temporary Accommodation for Section 17 cases.

**Table 13: Social Care Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service		Month 2		Variance (As at Month 2) £'000
				Revised Budget £'000	Forecast Outturn £'000	
14,762	(2)	Children's Services	Salaries	14,760	14,903	143
17,224	96		Non-Sal Exp	17,320	17,551	231
(6,483)	(171)		Income	(6,654)	(6,794)	(140)
<b>25,503</b>	<b>(77)</b>		<b>Sub-Total</b>	<b>25,426</b>	<b>25,660</b>	<b>234</b>
8,358	105	Early Intervention, Prevention & SEND	Salaries	8,463	7,967	(496)
6,044	(105)		Non-Sal Exp	5,939	5,987	48
(2,243)	(14)		Income	(2,257)	(1,939)	318
<b>12,159</b>	<b>(14)</b>		<b>Sub-Total</b>	<b>12,145</b>	<b>12,015</b>	<b>(130)</b>
4,139	3	Social Care, OPS & PD	Salaries	4,142	4,088	(54)
38,672	(1,134)		Non-Sal Exp	37,538	37,793	255
(12,159)	66		Income	(12,093)	(12,277)	(184)
<b>30,652</b>	<b>(1,065)</b>		<b>Sub-Total</b>	<b>29,587</b>	<b>29,604</b>	<b>17</b>
4,208	(78)	Learning Disability and Mental Health Service	Salaries	4,130	4,214	84
34,031	202		Non-Sal Exp	34,233	34,238	5
(7,291)	(1,227)		Income	(8,518)	(8,599)	(81)
<b>30,948</b>	<b>(1,103)</b>		<b>Sub-Total</b>	<b>29,845</b>	<b>29,853</b>	<b>8</b>
11,719	114	Provider and Commissioned Care	Salaries	11,833	11,710	(123)
3,348	418		Non-Sal Exp	3,766	3,904	138
(601)	(22)		Income	(623)	(611)	12
<b>14,466</b>	<b>510</b>		<b>Sub-Total</b>	<b>14,976</b>	<b>15,003</b>	<b>27</b>
43,186	142	Social Care Directorate Total	Salaries	43,328	42,882	(446)
99,319	(523)		Non-Sal Exp	98,796	99,473	677
(28,777)	(1,368)		Income	(30,145)	(30,220)	(75)
<b>113,728</b>	<b>(1,749)</b>		<b>Total</b>	<b>111,979</b>	<b>112,135</b>	<b>156</b>

## SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (Nil variance)

65. The Council's 2018/19 Development and Risk Contingency includes provisions for areas of expenditure within Social Care for which there is a greater degree of uncertainty and relates to in year demographic changes, including Asylum seekers and SEN Transport. Table 14 sets out the Month 2 projected position for the Development and Risk Contingency, which is reporting no variance. However, there are early indications of increased growth in both Looked After Children's and Adult care placements, which will be monitored very closely over the coming months

**Table 14: Social Care Development & Risk Contingency**

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 2		Variance (As at Month 2) £'000
			Revised Budget £'000	Forecast Outturn £'000	
1,885	0	Asylum Service	1,885	1,885	0
797	0	Demographic Growth - Looked After Children	797	797	0
367	0	Demographic Growth - Children with Disabilities	367	367	0
277	0	Social Worker Agency Contingency	277	277	0
443	0	SEN transport	443	443	0
730	0	Demographic Growth - Adult Social Care	730	730	0
50	0	Winterbourne View	50	50	0
<b>4,549</b>	<b>0</b>	<b>Current Commitments</b>	<b>4,549</b>	<b>4,549</b>	<b>0</b>

### Asylum Service (Nil variance)

66. The service is projecting the full draw down of £1,885k from the contingency. This position is based on the latest set of data, although it should be noted that this has not yet been verified by the Home Office, as they have not finalised their funding review for this financial year and therefore have not issued any of the financial returns. However, it is still evident that a number of Unaccompanied Asylum Seeking Children (UASC) will turn 18 during the 2018/19 financial year, where the grant funding is less than that provided for under 18's. Additionally, the introduction of the National Transfer Agreement in 2016, has enabled the Council to transfer a number of under-18 UASC to other local authorities in line with the agreement, which will result in a lower volume of under 18's being supported by Hillingdon, although the Council is starting to see a younger cohort of UASC, generally in the 13 to 14 year old age group, which will require at least a Foster Care placement.

### Demographic Growth - Looked After Children (Nil variance)

67. The service is projecting the full draw down of £797k from the Contingency. However, it is evident that there is a high number of high cost Residential placements, where the Service has had to place children outside of the Borough. This figure is greater than the assumed number when the contingency budget was set. It has been assumed that a number of these children will step down into lower cost placements, but more recently; this is becoming more difficult due to the complex needs of the individuals. The Month 2 position assumes that this position will improve, as opportunities will be taken to review individual placements through

the embedded process that currently exists. This will be closely monitored over the next few months.

#### **Demographic Growth – Children with Disabilities (Nil variance)**

68. The service is projecting the full draw down of £367k from the Contingency. However, the baseline data indicates that there is to an increase in the number of placements that have more complex needs. The service anticipates this position to improve as opportunities will be taken to review individual placements to ascertain whether any of the placements should be part funded by external partners, such as education and health.

#### **Social Worker Agency (Children's) (Nil variance)**

69. The service is projecting the full draw down of £277k from this contingency, which covers the additional cost of using agency staff to cover essential Social Worker posts as the recruitment of Social Workers continues to be very competitive. However, the service do anticipate the position to improve over the next few months as the Council has been rated as good by Ofsted following the recent inspection.

#### **Demographic Growth - SEN Transport (Nil variance)**

70. The service is projecting the full draw down of £443k from the SEN Transport contingency, which is required to cover the anticipated increase in the number of pupils that have an Education, Health and Care Plan (EHCP). This position will be firmed up over the next few months in the lead up to the new academic year.

#### **Demographic Growth - Adult Social Care (Nil variance)**

71. The service is projecting the full draw down of £2,607k from the Transitional Children contingency. This covers a number of years including the current. It is evident that some of the costs are slightly lower at the beginning of the adult placement, as some of the children choose to stay on in education. However, these individuals will eventually be funded fully from the Adult Social Care budget once they turn 25.
72. The service still anticipates that the full draw down of the saving of £1,877k will be drawn down, reflecting that the service have taken steps to improve processes and ensure that the costs of care are met from the appropriate organisation, including education and health. However, the current data is indicating a number of potential increases in the number of placements, especially those with Learning Disabilities and those with more complex needs. This position will be closely monitored over the coming months.

#### **Winterbourne View (Nil variance)**

73. The service is expecting the full draw down of £50k from the Winterbourne View contingency, reflecting the cost of the last cohort of clients.

#### **DIRECTORATE OPERATING BUDGETS (£156k overspend)**

##### **Children's Services (£234k overspend)**

74. The service is projecting an overspend of £234k, as at Month 2. This is due to the additional cost of agency staff, which are required to cover essential Social Worker posts that are currently vacant and an additional cost of Legal Counsel to ensure that the service can cover all Legal Planning meetings. The Month 2 position anticipates that the use of agency staff will start to reduce and is very positive about planned recruitment following the recent Ofsted

inspection, which resulted in the service being rated good. Additionally, the in house Legal Service has recruited an additional advocate, which should help to reduce external Legal costs.

#### **Early Intervention, Prevention & SEND (£130k underspend)**

75. The service is projecting an underspend of £130k as at Month 2. The majority of this relates to staffing, where the service has put on hold staff recruitment, whilst it undertakes a BID review. Included in this is an underspend of £220k on the Educational Psychological Service, which partially offsets a shortfall in income of £361k, following the cessation of funding from the DSG for Early Years and School based support.

#### **Older People and Physical Disabilities (£17k overspend)**

76. The service is projecting an overspend of £17k as at Month 2. This includes an overspend on the cost of placements relating to the delays experienced at Grassy Meadow and Park View, resulting in a projected shortfall of £350k. This is netted down by an underspend of £54k on staffing, where the service has a number of vacant posts and an overachievement of income, totalling £184k relating to client and external organisations.

#### **Learning Disability and Mental Health (£8k overspend)**

77. The service is projecting an overspend of £8k as at Month 2. The service are using an external consultant to deliver a number of service reviews linked to provider sustainability, which results in the £84k overspend on salaries, which will be offset by capitalising the cost as it relates to the transformation of services.

#### **Provider and Commissioned Care (£27k overspend)**

78. The service is projecting an overspend of £27k as at Month 2. This relates to a pressure of £137k on Home to School Transport, which is based on the latest activity levels, including the action taken by EDGE to reduce the costs in this service, the latest being the introduction of the Dynamic Purchasing System. This is netted off by an underspend of £124k on staffing where the service have a number of vacant posts.
79. There is an expectation that the Home to School Transport position will improve throughout the year as further initiatives are implemented, however, it should be noted that for this financial year, there are 189 school days, which is an increase of 1 day on the 2017/18 position and results in an extra cost of approximately £30k.

## Appendix B – Other Funds

### SCHOOLS BUDGET

#### Dedicated Schools Grant (£942k overspend)

80. The Dedicated Schools Grant (DSG) outturn position is an in-year overspend of £942k at Month 2. This is predominantly due to continuing pressures in the cost of High Needs. When the £4,125k deficit brought forward from 2017/18 is taken into account, the deficit to carry forward to 2019/20 is £5,067k.

**Table 15: DSG Income and Expenditure 2018/19**

Original Budget	Budget Changes	Funding Block	Month 2		
			Revised Budget	Forecast Outturn	Variance
£'000	£'000		£'000	£'000	£'000
(275,559)	22	<b>Dedicated Schools Grant Income</b>	(275,537)	(275,537)	0
214,132	0	<b>Schools Block</b>	214,132	213,884	(248)
26,100	0	<b>Early Years Block</b>	26,100	26,319	219
2,773	0	<b>Central School Services Block</b>	2,773	2,874	101
32,554	(22)	<b>High Needs Block</b>	32,532	33,402	870
<b>0</b>	<b>0</b>	<b>Total Funding Blocks</b>	<b>0</b>	<b>942</b>	<b>942</b>
0	0	Balance Brought Forward 1 April 2018	4,125	4,125	
<b>0</b>	<b>0</b>	<b>Balance Carried Forward 31 March 2019</b>	<b>4,125</b>	<b>5,067</b>	

#### Dedicated Schools Grant Income (nil variance)

81. The High Needs block of the DSG has been realigned following the import/export adjustment which has been made to reflect any changes either in the placement by a local authority of pupils and students in schools and colleges located in other local authority areas (exports), or in the funding required by schools and colleges accepting pupils and students resident in other local authority areas (imports). When setting the DSG budget an estimate had been made for this adjustment and the ESFA have now published revised High Needs block allocations.

#### Schools Block (£248k underspend)

82. The £248k underspend relates to the growth contingency fund which is funded from the Schools Block. Schools that are expanding, in agreement with the local authority, to meet basic need pupil population growth receive additional funding to provide financial recompense to schools throughout the relevant financial year to cover the cost of this agreed and planned growth. Schools Forum have taken the decision to withhold growth contingency allocations for three schools due to the expectation that pupil growth in September 2018 will not be sufficient to require the need for growth contingency funding.
83. There is also a mechanism within the growth contingency policy to allow for schools that have experienced significant in year growth and it is currently anticipated that there will be an underspend in this budget allocation.

### **Early Years Block (£219k overspend)**

84. Two year old funding will be adjusted in July 2018 to reflect the number of children accessing the entitlement based on the January 2018 census. The assumption is that there will be an increase in funding and an income accrual was included in 2017/18 to take account of the estimated adjustment to funding.
85. It has been agreed that DSG will only fund The Early Years Centres up until 31 August 2018 with any over or underspend at this point to be charged to the DSG. Currently the three centres are projecting a £166k overspend as at the end of August. This is as a consequence of a shortfall in the levels of income being generated.
86. There is currently a further overspend in the Early Years Advisory Service where a savings target of £150k has been put in place by Schools Forum which may not be achieved in full in the current year.

### **Central School Services Block (£101k overspend)**

87. The overspend follows confirmation from the ESFA that the copyright licences for schools should be charged to the centrally retained DSG. The DSG budget was set with the view that these licenses could be charged to the Schools Block, and therefore no budget was included within the Central School Services Block.
88. The overspend is off-set by a projected underspend in the education costs of Looked After Children and additional income projected from schools that have excluded pupils where the local authority is able to recover the Age Weighted Pupil Unit cost for the period following exclusion.

### **High Needs Block (£870k overspend)**

89. There continues to be significant pressure in the High Needs Block with at Month 2 an overspend of £870k being projected.
90. There is on-going pressure linked to the transfer of pupils in special schools from statements to Education & Health Care plans (EHCPs). As pupils are transferred to an EHCP they move onto the new banded funding model often resulting in a higher resource requirement. The transfer process was completed by 31 March 2018, however, there were a number of cases where schools queried the funding levels allocated. Following further review and the submission of additional evidence, these have been adjusted in a significant number of cases resulting in a higher level of resource being allocated. The 2018/19 budget was increased to reflect this anticipated increase, but the budget is still insufficient.
91. There is also a projected overspend on the placement of pupils with SEN in independent or non-maintained schools. The High Needs budget for 2018/19 includes a savings target within the budget for Independent and non-maintained school SEN placements which is dependent on a number of pupils leaving at the end of the summer term 2018 and new placements not being made. However, a number of placements have been made since the budget was set, resulting in an additional pressure on the High Needs block.
92. The projected spend on post-19 SEN placements is based on the current cohort of students. The costs here are likely to increase further once full details of the September 2018 placements are known later in the year.



## Maintained School Balances & Budgets

93. A review of balances at the end of the 2017/18 financial year identified four schools which ended the year in deficit. Any schools that fall into deficit are subject to more focused monthly monitoring by LA officers to ensure that everything possible is being done to address the situation.
94. Maintained schools ended the 2017/18 financial year with a cumulative closing surplus balance of £10.1m (revenue & capital). This was a £0.9m decrease from the adjusted previous year total (the two academy converters have been removed from the 2017/18 figures), which is due to one particular school. Despite the relatively healthy total balance, there is a wide spread with a number of schools having low balances that are expected to experience financial difficulties in 2018/19 due to reductions in pupil numbers and funding not keeping up with actual year-on-year increases in costs.
95. The table below provides an update on the financial position of schools maintained by the Council (this excludes academy schools), based on school outturns for 2016/17 and 2017/18.

<b>School Type</b>	<b>Total Number of Schools</b>	<b>Number of Schools In Deficit 2017/18</b>	<b>Value of Deficit 2017/18 £000</b>	<b>Number of Schools In Deficit 2016/17</b>	<b>Value of Deficit 2016/17 £000</b>
Nursery	1	0	0	0	0
Primary	49	3	83	2	35
Secondary	2	1	2,475	1	1,549
Special	2	0	0	0	0
<b>Total</b>	<b>54</b>	<b>4</b>	<b>2,558</b>	<b>3</b>	<b>1,583</b>

96. A significant number of schools have submitted budgets for the 2018/19 financial year with an in-year deficit, resulting in a budgeted reduction in school revenue balances of £4.1m for 2018/19. This is a concern as the use of balances is one-off and continued in-year deficits are unsustainable in the medium term.
97. There are also two maintained schools that have been unable to set a balanced budget for 2018/19 and will therefore be requesting that the local authority licence a deficit budget. The Schools Finance team will continue to work with all maintained schools to monitor budgets for 2018/19, with particular focus on those schools that are in financial difficulty or have low balances. A further update will be given in the Month 3 monitoring report following the submission of financial returns from all schools for the first quarter of the financial year.

## COLLECTION FUND

98. A surplus of £1,050k is reported within the Collection Fund relating to favourable positions on both Council Tax and Business Rates, which is predominantly driven by strong growth in Gross Rates in the Borough and a carry forward surplus within Council Tax. Any surplus realised at outturn will be available to support the General Fund budget in 2019/20.
99. During 2018/19 the Council is participating in the 100% Business Rates Retention Pilot Pool for London, which provides scope for retaining additional growth while guaranteeing the level of income the Council would have received under the existing 50% Retention system. Business Rates projections below reflect this guaranteed minimum level of surplus, with any additional funds available from the pool to be captured separately in budget setting reports as appropriate.

**Table 16: Collection Fund**

Original Budget £'000	Budget Changes £'000	Service		Month 2		Variance (As at Month 2) £'000	Variance (As at Month 1) £'000	Movement from Month 1 £'000
				Revised Budget £'000	Forecast Outturn £'000			
(121,176)	0	Council Tax	Gross Income	(121,176)	(121,263)	(87)	0	(87)
10,918	0		Council Tax	10,918	10,927	9	0	9
(2,680)	0		Support B/fwd Surplus	(2,680)	(3,179)	(499)	0	(499)
<b>(112,938)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(112,938)</b>	<b>(113,515)</b>	<b>(577)</b>	<b>0</b>	<b>(577)</b>
(109,696)	0	Business Rates	Gross Income	(109,696)	(111,403)	(1,707)	0	(1,707)
(3,849)	0		Section 31 Grants	(3,849)	(3,849)	0	0	0
53,246	0		Less: Tariff	53,246	53,246	0	0	0
7,451	0		Less: Levy	7,451	8,245	794	0	794
69	0		B/fwd Surplus	69	509	440	0	440
<b>(52,779)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(52,779)</b>	<b>(53,252)</b>	<b>(473)</b>	<b>0</b>	<b>(473)</b>
<b>(165,717)</b>	<b>0</b>	<b>Total Collection Fund</b>		<b>(165,717)</b>	<b>(166,767)</b>	<b>(1,050)</b>	<b>0</b>	<b>(1,050)</b>

100. At Month 2 a surplus of £577k is projected against Council Tax, predominantly as a result of strong in-year collection rates contributing £78k and the brought forward surplus of £499k relating to better than expected performance during 2017/18. Within this position, potential volatility in Discounts, Exemptions and the Council Tax Reduction Scheme continue to be closely monitored.
101. A £473k net surplus is reported across Business Rates at Month 2, primarily as a result of strong growth in income due to a number of new developments in the Borough being brought into rating. Growth in the rating base is expected to deliver a £913k post-levy surplus, which is sufficient to off-set the brought forward deficit of £440k and deliver a net £473k surplus. Within this position, potential volatility in respect of Reliefs and Appeals continue to be closely monitored.

## Appendix C – HOUSING REVENUE ACCOUNT

102. The Housing Revenue Account (HRA) is currently forecasting a drawdown of reserves of £21,269k, which is £168k more favourable than the budgeted position. The 2018/19 closing HRA General Balance is forecasted to be £15,839k. The use of reserves is funding investment in new housing stock. The table below presents key variances by service area:

**Table 17: Housing Revenue Account**

Service	Month 1		Variance (+ adv / - fav)
	Revised Budget	Forecast Outturn	Variance (As at Month2)
	£'000	£'000	£'000
Rent Income	(55,932)	(55,656)	276
Other Income	(4,877)	(4,871)	6
<b>Net Income</b>	<b>(60,809)</b>	<b>(60,527)</b>	<b>282</b>
Housing Management	12,819	12,911	92
Tenant Services	4,172	4,120	(52)
Repairs	5,056	4,996	(60)
Planned Maintenance	4,360	4,310	(50)
Capital Programme Funding	38,728	38,728	0
Interest & Investment Income	15,371	15,371	0
Development & Risk Contingency	1,740	1,360	(380)
<b>Operating Costs</b>	<b>82,246</b>	<b>81,796</b>	<b>(450)</b>
<b>(Surplus) / Deficit</b>	<b>21,437</b>	<b>21,269</b>	<b>(168)</b>
General Balance 01/04/2018	(37,108)	(37,108)	0
<b>General Balance 31/03/2019</b>	<b>(15,671)</b>	<b>(15,839)</b>	<b>(168)</b>

### Income

103. Rental Income and Other Income is forecast to under recover by £276k and £6k respectively, based on updated assumptions on stock movements.
104. The number of RTB applications received in the first two months of 2018/19 was 29 compared to 27 for the same period in 2017/18, an increase of 7%. There have been 2 RTB completions in the first two months of 2018/19 compared to 5 for the same period in 2017/18, a reduction of 60%. The RTB sales forecast will be kept under review, however at this early stage in the year the 2018/19 forecast is the same as the budget at 60 RTB sales, and this compares to 64 actual sales in 2017/18.

### Expenditure

105. The Housing management service is forecast to overspend by a net £92k. The forecast overspends relate to Council Tax/NNDR on void properties of £120k and utility costs of £83k, with both forecasts updated based on recent spend data, and these will be kept under review during 2018/19 to take into account of potential changes including tariff increases. The forecast underspends relate to a net staffing underspend of £37k in the repairs delivery team and various underspends on running costs across housing management totalling £74k.
106. Tenant services is forecast to underspend by £52k, of which £31k is due to vacancies in caretaking and sheltered housing, £11k is due to income from the General Fund for work undertaken by the caretaking service, and £10k due to various running costs.

107. The repairs budget is forecast to underspend by £60k, of which £41k is due to vacancies on repair operative posts and £19k is due to savings on the asbestos contract.
108. The forecast staffing underspends mentioned above relate to caretaking, sheltered housing and repairs, all of which are services that are currently being reviewed. The in-year financial impact of these reviews will be included in future budget monitoring forecasts.
109. The Planned Maintenance budget is forecast to underspend by £50k due to reduced forecast spend on the security budget.
110. The capital programme funding and interest and investment income are forecast to break even.
111. The development and risk contingency budget is forecast to underspend by £380k. The bad debt provision is reduced by £380k, taking into account updated calculations at this early stage in the financial year, whilst still maintaining £500k in the forecast for any risks that may occur during this year.

### HRA Capital Expenditure

112. The HRA capital programme is set out in the table below. The 2018/19 original budget is £53,434k and the 2018/19 revised budget is £83,791k, which includes the June Cabinet approved recommendation to re-phase £30,357k from 2017/18. There is a forecast net variance of £14,575k in 2018/19, £16,705k due to re-phasing and a cost overspend of £2,130k.

**Table 18: HRA Capital Expenditure**

Programme	2018/19 Original Budget	2018/19 Revised Budget	2018/19 Forecast	2018/19 Cost Variance Forecast V Revised Budget	2018/19 Project Re- Phasing	Total Project Budget 2018-23	Total Project Forecast 2018-23	Total Project Variance 2017-23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Major Projects</b>								
New General Needs Housing Stock	21,158	24,147	17,607	0	6,540	138,133	138,133	0
New Build - Appropriation of Land	0	8,635	10,765	2,130	0	8,635	10,765	2,130
New Build - Shared Ownership	6,234	6,382	1,658	0	4,724	15,596	15,596	0
New Build - Supported Housing Provision	11,203	12,884	10,468	0	2,416	15,343	15,343	0
ICT	81	81	81	0	0	162	162	0
HRA General Capital Contingency	2,500	8,908	8,908	0	0	8,908	8,908	0
<b>Total Major Projects</b>	<b>41,176</b>	<b>61,037</b>	<b>49,487</b>	<b>2,130</b>	<b>13,680</b>	<b>186,777</b>	<b>188,907</b>	<b>2,130</b>
<b>Works to Stock</b>								
Works to stock programme	11,111	20,619	17,594	0	3,025	57,797	57,797	0
Major Adaptations to Property	1,147	2,135	2,135	0	0	7,160	7,160	0
<b>Total Works to Stock</b>	<b>12,258</b>	<b>22,754</b>	<b>19,729</b>	<b>0</b>	<b>3,025</b>	<b>64,957</b>	<b>64,957</b>	<b>0</b>
<b>Total HRA Capital</b>	<b>53,434</b>	<b>83,791</b>	<b>69,216</b>	<b>2,130</b>	<b>16,705</b>	<b>251,734</b>	<b>253,864</b>	<b>2,130</b>

### Major Projects

113. The 2018/19 Major Projects programme revised budget is £61,037k and the forecast expenditure is £49,487k, with a re-phasing of £13,680k and a cost variance of £2,130k during the period 2018-2023.

## New General Needs Housing Stock

- 114. The 2018/19 General Needs Housing Stock revised budget is £24,147k. There is a forecast re-phasing of £6,540k across the General Needs programme due to the construction works across a number of developments commencing later than initially expected.
- 115. To date five buybacks have been approved with each acquisition at different stages of completion.
- 116. The planning application was approved at Planning Committee on 20 February 2018 for the mixed development of General Needs and Shared Ownership units at the Acol Crescent site. The contractor has completed demolition and tree removal works and the former nursery site has been cleared. The tender process is currently being undertaken to appoint a contractor.
- 117. The Housing programme comprising seven units of new build properties and five extensions or conversions at various sites has progressed with all the extensions now complete. The new builds are due for completion by September 2018.
- 118. 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. The planning application for the Maple and Poplar site has been approved whilst approval for the other two developments remains outstanding.

## New Build - Appropriation of Land

- 119. The revised budget of £8,635k is for New Build appropriation of land for two sites at the former Belmore allotments and Maple / Poplar day centre. The forecast spend includes these two sites and appropriations for Woodside Day Centre £1,870k and Bartram Close garages £260k.

## New Build - Shared Ownership

- 120. The New Build Shared Ownership 2018/19 revised budget is £6,382k, with a forecast expenditure of £1,658k and a re-phasing of £4,724k. Some of the schemes are being delivered concurrently with the General Needs units and is therefore resulting in the need to re-phase the budget.
- 121. The new build shared ownership budget comprises schemes being delivered across five sites including units at both Belmore and Maple and Poplar. These will deliver 60 units in total.
- 122. The Woodside Day centre redevelopment has progressed in year following approval to submit Planning Application for mixed-use development of a GP surgery and 20 shared ownership flats. The Planning Application was approved at February Planning Committee and consultants have been appointed. Consultants are now progressing designs and preparing tender documents ready to gain expressions of interest.

## New Build - Supported Housing

- 123. The Supported Housing Programme comprises the build of 160 mixed client group units across three different sites. The 2018/19 revised budget is £12,884k with a re-phasing of £2,416k with respect to the Yiewsley scheme.

124. The scheme at Yiewsley is a small part of a wider re-development of the whole site and is anticipated to create 12 units of supported housing. The project is at the preliminary stage of feasibility and the multi-disciplinary consultants have now been appointed.
125. The programme at Grassy Meadow is scheduled to complete in August 2018, however the development at Parkview will run beyond its target completion date.

#### ICT

126. The HRA ICT 2018/19 budget is £81k and the forecast is break even.

#### HRA General Contingency

127. The HRA General Capital Contingency revised budget is £8,908k and the forecast is break even. The contingency budget is included within the HRA capital programme to ensure the Council retains sufficient flexibility to secure additional housing units where opportunities become available.

#### **Works to Stock**

128. The Works to Stock revised budget for 2018/19 is £20,619k and the forecast is £17,594k, a re-phasing of £3,025k on sprinklers (£863k), windows (£788K), roofs (£707k), lifts (£368k) and structural works (£299k) is forecast due to the validation, procurement and consultation timetables required to deliver these works.
129. The revised major adaptations budget is £2,135k and this is forecast to be fully spent.

#### **HRA Capital Receipts**

130. There have been 2 Right to Buy sales of council dwellings as at the end of May 2018 for a total gross sales value of £0.5m and a further 58 sales are forecast to bring the yearly total to 60, totalling £10.9m in 2018/19.
131. 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 MHCLG.
132. During 2018/19, the £10,642k receipts generated in 2015/16 could potentially become repayable unless the following expenditure profile is achieved: Q1 £10,229k, Q2 £7,170k, Q3 £7,435k and Q4 £10,641k. Cumulative expenditure on 1 for 1 replacement from previous quarters above the minimum requirement can be carried forward.

## Appendix D - GENERAL FUND CAPITAL PROGRAMME

133. As at Month 2 an under spend of £6,520k is reported on the £124,058k General Fund Capital Programme for 2018/19 due mainly to re-phasing of project expenditure. The forecast outturn variance over the life of the 2018/19 to 2022/23 programme is an under spend of £90k.
134. General Fund Capital Receipts of £20,000k are forecast for 2018/19, with a shortfall of £20k in total forecast receipts to 2022/23.
135. Overall, Prudential Borrowing required to support the 2018/19 to 2022/23 capital programmes is forecast to be within budget by £210k. This is partly due to an increase in grants and contributions of £140k higher than the original budget estimate and a cost under spend of £90k. However this is marginally offset by a forecast shortfall of £20k in capital receipts.

### Capital Programme Overview

136. 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 2018

**Table 19: General Fund Capital Programme Summary**

	<b>Total Project Budget 2018-2023</b>	<b>Total Project Forecast 2018-2023</b>	<b>Total Project Variance 2018-2023</b>
	£'000	£'000	£'000
Schools Programme	72,316	72,226	(90)
Self Financing Developments	79,544	79,544	-
Main Programme	141,139	141,139	-
Programme of Works	90,449	90,449	-
General Contingency	7,154	7,154	-
<b>Total Capital Programme</b>	<b>390,602</b>	<b>390,512</b>	<b>(90)</b>

137. The revised five year programme budget has increased by £17,059k from the original budget approved by Council in February 2018, due mainly to carrying forward of £16,722k unspent expenditure budgets from 2017/18 to continue various schemes and programmes. The proposed budget re-phasing is to be approved at Cabinet in June 2018. The budget also includes additional Transport for London Local Implementation Plan grant funding awarded since the original budget was set.
138. The Schools programme reports a cost saving of £90k on project contingency and highways works for the replacement of Northwood Academy. Expansions at two primary schools and two secondary schools are in various stages of progress.
139. The Self-Financing development programme includes two major mixed residential developments at the former Belmore Allotments and Yiewsley pool sites. Consultants are

undertaking feasibility and survey work on the Yiewsley site redevelopment, which includes discounted market sale housing. Design work is in progress for the housing development at Belmore Allotments with a planning application to be submitted shortly. The budget also includes £50,000k to finance the newly incorporated housing company Hillingdon First.

140. The Main programme includes major schemes such as the re-provision of Hillingdon Outdoor Activity Centre and Yiewsley swimming pool and the purchase of Uxbridge police station. There are additional costs of £115k above the Harlington Road Depot improvements budget for essential structural and drainage works. This is proposed to be met from the general contingency budget.
141. Programmes of Works include £5,250k for the new leisure centres and libraries refurbishment programmes over three years and in 2018/19 a further £4,000k for new Highways works in addition to funding carried forward from 2017/18 for works completing early this financial year. The Civic Centre Works programme original budget of £500k is already earmarked for several projects.
142. The remaining 2018/19 unallocated general contingency budget amounts to £1,154k after transferring £224k to Bessingby Boxing and Football Clubhouse replacement project where construction costs are higher than pre-tender estimates. Also an amount of £62k has been allocated to fund additional foundation works required for the replacement of Ruislip Lido Railway Society workshop and £60k for the next phase of refurbishments at the Civic Centre. As noted above a further £115k funding is anticipated to be required at this stage. In total there are £7,154k contingency funds remaining over the period 2018-23 available as and when further risk issues emerge.

### **Capital Financing - General Fund**

143. Table 2 below outlines the latest financing projections for the capital programme, with a favourable medium term variance of £210k reported on Prudential Borrowing, due mainly to a marginal increase in grant funding over original budget estimates.



**Table 20: General Fund Capital Programme Financing Summary**

	<b>Revised Budget 2018/19 £'000</b>	<b>Forecast 2018/19 £'000</b>	<b>Variance £'000</b>	<b>Total Financing Budget 2018-2023 £'000</b>	<b>Total Financing Forecast 2018-2023 £'000</b>	<b>Total Variance £'000</b>
Council Resource Requirement	98,321	92,661	(5,660)	227,149	226,919	(230)
<b>Financed By Prudential Borrowing</b>						
Service Development	45,468	41,461	(4,007)	100,361	100,151	(210)
Self Financing	26,860	26,700	(160)	78,215	78,215	-
<b>Total Borrowing</b>	<b>72,328</b>	<b>68,161</b>	<b>(4,167)</b>	<b>178,576</b>	<b>178,366</b>	<b>(210)</b>
<b>Financed By Other Council Resources</b>						
Capital Receipts	21,493	20,000	(1,493)	72,073	72,053	(20)
CIL	4,500	4,500	-	26,500	26,500	-
<b>Total Council Resources</b>	<b>98,321</b>	<b>92,661</b>	<b>(5,660)</b>	<b>277,149</b>	<b>276,919</b>	<b>(230)</b>
Grants & Contributions	25,737	24,877	(860)	113,453	113,593	140
<b>Capital Programme</b>	<b>124,058</b>	<b>117,538</b>	<b>(6,520)</b>	<b>390,602</b>	<b>390,512</b>	<b>(90)</b>

144. Total approved prudential borrowing is £178,576k over the five year programme of which £78,215k is in respect of self financing developments which will generate future income including capital receipts from discounted market sale. There is also £100,361k approved borrowing for the development of services, which remains the principal driver of the £8,133k uplift in capital financing charges borne by revenue over the MTFF period.
145. A favourable variance of £210k is reported on prudential borrowing due mainly to an increase in available grants and contributions, marginally offset by a forecast shortfall in capital receipts.
146. Forecast capital receipts amount to £20,000k after financing transformation costs. This amount includes £10,765k for planned appropriations of four General Fund sites to the HRA for residential development and £1,895k General Fund share of Right to Buy (RTB) sales based on a forecast 60 RTB sales in 2018/19.
147. As at the end of May a total of £6k Community Infrastructure Levy (CIL) receipts (after administration fees) have been invoiced or received this financial year. The monthly profile of CIL income varies depending on the timing and scale of developments with planning permission proceeding throughout the year. Budgeted eligible activity exceeds the CIL forecast with spend on Highways investment, community assets through the Chrysalis Programme and other major community infrastructure such as schools meeting the criteria for application of CIL monies.
148. Forecast grants and contributions are £140k higher than the revised budget due to the recently confirmed 2018/19 Schools Conditions Allocation of £2,140k being higher than the

original budget estimate set before the announcement. The financing budget assumes £13,350k Basic Needs grant for the period 2020/21-2022/23. It is expected that any grant awards below this level would be offset by expenditure reductions as the grant is based on forecast school places demand.

## ANNEX A - Schools Programme

Prior Year Cost	Project	2018/19 Revised Budget	2018/19 Forecast	2018/19 Cost Variance	Forecast Re-phasing	Total Project Budget 2018-2023	Total Project Forecast 2018-2023	Total Project Variance 2018-2023	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Education and Children Services</b>										
137,138	Primary Schools Expansions	93	93	0	0	93	93	0	93	0	0
4,352	New Primary Schools Expansions	8,880	10,531	0	1,651	10,974	10,974	0	9,774	1,200	0
1,040	Secondary Schools Expansions	19,828	15,537	0	(4,291)	54,960	54,960	0	21,941	33,019	0
45,568	Secondary Schools New Build	399	309	(90)	0	399	309	(90)	309	0	0
0	Meadow School	250	250	0	0	250	250	0	250	0	0
0	Additional Temporary Classrooms	2,400	2,400	0	0	4,000	4,000	0	4,000	0	0
0	Schools SRP	0	0	0	0	1,640	1,640	0	0	1,640	0
<b>188,098</b>	<b>Total Schools Programme</b>	<b>31,850</b>	<b>29,120</b>	<b>(90)</b>	<b>(2,640)</b>	<b>72,316</b>	<b>72,226</b>	<b>(90)</b>	<b>36,367</b>	<b>35,859</b>	<b>0</b>

## ANNEX B - Self Financing Developments

Prior Year Cost	Project	2018/19 Revised Budget	2018/19 Forecast	2018/19 Cost Variance	2018/19 Forecast Re-phasing	Total Project Budget 2018-2023	Total Project Forecast 2018-2023	Total Project Variance 2018-2023	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Self Financing Developments</b>										
	<b>Finance, Property and Business Services</b>										
251	Yiewsley Site Development	1,860	1,700	0	(160)	23,000	23,000	0	23,000	0	0
0	Belmore Allotments Development	0	0	0	0	4,605	4,605	0	3,276	0	1,329
0	Housing Company Financing	25,000	25,000	0	0	50,000	50,000	0	50,000	0	0
	<b>Social Services, Housing, Health and Wellbeing</b>										
0	Woodside GP Surgery	0	0	0	0	1,939	1,939	0	1,939	0	0
<b>251</b>	<b>Total Main Programme</b>	<b>26,860</b>	<b>26,700</b>	<b>0</b>	<b>(160)</b>	<b>79,544</b>	<b>79,544</b>	<b>0</b>	<b>78,215</b>	<b>0</b>	<b>1,329</b>

## ANNEX C - Main Programme

Prior Year Cost	Project	2018/19 Revised Budget £'000	2018/19 Forecast £'000	2018/19 Cost Variance £'000	2018/19 Forecast Re-phasing £'000	Total Project Budget 2018-23 £000	Total Project Forecast 2018-23 £000	Total Project Variance 2018-23 £000	Project Forecast Financed by:		
									Council Resources £000	Government Grants £000	Other Cont'ns £000
	Community, Commerce and Regeneration										
2,200	Gateway Hillingdon	950	950	0	0	950	950	0	950	0	0
6,274	Hayes Town Centre Improvements	2,687	2,687	0	0	2,962	2,962	0	306	1,300	1,356
448	Inspiring Shopfronts	247	247	0	0	447	447	0	447	0	0
25	Uxbridge Cemetery Gatehouse	549	50	0	(499)	549	549	0	549	0	0
951	Uxbridge Change of Heart	1,045	1,045	0	0	1,045	1,045	0	997	0	48
	Central Services, Culture and Heritage										
1,241	Bowls Club Refurbishments	651	651	0	0	1,151	1,151	0	1,151	0	0
32,208	Hillingdon Sports & Leisure Centre	851	851	0	0	851	851	0	851	0	0
0	New Museum	525	300	0	(225)	5,632	5,632	0	4,882	0	750
0	New Theatre	300	300	0	0	44,000	44,000	0	42,950	0	1,050
	Finance, Property and Business Services										
6,439	Battle of Britain Heritage Pride Project	342	342	0	0	342	342	0	342	0	0
29	Battle of Britain Underground Bunker	824	618	0	(206)	1,018	1,018	0	1,018	0	0
97	Bessingby Football/Boxing Clubhouse	1,497	1,247	0	(250)	1,497	1,497	0	1,497	0	0
0	Uniter Building Refurbishment	400	200	0	(200)	400	400	0	400	0	0
0	Purchase of Uxbridge Police Station	5,000	5,000	0	0	5,000	5,000	0	5,000	0	0
445	CCTV Programme	708	708	0	0	1,758	1,758	0	1,758	0	0
0	Youth Provision	1,409	1,409	0	0	2,409	2,409	0	2,409	0	0
0	Botwell Leisure Centre Football Pitch	0	0	0	0	200	200	0	200	0	0
0	Yiewsley Swimming Pool	2,000	750	0	(1,250)	30,000	30,000	0	30,000	0	0
12	Hillingdon Outdoor Activity Centre	6,988	6,988	0	0	26,488	26,488	0	0	0	26,488
	Planning, Transportation and Recycling										
1,454	Harlington Road Depot Improvements	200	200	0	0	200	200	0	200	0	0
38	Purchase of Vehicles	3,911	3,911	0	0	10,551	10,551	0	10,551	0	0
0	RAGC Car Park	250	250	0	0	250	250	0	250	0	0
4,017	Street Lighting - Invest to Save	1,483	1,483	0	0	1,483	1,483	0	1,483	0	0
	Social Services, Housing, Health and Wellbeing										
0	1 & 2 Merrimans Housing Project	620	620	0	0	620	620	0	620	0	0
	Cross Cabinet Member Portfolios										
662	Environmental/Recreational Initiatives	887	887	0	0	887	887	0	887	0	0
4,356	Projects Completing in 2018/19	449	449	0	0	449	449	0	449	0	0
60,896	Total Main Programme	34,773	32,143	0	(2,630)	141,139	141,139	0	110,147	1,333	29,692

## ANNEX D - Programme of Works

Prior Year Cost	Project	2018/19 Revised Budget	2018/19 Forecast	2018/19 Cost Variance	Forecast Re-phasing	Total Project Budget 2018-2023	Total Project Forecast 2018-2023	Total Project Variance 2018-2023	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	393	393	0	0	1,193	1,193	0	1,193	0	0
	<b>Community, Commerce and Regeneration</b>										
N/A	Chrysalis Programme	1,331	1,331	0	0	5,331	5,331	0	5,331	0	0
N/A	Playground Replacement Programme	250	250	0	0	750	750	0	750	0	0
	<b>Central Services, Culture and Heritage</b>										
N/A	Libraries Refurbishment Programme	1,000	1,000	0	0	3,000	3,000	0	3,000	0	0
N/A	Leisure Centre Refurbishment	750	750	0	0	2,250	2,250	0	2,250	0	0
	<b>Education and Children Services</b>										
N/A	Devolved Capital to Schools	814	814	0	0	1,846	1,846	0	0	1,846	0
N/A	School Building Condition Works	3,059	3,059	0	0	9,859	9,859	0	1,666	7,140	1,053
	<b>Finance, Property and Business Services</b>										
N/A	Civic Centre Works Programme	1,564	1,564	0	0	3,564	3,564	0	3,564	0	0
N/A	Corporate Technology and Innovation	1,104	1,104	0	0	3,596	3,596	0	3,596	0	0
N/A	Property Works Programme	680	680	0	0	2,600	2,600	0	2,600	0	0
N/A	<b>Planning, Transportation and Recycling</b>										
N/A	Highways Structural Works	8,265	8,265	0	0	17,265	17,265	0	17,265	0	0
N/A	Road Safety	202	202	0	0	802	802	0	802	0	0
N/A	Transport for London	5,957	4,957	0	(1,000)	18,849	18,849	0	0	18,093	756
	<b>Social Services, Housing, Health and Wellbeing</b>										
N/A	Disabled Facilities Grant	2,300	2,300	0	0	11,500	11,500	0	0	11,500	0
N/A	PSRG / LPRG	225	225	0	0	1,125	1,125	0	1,125	0	0
	<b>Cross Cabinet Member Portfolios</b>										
N/A	Section 106 Projects	100	100	0	0	100	100	0	0	0	100
N/A	Equipment Capitalisation - Social Care	985	985	0	0	4,925	4,925	0	0	4,925	0
N/A	Equipment Capitalisation - General	442	442	0	0	1,894	1,894	0	1,894	0	0
	<b>Total Programme of Works</b>	<b>29,421</b>	<b>28,421</b>	<b>0</b>	<b>(1,000)</b>	<b>90,449</b>	<b>90,449</b>	<b>0</b>	<b>45,036</b>	<b>43,504</b>	<b>1,909</b>
N/A	General Contingency	1,154	1,154	0	0	7,154	7,154	0	7,154	0	0
	<b>Total GF Capital Programme</b>	<b>124,058</b>	<b>117,538</b>	<b>(90)</b>	<b>(6,841)</b>	<b>390,602</b>	<b>390,512</b>	<b>0</b>	<b>276,919</b>	<b>80,663</b>	<b>32,930</b>

## Appendix E – Treasury Management Report as at 31 May 2018

**Table 21: Outstanding Deposits - Average Rate of Return 0.55%**

	Actual (£m)	Actual (%)	Benchmark (%)
Up to 1 Month	42.9	68.20	65.00
1-2 Months	0.0	0.00	0.00
2-3 Months	0.0	0.00	0.00
3-6 Months	5.0	7.95	10.00
6-9 Months	0.0	0.00	0.00
9-12 Months	0.0	0.00	0.00
<b>Total</b>	<b>47.9</b>	<b>76.15</b>	<b>75.00</b>
Strategic Funds	15.0	23.85	25.00
<b>Total</b>	<b>62.9</b>	<b>100.00</b>	<b>100.00</b>

149. Deposits are held with UK institutions or overseas institutions, all of which hold a minimum A-Fitch (or lowest equivalent) long-term credit rating. UK deposits are currently held in AAA rated Money Market Funds, Pooled Funds, Strategic Pooled Funds, and with Northumberland CC. An overseas deposit is held with DBS (Development Bank of Singapore).
150. The average rate of return on day-to-day operational treasury balances is 0.55%. As part of the Council's investment strategy for 18/19 a total of £15m has been invested three strategic pooled funds (£5m in each). The strategic pooled funds have a 3-5 year investment horizon with dividends only being distributed periodically. This means that any return on these funds can only start to be assessed after 6 months.
151. 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. At the end of May, 73% of the Council's total funds have exposure to bail-in risk compared to a March benchmark average of 55% 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, with cash balances reducing it is essential to keep funds in instant access facilities to ensure liquidity is maintained. The Council has no exposure to bail in risk once instant access balances are removed.
152. Liquidity was maintained throughout May by placing surplus funds in instant access accounts and short-term deposits with DBS and the DMADF. Deposit maturities were scheduled to match cash outflows and where required, funds were withdrawn from instant access facilities. As well as a DMADF maturity, there was a long-term deposit maturing with Lancashire County Council.

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

	Actual (£m)	Actual (%)
<b>General Fund</b>		
PWLB	46.16	18.48
Long-Term Market	15.00	6.01
<b>HRA</b>		
PWLB	155.57	62.30
Long-Term Market	33.00	13.21
<b>Total</b>	<b>249.73</b>	<b>100.00</b>

153. There were no scheduled debt repayments or early debt repayment opportunities during May. Gilts yields went up during the first half of the month, however by the end of May fell to levels

below that at the start of the month. Premiums remained too high to make early repayment of debt feasible.

154. There were no breaches of the Prudential Indicators or non-compliance with the Treasury Management Policy and Practices. In order to maintain liquidity for day-to-day business operations during June, 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

156. The following Agency staff costing over £50k have been approved under delegated powers by the Chief Executive in consultation with the Leader and are reported here for information.

**Table 23: Consultancy and agency assignments**

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
<b>Finance</b>						
Benefit Officer	02/08/2017	11/06/2018	09/09/2018	38	12	50
<b>Residents Services</b>						
DFG & Home Adaptations Surveyor	13/03/2017	11/06/2018	12/10/2018	128	41	169
Major Application (PPA) Planner	16/01/2017	18/06/2018	14/09/2018	106	21	127
Development/Programme Manager	07/02/2016	04/06/2018	02/09/2018	165	24	189
Quantity Surveyor - Capital Programme	04/06/2017	25/06/2018	23/09/2018	97	23	120
Technician/Engineer	03/07/2017	25/06/2018	24/09/2018	41	10	51
Planning Enforcement Officer	06/10/2014	02/07/2018	28/09/2018	312	25	337
Major Application (PPA) Planner	20/03/2017	29/06/2018	27/09/2018	131	26	157
Programme Manager - HOAC	06/11/2017	11/06/2018	04/09/2018	29	23	52
<b>Social Care</b>						
Approved Mental Health Worker	01/06/2015	02/07/2018	29/07/2018	213	6	218
Approved Mental Health Worker	29/05/2016	02/07/2018	29/07/2018	155	6	161
Care Worker	06/07/2016	02/07/2018	29/07/2018	57	3	60
Lead Approved Mental Health Practitioner	01/06/2012	02/07/2018	29/07/2018	303	5	308
Occupational Therapist	07/10/2013	02/07/2018	29/07/2018	305	6	311
Occupational Therapist	01/04/2015	02/07/2018	29/07/2018	223	5	228
Occupational Therapist	03/12/2015	02/07/2018	29/07/2018	176	5	181
Occupational Therapist	06/06/2016	02/07/2018	29/07/2018	149	5	154
Residential Care Worker	01/04/2012	02/07/2018	29/07/2018	171	2	173
Senior Social Worker	03/10/2016	02/07/2018	29/07/2018	114	5	119
Senior Social Worker	01/05/2017	02/07/2018	29/07/2018	80	6	86
Social Worker	01/03/2017	02/07/2018	29/07/2018	67	6	73
Social Worker	09/09/2016	02/07/2018	29/07/2018	71	4	75
Social Worker	01/11/2017	02/07/2018	29/07/2018	52	5	57
Social Worker	04/12/2017	02/07/2018	29/07/2018	51	7	58
Social Worker	02/10/2017	02/07/2018	29/07/2018	54	6	60
Social Worker	05/06/2017	02/07/2018	29/07/2018	66	4	70
Social Worker	02/10/2017	02/07/2018	29/07/2018	52	5	57
Social Worker	04/09/2017	02/07/2018	29/07/2018	58	5	63

<b>Post Title</b>	<b>Original Start Date</b>	<b>Approved From</b>	<b>Proposed End Date</b>	<b>Previous Approval £'000</b>	<b>Approved £'000</b>	<b>Total £'000</b>
Support Worker	04/04/2016	02/07/2018	29/07/2018	64	2	66
Team Manager	26/06/2016	02/07/2018	29/07/2018	151	6	157
Programme Lead-Urgent & Emergency Care	05/03/2018	02/07/2018	29/07/2018	50	12	62
Registered Care Manager	03/07/2017	02/07/2018	29/07/2018	50	4	54
Social Worker	28/03/2016	04/06/2018	01/07/2018	144	5	149
Senior Social Worker	06/06/2016	04/06/2018	01/07/2018	95	6	101
Team Manager	17/07/2017	04/06/2018	01/07/2018	97	8	105
Senior Social Worker	01/04/2013	04/06/2018	01/07/2018	90	6	96
Social Worker	06/04/2017	04/06/2018	01/07/2018	83	6	89
Social Worker	23/10/2017	04/06/2018	01/07/2018	50	5	55
Social Worker	13/11/2016	04/06/2018	01/07/2018	105	6	111
Social Worker	07/11/2016	04/06/2018	01/07/2018	102	6	108
Social Worker	16/12/2016	04/06/2018	01/07/2018	114	6	120
Social Worker	21/08/2016	04/06/2018	01/07/2018	125	6	131
Social Worker	05/09/2014	04/06/2018	01/07/2018	296	6	302
Social Worker	10/07/2017	04/06/2018	01/07/2018	51	6	57
Social Worker	07/11/2016	04/06/2018	01/07/2018	129	6	135
Social Worker	04/05/2015	04/06/2018	01/07/2018	202	5	207
Social Worker	13/04/2015	04/06/2018	01/07/2018	228	6	234
Social Worker	01/04/2013	04/06/2018	01/07/2018	147	6	153
Senior Social Worker	30/04/2012	04/06/2018	01/07/2018	295	6	301
Social Worker	11/07/2016	04/06/2018	01/07/2018	136	6	142
Social Worker	01/08/2015	04/06/2018	01/07/2018	162	7	169
Team Manager	27/03/2017	04/06/2018	01/07/2018	108	7	115
Social Worker	27/10/2016	04/06/2018	01/07/2018	110	6	116
Senior Social Worker	21/11/2017	04/06/2018	01/07/2018	95	7	102
Social Worker	04/05/2015	04/06/2018	01/07/2018	211	6	217
Social Worker	14/08/2017	04/06/2018	01/07/2018	59	6	65
Early Years Practitioner	12/09/2014	04/06/2018	01/07/2018	49	1	50
SENDIASS Manager	02/05/2017	04/06/2018	01/07/2018	46	7	53
Early Years Practitioner	24/02/2014	04/06/2018	01/07/2018	62	1	63
Educational Psychologist	16/10/2016	04/06/2018	01/07/2018	48	4	52
Educational Psychologist	15/11/2015	04/06/2018	01/07/2018	194	8	202
Special Needs Officer	01/12/2016	04/06/2018	01/07/2018	94	6	100
Independent Domestic Violence Advisor	12/01/2015	04/06/2018	01/07/2018	49	4	53
Social Worker	11/08/2014	04/06/2018	01/07/2018	302	6	308
Social Worker	01/01/2013	04/06/2018	01/07/2018	324	6	330
Social Worker	01/04/2013	04/06/2018	01/07/2018	123	6	129
Social Worker	26/08/2016	04/06/2018	01/07/2018	108	6	114
Social Worker	26/09/2016	04/06/2018	01/07/2018	124	6	130
Supervising Social Worker	01/09/2016	04/06/2018	01/07/2018	70	6	76
Support Worker	20/12/2015	04/06/2018	01/07/2018	67	3	70
Social Worker	04/07/2016	04/06/2018	01/07/2018	165	6	171

<b>Post Title</b>	<b>Original Start Date</b>	<b>Approved From</b>	<b>Proposed End Date</b>	<b>Previous Approval £'000</b>	<b>Approved £'000</b>	<b>Total £'000</b>
Child Protection Chair	20/07/2015	04/06/2018	01/07/2018	227	7	234
Social Worker	03/07/2016	04/06/2018	01/07/2018	149	7	156
Special Needs Officer	05/01/2015	04/06/2018	01/07/2018	154	8	162
Senior Social Worker	19/12/2011	04/06/2018	01/07/2018	380	7	387
Social Worker (0.5 FTE)	19/12/2016	04/06/2018	01/07/2018	84	4	88
Social Worker	07/11/2016	04/06/2018	01/07/2018	115	6	121
Social Worker	21/11/2016	04/06/2018	01/07/2018	105	6	111
Social Worker	19/06/2014	04/06/2018	01/07/2018	244	6	250
Social Worker	01/01/2013	04/06/2018	01/07/2018	338	6	344
Senior Social Worker	29/06/2017	04/06/2018	01/07/2018	86	6	92
Case Progression Manager	07/04/2014	04/06/2018	01/07/2018	388	8	396
Senior Social Worker	05/10/2015	04/06/2018	01/07/2018	138	7	145
Early Years Practitioner	23/02/2015	04/06/2018	01/07/2018	68	2	70
Educational Psychologist	15/08/2016	04/06/2018	01/07/2018	107	7	114
Educational Psychologist	24/01/2017	04/06/2018	01/07/2018	56	2	58
Educational Psychologist	01/03/2016	04/06/2018	01/07/2018	219	12	231
Social Worker	01/09/2016	04/06/2018	01/07/2018	125	6	131
Child Protection Chair	01/07/2015	04/06/2018	01/07/2018	167	7	174

This page is intentionally left blank

## FORMER ADULT EDUCATION CENTRE & LAUREL LANE PRIMARY SCHOOL ACADEMY LEASE, WEST DRAYTON

<b>Cabinet Member(s)</b>	Councillor Jonathan Bianco
<b>Cabinet Portfolio(s)</b>	Cabinet Member for Finance, Property and Business Services
<b>Officer Contact(s)</b>	Mike Paterson, Residents Services
<b>Papers with report</b>	Site plan

### HEADLINES

<b>Summary</b>	This report seeks Cabinet approval to agree to grant a supplemental lease, to expire co-terminously with the existing 125 year academy lease of Laurel Lane Primary School dated 28 <sup>th</sup> March 2013, granted to LDBS Frays Academy Trust. The new lease will be in accordance with the Department for Education (DfE) standard academy lease template but will also include Landlord's consent to the proposed refurbishment works. As part of this proposal, the Trust will refurbish the building and the Council will contribute £35,000 towards the costs.
<b>Putting our Residents First</b>	This report supports the following Council objectives of: Our Built Environment and Strong financial management.
<b>Financial Cost</b>	There is no specific budget in the approved capital programme for the contribution of £35k, however the £2,409k Youth Provision capital budget would be an appropriate funding source.
<b>Relevant Policy Overview Committee</b>	Corporate Services, Commerce & Communities
<b>Relevant Ward(s)</b>	West Drayton

### RECOMMENDATIONS

**That the Cabinet:**

- 1. Authorises the grant of a lease of the former Adult Education Centre to LDBS Frays Academy Trust for a term of years to expire co-terminously with the 125 year lease of Laurel Lane Primary School dated 28<sup>th</sup> March 2013, as set out on the site plan.**
- 2. Authorises giving consent to the Trust to carry out the proposed refurbishment of the former Adult Education Centre building and notes that the Council will contribute £35,000 towards the cost of the refurbishment.**

## Reasons for recommendations

Laurel Lane Primary School converted to an academy on 1<sup>st</sup> April 2013 and a 125 year lease of the school was granted to LDBS Frays Academy Trust. The lease excluded the Adult Education Centre located within the school site as the building was occupied by Adult Education at the time. Adult Education vacated the premises in July 2014 and as no other Council services required the accommodation, the Trust was advised that the building would be leased to them on confirmation that they had funds to implement their proposals to refurbish the building. This confirmation was received in May this year.

Under the Council's Constitution, the grant of a lease and consent to alterations under a lease of over 25 years and of any value must be approved by Cabinet.

## Alternative options considered / risk management

The Council could retain the building, however, this has been empty since Adult Education vacated the building in 2014 and no Council service has a requirement to occupy the building. As the building is within the Laurel Lane Primary School site it is not feasible to consider letting to another occupier.

## Policy Overview Committee comments

None at this stage.

## SUPPORTING INFORMATION

1. Laurel Lane Primary School converted to an academy on 1<sup>st</sup> April 2013 and a 125 year lease of the school was granted to LDBS Frays Academy Trust. The lease excluded the Adult Education Centre located within the school site as it was occupied by Adult Education at the time. Adult Education vacated the premises at the end of July 2014 and the building was then to be transferred to the Trust, however, the transfer was delayed whilst negotiations took place with the Trust on the proposed St Martin's C of E Primary School which was to be built next to Laurel Lane Primary School.
2. The St Martin's C of E Primary School was built in 2014/15 and the future use of the Adult Education Centre was considered again. As no other Council service had a requirement to occupy the building, the Trust was advised that the premises would be transferred to them on a lease ending co-terminously with the lease of the school site, subject to confirmation from the Trust that they had funds to implement their proposals to refurbish the building.
3. The Trust was also advised that the Council would provide funding of £35,000 towards the cost of refurbishment.
4. In May this year, the Trust confirmed to the Council that the school had secured £123,978 grant funding from the Government's Condition Improvement Fund (CIF) and they requested that the Council lease the former Adult Education Centre premises to them. The Trust confirmed that they propose to refurbish the building and sought consent

to the refurbishment works to include the replacement of windows and associated asbestos removal. The (CIF) grant funding is in addition to the £35,000 to be provided by the Council.

5. The template Academy Lease includes the following main standard terms:
  - a. The annual rent is to be a peppercorn;
  - b. The Academy will take on full repairing and insuring responsibilities;
  - c. There is no ability for the Academy to assign or transfer the premises demised without consent from the Secretary of State for Education in all instances
  - d. There is the ability to underlet the premises but only with the Council's prior written consent for any term which is in excess of 25 years.
  - e. There is no ability to place a financial charge on any part of the premises;
  - f. The permitted use under the lease is "for the purposes of the provision of educational services by the tenant and for community fundraising and recreational purposes which are ancillary to that use".
  - g. The Trust is to be responsible for the Council's reasonable legal costs
6. Formal Cabinet approval is required to grant a lease to the Trust and also to give consent to the Trust's proposed refurbishment works.

### **Education Services comments**

The works proposed to be undertaken by the Trust will improve the early years and educational facilities available to local residents.

### **Financial Implications**

The granting of a lease of the former Adult Education Centre to LDBS Frays Academy Trust will result in a peppercorn rent and the Academy will take on repairing and insurance responsibilities for the building.

It has previously been agreed with the Trust that the Council would contribute £35k towards the cost of refurbishing the building, which involves asbestos removal and associated window replacement works. This was subject to the Trust securing capital grant towards these works and The Trust has recently been awarded £124k Condition Improvement Funding from the Education & Skills Funding Agency.

There is no specific budget in the approved capital programme for the contribution of £35k, however, as it will support providing facilities for early years and education of children, the £2,409k Youth Provision capital budget would be an appropriate funding source. There are currently £2,000k unallocated funds within this budget, which is financed by Council resources. The allocation of £35k from this budget would be via the capital release approval process.

## RESIDENT BENEFIT & CONSULTATION

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

This will enhance early years and educational facilities available to local residents.

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

As set out in the report.

## CORPORATE CONSIDERATIONS

### **Corporate Finance**

Corporate Finance has reviewed the report and concurs with the financial implications set out above noting that the council's agreed contribution of £35k, towards replacement of windows and asbestos removal, will be the subject of further capital release report.

### **Legal**

The provisions of section 123 of the Local Government Act 1972 ("the Act"), subject to certain constraints, allow a local authority to dispose of premises held by it in any manner it wishes. The most important control is in relation to the consideration the local authority secures in respect of the disposal.

Except with the consent of the Secretary of State, a local authority shall not dispose of premises otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained. A short tenancy is defined as a lease for a period of seven years or less.

Pursuant, however, to the General Consents provided by the Secretary of State, local authorities are able to dispose of any interest in land held under the Act which they consider will contribute to the promotion or improvement of the economic social or environmental well-being of their area for less than the best consideration reasonably obtainable. This is possible provided the undervalue does not exceed £2 million. Furthermore, the local authority must keep a record of every disposal at an undervalue so that it can show compliance with the General Consents. It would appear in this instance that the consent of the Secretary of State would not be required as the disposal for less than best consideration is covered by the General Consents.

The Academies Act 2010 and Education Act 2011 gives the Secretary of State various powers including the discretion to make a transfer scheme in relation to land. So where the local authority holds a freehold or leasehold interest in land that an academy occupies, the Secretary of State may make a scheme in relation to land that essentially necessitates the transfer of such land to the proprietor of the academy.

Legal relationships granting rights for the benefit of the School, imposing conditions on and reserving obligations to both parties would be created by virtue of the leases when completed.



Accordingly, any future dealings with the School in respect of the land will be regulated by such leases. The necessary legal documentation would need to be considered, negotiated and prepared by officers in Legal Services.

There are no legal impediments in proceeding with the recommendations.

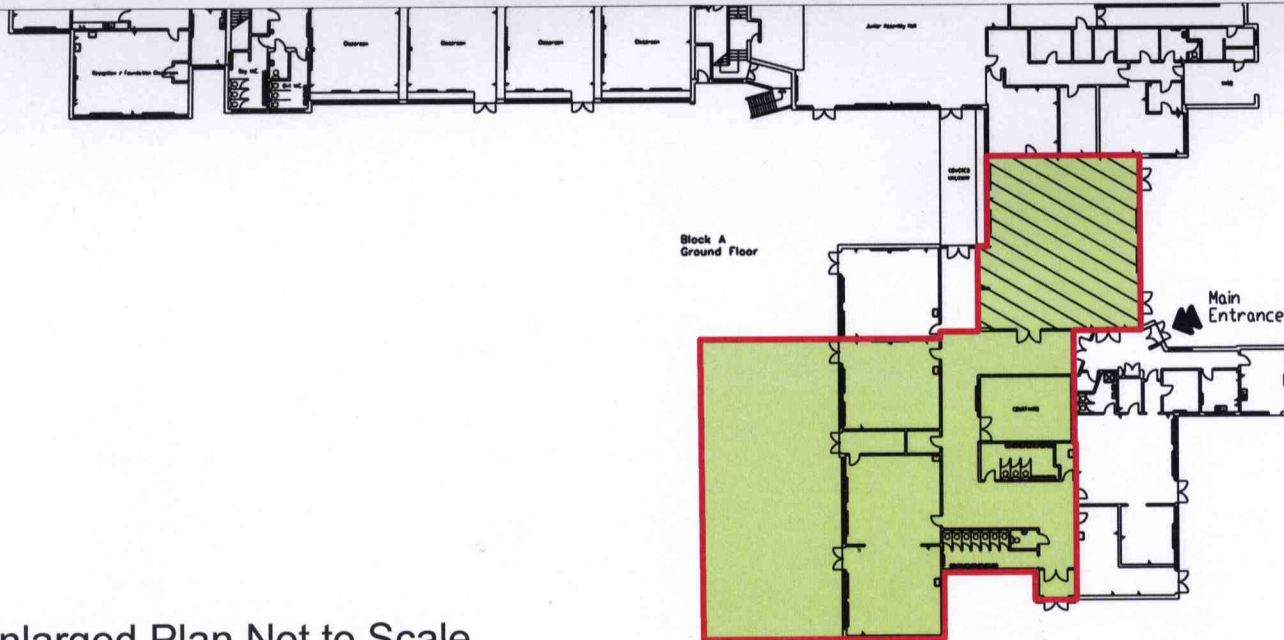
### **Infrastructure / Asset Management**

The Infrastructure / Asset Management comments are included within the body of the report.

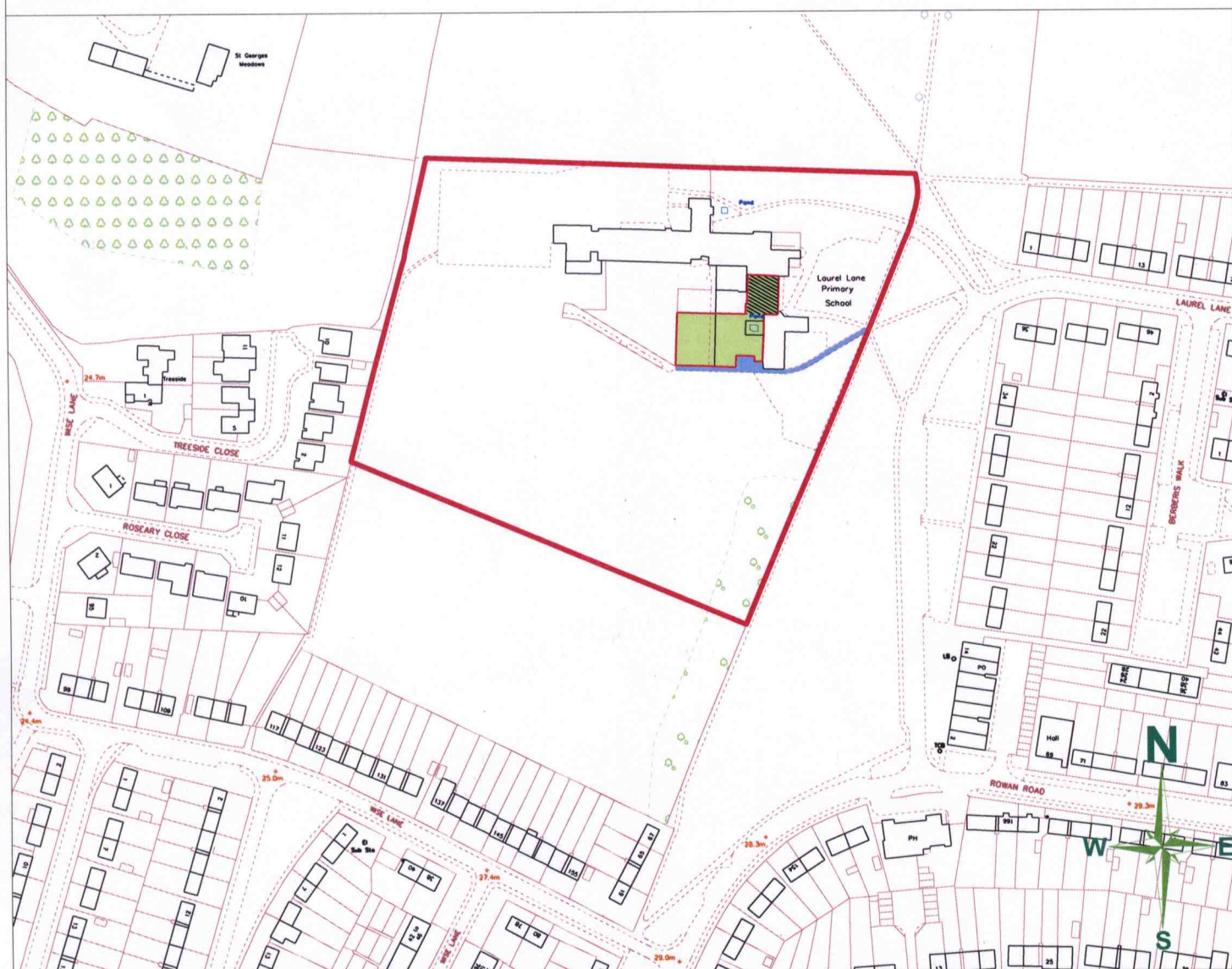
## **BACKGROUND PAPERS**

NIL

This page is intentionally left blank



Enlarged Plan Not to Scale



This map is reproduced from Ordnance Survey material with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationery Office (C) Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. LB Hillingdon 100019283 2011



PROPERTY SERVICES  
CIVIC CENTRE,  
HIGH STREET  
UXBRIDGE,  
MIDDLESEX,  
UB8 1UW

TITLE

Laurel Lane Primary  
School, Laurel Lane  
West Drayton

DRG No GEN 1056/5/1

SCALE 1:2500

DATE 01.02.2013

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank