

# THE COUNCIL'S BUDGET: GENERAL FUND REVENUE BUDGET AND CAPITAL PROGRAMME 2010/11

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<b>Cabinet Portfolio</b>	Finance and Business Services
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<b>Papers with report</b>	Appendices 1 to 10

## HEADLINE INFORMATION

<b>Purpose of report</b>	<p>The report sets out the Cabinet's proposals for the Council's General Fund revenue budget and capital programme for 2010/11. It includes indicative projections for the following three years.</p> <p>The revenue budget proposals have been developed to deliver a zero increase in Council Tax for the second successive year. They also provide for priority growth of £1.4 million, whilst maintaining balances and reserves at £12 million.</p> <p>The revenue budget proposals result in a complete freeze on Council Tax at 2008/09 levels. This is because the Greater London Authority (GLA) precept is also frozen with a zero increase.</p> <p>The capital programme for 2010/11 proposed in this report includes total expenditure of £99.7 million.</p> <p>Cabinet are requested to recommend their budget proposals to full Council on 25 February 2010. This is in order to formally set the General Fund revenue budget, capital programme and Council Tax for the 2010/11 financial year.</p>
<b>Contribution to our plans and strategies</b>	<p>The revenue budget and capital programme together form the financial plan for the Council for the 2010/11 financial year. They contain the funding strategy for delivering the Council's objectives as set out in the Council Plan 'Fast Forward to 2010'. They provide the funding strategy for the Council's goals for Hillingdon as a whole in the Sustainable Community Strategy.</p>
<b>Financial Cost</b>	Zero increase in Council Tax for the second successive year.

<b>Relevant Policy Overview Committee</b>	Corporate Services and Partnerships Policy Overview Committee Education and Children's Services Policy Overview Committee Residents' and Environment Services Policy Overview Committee Social Services, Health and Housing Policy Overview Committee
<b>Ward(s) affected</b>	All

## RECOMMENDATIONS

That Cabinet approves for recommendation to Council:

1. **The General Fund revenue budget proposals for 2010/11 summarised at Appendix 1, including the detailed budget changes contained at Appendices 2 to 6;**
2. **The proposed fees and charges included at Appendix 7;**
3. **The capital programme set out at Appendix 8;**
4. **The Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Statement for 2010/11 to 2012/13 as detailed in Appendix 9;**
5. **The adoption of the CIPFA Revised Code of Practice for Treasury Management in Public Services as detailed in Appendix 10.**
6. **That Cabinet note the Corporate Director of Finance and Resources' comments regarding his responsibilities under the Local Government Act 2003.**

## SUMMARY

### Objectives

The budget proposals included in this report represent Cabinet's budget strategy for 2010/11 and beyond. The revenue budget proposals have been developed to deliver a zero increase in Council Tax for 2010/11. They seek to do this whilst maintaining balances and reserves at £12 million.

The budget strategy has been delivered through a rigorous focus on identifying savings and efficiencies across the Council. This has been done through a flexible thematic approach to setting savings targets. This has been monitored in conjunction with the Leader of the Council throughout the budget process.

### Contingency Items

The funding for services to asylum seekers continues to remain a key strategic issue that shapes the Council's revenue budget. The Medium Term Financial Forecast (MTFF) report to December Cabinet contained a contingency provision. The level of this meant that the budget proposals only provided a part of the £3 million budget pressure being reported on asylum services in the current year. This was done pending the outcome of lobbying over special funding with Ministers in the Home Office. A new funding offer has come forward from the UK

Border Agency. However, the Council has not yet had a satisfactory response from the Home Office Minister. The offer, if confirmed and agreed by the Council, would reduce the ongoing funding gap on asylum. It also would have the possibility of some of this additional funding being applied retrospectively. However, there are conditions attached to the offer. Moreover the offer is still some way off what the Council is seeking in terms of adequate funding for asylum.

In addition, a further review of financial risks has taken place since the December Cabinet report was approved. This was linked to adverse movement in some key pressures within the current year budget monitoring, reported elsewhere on this Cabinet agenda. Additional funding has been included in the Development and Risk Contingency to cover for these items. These include social care demographic pressures (£0.3 million), homelessness (£0.3 million) and planning income streams (£0.25 million). It also includes £0.5 million for highways maintenance.

### **Business Improvement Delivery Programme**

The budget proposals for 2010/11 have been produced alongside the development of the Business Improvement Delivery (BID) programme. This is the key service transformation programme within the Council. Cabinet has already approved in December 2009 the implementation of the corporate landlord model of property asset management. In January 2010 it approved the acceleration of key projects on localities, enforcement and transport services. These projects will be important to the delivery of savings identified in the budget arising from the BID programme.

### **Revenue Savings and Growth**

The identification of £10.3 million of savings for 2010/11 has allowed the budget proposals to absorb £8.2 million of service budget pressures. The budget also allows for the inclusion of over £0.7 million of new priority growth, in addition to £0.7 million carried forward from 2009/10. This gives a total of £1.4 million to support the delivery of Cabinet's objectives for the Administration.

New growth commitments next year included in the proposed revenue budget are:

- Further revenue costs for the creation of three new young people's centres (£239k)

- Further investment in support for carers (£70k)

- The appointment of an officer to implement initiatives prioritised through the Hillingdon Improvement Programme (£53k)

- An increase in the voluntary sector grants budget (£50k)

Out of the total of £1.4 million, a sum of £1 million remains unallocated for further priority growth initiatives during the financial year. In addition, the draft budget continues to include revenue funding of £0.5 million for the HIP Initiatives Budget. It also includes £0.2 million for the Leader's Initiative which will fund a further 1,000 burglar alarms for the homes of older residents of the borough.

The report also includes the General Fund fees and charges recommendations for 2010/11. Discretionary fees and charges for most services to Hillingdon residents are also frozen at the current level alongside Council Tax.

## **Capital Programme**

The capital programme for 2010/11 proposed by Cabinet and indicative allocations for the following three years are presented in this report. The draft capital programme over four years is worth £261.8 million with £99.7 million of capital expenditure in 2010/11.

This programme includes funding for new General Fund projects of £22.3 million. These include the development of the new library, adult education and youth service facilities adjacent to the existing South Ruislip Library, the upgrade and enhancement of Highgrove Pool, the refurbishment or redevelopment of seven other libraries over three years, the completion of the upgrade of recycling facilities at New Years Green Lane Civic Amenity Site, and the improvement of environmental assets such as Ruislip Lido and Little Britain Lake.

In addition, the capital programme provides over £10 million of funding for key ongoing programmes. This includes the Chrysalis programme, the Leader's Initiative and the upgrade of local town centres.

The report also includes the Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Statement for 2010/11, including the prudential indicators. Each of these items is recommended by Cabinet for approval by full Council.

## **Legal Considerations**

The Corporate Director of Finance and Resources has a duty under the Local Government Act 2003 to comment on the robustness of the Council's budget for the coming year. Thus comment is also required on the adequacy of the Council's reserves. These duties are exercised in this report. The Corporate Director of Finance and Resources has recommended that an appropriate level of unallocated balances for the authority is in the range from £12 million to £23 million. As described in the report, unallocated balances have been maintained above £12 million throughout the current year. They should remain at that level as a result of the budget recommendations in this report. The budget also contains a Development and Risk Contingency of £10.8 million over and above the unallocated balances of £12 million. The reasons for holding this level of contingency are set out in paragraphs 54 to 63 of the report.

## **INFORMATION**

### **Reasons for recommendations**

The recommendations have been framed to comply with the Budget and Policy Framework rules. They allow the presentation to Council of recommended budgets for 2010/11. This includes the impact on the Council Tax and housing rents, service charges and allowances.

Cabinet should give full consideration to the Corporate Director of Finance and Resources' comments under the Local Government Act 2003, and the need to ensure sufficient resources are available in balances and contingencies in the event of any significant adverse changes in the Council's funding environment.

The Council has powers only to approve revenue budgets and set Council Tax for the following financial year. Medium term revenue budgets are presented to aid future financial planning and support good decision-making. However, they are not formally approved in setting the budget. The Capital Programme is approved over a three-year period as the statutory framework

provides greater freedoms under the Prudential Code. This encourages a longer term approach to capital financing and borrowing decisions.

Council will be requested to approve the proposals put forward by Cabinet. If approved without further amendment they will be effective immediately.

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

Growth proposals included in the budget could be removed and either the Council Tax requirement reduced or alternative items substituted for them. Similarly, further items could be added to the budget requirement either through additional growth, increased provision for risk, or by reducing the package of savings. The Council Tax could then be increased accordingly within the constraints imposed by the Government's capping regime. A change in the budget requirement of £0.9 million either way (increase or decrease) will result in an increase or decrease of 1.0% in the level of the Council Tax. This takes into account the related cost to the Council of the freeze in Council Tax for beneficiaries of the Older Persons Discount.

Members could decide to add or remove new capital schemes from the draft capital programme included in this report. The funding for any additional new schemes would necessarily come from unsupported borrowing in the first instance. This would have a consequential upward impact on the revenue budget requirement and Council Tax.

Members could decide to vary the proposed fees and charges outlined at Appendix 7. Any decision to do so could have an impact on the budget requirement. This would need to be reflected in the budget to be recommended to Council.

The Development and Risk Contingency identified the key risks and uncertain items for which provision is contained within the revenue budget. Reduction of this provision is not recommended. This would otherwise increase the likelihood of unfunded pressures emerging into budget monitoring in the 2010/11 financial year. The capital programme also includes a contingency sum to manage financial risk on key schemes. In addition, unallocated balances are held within the range recommended by the Corporate Director of Finance and Resources. Whilst further contributions from balances could be made, any reductions in balances to below the lower limit of this range are not recommended.

### **Comments of Policy Overview Committee(s)**

Each of the Policy Overview Committees have received reports setting out the draft revenue budget and capital programme proposals relevant to their remit. These were approved by Cabinet on 17 December 2009 for consultation at the January 2010 round of meetings.

Each of the service Policy Overview Committees referred their comments on to the Corporate Services and Partnerships Policy Overview Committee on 10 February 2010. The Committee's comments to Cabinet are contained in consultation responses section at the end of the report.

### **Supporting Information**

#### **Background**

- 1 This is the second report to Cabinet on the budget proposals for 2010/11 and beyond. The previous report presented to Cabinet on 17 December 2009 set out the Medium Term

Financial Forecast (MTFF). Draft revenue budget and capital programme proposals were approved then for consultation with Policy Overview Committees and other stakeholders.

- 2 This report updates the earlier December Cabinet report for known changes. These arise from further negotiations with Government over asylum funding, levy announcements and from the internal review of provisions for risk and contingencies in the budget proposals. It sets out the Cabinet's General Fund revenue budget and capital programme for 2010/11, with medium term projections for three years beyond next year. The Council does not have the power to set budgets more than one year in advance. However, the inclusion of medium term figures helps to demonstrate the ongoing impact of the budget proposals. It also provides context for the budget decisions proposed.
- 3 The report includes the Prudential Indicators for 2010/11 to 2012/13. These show the impact of the Council's capital spending plans, included in the Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Statement for 2010/11, at Appendix 9.
- 4 The Corporate Director of Finance and Resources' duty, under the Local Government Act 2003, to consider the adequacy of the Council's reserves and robustness of the estimates, is exercised within this report.

## **GENERAL FUND REVENUE BUDGET**

### **Changes Since Report to Cabinet on 17 December 2009**

- 5 The table below summarises the changes to the recommended budget proposals from the report considered by Cabinet on 17 December 2009. Each of the items is considered in more detail in the following section.

Table 1: Changes to Revenue Proposals Since Cabinet on 17 December 2009

Paragraph	Item	Amount 2010/11 (£000s)	Amount 2011/12 (£000s)
	<u>Additional Pressures</u>		
6	Increase in Contingency	1,019	810
7	Joint Appointment of Director of Public Health	105	105
8	Review of Free Season Tickets for the Police	64	64
9	National Insurance Contributions Increase	0	420
10	Release Season Ticket Income Ringfenced for Car Park Improvements	0	80
	Sub-total	1,188	1,479
	<u>Balancing Items</u>		
11	Business Improvement Delivery - Cross Cutting Projects	-564	-564
12	Reduction in Capital Financing Costs	-400	0
13	Council Tax Base	-184	-190
14	Reduction in LPFA levy increase	-20	-20
15	Collection Fund Surplus	-19	0
16	Impact of Supplementary Business Rate on Council Premises	-1	-1
	Sub-total	-1,188	-775
	<b>Net Change</b>	<b>0</b>	<b>+704</b>

### Additional Pressures

#### 6 Increase in Contingency

The review of contingency items since the December Cabinet report has identified some risks where increased provision is required. This includes increased funding for risks around social care demographic pressures (£0.3 million), homelessness (£0.3 million) and planning income streams (£0.25 million). These reflect increased pressures reported in the current year budget monitoring over the last two months. It also includes an additional £0.5 million for highways maintenance. These increases have been offset by a reduction of almost £0.3 million in the contingency for the waste disposal levy increase for 2010/11.

#### 7 Joint Appointment of Director of Public Health

Hillingdon Primary Care Trust has confirmed the appointment of Ellis Friedman as the Director of Public Health. The Council's share of the funding of this appointment is therefore transferred from the Development & Risk Contingency to the base budget.

#### 8 Review of Free Season Tickets for the Police

This item has been removed from the package of savings presented at Appendix 5.

- 9 National Insurance Contributions Increase  
In the national Pre-Budget Report announced on 9 December 2009, the Government doubled the previously announced increase in employers' national insurance contributions. This was from a 0.5% increase to a 1% increase, from April 2011.
- 10 Release Season Ticket Income Ringfenced for Car Park Improvements  
It has been confirmed that this item included in the savings schedule at Appendix 5 is a one-off item only.

## **Balancing Items**

- 11 Business Improvement Delivery - Cross Cutting Projects  
The savings target for the first year of the Business Improvement Delivery programme has been increased by over £0.5 million. This is in recognition of the additional cost pressures that have been included in the final budget proposals.
- 12 Reduction in Capital Financing Costs  
A further review of capital financing costs projections has been performed since the report to December Cabinet. This has led to a further reduction of £0.4 million in the revenue impact of the programme in 2010/11. This is due to the re-phasing of expenditure on Council funded schemes reported in monthly budget monitoring reports. It is also due to the impact of refinancing of long term borrowing within the loans portfolio that supports the capital programme.
- 13 Council Tax Base  
The Council Tax Base for 2010/11 agreed by Council on 14 January 2010 has been set at 97,952 Band 'D' equivalent properties. This is an increase of 1,417 over 2009/10, which is greater than the 1,250 increase assumed in the MTFF report to December Cabinet. The difference between the two figures provides additional funding of £184k in 2010/11 and £190k in 2011/12.
- 14 Reduction in LPFA levy increase  
The provisional increase in the London Pensions Fund Authority (LPFA) levy was factored into the MTFF report to December Cabinet at £95k. This reflects the likely impact of additional levies to recover an ongoing deficit within the LPFA scheme. Subsequently a draft levy notification has been received. This shows a 5% reduction in the existing base levy worth £20k, before consideration of the additional levy.
- 15 Collection Fund Surplus  
The projected £769k surplus on the Collection Fund to be released back to the General Fund has increased by £19k over the forecast reported to December Cabinet. This reflects the updated current year monitoring assessment at the end of Quarter 3.
- 16 Impact of Supplementary Business Rate on Council Premises  
The Mayor of London on 29 January 2010 announced final proposals for the operation of the Business Rate Supplement. This is on larger commercial premises across London, to fund the Crossrail scheme. This increased the threshold at which the supplement is levied from a rateable value of £50k to £55k. This reduced the liability for the charge on Council property.



## Budget Requirement 2010/11

- 17 The movement between the current year's budget and the draft budget requirement for 2010/11 is summarised in Table 2 that follows. Each of the lines in Table 2 is set out in detail in the following sections.

Table 2: Budget Requirement 2010/11

	<b>Budget (£000s)</b>
Budget Requirement 2009/10 Add: Area Based Grant (base)	189,245 17,499
Inflation	600
Corporate Items (Appendix 2)	5,582
Service Pressures (Appendix 3)	8,197
Priority Growth (Appendix 4)	712
Savings (Appendix 5)	-10,280
<b>Budget Requirement – All Resources 2010/11</b>	<b>211,555</b>
Less: Area Based Grant 2010/11	-17,361
<b>Net Budget Requirement 2010/11</b>	<b>194,194</b>
<u>Funding Sources</u>	
Council Tax	109,783
Government Formula Grant	84,411
Area Based Grant	17,361
<b>Total Resources</b>	<b>211,555</b>

## Inflation

- 18 The core amount of inflationary cost increases for which the draft budget for 2010/11 provides is £0.6 million. In addition, there are some cross-cutting areas where there are above-inflation cost increases. These are included as a section within the service pressures contained at Appendix 3.
- 19 This year has seen a one-year pay agreement for Local Government staff. Negotiations will be undertaken nationally regarding a new agreement for 2010/11. In line with national employers' guidance no allowance for an increase has been made. This is in expectation of a pay freeze across the public sector next year. The employers' position has already been announced to all Council staff by the Chief Executive. However, teachers' pay has been inflated at 2.3% from September 2010. This is as part of the three-year deal previously recommended by the national School Teachers Review Body. Increases of 1%

have been applied for adults' and children's services care placements. There are zero increases for all other expenditure and income budgets.

- 20 Table 3 below sets out the general inflation rates applied to specific budget lines.

Table 3: Inflation

Category	Rate (%)	2010/11 (£000s)
Local Government Employees Pay	Zero	0
Teachers Pay	2.3%	40
Premises Costs	Zero	0
Transport Costs	Zero	0
Care Placements	1%	560
Other Supplies and Services	Zero	0
All Income	Zero	0
<b>Total</b>		<b>600</b>

### Corporate Items

- 21 This heading is used to describe items that affect the Council overall, or have a significant impact on the majority of service groups within the authority. A net increase in budget of £5.6 million in 2010/11 results from these items. This is set out in further detail in Appendix 2 and is set out in summary in Table 4 below:

Table 4: Corporate Items

Corporate Items	Amount 2010/11 (£000s)	Amount 2011/12 (£000s)
Increase in Contingency	3,440	8,147
Concessionary Fares Levy	1,362	1,362
Reduced Interest on Investment Income	1,300	900
Contribution from Balances – falling out	1,250	2,650
Additional Capital Programme financing from asset income	1,000	2,000
Local Area Agreement Reward Grant – shares to partners	670	670
Employers Pension Contributions	625	1,475
Parking Revenue Account Surplus – falling out	100	100
London Pensions Fund Authority levy	75	135
National Insurance Contributions Increase	0	840
LABGI / Housing and Planning Delivery Grant – falling out	0	500
Local Area Agreement Reward Grant	-3,040	-800
Capital Programme financing costs	-1,200	100
<b>Total</b>	<b>5,582</b>	<b>18,079</b>

- 22 A net increase in the contingency of £3.4 million reflects funding to cover a range of financial risks faced by Council. This is discussed in the section on the Development and Risk Contingency below.
- 23 The Concessionary Fares levy from London Councils was significantly reduced in the 2009/10 budget. There was a reduction in the Council's levy of almost £2 million. This was driven in large part by a one-off use of the reserves held by London Councils of £20

million spread across all London Boroughs. This now will fall out and drive an increase in the levy in the short term. This is exacerbated by a proposed reduction in specific grant to Transport for London of £30.2 million compared to previously published figures. Together these changes drive an expected increase of 24% in the levy for 2010/11 to £6.9 million.

- 24 Income from short term investment of cash balances has been driven lower in the current year. This is due to the impact of significantly lower interest rates. For the forthcoming year and beyond, investment income will be even lower still. Cash balances are reducing following the completion of major capital schemes. Also interest rates are expected to stay at exceptionally low levels for a longer period of time. This creates a £1.3 million pressure due to reduced income compared to the current year target.
- 25 The budget approved for 2009/10 included a drawdown from balances of £2.75 million. This is necessarily a one-off item that can not be repeated on an ongoing basis. However, for 2010/11 a further drawdown from balances of £1.5 million has been applied to the draft budget. This is based on the projected £13.5 million outturn balances position as at 31 March 2010. This is as reported in the Month 9 budget monitoring report. This will mean that unallocated balances will remain above the target level of £12 million.
- 26 An increase in the revenue financing of the capital programme of £1 million per year has been included as a corporate item. This reflects the re-use of rental income from Council assets to support the capital programme. Rental income will be centralised to a single cost centre and used to finance capital expenditure. This is linked to the development of the corporate landlord model of asset management.
- 27 Reward grant from the 2007 Local Area Agreement (LAA) will be due in 2010/11. As described in the quarterly LAA monitoring reports to Cabinet, a reward sharing arrangement was agreed at the outset with partners. This depends on the impact of each of the lead partners in achieving each of the 13 groups of targets. Based on current performance projections almost £1.5 million of revenue reward grant will be shared with partners or partnership groups. Almost £1.6 million will be retained exclusively within the Council. This represents an improvement of £0.35 million in the level of reward grant retained by the Council compared to the budget report to Cabinet and Council in February 2009. This is due to the Council receiving exclusive use of the grant surrendered by the London Fire Brigade. In addition, we have agreed to phase payments to our partners over two years in line with the receipt of payment from the Department for Communities and Local Government (DCLG). Phasing over three years has been agreed in the case of the Safer Hillingdon Partnership. The capital element of the LAA reward grant is available as funding towards the capital programme. Reward grant for the 2008 LAA is calculated on a more formulaic basis. An initial estimate of the likely reward is contained in the medium term projections.
- 28 The Council's Pension Fund was subject to an actuarial review as at 31 March 2007. The valuation resulted in an increase in the level of employer's contributions required to provide for both future and past liabilities. The additional funding of £625k for 2010/11 allows for the 0.75% increase in contributions to 17.1% of pensionable pay. A phased increase in contribution rates of 1% is included for future years in the medium term projections. In addition, the medium term projection contains provision for the 1.0% increase in employers' national insurance contribution rates. These are due to be effective from 2011/12 as announced in the Government's Pre-Budget Report.

- 29 The 2009/10 budget included a one-off use of the accumulated surplus on the Parking Revenue Account of £0.1 million. This can not be repeated for the 2010/11 financial year.
- 30 A significant increase in the London Pensions Fund Authority (LPFA) levy for 2010/11 has been projected. This is due to the adverse actuarial position of the LPFA pension fund in respect of former Greater London Council employees.
- 31 The Government has only committed to the Local Authorities Business Growth Incentives (LABGI) scheme and to Housing and Planning Delivery Grant (HPDG) up to the end of 2010/11. These funding streams are not expected to continue beyond that date. This view is supported by the announcements in July 2009 that the Government would cut the national funding for both schemes in 2010/11 (to remove previously promised growth in funding).
- 32 The reduction in revenue financing costs of the capital programme for 2010/11 is £1.2 million. This reflects the full year effect of loan restructuring transactions performed during the current financial year. It also reflects the re-phasing of expenditure on Council funded programme in the current year. However this gain will fall out over the medium term. This will be due to the minimum revenue provision (MRP) increasing when major schemes complete.

### Service Pressures

- 33 The identification of all service pressures is one of the key objectives of the strategic budget process. This thereby reduces the likelihood of unexpected overspends within the financial year. Failure to identify a pressure over which there is little or no control is likely to result in an overspend in the year. This causes a need to take corrective action that may have an impact on services elsewhere in the authority.
- 34 The work undertaken by Groups to identify and review these pressures is informed by the standard classification of pressures. This acts as a checklist for the types of issues facing Groups that may result in cost increases. These items have been subject to rigorous scrutiny, challenge and review. This has reduced the level of these items to the minimum over the course of the budget development process. Table 5 sets out the pressures identified by Groups according to these classifications, which total £8.2 million for 2010/11. These items are set out in more detail at Appendix 3.

Table 5: Service Pressures

<b>Service Pressures by Category</b>	<b>Pressure 2010/11 (£000s)</b>	<b>Pressure 2011/12 (£000s)</b>
Demographic & Volume Changes	470	470
Full Year Effects of Items agreed during 2009/10	2,133	2,133
Identified Price Increases	384	384
Budget Pressures Identified in 2009/10 Monitoring	0	0
Reductions in Specific Grants & Contributions	5,150	5,268
Legislative Changes (including transfer of responsibilities)	60	60
<b>Total</b>	<b>8,197</b>	<b>8,315</b>

- 35 The largest category of increase and individual item relates to the loss of specific funding streams. These are primarily from changes in the funding regime for homelessness. The budget report to Cabinet and Council in February 2009 included a forward pressure for 2010/11 of £2.15 million. This was based on the expectation of a further 10% reduction in the Housing Benefit ceiling for homelessness rents. The Government has since confirmed in July 2009 that it will instead implement the Local Housing Allowance funding regime that was previously consulted upon, from 2010/11. This will further reduce the rents that will be supported from the benefits system. This extends the reduction in rent level from 10% to an average of 22% in Hillingdon. This increases the pressure on homelessness income by a further £3 million. In addition, a further £0.8 million is retained in contingency for this issue. This brings the total provision in the budget to £5.95 million.
- 36 Other significant items include demographic pressures on adult social care services, the effects of the energy price increases coming into effect in the current year, the impact of the national revaluation of business rates on Council properties, and the full year effect of various other items agreed during the current financial year.

### Priority Growth

- 37 Provision has been made in the budget strategy for £1.4 million of priority growth. £0.7 million of this is new funding and £0.7 million reflects the unallocated growth carried forward from the current year. A range of items have already been included against this provision based on Cabinet's stated expenditure commitments. This accounts for £0.4 million of the provision for 2010/11. These items are set out in the following table and described further at Appendix 4.

Table 6: Priority Growth

<b>Proposal Title</b>	<b>Growth 2010/11 (£000s)</b>	<b>Growth 2011/12 (£000s)</b>
<u>Existing Commitments / New Proposals</u>		
Running Costs of Additional Young People's Centres	239	370
Investment in Support for Carers	70	70
Hillingdon Improvement Programme Officer	53	53
Voluntary Sector Grant Programme	50	50
<b>Sub-total</b>	<b>412</b>	<b>543</b>
Unallocated Priority Growth	1,000	2,000
<b>Total</b>	<b>1,412</b>	<b>2,543</b>

- 38 There are four growth items included in the draft budget proposals. The investment for support for carers continues the investment made in the current year budget by removing charges for respite care services. It is proposed that the growth funding will be used to:
- increase the capacity of respite at home services, as there are consistent and often lengthy waiting lists. This will allow more carers to benefit from time away from their caring role; and,

- strengthen and develop robust information, advice and support services that will empower carers to seek timely and appropriate support.
- 39 Funding has increased for the voluntary sector grants programme, as described in the separate report to December Cabinet. A new post has been created to support initiatives arising from the Hillingdon Improvement Programme.
- 40 The proposed budget also contains £0.5 million for the HIP Initiatives Budget and £0.2 million of revenue funding for the Leader’s Initiative. For 2010/11 this latter item will include funding a further 1,000 burglar alarms for the homes of older residents of the borough. This continues the achievement of the Older People’s Plan reported to December Cabinet. There is also continuing capital funding for the Leader’s Initiative contained within the draft capital programme.

## Savings

- 41 There are six key strategic themes that cut across all service areas. These provide a framework against which savings proposals in this report have been grouped, which are:
- Procurement
  - Process Efficiency
  - Effectiveness / Preventative Services
  - Maximising Funding Opportunities
  - Income Generation
  - Service Prioritisation
- 42 The savings proposed in the draft budget for 2010/11 total £10.3 million, rising to £10.4 million in 2011/12. These are shown in detail at Appendix 5, and are summarised in the table below.

Table 7: Savings Proposals

<b>Savings Proposals</b>	<b>Saving 2010/11 (£000s)</b>	<b>Saving 2011/12 (£000s)</b>
Process Efficiency	4,109	4,154
Effectiveness / Preventative Services	2,825	3,205
Procurement	1,722	2,102
Maximising Funding Opportunities	1,308	708
Income Generation	138	58
Service Prioritisation	178	210
<b>Total Savings Proposals</b>	<b>10,280</b>	<b>10,437</b>

- 43 Process Efficiency  
All areas of the Council are continuing to identify efficiencies through improved processes. Most of the savings in this area are being achieved through reductions in the staffing establishment. These are from changes to structures within individual service areas as a result of improved processes. The impact of wider restructuring through the Business Improvement Delivery programme is contained as a single item with an indicative target of £2.6 million for 2010/11. This is separate to all the other savings proposals. It includes the impact of prioritising the development of the corporate landlord model. It also includes

the localities, enforcement and transport projects. These were endorsed by Cabinet in December 2009 and January 2010 respectively.

44 Effectiveness / Preventative Services

Savings under this heading broadly reflect the success of existing strategies to reduce demand for high cost statutory services by improving outcomes. These are especially for children and young people and people facing homelessness.

45 Procurement

Procurement savings broadly reflect the programmes of work developed through the Group Contract Review Boards. These have been established under the auspices of the Head of Procurement. Savings are expected from joining up procurement of adult social care services across West London. They are also expected from selective further outsourcing such as for recovery work in revenues. These savings exclude the impact of the leisure management outsourcing in the current year. This is contributing towards an earmarked reserve for leisure services investment.

46 Maximising Funding Opportunities

This theme contains savings from service specific funding opportunities. These are in addition to the £2.8 million of savings from maximising funding opportunities contained in the corporate items above (LAA reward grant retained exclusively by the Council £1.6 million; reduction in capital financing costs £1.2 million). This includes the capitalisation of the further costs of Building Schools for the 21st Century programme beyond Outline Business Case (£0.5 million). This also includes reducing budgets for time limited investment in children's services originally funded through the Area Based Grant (£0.5 million).

47 Income Generation

The scope for generating additional income for the 2010/11 budget is extremely limited. This is due to the impact of the recession on the ability of all stakeholders to pay enhanced charges. However, proposals in this area that generate £0.1 million have been included that are achievable and do not impact on residents.

48 Service Prioritisation

Finally, in some areas consideration has been given to items that impact on current service levels. This is where these offer the least value for money and there is scope for alternative provision through more cost effective service delivery.

49 Business Improvement Delivery

During the current year through the Hillingdon Improvement Programme a new Council-wide programme for improvement and efficiency has been developed. The Business Improvement Delivery (BID) programme contains three work-streams. These are aimed at delivering successively more in-depth reviews of how Council services and working methods can be re-engineered. These are:

- work-stream 1 – customer contact
- work-stream 2 – how we work
- work-stream 3 – common operations, processes and administration

50 Work-stream 1 is concerned with moving all appropriate resident-facing services into the contact centre, giving one point of contact for residents.

- 51 Work-stream 2 is concerned with reviewing and where necessary changing Council processes. These are so that we all work efficiently and in the same way to deliver common standards of service. It will also look at joining operational services together which deliver the same or very similar services.
- 52 Work-stream 3 will ensure the Council uses common support services which work in the same way, using the same processes. These services will be centralised to provide support to front line services.
- 53 The contribution from the BID programme to the savings in the draft budget is summarised in the following table. The different focus of the three work-streams mean that there will be some 'quick wins' coming out of BID. The majority of the savings that will flow from BID are geared towards addressing the medium term position as described in paragraphs 81 to 88 of the report below. Once fully developed, the programme will deliver significantly higher levels of savings from 2011/12 onwards.

Table 8: Savings Proposals Linked to BID

<b>Savings Proposals</b>	<b>Saving 2010/11 (£000s)</b>
Procurement	163
Process Efficiency – BID Workstream 1	47
Process Efficiency – BID Workstream 2	43
Process Efficiency – BID Workstream 3	2,888
Effectiveness / Preventative Services – BID Workstream 2	1,253
<b>Total Savings Proposals linked to BID</b>	<b>4,394</b>

## Development and Risk Contingency

- 54 The Development and Risk Contingency provides for resources within the revenue budget. These are unallocated at the beginning of the year, but can be applied to issues as they arise during the year. The contingency is therefore used to budget for items where the probability or value of items is uncertain at the beginning of the year. This approach is a key aspect of the Council's Reserves and Balances Strategy.
- 55 The process by which the Development and Risk Contingency is constructed links directly into the Council's risk management process. Significant risks are identified and recorded in risk registers which are regularly reviewed and updated as part of the risk management process. The process provides for review by senior officers, Group Directors, Cabinet Members and the Audit Committee addressing both executive functions and governance requirements. This process is integral to ensuring the effectiveness of the budget strategy, and the key financial risks identified in corporate risk register are reflected either directly in the budget strategy or are covered by the retained level of unallocated balances and reserves.
- 56 There have been a number of changes to the profile of risks that need to be covered in the Development and Risk Contingency, since the report to Cabinet on 17 December 2009. These changes are summarised in the following table:



Table 9: Changes to Development &amp; Risk Contingency since Cabinet 17 December 2009

<b>Risk Item</b>	<b>December Cabinet Provision 2010/11 (£000s)</b>	<b>Current Provision 2010/11 (Appendix 6) (£000s)</b>	<b>Change in Provision 2010/11 (£000s)</b>
<b><u>Increased Risks</u></b>			
Asylum non-EAA monitoring pressure	980	1,250	+270
Asylum Exhausted All Appeals	240	360	+120
Social Care Pressures (Adult's & Children's) (including Southwark Judgement – Homeless Children)	500	800	+300
Homelessness Budget – Reduction in DWP Funding	500	800	+300
Development Control Income	114	310	+196
Building Control Income	90	135	+45
Highways Maintenance (Recovery from Snow and Ice)	0	500	+500
Sub-total	2,424	4,155	+1,731
<b><u>Reduced Risks</u></b>			
Waste Disposal Levy	1,800	1,528	-272
Joint Appointment of Director of Public Health	40	0	-40
Sub-total	1,840	1,528	-312
Other Risks	5,477	5,477	0
<b><u>'Upside Risks' / Opportunities</u></b>			
Potential Retrospective Asylum Funding	0	-400	-400
<b>New Contingency Requirement</b>	<b>9,741</b>	<b>10,760</b>	<b>+1,019</b>
<b><u>Changes in Funding</u></b>			
Base Contingency 2009/10	7,320	7,320	0
Additional Corporate Funding for Contingency	2,421	3,440	+1,019
<b>Total Contingency Funding</b>	<b>9,741</b>	<b>10,760</b>	<b>+1,019</b>

- 57 The review of risks in the draft budget since December Cabinet has allowed the funding for a range of risk items to be increased. In particular pressures reported in current year budget monitoring on demand for mental health and older peoples' services, and on planning income streams, have increased between the Month 7 and Month 9 budget monitoring reports to Cabinet. There has been a consequential increased contingency provision needed for the new financial year based on these trends. Increased provision has also been included to recognise the significance of the risks around homelessness income described at paragraph 35 above. This has been offset by a reduction in the

previously forecast increase in the waste disposal levy. This is due to the agreed use of balances by the West London Waste Authority to hold down the levy for 2010/11.

- 58 Existing funding in the contingency to cover risks of increased demand for children's services after the 'Southwark Judgement' has been merged into a larger overall provision. This now covers demographic pressures across both adults' and children's social care. This is intended to cover the full range of identified issues including increased referrals in both children's and older people's services. It is also for any shortfall in funding for the Government's implementation of free personal care.
- 59 The contingency now contains £0.5 million of funding to allow for additional repairs to highways. This is to recover the condition of the highways following the snow and ice this winter.
- 60 The report to December Cabinet contained a contingency provision for asylum. This meant that the budget proposals only provided a part of the £3 million budget pressure being reported on asylum services in the current year. This was pending the outcome of lobbying over special funding with Ministers in the Home Office. A new funding offer has now come forward from the UK Border Agency. If confirmed this will reduce the funding gap for leaving care responsibilities for unaccompanied asylum seeking children by around £0.8 million in 2010/11. This still requires an increase in contingency provision of £0.4 million across both Exhausted All Appeals and asylum children leaving care. However, the offer includes the prospect that this additional funding will be applied retrospectively. This is reflected as an upside risk to contingency valued at £0.4 million.
- 61 The Council had invested £20 million of short-term deposits in Icelandic banks as at October 2008. £4.3 million of these deposits have already been returned to the Council. Work is continuing to ensure the full recovery of the remaining £15.7 million of these deposits. However the likelihood based on current information is that there will be some residual loss of the principal of these deposits of up to around £3 million. The report to December Cabinet noted that the Council was applying to the Department for Communities and Local Government (DCLG) to allow capitalisation for losses in Icelandic banks, as part of a process open to all local authorities. The DCLG has accepted the applications of some local authorities, but has turned down the Council's request, along with those of a number of other local authorities. The Council is challenging the DCLG decision on capitalisation along with some other local authorities through the Local Government Association. This includes taking possible legal action over the process and criteria by which capitalisation requests were handled. The Council will also continue to review options to manage and mitigate any eventual loss, including, but not limited to, applying to future capitalisation rounds. This will ensure that any eventual loss (that will not be known until the full recovery process has been completed) can be managed over a much longer time horizon, with a minimised impact on the budget strategy. However, there may still need to be some recognition of the predicted loss in the year end accounts for 2010/11. In the meantime this risk has been accounted for within the calculation of the recommended range of unallocated balances set out at paragraphs 137 to 142.
- 62 The draft Development and Risk Contingency is set out in Appendix 6. Items with a total potential risk outturn of £17.8 million are included in the contingency for 2010/11. When the probability of occurrence is applied to these amounts, the total for which funding would need to be provided stands at £11.2 million.

63 The value of the risks covered in the Development and Risk Contingency is determined by multiplying the value of the potential adverse risk by the probability of that risk outcome occurring. This approach is sensitive to the accuracy of the percentages applied. Owing to the nature of this exercise this approach in itself contains risks. For example, if the risk of each item in the contingency occurring were to increase by 5 percentage points, the additional contingency provision required would be £0.75 million.

## **Fees and Charges**

64 The Council is empowered to seek income from fees and charges to service users across a wide range of activities. Some of these fees and charges are set by the Government or other stakeholders. However many others are set at the discretion of the Council, based on Cabinet's recommendations.

65 Cabinet agreed a fees and charges policy for the Council in February 2009. This sets out the overarching approach and objectives for setting fees and charges in Hillingdon. These objectives are summarised as:

- putting residents first, through the Hillingdon First residents' card;
- delivery of the strategic objectives of each service area and its contribution to the overall strategy of the Council as set out in the Council Plan;
- delivery of the Council's objectives for older people;
- delivery of the Council's objectives for children and young people;
- delivery of the Council's objectives for families;
- recognising the particular contribution of certain groups and use charges flexibly, for example in respect of older people, ex-military service personnel, local economically active young people, and other groups;
- taking into account the Council's approach to delivering value for money and continuous improvement in all of its services.

66 Flowing from this the fees and charges proposals made in this report recommend that alongside a zero increase in Council Tax, zero increases in fees and charges are also proposed for discretionary charges for services that are used mainly by residents of the borough. These include:

- Library service charges
- Swimming and leisure centre admissions and charges
- Adult education course fees
- Careline charges
- Use of arts service venues
- Allotments charges
- Home care charges
- Early years centres nursery fees
- Parking charges for Hillingdon First cardholders

67 For other service users such as businesses and visitors from other local authority areas, discretionary charges have also been frozen at current levels. Several other charges are set by the Government and the Council does not always have the local discretion to set the level of fee or charge.

- 68 Changes to the fees and charges proposals since the report to Cabinet on 17 December 2009 include a correction to the charge rate for trade waste delivered to Civic Amenity Sites, the inclusion of charges to schools for services delivered by Hillingdon Grid for Learning, and changes to several adult social care charge rates to other local authorities and some residents where these are necessarily linked to the increase in the basic rate of state pension set by the Department for Work and Pensions.
- 69 Schedules detailing the proposals relating to fees and charges for 2010/11 are attached at Appendix 7.
- 70 The fees and charges for Adult Education and for leisure services reflect the extension of the differential pricing policy, with different rates for residents and non-residents. This was introduced in the current year along with the Hillingdon First card.

### Central Government Grant

- 71 The final Local Government Finance Settlement for 2010/11 was announced on 20 January 2010. This confirmed the indicative formula grants already announced in January 2008 as the final year of the three year settlement for local government. Hillingdon will receive a grant increase of 2.0% for 2010/11 or £1.6 million in cash terms.
- 72 The average grant increase nationally for 2010/11 is 2.8% for local authorities with education and social care responsibilities. The minimum 'floor' increase is 1.5%. Hillingdon loses £1.1 million in 2010/11 in grant due under the Relative Needs Formula, to pay for the cost of the minimum increases elsewhere.
- 73 Following the provisional settlement in November 2009 the Government also announced provisional Area Based Grant allocations for 2010/11. The total amount of Area Based Grant in 2010/11 is £17.4 million, an increase of £5.9 million over the 2009/10 grant. This increase is explained by the addition of new elements to the grant that reflects transfers of existing specific grants into the Area Based Grant. It also reflects new burdens being placed on the Council by central Government. These changes to the basic level of Area Based Grant are shown in the following table:

Table 10: Area Based Grant Funding Transfers

<b>Funding Transfer</b>	<b>Transfer 2010/11 (£000s)</b>
Supporting People (former specific grant)	5,954
Economic Assessment Duty (new burden)	65
Community Call for Action (new burden)	2
<b>Total Funding Transfers</b>	<b>6,021</b>

- 74 For the 2010/11 budget the Government has provisionally moved the specific grant for Supporting People into the Area Based Grant. It also has provided funding for two new burdens on the Council. In line with the approach used in the last two budgets these are recommended to be passported through to the relevant service areas.
- 75 The Community Call for Action funding is paid in recognition of the new burden arising from commencement of Sections 19 & 20 of the Police & Justice Act 2006. This requires local authorities to undertake a Councillor Call for Action and establish Overview and

Scrutiny Committees for crime and disorder matters. This is seen as part of strengthening the local accountability framework.

- 76 Within the allocations already included in the Area Based Grant in 2008/09 and 2009/10 there are changes in the value of the 2010/11 allocation. This comprises a mixture of increases and decreases that are managed within departmental budgets. This results in an overall net reduction in grant for these allocations of £138k.
- 77 There were no changes announced to revenue specific grants in the final settlement as compared to the provisional settlement in November 2009. Hence the only reductions in specific grant allocations that have been confirmed so far due to the deterioration in the Government's finances have been the reduced funding for the Local Authorities Business Growth Incentives (LABGI) scheme and in Housing and Planning Delivery Grant. This is as described in paragraph 31 above. However, there was a reduction in Government specific capital grant funding for this reason, to which paragraph 104 below refers. No assumptions have been made in the budget proposals around any in-year reductions in Government grant during 2010/11.

### **Balances and Reserves**

- 78 The Council reached the target set by the Administration by the end of 2010/11 to have unallocated balances and reserves reach £12 million three years early, as reported to Cabinet in April 2008 in Month 11 budget monitoring report for 2007/08.
- 79 After taking into account the transfer of balances to earmarked reserves in the current financial year, projected unallocated balances and reserves are forecast in the Month 9 budget monitoring report to be £13.5 million as at 31 March 2010.
- 80 The strategy now proposed is to maintain balances so that they remain at or above the £12 million target. This is also within the recommended range advised by the Corporate Director of Finance and Resources. This current year monitoring position is such that unallocated balances can be released to the revenue account to contribute £1.5 million to the budget strategy and hold the Council Tax increase to zero in 2010/11.

### **Medium Term Impact of Proposals**

- 81 The immediate focus on the 2010/11 budget needs to be balanced with key developments over the medium term.
- 82 During 2010/11 the Council will enter into a new four year cycle with the opportunity both to set new goals and to adopt new approaches to the Council's ways of working.
- 83 The 2011/12 budget will be in the first year of a new 3-year settlement. As a result of the current financial turmoil and the effect this has had on public finances this settlement is expected to be the tightest settlement ever for the public sector. The medium term forecast contained at Appendix 1 assumes that there will be a cash reduction in headline formula grant of 5% per year for the 3 year period.
- 84 Projections of future inflation beyond the short term rely on sound economic forecasting. In the current context this depends crucially on the pace of economic recovery from the current recession. Most external economic forecasts are based on projections for Consumer Price Increases (CPI) inflation. This is not a strong proxy for the price bases of

most costs in local government. Stronger indicators of costs in local government are average earnings (for pay) and Retail Price Index (RPI) inflation for contracts. Both of these have historically run ahead of CPI inflation in periods of economic growth. This is largely because they take into account the associated costs of increasing housing and property market prices.

- 85 The Bank of England's Monetary Policy Committee has an ongoing target to maintain the annual rate of increase in the CPI at 2%. This indicator stood at 2.9% as at December 2009 (compared to a low point of 1.1% in September 2009). The Bank of England's projections see this indicator continuing above 2% in the first half of 2010. They see it then falling back to around 1% again by early 2011, before stabilising at around 2% from the latter part of 2011.
- 86 However in the public sector the impact of a return to normal inflationary conditions may be delayed due to the pressure on the public finances. This should reduce pay expectations in local government. Accordingly the medium term forecast assumes that inflation will remain relatively muted throughout the next 3-year settlement period.
- 87 There will continue to be ongoing pressures on key Council services such as demographic pressures on adult social care, and escalating waste disposal costs. These are also included in the medium term forecast. The overall resulting effect of these assumptions is that additional savings of around £46 million will need to be addressed over that 3 year period, comparing 2013/14 to 2010/11.
- 88 This medium term position has been a key driver in the establishment through HIP of the BID programme. Savings of £4.4 million from BID are included in the delivery of the budget strategy for 2010/11. Nevertheless the cross-cutting focus of BID is primarily geared towards addressing this medium term agenda, by developing radical cost reduction measures. Within BID work-stream 3 in particular, the aim is to devise a common operating model for the Council that is fit-for-purpose and continues to deliver ongoing efficiency savings.

## **SCHOOLS BUDGETS**

- 89 The Schools Budget consists of all budgets which are devolved to maintained schools. This also includes 'centrally retained' items such as early years expenditure, education of children out of school, and Special Educational Needs (SEN). It is financed entirely by the Dedicated Schools Grant (DSG) unless the Council chooses to supplement this from the General Fund.
- 90 The 2010/11 financial year is the final year of a three-year funding period. For the most part the method of distribution of funding to schools for 2010/11 was fixed by the decisions that were taken by Cabinet after extensive consultation in March 2006. The 2008-11 Schools Funding Consultation Paper sought confirmation from schools that the same methodology should apply for 2008-2011. This was agreed, as were variations to the previously agreed arrangements in relation to the distribution of funding in relation to deprivation.
- 91 The detailed consultation paper on the Schools Budget for 2010/11 was published on 16 December 2009. Stakeholders have been consulted on the issues in the paper. Schools Forum has articulated its advice to Cabinet on the issues for consideration. These are contained in separate report on this Cabinet agenda. The Schools Forum also has powers

to agree two areas of centrally retained expenditure (CRE), increases in the total of the CRE over the original estimate for 2010/11, and any breach of the Central Expenditure Limit (CEL). Cabinet will make the final decisions on the arrangements for schools funding for 2010/11 from the recommendations of this report.

## **CAPITAL PROGRAMME**

### **Background to the Capital Programme**

- 92 The capital programme for 2009/10 was approved by Cabinet and Council as a one-year capital budget. This completes the ambitious capital strategy dating back to the start of the current Administration. The centrepiece of this has been the major investment in leisure and cultural facilities funded by a targeted disposal of high value surplus sites.
- 93 The ability also to continue such a strategy in the future has been severely affected by the impact of the recession on property prices. There has been a consequent reduction in capital receipts over the last 18 months.
- 94 The process of developing the capital programme has therefore focused on maximising the use of identified funding. It has also been focused on sustaining key ongoing programmes through a closer alignment of resources including revenue funding streams to capital expenditure. This has been in order to minimise the level of new borrowing that ultimately impact on the budget requirement funded through Council Tax.
- 95 The draft capital programme is shown in Appendix 8.

### **Changes Since Report to Cabinet on 17 December 2009**

- 96 The table below summarises the changes to the recommended budget proposals from the report considered by Cabinet on 17 December 2009. Each of the items is considered in more detail in the following section.

Table 11: Changes to Capital Programme Proposals Since Cabinet on 17 December 2009

Paragraph	Item	Amount 2010/11 (£000s)
	<u>Capital Expenditure</u>	
97	Guru Nanak Expansion	+5,710
98	Arundel Road HIP Project	+3,000
99	Children's Centres - Phase 3	+1,989
99	New Years Green Lane Civic Amenity Site	+1,200
100	Hayes End Library Development	+900
101	Local Implementation Plan (funded by Transport for London)	+693
102	Environmental Assets	+500
103	General Contingency	+500
103	ICT Single Development Plan	+450
99	Estates Improvements (HRA)	+450
99	Longmead Section 106	+389
99	Leisure Development - Botwell Green	+275
99	Hillingdon Sport & Leisure Centre	+250
100	Major Construction Projects Fees	+220
99	Children's Centres – Phase 2	+215
99	Minet Cycle Club	+214
101	Town Centres Initiatives	+200
99	New Young People's Centres	+200
99	Targeted Capital – Uxbridge High	+111
99	Botwell Multi Use Games Area	+100
99	Queensmead Fitness Centre Refurbishment	+50
99	Heathrow Primary	+9
99	Pinkwell New Classrooms	+9
99	Brookfields - Second Floor	+8
99	Colne Park Caravan Site - Refurbishment Works - Phase 2	+1
104	Safer Stronger Communities Fund (Youth Awareness)	-50
105	New Build – Extra Care Sites Phase 1	-87
105	New Build - HRA Pipeline Sites Phase 1	-292
105	Redevelopment Schemes (HRA)	-500
	Increased Capital Expenditure	16,714
	<u>Capital Financing</u>	
	Government Specific Capital Grants	+3,264
	Capital Receipts (HRA)	-266
	Other External Funding	+7,245
	Unsupported Borrowing Funded by Revenue Savings (Invest-to-Save)	-1,296
	Unsupported Borrowing Funded by Council Tax	+7,767
	Increased Capital Financing	16,714

97 The full year effect of the Guru Nanak school expansion project has been added to the programme, although this project is not directly managed by the Council. This in total has £13.2 million of special Government grant awarded to it over the life of the project.



- 98 The Arundel Road HIP Project is a new project to relocate the Council's depot operations. The cost estimate for this was not sufficiently developed for inclusion in the draft capital programme reported to December Cabinet. This project will enable the achievement of future capital receipts.
- 99 The proposed capital programme has also been updated to reflect the amended phasing of the capital programme. Several projects are projected to run over into the new financial year. This is as reported in the capital programme section of the budget monitoring report considered elsewhere on this Cabinet agenda.
- 100 The increased value for the Hayes End Library Development project reflects the latest cost estimate developed by the Major Construction Projects team. In addition, the Major Construction Projects team have reviewed the pattern of team activity. It has been concluded that a higher level of fees should be recovered directly from capital projects.
- 101 Transport for London confirmed an increased funding settlement for the Council for local transport improvements in December 2009. This has now been reflected in the proposed capital programme. This also includes the first £0.2 million towards an area based scheme in Yiewsley and West Drayton. This will be taken forward as part of the Town Centres Initiative.
- 102 Funding for the Environmental Assets programme has been increased from £1.5 million to £2 million.
- 103 Funding for the ICT Single Development Plan has increased to cover the costs of projects required to deliver the BID programme. A general contingency of £0.5 million has been included within the capital programme for 2010/11.
- 104 On 20 January 2010 as part of final local government finance settlement the Home Office announced a national 50% reduction in the previously announced level of funding for the Safer and Stronger Communities Fund capital allocations. This reduced Hillingdon's allocation from £100k to £50k. The reason given was the "considerable pressures on all public expenditure". This can be taken as giving a general indication of the direction of travel of future Government capital grant allocations.
- 105 The tender approval for Phase 1 of HRA Pipeline Sites new build housing programme was given by Cabinet on 21 January 2010. The phasing of expenditure on this programme and the Extra Care programme has been reviewed. Some expenditure is now projected to fall into 2011/12. The precise funding packages for the Councils' match funding to Homes and Communities Agency funding for these programmes has yet to be confirmed. However in line with the tender report are expected to be from a mixture of borrowing, HRA balances and HRA capital receipts. For the purposes of this report it is assumed that the match funding will be in the form of capital receipts and borrowing covered by future rental income in the HRA. The HRA Redevelopment Schemes programme which funded smaller scale developments has been scaled back. This is to enable HRA resources to be focused on these larger programmes.

#### **Funding of the Capital Programme 2010/11 – 2013/14**

- 106 The Council has a range of key funding sources for the capital programme that are summarised in Table 12 below:
-

Table 12: Capital Programme Funding

<b>Funding Source</b>	<b>Funding 2010/11 (£m)</b>	<b>Funding 2011/12 (£m)</b>	<b>Funding 2012/13 (£m)</b>	<b>Funding 2013/14 (£m)</b>
Government Specific Capital Grants	40.8	18.2	13.8	13.8
Capital Receipts	9.0	13.7	8.2	-
Supported Borrowing	2.1	11.7	6.5	5.6
LAA Reward Grant	2.2	1.0	0.1	-
Other External Funding	14.1	6.9	6.1	2.1
Unsupported Borrowing (Invest-to Save)	9.8	5.1	0.2	-
Unsupported Borrowing (Growth / Council Tax Funded)	21.7	19.3	11.8	17.9
<b>Total</b>	<b>99.7</b>	<b>75.9</b>	<b>46.8</b>	<b>39.4</b>

- 107 Government specific capital grants are the largest source of funding for the capital programme. In line with the funding position for the revenue budget most capital grants up to and including 2010/11 have already been announced. This was as part of the three-year settlement covering 2008/09 to 2010/11. Hence only the funding for 2010/11 has a high degree of certainty. However assumptions have been made about core ongoing capital grant funding for 2011/12 and beyond. Capital grants tend to be provided for key statutory services, in particular schools and housing. The largest elements of capital grant for 2010/11 are schools programmes (£15.8 million) and the Major Repairs Allowance for the Housing Revenue Account (£8.2 million).
- 108 Capital receipts reflect the disposal programme of surplus Council assets identified through the Strategic Property Group review process.
- 109 Supported borrowing is notionally funded by central Government through the Revenue Support Grant formulae. However the precise level of grant support actually received in any particular year is masked by other aspects of the grant distribution process. The typical level of supported borrowing identified by the Government of between £5 million and £6 million per year is broadly equivalent to the level of sustainable ongoing borrowing that the Council can undertake without leading to an increase in the Minimum Revenue Provision (MRP). This supported borrowing is assumed to be primarily geared towards funding schools capital programmes. The Council has been storing supported borrowing capacity over the last two years in order to minimise the short term financing costs of the capital programme. However, due to expanding demand for primary school places over the medium term, full take up of supported borrowing will be necessary from 2011/12 onwards.
- 110 In addition to the specific capital grants referred to above, the Council and its partners will also have access to over £3 million of capital LAA Reward Grant from 2010/11. The reward grant from the 2007 Local Area Agreement is split equally between capital and revenue. Consequently almost £1.5 million of this grant will be shared with partners or partnership groups. Almost £1.6 million will be retained exclusively within the Council as described in paragraph 27 above. The Council's share of capital reward grant will provide

an immediate source of funding for key capital commitments. These include Chrysalis, the Town Centres Initiative and the Leader's Initiative in 2010/11.

- 111 Other external funding available to support the capital programme reflects the Council's success in securing funding through competitive bidding. This includes in particular funding of £4.2 million in 2010/11 for local transport improvements funded by Transport for London, grant from the Homes and Communities Agency for new build housing projects (£6.3 million), as well as identified funding from Section 106 agreements and the Housing Revenue Account.
- 112 Unsupported borrowing under the Prudential Code falls into two categories. The first type is for projects that are funded on an 'invest-to-save' basis. These are where the capital investment will lead to either a revenue saving or an additional source of income that is sufficient to cover the financing costs of the initial borrowing. Funding for this type of project is an important lever for improvement and maximising efficiency. In the draft capital programme they include the Council's strategy for replacing leased vehicles with outright purchase. They also include the upgrade of Highgrove Pool funded from savings made through the outsourcing of leisure management. This heading also includes funding of £4.2 million in 2010/11 towards the new build housing programme part-funded from future housing rent income.
- 113 The second type of unsupported borrowing is for key capital developments that involve service enhancement. This is in cases where the resulting revenue financing costs are effectively equivalent to a growth item. These then impact on the Council's budget requirement funded through the Council Tax. An example of this is the Council's investment in new young people's centres that will be completed in 2010/11. This type of funding also includes items where upfront capital investment is needed in order to release future capital receipts. These then can make the capital expenditure effectively self-financing over the life of the project. Examples of this are the Hayes End Library and South Ruislip developments.
- 114 In developing the capital programme the aim has been to minimise the level of unsupported borrowing. This has been in order to avoid significant increases in the financing costs of the capital programmes. These otherwise impact on the revenue budget over the medium term. This would be broadly achievable except for one significant issue. This is the growth in demand for new primary schools places in the borough. This is due to the increased birth rate and reduced mobility of families with young children experienced over the last few years. The cost of providing for this additional demand is such that investment of over £70 million is included in the draft capital programme over the next four years. This greatly exceeds the current annual funding for school places provided by the Department for Children Schools and Families through capital grant and supported borrowing. This is a key funding issue across the whole of London. London Councils has been lobbying the Government to raise awareness and secure additional funding over the medium term for school places. In the absence of additional funding, the legal requirement to provide school places will create a significant strain on the financing of the capital programme. It is hoped however that this central funding will be provided. Some funding was found by the Government for the current year pressure for other authorities with more immediate pressures.

## New Capital Schemes

- 115 The draft capital programme includes funding of £22.3 million for several new General Fund capital projects that will significantly enhance the Council's future service delivery. These are summarised in the following table:

Table 13: New Capital Projects 2010/11

<b>Project</b>	<b>Capital Expenditure 2010/11 (£000s)</b>
South Ruislip Development	4,661
Highgrove Pool Phase II	4,100
New Year's Green Lane Civic Amenity Site	3,800
Arundel Road HIP Project	3,000
Hayes End Library Development	2,600
Environmental Assets	2,000
Library Refurbishment Programme	622
Winston Churchill Hall Refurbishment	430
Manor Farm Stables Development	371
Willow Tree Centre	300
William Byrd Pool	250
North Hillingdon Adult Education Centre Roof Replacement	155
<b>Total New Schemes</b>	<b>22,289</b>

- 116 The South Ruislip new development is on the former Swallows site. This includes a new library and adult education centre, residential dwellings, nursery and a youth centre. The whole project is essentially self-financing from capital receipts from the sale of adjacent sites and residential units at the end of the project.
- 117 The Phase II refurbishment programme of Highgrove Pool forms part of the Council's overall review of leisure assets. An aim of this is to reduce revenue expenditure. The aim is to do this through the introduction of energy efficiency measures and upgrading the pool plant equipment. This equipment has not been replaced for at least 40 years. The project also involves refurbishing the changing facilities, improving access for people with disabilities and upgrading the reception area.
- 118 Funding through to completion for the redevelopment of the New Years Green Lane Civic Amenity Site has been included in the draft capital programme. This will lead to a significant improvement in facilities available for recycling for residents of the borough.
- 119 Through the Hillingdon Improvement Programme there is a project to develop a site in Arundel Road. This aims to create a new depot facility for the Council's operations.
- 120 There will also be a new library at Hayes End which will be funded from capital receipts obtained from the site. The development will comprise a library and residential flats for sale to fund the capital cost of the project. Funding is also included for the continuation of the ongoing library refurbishment programme. A further five libraries plus the Central Library are being upgraded over the next three years.

- 121 The Environmental Assets project heading will fund improvements at key sites that are used by residents of the borough. This includes Ruislip Lido and Little Britain Lake.
- 122 Funding has also been included in the draft programme to refurbish the stables at Manor Farm to develop catering and bar facilities. It also aims to improve the Winston Churchill Hall adjacent to the Manor Farm site. It aims to improve William Byrd Pool by refurbishing the changing rooms and constructing a martial arts studio. It also aims to replace the roof at the North Hillingdon Adult Education Centre.

### Ongoing Capital Programmes

- 123 In addition to the new schemes set out above, the capital programme for 2010/11 provides over £10 million of funding for the following key ongoing programmes:

Table 14: Ongoing Capital Programmes 2010/11

<b>Project</b>	<b>Capital Expenditure 2010/11 (£000s)</b>
Chrysalis	1,000
Leader's Initiative	300
Town Centres Initiative	525
Disabled Facilities Grants	3,000
Vehicles Replacement	1,500
ICT Single Development Plan	1,378
Highways Structural Works	1,100
Street Lighting Programme	300
Highways Localities Programme	258
Road Safety Programme	250
Property Enhancements Programme	500
Private Sector Renewal Grants	450
<b>Total Programmes of Works</b>	<b>10,561</b>

- 124 The Housing Revenue Account capital programme also includes £10 million ongoing works to the Council's housing stock managed through Hillingdon Homes. It includes the first phase of new build schemes for general needs of £7.7 million. It also includes extra care schemes for vulnerable residents of £7.0 million. Both of the latter are partly funded through grant successfully obtained from the Homes and Communities Agency.
- 125 The schools capital programme includes funding from the Government and schools of £4.9 million in 2010/11 for the upgrade of school kitchens. It also includes continuation of the expansion of Guru Nanak school, and the completion of the children's centres programme. It is also for the first stage of investment in expanding primary school places. In 2010/11 this at least is entirely funded through existing capital grants and unused supported borrowing.

### Revenue Impact of the Capital Programme

- 126 Revenue financing costs for 2010/11 are set to reduce by £1.2 million. This is due to the impact of actions taken in the current year to refinance existing borrowing for the capital

programme up to the current year. However, financing costs will increase again by £1.3 million in 2011/12. This is as new borrowing will be required to fund the capital programme for 2010/11 and beyond. This increase will be kept under review. On an ongoing basis opportunities for improving the funding of the capital programme such as through external funding bids will be sought. The aim of this is in order to minimise any further increases in revenue financing costs.

## Summary of the Capital Programme

127 A summary of the Council's proposed capital programme by project themes is set out in Table 15 below:

Table 15: Summary of Proposed Capital Programme

Programme Type	Proposed Programme 2010/11 (£000s)	Proposed Programme 2011/12 (£000s)	Proposed Programme 2012/13 (£000s)	Proposed Programme 2013/14 (£000s)
Major Construction Projects	14,695	1,005	850	850
Schools Projects	26,631	40,165	21,166	19,757
Housing Revenue Account Projects	22,568	13,973	10,526	10,350
Programmes of Works	10,561	9,569	7,323	7,323
Partnership Projects	720	670	140	0
Other Projects	24,549	10,522	6,754	1,115
<b>Programme Total</b>	<b>99,724</b>	<b>75,904</b>	<b>46,759</b>	<b>39,395</b>

## PRUDENTIAL INDICATORS

128 The Prudential Code was introduced from April 2004 under the local Government Act 2003. In carrying out unsupported borrowing, local authorities must follow the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities. The key objectives of the Code are to ensure:

- Capital investment plans are affordable, prudent and sustainable;
- Treasury Management decisions are taken in accordance with good professional practice;
- Prudential Indicators must be set and monitored in order to demonstrate that these objectives are being met.

129 The Local Government Act 2003 requires the Council to produce prudential indicators to support and record local decisions made under the Prudential Code. Updated indicators reflecting the capital investment proposals in this report are included at Appendix 9 within the Annual Investment and Treasury Strategy. This is for consideration and approval of them, for then recommendation to Council.

130 There is a requirement under the Local Government Act 2003 for local authorities to have regard to the CIPFA Prudential Code when setting and reviewing their Prudential Indicators. It should be noted that CIPFA undertook a review of the Code in early 2008, and issued a revised Code in November 2009.

- 131 In addition to the revised Prudential Code, the Code of Practice for Treasury Management in Public Services (the “CIPFA TM Code”) was also revised in November 2009.
- 132 Included within the Prudential Indicators Code (PI No. 8) is the requirement that the Council adopts the CIPFA Code of Practice for Treasury Management.
- 133 Appendix 10 therefore explains the basis for the recommendation that Council adopt the revised CIPFA Treasury Management code.

## **OVERALL BUDGET FOR COUNCIL TAX SETTING 2010/11**

### **Corporate Director of Finance & Resources Comments Regarding Responsibilities under the Local Government Act 2003**

- 134 Under Section 25 of the Local Government Act 2003 the Corporate Director of Finance and Resources, as the Council’s nominated section 151 officer, has a responsibility to comment on:
- The robustness of the estimates for the coming year
  - The adequacy of the Council’s reserves
- 135 The Corporate Director of Finance and Resources is able to give positive assurances on the robustness of the estimates in general for the coming year. This view is based on:
- The use of an established, rigorous process for developing the budget through the Medium Term Financial Forecast (MTFF) process. This includes close alignment with the service planning process. This has been strengthened through the development of the Business Improvement Delivery programme
  - The inclusion within the base budget of a £10.8 million Development and Risk Contingency to cover known risks and unexpected items within the year
  - Provision for the likely main pay award within the budget
  - Prudent assumptions made about general inflation
  - Additional budgetary provision for areas where prices are expected to rise by more than inflation
  - Service managers having made reasonable assumptions about demand pressures and taken a prudent view of volatile areas
  - Risk based financial monitoring being undertaken during the year and reported to Cabinet on a monthly basis. This includes the agreement of recovery plans to ensure that the budget is delivered in overall terms
  - Procedures in place to capture and monitor procurement and other efficiency savings
  - Prudent assumptions made about interest rates
  - The recommended increases in fees and charges in line with the assumptions in the revenue budget
  - The use of the Council’s project management approach to monitor delivery of the material savings in the revenue budget. This is used where there are management actions in their implementation.

- 136 The Corporate Director of Finance and Resources also has a duty to comment on the adequacy of the Council’s reserves when the budget is being set. At the time of budget setting for 2009/10, the Corporate Director of Finance and Resources set a recommended range of balances. This was between £10 million and £17 million, based on an analysis of

the risks facing the Council. The recommended range has been updated following a review of the risks facing the Council. This is set out in the next section.

## **Statement on Balances and Reserves**

- 137 The Corporate Director of Finance and Resources has undertaken a review of the risks currently facing the Council. This has enabled an update to the recommended range of balances that the Council should hold. This forms the basis of the guidance provided above in relation to his responsibilities under the Local Government Act 2003.
- 138 To assess the adequacy of general reserves, the Corporate Director of Finance and Resources has taken into account the strategic, operational and financial risks facing the Council. The Council should retain adequate reserves to cover unexpected expenditure and avoid costly short-term borrowing. Equally the Council wishes to utilise the maximum resources available to achieve its objectives therefore it plans to maintain reserves at the lowest prudent level.
- 139 To determine the recommended level of reserves the Council has assessed risk against the criteria as specified in Local Authority Accounting Panel (LAAP) Bulletin 77 (November 2008). This assessment includes the following:
- The robustness of the financial planning process (including the treatment of inflation and interest rates and the timing of capital receipts)
  - How the Council manages demand led service pressures
  - The treatment of planned efficiency savings / productivity gains
  - The financial risks inherent in any major capital projects, outsourcing arrangements or significant new funding partnerships
  - The strength of the financial monitoring and reporting arrangements
  - Cashflow management and the need for short term borrowing
  - The availability of reserves, Government grants and other funds to deal with major contingencies and the adequacy of provisions
  - The general financial climate to which the Council is subject and its track record in budget and financial management
- 140 The assessment, although based on the Council's procedures and structures, does have an element of subjectivity and to allow for this the optimum level of reserves incorporates a range. The recommended range for reserves for 2010/11 is £12 million to £23 million. Ideally the Council should avoid having balances below the minimum level of £12 million, or above the maximum level of £23 million. The Council's aim to maintain balances at £12 million is therefore within this range.
- 141 The range of issues that impact on the need to hold balances and reserves has changed since last year's budget setting process, driving up the assessment of the minimum level of balances. The main positive changes include the effect of significantly reduced interest rates being contained in the budget proposals. This has been more than offset by the reliance on capital receipts in funding the capital programme, and the need to hold balances to assist in managing the impact of significantly reduced Government grants settlements after 2010/11 as set out in paragraph 83 above.



142 The projected level and recommended range of balances vary depending on the budget proposals that are put forward by Cabinet, and the current projected position in terms of the year end level of unallocated balances is set out at paragraph 79 above.

### The Council Tax Requirement for 2010/11

143 The budget proposals included in this report represent Cabinet's budget strategy for 2010/11 and beyond. The revenue budget proposals have been developed to deliver a zero increase in Council Tax for the second successive year.

144 The Council Tax level is subject to Members' final choices in the budget setting process, and any capping criteria announced by Government. The Government have not yet announced any capping criteria for 2010/11, although the Minister for Local Government wrote to all Council Leaders on 9 December 2009 stating that "[the Government] expects the average Band D council tax increase in England to achieve a 16 year low in 2010/11, and [we] remain prepared to take capping action against excessive increases by authorities".

145 The zero Council Tax increase for Hillingdon residents proposed by both the Council and the Mayor of London through the Greater London Authority precept (see below) is considered to comply with any reasonably defined capping criteria.

### Greater London Authority Precept

146 The Mayor of London's budget proposals for 2010/11 were approved by the London Assembly on 10 February 2010. The proposals result in a zero increase in the element of Council Tax that relates to the GLA precept. This is analysed across the relevant functional bodies as follows:

Table 16: Increase in Proposed GLA Precept by Functional Body

Functional Body	Band 'D' Council Tax 2009/10 (£)	Band 'D' Council Tax 2010/11 (£)	Percentage Change (%)
Metropolitan Police Authority	223.27	217.09	-2.8%
London Fire and Emergency Planning Authority	53.15	59.65	+12.2%
Greater London Authority	29.36	29.05	-1.1%
Transport for London	4.04	4.03	-0.2%
London Development Agency	0.00	0.00	0.0%
<b>Total</b>	<b>309.82</b>	<b>309.82</b>	<b>0.0%</b>

147 The largest element of the GLA Group's budget relates to the Metropolitan Police Authority. The overall increase in the Metropolitan Police's budget requirement is 1.25%, as compared to increased general Government grant of 2.5%. This thereby allows the reduction in the Police element of the Council Tax. The effect on Council Tax of the increase in the London Fire and Emergency Planning Authority's (LFEPA) draft budget primarily reflects one thing. This is that the LFEPA is on the grant distribution floor for fire authorities in 2010/11. It received just a 0.5% increase in Revenue Support Grant. The actual increase in the LFEPA budget requirement from £416.2 million to £437.3 million is

5.1%. This is as compared to the 12.2% increase in its share of the proposed GLA precept.

148 The GLA budget includes the budget and Council Tax implications of the Olympics Delivery Authority. The contribution from Council Tax payers towards the Olympics remains at £20 per Band 'D' property in 2010/11, unchanged from 2009/10. The GLA budget includes additional funding for the community safety programme. This includes the provision of three new rape crisis centres across London. There is a slight reduction in the Council Tax contribution to Transport for London's budget. The London Development Agency budget has no direct impact on Council Tax levels.

## **Financial Implications**

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

## **EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES**

### **What will be the effect of the recommendation?**

The budget proposals in this report result in no change in the Council Tax for 201/11 as set out in paragraph 143 above. The budget proposals contain the funding strategy for delivering the Council's objectives as set out in the Council Plan. The effects are therefore extremely wide ranging. They will be managed through the performance targets and outcomes that will be delivered through the resources approved in the revenue budgets and capital programme.

The revenue budget and capital programme include growth in some new service areas as set out at paragraphs 37 to 40 and 115 to 122 of the report. These proposals will result in improved outcomes for residents and service users. Overall the package of proposals is designed to secure the most effective combination of service outcomes across the whole of the Council's business. This will be by improving the value for money offered by services and by maximising funding, procurement, efficiency and service effectiveness gains.

### **Impact on Partnerships**

The budget proposals in this report extend and develop key partnerships in delivering outcomes for Hillingdon's residents and diverse communities.

Hillingdon Primary Care Trust (PCT) is the key local agency with which the Council works in partnership across a range of service areas. The General Fund revenue budget includes funding for a jointly appointed Director of Public Health with the PCT. This is in order to drive forward the public health agenda within Hillingdon.

The budget proposals reflect the impact of Reward Grant funding for the 2007 Local Area Agreement (LAA). The budget proposals reflect the shares of LAA Reward Grant agreed with partners at the outset of the agreement. They also reflect a creative re-negotiation by partners of the use of the Reward Grant. This was through the London Fire Brigade (LFB)'s share of reward grant being retained by the Council in return for funding fire prevention work. The phasing of Reward Grant payments to partners has also been considered in line with the timetable for cash receipt of grant by the Council. The Council initially receives the funding as the principal partner for the agreement with the Government Office for London.

The Council has also sought to extend its partnership with the voluntary sector. It has increased the voluntary sector grants budget by £50k in the new financial year.

The Council has consulted with Schools Forum on the allocation of the Dedicated Schools Grant. It will work with all schools to use this resource to drive up educational attainment and opportunities for young people across the borough.

### **Consultation Carried Out or Required**

Each of the Policy Overview Committees have received reports setting out the draft revenue budget and capital programme proposals relevant to their remit. This was approved by Cabinet on 17 December 2009 for consultation at the January 2010 round of meetings.

Each of the service Policy Overview Committees referred their comments on to the Corporate Services and Partnerships Policy Overview Committee. The Corporate Services and Partnerships Policy Overview Committee met on 10 February 2010 to consider the comments received from the three other Policy Overview Committees on the budget proposals relevant to their remit.

The Corporate Services and Partnerships Policy Overview Committee and the Social Services, Health and Housing Policy Overview Committee noted the budget proposals as they related to the service areas within their remits and did not submit any comments to Cabinet.

Residents' and Environmental Services Policy Overview Committee and Education and Children's Services Policy Overview Committee submitted the following comments which were noted by Corporate Services and Partnerships Policy Overview Committee and it was agreed to submit these comments to the Cabinet meeting:

#### Residents' and Environmental Services Policy Overview Committee

- 1 "That Members noted the Budget Proposals Report and asked for their concerns at the part year saving by the reduction of 1 post from the Local Development Framework Team to be noted."

#### Education and Children's Services Policy Overview Committee

1. "The Education and Children's Services Policy Overview Committee would like Cabinet to note that the Committee welcome the 0% increase of specific fees and charges in some schools in the Borough.
2. The Committee would like to highlight their concerns over the significant issue of the availability of additional funding of the Asylum Service through the government's grant regime and hope the Cabinet note the Committee's concerns."

The Council also has a statutory responsibility to consult on its budget proposals with business ratepayers in the borough. Twenty-five of the largest businesses in the borough were provided with Cabinet's draft budget proposals after the meeting on 17 December 2009. They were invited to attend the Policy Overview Committee meetings. No specific responses were received from the business community arising from this consultation. The draft budget reported to December Cabinet has also been available to view on the Council's website and for comments.

Schools Forum has also been consulted on those budget proposals that have a potential impact on schools budgets. The consultation process with Schools Forum that concluded on 18 January 2010 is summarised at paragraphs 89 to 91 above.

## **CORPORATE IMPLICATIONS**

### **Corporate Finance**

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

### **Corporate Procurement**

Not applicable.

### **Legal**

The Budget and Policy Framework Procedure Rules as set out in the Council's Constitution require the Cabinet to make proposals on the Council's budget. This requires them to be in accordance with the timetable which it has published.

The Cabinet is free to amend the proposals in this report as it wishes. However it must have regard to the need for the budget to be soundly based, balanced and adequate to fund the expected level of service provision in the financial year 2010/11. It needs also to provide for unexpected events through the identification of adequate contingences and the creation of sufficient balances.

The Cabinet's proposals will be put to the full Council at its meeting on the 25 February 2010 which is the annual budget-setting meeting.

In respect of income the Council provides a number of services in respect of which it can impose charges and fees to users. In certain instances those fees or charges may be set by Government. In other cases the Council has a discretion as to the level of charges it sets. It should be noted that in respect of certain matters the Council can only impose a fee or charge which reflects the actual cost to the Council of providing such services. This has to be considered when setting the overall budget.

The Corporate Director of Finance and Resources' duties under the Local Government Act 2003, insofar as they relate to budget setting are set out in the body of the report. Of importance to members is the duty for him to comment on the robustness of estimates for the forthcoming year. Members will note that in paragraph 135 of the report, the Corporate Director of Finance and Resources has given a number of positive assurances in relation to this issue.

The second duty for Members to note is the duty imposed on the Corporate Director of Finance and Resources to comment on the adequacy of the Council's reserves. Members will note that a Statement of Reserves and Balances is contained within the body of the report which discharges this duty.

As the Council's Section 151 Officer, it is the Corporate Director of Finance and Resources' professional duty to propose to Members a budget which is soundly based, balanced and adequate to fund the expected level of service provision in the forthcoming financial year. This duty is reinforced in the Council's Constitution. This requires the Corporate Director of Finance and Resources to ensure the lawfulness and financial prudence of decision making.

The 'Wednesbury reasonable' principle also requires a local authority, when making decisions, to take into account all relevant considerations and to disregard all irrelevant considerations. Clearly, in the context of budget-setting, having regard to the Corporate Director of Finance and Resources professional advice is a relevant consideration for Members to take into account. However, Members are not bound to follow his advice. However they should have good reasons for departing from it should they choose to do so. Furthermore, Members must at all times have regard to the overriding principle that they should set a legal budget and one which is as prudent as the circumstances permit.

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

Finally, Members will note from paragraph 61 of the report that the Council is challenging the Government's decision to refuse its application for a Capitalisation Direction. It is instructing Leading Counsel, in conjunction with a consortium of other authorities, to send a 'pre-action protocol letter' to the Government. If the response to it is considered to be unsatisfactory, Leading Counsel will be further instructed to commence Judicial Review proceedings in the High Court.

### **Corporate Property**

The Head of Corporate Property Services advises that there are no decisions with direct property implications for individual properties arising from the recommendations of this report.

### **Relevant Service Groups**

The budget proposals included in this report result from a substantial corporate process involving all service Groups. In particular, individual Corporate Directors and CMT collectively have developed the proposals in this report. The implications for all services of the individual budget proposals are set out in detail in the attached appendices.

### **BACKGROUND PAPERS**

Report to Cabinet 17 December 2009 – Medium Term Financial Forecast 2010/11 – 2013/14

Report to Council 26 February 2009 – General Fund Revenue Budget and Capital Programme 2009/10

Local Government Finance Settlement 2010/11 located at [www.local.communities.gov.uk/finance/1011/grant](http://www.local.communities.gov.uk/finance/1011/grant)

<b>Corporate Summary</b>	2009/10	2010/11	2011/12	2012/13	2013/14
	£(000s)	£(000s)	£(000s)	£(000s)	£(000s)
<b>Resources</b>					
Increase in Council Tax Base (Band D properties)	403	1,417	250	250	250
Increase in Council Tax (%)	0.00%	0.00%	2.50%	2.50%	2.50%
Collection Fund Deficit / (Surplus)	955	-769	100	100	100
Increase in Council Tax Older Persons Discount	0	0	500	1,000	1,600
Council Tax Base (Band D properties)	96,535	97,952	98,202	98,452	98,702
Council Tax Band D (£)	£1,112.93	£1,112.93	£1,140.75	£1,169.27	£1,198.50
Council Tax Revenues	106,482	109,783	111,420	114,020	116,590
Government Formula Grant	82,763	84,411	80,190	76,180	72,370
Area Based Grant	11,478	17,361	17,361	17,361	17,361
<b>Total Resources</b>	<b>200,723</b>	<b>211,555</b>	<b>208,971</b>	<b>207,561</b>	<b>206,321</b>
<b>Budget Requirement</b>					
Roll Forward Budget	187,347	189,245	189,245	189,245	189,245
Add Back: Area Based Grant	11,478	17,499	17,499	17,499	17,499
<b>Net Variation from 2009/10 Budget</b>					
Inflation	3,050	600	4,600	8,400	12,300
Corporate Items (Appendix 2)	84	5,582	18,079	24,749	31,334
Service Pressures (Appendix 3)	3,580	8,197	8,315	8,315	8,315
Priority Growth Items (Appendix 4)	2,634	712	1,843	2,843	3,843
Savings (Appendix 5)	-7,450	-10,280	-30,610	-43,490	-56,215
<b>Budget Requirement - All Resources</b>	<b>200,723</b>	<b>211,555</b>	<b>208,971</b>	<b>207,561</b>	<b>206,321</b>
Add: Increase in Council Tax Older Persons Discount	0	0	500	1,000	1,600
Less: Area Based Grant	-11,478	-17,361	-17,361	-17,361	-17,361
<b>Net Budget Requirement</b>	<b>189,245</b>	<b>194,194</b>	<b>192,110</b>	<b>191,200</b>	<b>190,560</b>
<b>Budget Gap / (Surplus)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Corporate Items

Description	Net Variation from 2009/10 Budget			
	2010/11 £(000s)	2011/12 £(000s)	2012/13 £(000s)	2013/14 £(000s)
<u>Corporate Items</u>				
<u>Increases</u>				
Increase in Contingency	3,440	8,147	11,797	15,547
Concessionary Fares Levy	1,362	1,362	1,362	1,362
Reduced Interest on Investment Income	1,300	900	900	1,500
Contributions from Balances - falling out	1,250	2,650	2,750	2,750
Additional Capital Programme financing from asset income	1,000	2,000	3,000	3,500
Employers' Pension Contributions	625	1,475	2,325	3,200
LAA Reward Grant Share to Primary Care Trust	335	335	0	0
LAA Reward Grant Share to Community Safety Partnership	140	140	140	0
LAA Reward Grant Share to BAA & Uxbridge College	130	130	0	0
Parking Revenue Account Surplus - falling out	100	100	100	100
London Pensions Fund Authority Levy	75	135	135	135
LAA Reward Grant Share to Groundwork Trust	65	65	0	0
National Insurance Contributions Increase	0	840	840	840
LABGI / Housing & Planning Delivery Grant - falling out	0	500	500	500
Capital Programme financing costs	0	100	900	1,900
Sub-total	9,822	18,879	24,749	31,334
<u>Decreases</u>				
LAA Reward Grant	-3,040	-800	0	0
Capital Programme financing costs	-1,200	0	0	0
Sub-total	-4,240	-800	0	0
<b>Net Corporate Items</b>	<b>5,582</b>	<b>18,079</b>	<b>24,749</b>	<b>31,334</b>

Corporate Items

**Service Pressures**

**APPENDIX 3**

Ref. No.	Description (By Classification)	Group	Net Variation from 2009/10 Budget			
			2010/11 £(000s)	2011/12 £(000s)	2012/13 £(000s)	2013/14 £(000s)
<b>A</b>	<b><u>Service Pressures</u></b>					
	<b><u>Demographic and Volume Changes</u></b>					
	<b>Adult Social Care Demographic Pressures</b> The effect of demographic changes due to an ageing population as previously forecast in prior years of the MTFP.	ASCH&H	320	320	320	320
	<b>Trade Waste</b> As part of the Council's strategy to divert waste from landfill, trade waste fees are increased annually. This is to reflect increasing Landfill Tax with the aim of reducing demand, and with a consequent impact on income.	E&CP	150	150	150	150
	Sub-total		470	470	470	470
<b>B</b>	<b><u>Full Year Effects of Items Agreed During 2009/10</u></b>					
	<b>Procurement Savings</b> The corporate procurement savings target previously included in the budget has been removed. It has been replaced by new more specific service procurement proposals included in the savings schedules.	All	1,777	1,777	1,777	1,777
	<b>Low Cost Home Ownership</b> The future years' effects of the First Time Buyer's Initiative launched in 2008.	ASCH&H	150	150	150	150
	<b>Joint Appointment of Director of Public Health</b> Hillingdon Primary Care Trust has confirmed the appointment of Ellis Friedman as the Director of Public Health. The Council's share of the funding of this appointment is therefore transferred from the Development & Risk Contingency to the base budget.	DCE	105	105	105	105
	<b>Finance Support to Education &amp; Children's Services</b> Continuation of the interim support funded in the current year from the HIP Initiatives Budget.	F&R	65	65	65	65

Service Pressures



**Service Pressures**

**APPENDIX 3**

Ref. No.	Description (By Classification)	Group	Net Variation from 2009/10 Budget			
			2010/11 £(000s)	2011/12 £(000s)	2012/13 £(000s)	2013/14 £(000s)
	<p><b>LSC real terms reduction in Adult Education funding</b> This funding reflects the Cabinet decision in May 2008 to continue with the policy agreed in 2006. This decision was not to pass on the increase in learner contributions from course fees as expected by the Learning and Skills Council (LSC), to learners. This has continued in the 2009/10 academic year.</p> <p><b>Police Tasking</b> Full year effect of creating an enlarged Police Tasking Team (7FTE growth) to support Council Plan and LAA priorities.</p>	P&CS	30	30	30	30
		P&CS	6	6	6	6
	Sub-total		2,133	2,133	2,133	2,133
<b>C</b>	<b><u>Identified Price Increases</u></b>					
	<p><b>Electricity Price Increases</b> The effect of increases reflecting the ongoing general upward pressure on prices in the energy market.</p> <p><b>Impact of Business Rates Revaluation on Council Premises</b> The five yearly revaluation of business rates as at April 2008 takes effect from April 2010, leading to increases on Council premises. This reflects the impact of local economic growth between 2003 and 2008.</p> <p><b>Impact of Supplementary Business Rate on Council Premises</b> The impact of a 2p in the pound Supplementary Business Rate on the rates bills of Council premises effective from April 2010.</p>	All	185	185	185	185
		All	125	125	125	125
		All	74	74	74	74
	Sub-total		384	384	384	384
<b>D</b>	<b><u>Budget Pressures Identified in 2009/10 Monitoring</u></b>					
	There are no items included under this heading.					
	Sub-total		0	0	0	0

Service Pressures

Ref. No.	Description (By Classification)	Group	Net Variation from 2009/10 Budget			
			2010/11 £(000s)	2011/12 £(000s)	2012/13 £(000s)	2013/14 £(000s)
<b>E</b>	<b><u>Reductions in Specific Grants and Contributions</u></b>					
	<b>Homelessness Budget - Reduction in DWP Funding</b> The MTFF has previously recognised pressures from the reduction in DWP funding that will occur from April 2010. However, in July 2009 the DWP confirmed new rules based on the Local Housing Allowance. This reduces temporary accommodation rents by Hillingdon Council by on average 22% across different property sizes.	ASCH&H	5,150	5,150	5,150	5,150
PPR 11	<b>Barnhill PFI Costs</b> This relates to the capital financing element that is not supported by PFI grant. None of this may be charged to the DSG. Different funding arrangements have been put in place by the DCSF for BSF and more recent PFI schemes which result in costs being met by the DSG and PFI credits.	E&CS	0	118	118	118
	Sub-total		5,150	5,268	5,268	5,268
<b>F</b>	<b><u>Legislative Changes (Including Transfer of Responsibilities)</u></b>					
1C-01	<b>Implementation of a Clinical Waste Service</b> Undertaking a Clinical Waste service as required by the EPA 1990 (previously carried out by the PCT).	E&CP	60	60	60	60
	Sub-total		60	60	60	60
<b>H</b>	<b><u>Revenue Consequences of Capital Programme (not included elsewhere)</u></b>					
	There are no items included under this heading.		0	0	0	0
	Sub-total		0	0	0	0
	<b>Total Service Pressures</b>		<b>8,197</b>	<b>8,315</b>	<b>8,315</b>	<b>8,315</b>

Ref. No.	Description (By Classification)	Group	Net Variation from 2009/10 Budget			
			2010/11 £(000s)	2011/12 £(000s)	2012/13 £(000s)	2013/14 £(000s)
<b>G</b>	<u>Priority Growth Proposals</u>					
	<u>Future Service Developments Arising From Current Policies</u>					
	<b>Hillingdon Improvement Programme Officer</b> New post to deliver HIP initiatives created during the current year.	P&CS	53	53	53	53
	<b>Voluntary Sector Grants Programme</b> Increase in voluntary sector grants programme as contained in the separate report elsewhere on this Cabinet agenda.	DCE	50	50	50	50
	Sub-total		103	103	103	103
<b>H</b>	<u>Revenue Consequences of Capital Programme</u>					
	<b>Creation of Additional Young People's Centres</b> The revenue consequences in terms of staffing and other costs of establishing three new youth centres across the borough.	E&CS	239	370	370	370
	Sub-total		239	370	370	370
<b>I</b>	<u>Risk Management Issues</u>					
	Sub-total		0	0	0	0
<b>J</b>	<u>Service Growth / Enhancement</u>					

**Priority Growth Proposals**

**APPENDIX 4**

Ref. No.	Description (By Classification)	Group	Net Variation from 2009/10 Budget			
			2010/11 £(000s)	2011/12 £(000s)	2012/13 £(000s)	2013/14 £(000s)
PF14	<b>Investment in Support for Carers</b> This bid for growth funding relates to the development of carer support services. This is within the context of self-directed support, the 'universal offer' and the need for individualised, flexible and responsive services to an increased number of carers. The objective is to provide appropriate, timely support for carers, allowing greater choice and control. This will thereby enable vulnerable people to live at home for longer and delay the need for residential placement or high cost community care packages.	ASCH&H	70	70	70	70
	Sub-total		70	70	70	70
	<b>Other Priority Initiatives</b>					
	Unallocated funding for further priority initiatives during the year and for future years		1,000	2,000	3,000	4,000
	Sub-total		1,000	2,000	3,000	4,000
	<b>Total Priority Growth Proposals</b>		<b>1,412</b>	<b>2,543</b>	<b>3,543</b>	<b>4,543</b>

**Savings**

**APPENDIX 5**

Ref. No.	Description	Group	Net Variation from 2009/10 Budget			
			2010/11 £(000s)	2011/12 £(000s)	2012/13 £(000s)	2013/14 £(000s)
	<b><u>Savings</u></b>					
	<b><u>Procurement</u></b>					
BD8	<b>ASC WLA JPU Agenda</b> Adult Social Care procurement efficiencies flowing from West London Alliance (WLA) Joint Procurement initiative.	ASCH&H	-364	-364	-364	-364
BC11	<b>Review Operation of PSL Management Arrangements</b> Review operation of Private Sector Leasing (PSL) management arrangements with the objective of bringing 'in-house'. This option is now available for appraisal due to the 3 existing PSL management contracts coming to an end over the next 2 financial years. Coupled with the potential return of Hillingdon Homes this offers a potentially more cost effective solution.	ASCH&H	-250	-750	-750	-750
	<b>Re-procurement of Existing Education &amp; Children's Services</b> Contract reviews to be undertaken. Suitable contracts to be re-negotiated / terminated. Joint commissioning opportunities via Hillingdon Children & Families Trust to be exploited.	E&CS	-250	-250	-250	-250
	<b>NNDR / Council Tax Recovery Outsourcing</b> Review currently being undertaken as to the most efficient provision of NNDR / Council Tax Recovery services.	F&R	-185	-185	-185	-185
	<b>BID Workstream 2 - Fleet Management</b> To holistically review the provision of fleet, passenger services and transport provision that the Council needs to deliver a range of services eg. SEN, elderly social care, pool vehicles, refuse and waste, highways maintenance and other services that require the provision of transport.	E&CP	-163	-163	-163	-163
	<b>Microsoft Licences Payment Holiday</b> Reduced software licence payments under contract terms.	F&R	-130	0	0	0
ECS9	<b>Connexions Contract</b> Savings realised from re-tendering of connexions contract.	E&CS	-101	-101	-101	-101
BC3, BC4	<b>Housing Procurement</b> Efficiencies achieved from improved housing procurement practices.	ASCH&H	-74	-74	-74	-74

Savings

Ref. No.	Description	Group	Net Variation from 2009/10 Budget			
			2010/11 £(000s)	2011/12 £(000s)	2012/13 £(000s)	2013/14 £(000s)
PF11	<p><b>Review of Learning &amp; Development</b> Review of Learning &amp; Development commissioning arrangements and the structure and processes within the service.</p> <p><b>Result of West London Alliance Community Equipment Tender</b> The Council's share of savings with the PCT on equipment from the West London procurement exercise.</p> <p><b>Review of Delivery of Specialist Internal Audit Services</b> Savings achieved through reduction of consultancy days in schools contract and replacement with cheaper internal expertise redeployed.</p>	DCE	-50	-50	-50	-50
ZBB-FL02	<p><b>Review &amp; Tender of Vehicle Hire Arrangements</b> Savings identified through the initial zero based budgeting exercise on fleet management.</p>	ASCH&H	-49	-49	-49	-49
G040 /	<p><b>Minor Procurement Savings</b> The sum of other procurement savings in the E&amp;CP Group.</p>	F&R	-38	-38	-38	-38
PCS 1080	<p><b>Libraries Materials Fund</b> Reference and information provision is being rationalised and negotiations continue with suppliers to extract optimum discounts. This means that expenditure could be reduced by approx £20k without detriment to the quality of service provided.</p>	E&CP	-25	-25	-25	-25
		E&CP	-23	-33	-33	-33
		P&CS	-20	-20	-20	-20
	Sub-total		-1,722	-2,102	-2,102	-2,102
	<b><u>Process Efficiency</u></b>					
	<p><b>Business Improvement Delivery - Cross Cutting Projects</b> The anticipated wider impact of the BID programme not yet identified through individual projects.</p>	All	-2,564	-2,564	-2,564	-2,564
	<p><b>Review of DCE Group Structures &amp; Services</b> As part of the wider Business Improvement Delivery programme, it is anticipated that several services and functions will be realigned, generating salary savings.</p>	DCE	-245	-245	-245	-245

**Savings**

**APPENDIX 5**

Ref. No.	Description	Group	Net Variation from 2009/10 Budget			
			2010/11 £(000s)	2011/12 £(000s)	2012/13 £(000s)	2013/14 £(000s)
BD10 / BD12	<b>Post Service Review Implementation Review</b> The outcomes of the service review (2007/08) were implemented during 2008/09 and will now be subject to a post implementation review. It is expected that this will result in the savings indicated.	ASCH&H	-180	-180	-180	-180
ZBB-HW02	<b>Review of Highways Maintenance</b> Efficiencies and service prioritisation within the Highways Maintenance service following a ZBB review.	E&CP	-161	-161	-161	-161
PF3, PF4	<b>Housing Supply Team</b> Efficiencies following a review of responsibilities and processes.	ASCH&H	-96	-96	-96	-96
PCS 1200, P	<b>Building Control Post Reductions</b> Building Control are to stop offering non-fee earning professional advice or start applying charges internally and externally. Receipt of Demolitions Notices and site visits, statutory notifications and serving of counter Notices are to be undertaken by another P&CS service. Street Naming & Numbering Service & BC Business Support (Statutory Service) are to be amalgamated into another P&CS support service. Statutory Building Control Registers are to be processed and administered by another P&CS support service.	P&CS	-84	-84	-84	-84
DK5	<b>ASC System Support</b> A number of maintenance contracts relating to CareFirst come to an end. This follows the implementation of Liquid Logic Protocol and OCC CONTROCC systems to replace CareFirst .	F&R	-78	-78	-78	-78
ZBB-P02	<b>Restructure of Abandoned Vehicle / Parking Support Section</b> Staff restructure arising from the zero based budgeting exercise for this service.	E&CP	-61	-66	-66	-66
2G-CP01, ZB	<b>Local Efficiencies in Environment &amp; Consumer Protection</b> Impact of several smaller proposals in this service area.	E&CP	-50	-52	-52	-52
	<b>Review of Legal Structure</b> The service review has been implemented and will now be subject to a post implementation review that will deliver the savings indicated.	DCE	-50	-50	-50	-50

Savings

## Savings

## APPENDIX 5

Ref. No.	Description	Group	Net Variation from 2009/10 Budget			
			2010/11 £(000s)	2011/12 £(000s)	2012/13 £(000s)	2013/14 £(000s)
PCS 1160,	<b>Restructuring in Planning Teams</b> Minor restructurings across various teams in the planning service.	P&CS	-49	-49	-49	-49
	<b>BID Workstream 3 - Back Office in E&amp;CP</b> The probable impact on back office functions of the development of a common operating model for the Council.	E&CP	-49	-49	-49	-49
	<b>BID Workstream 1 - Contact Centre Migration for E&amp;CP Services</b> Anticipated savings from services planned for migration to the contact centre.	E&CP	-47	-47	-47	-47
	<b>BID Workstream 2 Projects</b> BID workstream 2 contains various projects that will focus on reviewing activities across several service areas.	E&CP	-43	-43	-43	-43
BC6b	<b>Housing Reception Areas</b> Efficiencies from the completion of a relocation of Housing reception areas.	ASCH&H	-40	-40	-40	-40
PCS 1070	<b>Libraries Efficiencies</b> Efficiencies arising from a review of the current support structure.	P&CS	-36	-36	-36	-36
BC7	<b>Homelessness Team Reduce Level of Support to 'ILR' Clients</b> Delete post and ancillary expenditure relating to support currently given to clients who have 'Indefinite Leave to Remain' in the UK.	ASCH&H	-35	-35	-35	-35
PCS 1260	<b>Restructuring of Sports &amp; Leisure Team</b> Savings already achieved following the externalisation of management of leisure facilities.	P&CS	-34	-34	-34	-34
2G-BS01	<b>Local Efficiencies in Business Services</b> Impact of several smaller proposals in this service area.	E&CP	-33	-33	-33	-33
2G-HWG01	<b>Local Efficiencies in Highways &amp; Green Spaces</b> Impact of several smaller proposals in this service area.	E&CP	-33	-33	-33	-33
DK1	<b>Realignment of Support Services</b> Realignment of Directorate Support Services.	ASCH&H	-30	-50	-50	-50
PCS 1310	<b>Reduce LDF Team by 1 post</b> Reduce LDF Team by one post, through the mechanism of a team review of roles and responsibilities to ensure best fit for the requirements of delivering strategic planning.	P&CS	-22	-40	-40	-40

Savings



Ref. No.	Description	Group	Net Variation from 2009/10 Budget			
			2010/11 £(000s)	2011/12 £(000s)	2012/13 £(000s)	2013/14 £(000s)
PCS 1010 /	<b>Efficiency Savings in the Arts Service</b> Reduction of Arts Business Manager Post to be phased in 2010. PCS business support is to absorb some of the administrative functions of the role. There are no redundancy implication as current post holder is on a 1 year contract. There are also some savings on grounds maintenance and catering costs.	P&CS	-22	-22	-22	-22
DK3	<b>Reduce ASC Non-Pay Budget</b> Reduce stationery (£4k) and maintenance (£15k) budget.	ASCH&H	-19	-19	-19	-19
ZBB-FL03	<b>Review of Transport / Fleet Management Staffing Structures</b> Rationalisation of current staffing arrangements.	E&CP	-18	-18	-18	-18
DK4	<b>Delete Support Post</b> Delete Support post in Quality Assurance & Improvement ASCH&H team.	ASCH&H	-15	-15	-15	-15
PCS 1060	<b>Streamlining Library Stock Services Team</b> Stream-lining of stock services team. As automated supply of materials is progressed further there will be a reduced demand for processing duties. Cataloguing skills will need to be bought in for non mainstream items but scope exists for a net saving in staff costs for the team.	P&CS	-15	-15	-15	-15
	Sub-total		-4,109	-4,154	-4,154	-4,154
	<b><u>Effectiveness / Preventative Services</u></b>					
	<b>Business Improvement Delivery Project for E&amp;CS</b> Tier 3 & 4 efficiencies, review of business processes, and local area working. BID process is underway to re-align resources with Corporate Priorities and front line services.	E&CS	-750	-750	-750	-750
	<b>Family Support Model</b> Development of the family support model with a view to reducing numbers of children taken into care.	E&CS	-500	-500	-500	-500

Savings

APPENDIX 5

Ref. No.	Description	Group	Net Variation from 2009/10 Budget			
			2010/11 £(000s)	2011/12 £(000s)	2012/13 £(000s)	2013/14 £(000s)
BC1, BC9, B	<b>Homelessness Prevention Services Review</b> This proposal is to undertake a full review of the Homelessness prevention service. This is to achieve significant savings by re-modelling the service by maximising the use of technology. This will involve a transfer of responsibilities to the contact centre to achieve economies of scale. This will also involve a reduction to some parts of the existing service.	ASCH&H	-503	-633	-633	-633
BD5	<b>Review of Residential Disability Placements</b> Review of long term residential disability placements and move to supported accommodation where appropriate.	ASCH&H	-250	-500	-500	-500
	<b>Individualised Budgets and Direct Payments</b> Saving to be achieved with implementation of the personalisation agenda.	E&CS	-250	-250	-250	-250
	<b>Disabled Children Strategy</b> Detailed plans to be developed for delivering savings from out of borough placements for disabled children.	E&CS	-250	-250	-250	-250
PF2	<b>Finders Fee Scheme</b> Review of Finders Fee scheme with objective of replacing this with a Bond scheme which will achieve the same objectives but at a lower cost.	ASCH&H	-100	-100	-100	-100
BC2	<b>Review of 'Find Your Own' Homelessness Scheme</b> Review of 'Find Your Own' Homelessness scheme with objective of achieving the same objectives but at a lower cost.	ASCH&H	-92	-92	-92	-92
ZBB-W03	<b>Graffiti Removal</b> As a result of the effectiveness of the service in reducing graffiti across the borough it is possible to revise down of costs of the externalised contract.	E&CP	-80	-80	-80	-80
BC6a	<b>Reduction in Housing IT Maintenance Costs</b> Reduction in IT software maintenance costs relating to Housing TAMS system due to system improvements completed in 2009/10.	ASCH&H	-50	-50	-50	-50
	Sub-total		-2,825	-3,205	-3,205	-3,205

Savings

Ref. No.	Description	Group	Net Variation from 2009/10 Budget			
			2010/11 £(000s)	2011/12 £(000s)	2012/13 £(000s)	2013/14 £(000s)
	<b>Maximising Funding Opportunities</b>					
	<b>Building Schools for the 21st Century - development stage</b> Capitalisation of further development costs in the new financial year.	E&CS	-500	0	0	0
	<b>Grant Income Maximisation</b> Phase out payment to schools by the Council of extended schools start up grant over 2 years in line with central government's reduction in ABG as follows: £468k in 2010/11 and £327k in 2011/12. For 2010/11 the reduction will be offset by the increase of £279k in ring fenced standards' fund sustainability grant making the net loss to schools £182k in 2010/11.	E&CS	-468	-468	-468	-468
2C-1F01	<b>Imported Food Surplus</b> Release of accrued Imported Food surplus additional to the existing creditor released in the current year.	E&CP	-100	-100	-100	-100
PF1	<b>Supporting People</b> Service Review of supporting people procured services, with one-off saving in year 1 and possible on-going savings thereafter although this is subject to verification with partner organisations.	ASCH&H	-100	0	0	0
PCS 1100	<b>Recharge From Reward Grant for Common Assault and Fire Targets</b> Saving from review of funding of Safer Hillingdon Partnership.	P&CS	-60	-60	0	0
	<b>NNDR Credit Balances Write-on</b> Write on of credit balances on NNDR accounts that are 6 years old.	F&R	-50	-50	-50	-50
2C-C01	<b>Crematorium - Revised Provision for Prudential Borrowing</b> Revised prudential borrowing provision to recognise annuity based capital charges.	E&CP	-30	-30	-30	-30
	Sub-total		-1,308	-708	-648	-648
	<b>Income Generation</b>					
2C-P01	<b>Release Season Ticket Income Ringfenced for Car Park Improvements</b> Maximising the use of past increases in season ticket prices.	E&CP	-80	0	0	0

**Savings**

**APPENDIX 5**

Ref. No.	Description	Group	Net Variation from 2009/10 Budget			
			2010/11 £(000s)	2011/12 £(000s)	2012/13 £(000s)	2013/14 £(000s)
PCS 1300	<b>Income Targets for Minet Site</b> To set an income target for usage of cycle track by Slipstreamers £8k, pitch hire Yeading FC £9k, and increase in Goals income £20k.	P&CS	-37	-37	-37	-37
PCS 1100	<b>Charging Non-Residents an Additional Fee for Adult Education Courses</b> Increasing Income - currently the Adult Education service has approx 1,200 enrolments from learners who live outside Hillingdon. Applying a flat out of borough fee across all provision to create an additional income for the Council.	P&CS	-12	-12	-12	-12
PCS 1230	<b>New Planning Fees</b> Introduce admin fee for invalid planning applications where fees have had to be returned. Introduce copy charge fee for planning applications papers. Introduce an information service subscription fee for provision of in public domain officer planning reports.	P&CS	-9	-9	-9	-9
	Sub-total		-138	-58	-58	-58
	<b><u>Service Prioritisation</u></b>					
BD M4	<b>Day Services (BIG)</b> Re-provision of the Barnhill Independence Group (BIG) day centre service due to reduced demand arising from the Government's SDS reforms.	ASCH&H	-75	-107	-107	-107
	<b>Partnerships Business &amp; Community Engagement</b> To undertake a general review of the Partnership service to the wider business community.	DCE	-40	-40	-40	-40
	<b>ICT Potential Service Changes</b> Minor changes identified as part of a review of the provision of the ICT service will result in savings.	F&R	-28	-28	-28	-28
ZBB-FL01	<b>Vehicle Maintenance &amp; Replacement</b> Review of vehicle maintenance arrangements and replacement programme.	E&CP	-20	-20	-20	-20

Savings

Ref. No.	Description	Group	Net Variation from 2009/10 Budget			
			2010/11 £(000s)	2011/12 £(000s)	2012/13 £(000s)	2013/14 £(000s)
	<b>Member Development</b> Review of the Member Development budget created in 2007/08.	DCE	-15	-15	-15	-15
	Sub-total		-178	-210	-210	-210
	<b><u>Future Savings Targets</u></b>					
	Business Improvement Delivery - Year 2 to 4 Savings	All	0	-10,500	-18,000	-25,500
	Maximising Future Funding Opportunities	All	0	-5,000	-5,000	-5,000
	Future Service Prioritisation	All	0	-4,673	-10,113	-15,338
	Sub-total		0	-20,173	-33,113	-45,838
	<b>Total Savings</b>		<b>-10,280</b>	<b>-30,610</b>	<b>-43,490</b>	<b>-56,215</b>

**Development and Risk Contingency**

**APPENDIX 6**

<b>Development &amp; Risk Contingency</b>	<b>Gross Risk 2010/11</b>	<b>Probability</b>	<b>Provision 2010/11</b>	<b>Provision 2011/12</b>	<b>Provision 2012/13</b>	<b>Provision 2013/14</b>
	£(000s)	(%)	£(000s)	£(000s)	£(000s)	£(000s)
<b><u>Potential Calls</u></b>						
Asylum non-EAA monitoring pressure	2,500	50%	1,250	1,200	1,000	800
Asylum Exhausted All Appeals	550	65%	360	300	250	200
Increase in Transitional Children due to Demographic Changes	2,700	85%	2,300	3,800	5,300	6,800
General Contingency	2,000	50%	1,000	1,000	1,000	1,000
Social Care Pressures (Adults & Childrens)	2,000	40%	800	800	800	800
Homelessness Budget - Reduction in DWP Funding	2,000	40%	800	800	800	800
Waste Disposal Levy	1,528	100%	1,528	3,750	4,750	5,750
Increase in Mental Health Packages due to Demographic Changes	900	50%	450	450	450	450
Local Land Charges Income	715	100%	715	715	715	715
Uninsured claims	600	70%	420	420	420	420
Highways Maintenance (Recovery from Snow and Ice)	500	100%	500	0	0	0
Cost Pressures on Recycling Service	500	30%	150	150	150	150
Development Control Income	475	65%	310	0	0	0
Golf Courses Income	262	100%	262	262	262	262
Local Development Framework (LDF) legal & consultancy fees	200	50%	100	100	0	0
Vehicle Fuel Monitoring Pressure	200	40%	80	100	100	100
Building Control Income	180	75%	135	120	120	120
Future Social Care Demographic Pressures	0	0%	0	1,500	3,000	4,500
<b>Total Potential Calls</b>	<b>17,810</b>		<b>11,160</b>	<b>15,467</b>	<b>19,117</b>	<b>22,867</b>
<b><u>Financing</u></b>						
Base Budget			7,320	7,320	7,320	7,320
Potential Retrospective Asylum Funding Increase / (Decrease) in Contingency	1,000	40%	400	0	0	0
			3,440	8,147	11,797	15,547
<b>Total Financing</b>			<b>11,160</b>	<b>15,467</b>	<b>19,117</b>	<b>22,867</b>
<b>Managed Risk Gap in Contingency</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Development and Risk Contingency

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# **Fees & Charges 2010/11**

# **Appendix 7**

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**Environment and Consumer Protection**

**Commercial Premises Licence Fees**

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Animal Boarding Establishments</u>					
	No of animals 1 to 9	Business	119.00	119.00	0%
	No of animals 10 to 24	Business	169.00	169.00	0%
	No of animals 25 to 49	Business	248.00	248.00	0%
	No of animals 50 to 74 (Category restructu	Business	338.00	338.00	0%
	No of animals 75+ (New category)	Business	400.00	400.00	0%
<u>Dangerous Wild Animals</u>					
	Including vets fees	Business	214.00	214.00	0%
	Game dealers licences	Business	0.00	0.00	0%
<u>Performing Animals</u>					
	Registration	Business	377.00	377.00	0%
	Certificate	Business	98.00	98.00	0%
<u>Pet Shops</u>					
	Including vets fees	Business	183.00	183.00	0%
<u>Riding Establishments</u>					
	No of animals 1 to 5	Business	518.00	518.00	0%
	No of animals 6 to 20	Business	574.00	574.00	0%
	No of animals 21 to 35 (Category restructu	Business	649.00	649.00	0%
	No of animals 36 to 50 (Category restructu	Business	739.00	739.00	0%
	No of animals 51+ (New category)	Business	802.00	802.00	0%
<u>Breeding of Dogs</u>		Business	153.00	153.00	0%

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Export Licences</u>	Visit not required	Business	52.00	52.00	0%
	Visit required	Business	90.00	90.00	0%
<u>Pharmacy and Poiso</u>	Applications	Business	41.00	41.00	0%
	Change of Name	Business	23.00	23.00	0%
	Renewal	Business	39.00	39.00	0%
<b>*All of these items have been discontinued and replaced with a new pricing structure</b>					
<u>i) Body Piercing*</u>	Renewal	Business	417.00	0.00	0%
	New	Business	449.00	0.00	0%
<u>ii) Massage*</u>	Renewal	Business	361.00	0.00	0%
	New	Business	374.00	0.00	0%
<u>iii) Electrolysis*</u>	Renewal	Business	361.00	0.00	0%
	New	Business	374.00	0.00	0%
<u>iv) Sauna*</u>	Renewal	Business	361.00	0.00	0%
	New	Business	374.00	0.00	0%
<u>v) Sunbeds etc*</u>	Renewal	Business	361.00	0.00	0%
	New	Business	374.00	0.00	0%
<u>vi) Acupuncture*</u>	Renewal	Business	361.00	0.00	0%
	New	Business	374.00	0.00	0%
<u>vii) Tattoing*</u>	Renewal	Business	361.00	0.00	0%
	New	Business	374.00	0.00	0%
<u>viii) Reflexology*</u>	Renewal	Business	89.00	0.00	0%
	New	Business	93.00	0.00	0%
<u>ix) Manicure*</u>	Renewal	Business	89.00	0.00	0%
	New	Business	93.00	0.00	0%
<u>x) Ear Piercing*</u>	Renewal	Business	89.00	0.00	0%
	New	Business	93.00	0.00	0%

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Multiple Treatments - Premises (i - vii) are subject to a maximum fee of*</u>					
	Renewal	Business	539.00	0.00	0%
	New	Business	561.00	0.00	0%
<u>Multiple Treatments - Premises (viii - xi) are subject to a maximum fee of*</u>					
	Renewal	Business	178.00	0.00	0%
	New	Business	187.00	0.00	0%
<u>Special Premises 10/11 New Categories and charges</u>					
	Category A Body piercing, tattooing, micro-pigmentation	Business	0.00	351.00	new
	Category B Electrolysis, Sun Beds, Spa Pools, Steam/Sauna Room, acupuncture.	Business	0.00	304.00	new
	Category C Artificial nails, ear cartilage piercing, nose piercing, massage, aromatherapy, reflexology, electrical treatments	Business	0.00	75.00	new
	Category D Manicure/pedicure, ear lobe piercing, facials (including one or more of the following aspects: steam, massage, electrical stimuli)	Business	0.00	43.50	new
	2 - 3 Therapists	Business	0.00	51.00	new
	4-6 Therapists	Business	0.00	76.00	new
	More than 6 Therapists	Business	0.00	102.00	new
	Max Fee Payable will be ceiling fee £491 + max therapist f	Business	0.00	593.00	new
	New Pamper Sessions	Business	0.00	29.00	new
<u>Refund or change of details</u>					
	Admin Fee	Business	29.00	29.00	0%
<u>Sex establishments - under new regulations can only charge recovery of cost.</u>					
	Sex shops & sex cinemas - Renewal	Business	3,851.00	0.00	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Unfit food</u>					
	Examination and Condemnation certificate (1st Hour)	Business	128.00	128.00	0%
	Examination and Condemnation certificate (Subsequent hours or part of)	Business	92.00	92.00	0%
<u>Food Premises Register</u>					
	Whole register	Business	2,450.00	2,450.00	0%
	One entry (Currently 1 sheet, ie 5-7 registrations)	Business	20.00	20.00	0%
<u>Microwave Testing</u>					
	Commercial per microwave	Business	81.00 + VAT	0.00	0%
	Per visit	Business	50.00 VAT Exempt	80.00	new
	Audit Monitoring	Business	0.00	435.00	new
	Check Monitoring	Business	0.00	75.00	new
	Other Sampling and Risk Assessment Combined	Business	0.00	125.00	new
	Risk Assessment	Business	0.00	100.00	new
	Other investigations	Business	0.00	100.00	new
	Granting an Authority	Business	0.00	50.00	new
<u>Swimming Pool Water - per visit</u>					
		Business	109.00	109.00	0%
<u>Legal enquires</u>					
		Business	65.00	65.00	0%
<u>Response to enquiries - Per Letter</u>					
		Business	16.00	16.00	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Imported food clearances (normal working hours). □</u>					
Charges are for Gross weight in Kg. Payment by credit card will incur a 2.5% processing fee.					
	Verification of organic certificates	Business	45.00	45.00	0%
<u>Disposal of non product of animal origin</u>					
	1 to 1,000kg	Business	48.00	48.00	0%
	1,001 to 2,000kg	Business	95.00	95.00	0%
	2,001 to 3,000kg	Business	140.00	140.00	0%
<u>Products of animal origin</u>					
	0 to 100kg per AWB	Business	50.00	50.00	0%
	101 to 1,000kg per CVED	Business	80.00	80.00	0%
	1,001 to 5,000kg per CVED	Business	130.00	130.00	0%
	5001kg to 15,000kg per CVED	Business	140.00	140.00	0%
	Above 15,001Kg per CVED	Business	340.00	340.00	0%
	Semen/Embryos per CVED	Business	50.00	50.00	0%
	Other investigations	Business	0.00	100.00	new
	Granting an Authority	Business	0.00	50.00	new
<u>Out of hours additional charges</u>					
	Up to midnight	Business	150.00	150.00	0%
	After midnight	Business	300.00	300.00	0%
<u>Products of animal origin</u>					
	From New Zealand	Business	23.00	23.00	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	% Increase
<u>THE MARRIAGE ACT 1994</u>					
	Application for Approval	Business	433.00	433.00	0%
	Application for Approval or renewal a premises which currently holds a Premises Licence under the Licensing Act 2003	Business	216.00	216.00	0%
	Application for renewal	Business	325.00	325.00	0%
	Application for a review	Business	325.00	325.00	0%

**Trading Standards**

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Weights and Measures</u>					
	Examining, adjusting, certifying, stamping, authorising or reporting of special weighing or measuring equipment per hour	Business	66.00	66.00	0%
	Fees for purpose of S74 Weights & Measures Act 1985	Business	66.00	66.00	0%
<u>Measures</u>					
	Linear measures not exceeding 3m for each scale	Business	9.70	9.70	0%
	Capacity measures without division not exceeding 1 litre or 1 quart	Business	7.60	7.60	0%
	Cubic ballast measures (other than brim measures)	Business	143.50	143.50	0%
	Liquid capacity measures for making up and checking average quantity purchases	Business	23.00	23.00	0%
	Template per scale - First item	Business	39.80	39.80	0%
	Template per scale - Second item	Business	15.90	15.90	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Weighing Instruments</u>					
	Not exceeding 250Kg	Business	n/a	n/a	0%
	Exceeding 250kg to 1 tonne	Business	52.00	52.00	0%
	Exceeding 1 tonne to 10 tonnes	Business	123.50	123.50	0%
	Exceeding 10 tonnes to 30 tonnes	Business	340.50	340.50	0%
	Exceeding 10 tonnes to 30 tonnes (weights and labour provided)	Business	170.00	170.00	0%
	Exceeding 30 tonnes to 60 tonnes	Business	560.00	560.00	0%
	Exceeding 30 tonnes to 60 tonnes (weights and labour provided)	Business	280.00	280.00	0%
<u>Measuring Instruments for Liquid Fuel and Lubricants</u>					
	Container Type (un-subdivided)	Business	57.80	57.80	0%
	Single / multi-outlets (nozzles) - Each additional nozzle tested	Business	95.40	95.40	0%
	Single / multi-outlets (nozzles) - First nozzle tested per site	Business	58.60	58.60	0%
	A charge to cover any additional costs involved in testing ancillary equipment which requires additional testing on site, such as credit card acceptors, could be based upon the basic fee given above plus additional costs at a rate per extra officer/hour of	Business	66.00	66.00	0%



Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
Road Tanker	Liquid Fuel Measuring Equipment (Above 100 litres)				
	Meter measuring system - Dry hose type with two testing liquids	Business	190.00	190.00	0%
	Meter measuring system - Wet hose type with two testing liquids	Business	235.00	235.00	0%
	Dipstick measuring systems - Up to 7,600 litres (for calibration of each compartment and production of chart)	Business	141.00	141.00	0%
	Dipstick measuring systems - Over 7,600 litres basic fees + costs per hour at a rate of:	Business	66.00	66.00	0%
	Initial dipstick	Business	17.40	17.40	0%
	Spare dipstick	Business	17.40	17.40	0%
	Replacement dipstick (for calibration of each compartment and production of chart)	Business	36.60	36.60	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Explosives</u>					
	Registered premises (Statutory Fee) New	Business	100.00	100.00	0%
	Registered premises (Statutory Fee) Renewal	Business	50.00	50.00	0%
	Licensed store (Statutory Fee) New	Business	170.00	170.00	0%
	Licensed store (Statutory Fee) Renewal	Business	80.00	80.00	0%
	Licence to sell all year (statutory Fee)	Business	500.00	500.00	0%
<u>Sale of goods</u>	By competitive bidding	Business	360.00	170.00	-53%
	<u>Motor Salvage Operations Registration</u>				
	New applications and renewals	Business	98.40	98.40	0%
	Access to public register	Business	no charge	no charge	0%
	Certified copy of single entry (per copy)	Business	11.30	11.30	0%
	Non-certified copy of one or more entries	Business	3.50	3.50	0%

## Trade Refuse

Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
Normal domestic sized dustbin, plastic sack or agreed equivalent. Approx 90 litres capacity (each)	Business	2.50	2.50	0%
960 litre capacity bulk bin. (Hire & empty)	Business	12.80	12.80	0%
1100 litre capacity bulk bin (1-3 bins). Hire & empty	Business	14.50	14.50	0%
1100 litre capacity bulk bin (4 bins and over). Hire & empty	Business	11.50	11.50	0%
1280 litre capacity bulk bin. Hire & empty	Business	16.45	16.45	0%
1100 litre capacity bulk bin for recycling (mixed paper, cards, cans and plastic bottles) hire & empty (fortnightly collection)	Business	5.00	5.00	0%
Container reinstatement fee following removal due to late payment (per site)	Business	61.00	61.00	0%
Hire charge for supply of 960 litre bulk bin for domestic / charity collection purposes (per 6 months)	Business	50.00	50.00	0%
Hire charge for supply of 1100 litre bulk bin for domestic / charity collection purposes (per 6 months)	Business	58.00	58.00	0%
Hire charge for supply of 1280 litre bulk bin for domestic / charity collection purposes (per 6 months)	Business	67.00	67.00	0%
Hire charge for supply of 1100 litre recycling bin for domestic / charity collection purposes (per 6 months)	Business	28.00	28.00	0%
Special one-off collections (by arrangement)	Business	from £55.00	from £55.00	0%
Entry Charge (Non-Residents)	Non-Residents	10.00	10.00	0%
Trade waste at CA sites	Business	170.00	170.00	0%

## Breakspears Crematorium

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<b>Cremation Fees</b>					
	Stillborn. inc Organist	Residents	40.00	40.00	0%
	Children 6 years and under. inc Organist	Residents	65.00	65.00	0%
	Children 7 - 11 years. inc Organist	Residents	102.00	102.00	0%
	Children 12 - 17 years. inc Organist	Residents	195.00	195.00	0%
	Over 17 years. inc Organist	Residents	495.00	495.00	0%
<b>Cremation of retained organs</b>					
	If body cremated at Breakspears Crematorium (no service)	Residents	-	-	0%
	If body cremated at Breakspears Crematorium (with service)	Residents	-	-	0%
	If body cremated elsewhere (no service)	Residents	-	-	0%
	If body cremated elsewhere (with service)	Residents	-	-	0%
	Additional Service Time	Residents	160.00	160.00	0%
	Additional Time - Organist	Residents	-	-	0%
	Cancellations	Residents	110.00	110.00	0%
	Additional Charges - Short Notice	Residents	-	-	0%
	Certificates of Cremation - overseas	Residents	18.00	18.00	0%
	Scattering of Ashes	Residents	44.00	44.00	0%
	Forwarding Ashes	Residents	-	-	0%
	Retaining cremated remains(per month)	Residents	10.00	10.00	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	% Increase
<u>Cremation of retained organs</u>					
	Postage & Packing in Polytainer UK only	Residents	50.00	50.00	0%
	Polytainer (Wealdon) Urn	Residents	-	-	0%
	Baby Urn- metal	Residents	-	-	0%
	Baby Urn - poly	Residents	8.00	8.00	0%
	Supply New Garden Seat inc 10 years lease	Residents	1,168.00	1,168.00	0%
	Reconditioned Garden Seat inc 10 years lease	Residents	0.00	0.00	0%
	Trees & Shrubs - rose bushes inc 5 years lease	Residents	175.00	175.00	0%
	Trees & Shrubs - rose trees inc 5 years lease	Residents	220.00	220.00	0%
	Trees & Shrubs - ornamental shrubs inc 5 years lease	Residents	220.00	220.00	0%
	Trees & Shrubs - ornamental trees (10 years)	Residents	296.00	296.00	0%
	Plaque for trees, shrubs, roses or seats	Residents	68.00	68.00	0%
	Book of Remembrance - 2 line entry	Residents	46.00	46.00	0%
	Book of Remembrance - 5 line entry	Residents	80.00	80.00	0%
	Book of Remembrance - 8 line entry	Residents	118.00	118.00	0%
	Book of Remembrance - 10 line entry	Residents	145.00	145.00	0%
	Extra - Floral Emblem	Residents	60.00	60.00	0%
	Extra - Full Heraldic Device	Residents	90.00	90.00	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	% Increase
	<u>Cremation of retained organs</u>				
	Memorial Cards - 2 line entry	Residents	30.00	30.00	0%
	Memorial Cards - 5 line entry	Residents	46.00	46.00	0%
	Memorial Cards - 8 line entry	Residents	75.00	75.00	0%
	Memorial Cards - 10 line entry	Residents	96.00	96.00	0%
	Memorial Booklets - 2 line entry	Residents	46.00	46.00	0%
	Memorial Booklets - 5 line entry	Residents	62.00	62.00	0%
	Memorial Booklets - 8 line entry	Residents	95.00	95.00	0%
	Memorial Booklets - 10 line entry	Residents	120.00	120.00	0%
	Additional lines in Booklets - 2 line entry	Residents	26.00	26.00	0%
	Additional lines in Booklets - 5 line entry	Residents	40.00	40.00	0%
	Additional lines in Booklets - 8 line entry	Residents	68.00	68.00	0%
	Additional lines in Booklets - 10 line entry	Residents	88.00	88.00	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Garden Niches</u>					
	10 years incl Urn & Inspection (new facility)	Residents	1,265.00	1,265.00	0%
	Columbarium Niches - single-inc 10 years lease	Residents	330.00	330.00	0%
	Columbarium Niches - double-inc 10 years lease	Residents	550.00	550.00	0%
	Inscription up to 50 characters	Residents	0.00	0.00	0%
	Langley casket up to 50 characters	Residents	195.00	195.00	0%
	Metal Urn	Residents	30.00	30.00	0%
	Cloister Spaces - single-inc 10 years lease	Residents	142.00	142.00	0%
	Inscription	Residents	78.00	78.00	0%
	Cloister Spaces - double-inc 10 years lease	Residents	325.00	325.00	0%
	Inscription	Residents	120.00	120.00	0%
<u>Classic - inc 5 years lease</u>					
	Single	Residents	-	-	0%
	Single Plaque	Residents	-	-	0%
	Single Motif	Residents	-	-	0%
	Double	Residents	-	-	0%
	Double Plaque	Residents	-	-	0%
	Double Motif	Residents	-	-	0%
	Window Spaces	Residents	230.00	230.00	0%
	Inscription	Residents	86.00	86.00	0%
	New Flower Vases	Residents	345.00	345.00	0%
	Additional letters each	Residents	4.00	4.00	0%
	Additional Guided Motif	Residents	98.00	98.00	0%
	Additional Hand Painted Motif	Residents	144.00	144.00	0%
	Photoplaque	Residents	144.00	144.00	0%
	New Windows -- Large Rear -- 10 years	Residents	-	-	0%
	New Windows -- Small -- 10 years -l colour	Residents	430.00	430.00	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<b>Adult Interments ( persons exceeding 16 years of age at death ) - In New Private Graves</b>					
	Depth for 1 interment	Residents	429.00	429.00	0%
	Depth for 2 interment	Residents	470.00	470.00	0%
	Depth for 3 interment	Residents	627.00	627.00	0%
	Depth for 4 interment	Residents	719.00	719.00	0%
<b>In Re-Opened Private Graves</b>					
	Depth for 1 interment	Residents	459.00	459.00	0%
	Depth for 2 interment	Residents	581.00	581.00	0%
	Depth for 3 interment	Residents	764.00	764.00	0%
	Depth for 4 interment	Residents	951.00	951.00	0%
<b>Interment of Infants ( a stillborn child or child whose age at death did not exceed 3 years "Infants" )</b>					
	In Child's grave	Residents	34.00	34.00	0%
	In private grave ( single depth )	Residents	80.00	80.00	0%
	In private grave for the child's interment plus 2 adults	Residents	158.00	158.00	0%
	In private grave for the child's interment plus 3 adults	Residents	198.00	198.00	0%
<b>Interment of Children ( persons aged between 3 and 16 at death "Children" )</b>					
	In Child's grave ( where applicable )	Residents	68.00	68.00	0%
	In private grave ( single depth )	Residents	99.00	99.00	0%
	In private grave for the child's interment plus 2 adults	Residents	237.00	237.00	0%
	In private grave for the child's interment plus 3 adults	Residents	302.00	302.00	0%



Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Interment of Cremated Remains ( within full private graves )</u>					
	When the grave is closed to full interments	Residents	139.00	139.00	0%
	To a depth to permit 1 further full interment	Residents	302.00	302.00	0%
	To a depth to permit 2 further full interment	Residents	440.00	440.00	0%
	To a depth to permit 3 further full interment	Residents	575.00	575.00	0%
	To scatter cremated remains ( within Cremation Section and Columbaria )	Residents	68.00	68.00	0%
	New and re-open cremation graves	Residents	154.00	154.00	0%
	Re-opening of Columbaria units	Residents	117.00	117.00	0%
<u>Interment of Cremated Remains ( within full private graves )</u>					
	New and re-open cremation graves	Residents	154.00	154.00	0%
	Re-opening of Columbaria units	Residents	117.00	117.00	0%
<u>Interments in Heritage Graves</u>					
	Adults interment	Residents	418.00	418.00	0%
	Childs interment	Residents	156.00	156.00	0%
	Infants interment	Residents	99.00	99.00	0%
<u>Grave Digging Surcharges</u>					
	For a variation in size within 2"	Residents	108.00	108.00	0%
	For a variation in size between 2" and 4"	Residents	207.00	207.00	0%
	For a variation in size between 4" and 6"	Residents	312.00	312.00	0%
	For a variation in size in excess of 6"	Residents	412.00	412.00	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	% Increase
<u>Exclusive rights of burial (Conventional Graves)</u>					
	Grave space measuring 9 feet by 4 feet	Residents	1,193.00	1,193.00	0%
	Grave space measuring 9 feet by 8 feet	Residents	2,348.00	2,348.00	0%
<u>Exclusive rights of burial (Lawn Section Graves)</u>					
	Grave space measuring 9 feet by 4 feet	Residents	736	736	0%
	Grave space measuring 9 feet by 8 feet	Residents	1,450	1,450	0%
<u>Exclusive rights of burial (Bricked Grave or Vault)</u>					
	Grave space measuring 9 feet by 4 feet	Residents	POA	POA	0%
	Grave space measuring 9 feet by 8 feet	Residents	POA	POA	0%
<u>Lined Muslim Graves</u>					
	For traditional uncoffined burial	Residents	1,551	1,551	0%
<u>Children's Section Graves</u>					
	Gravespace measuring 4 feet by 2 feet	Residents	226.00	226.00	0%
<u>Woodland Graves ( West Drayton Cemetery ) Special Regulations Apply</u>					
	Gravespace measuring 9 feet by 4 feet	Residents	536.00	536.00	0%

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>LBH1</u>	White Marble	Residents	732	732	0%
	Grey Marble	Residents	795	795	0%
	Nebrasina	Residents	834	834	0%
<u>LBH2</u>	White Marble	Residents	978	978	0%
	Grey Marble	Residents	1,012	1,012	0%
	Nebrasina	Residents	1,047	1,047	0%
<u>LBH3</u>	White Marble	Residents	893	893	0%
	Grey Marble	Residents	927	927	0%
	Nebrasina	Residents	960	960	0%
<u>LBH4</u>	White Marble	Residents	1,012	1,012	0%
	Grey Marble	Residents	1,045	1,045	0%
	Nebrasina	Residents	1,082	1,082	0%
<u>LBH5</u>	White Marble	Residents	1,174	1,174	0%
	Grey Marble	Residents	1,206	1,206	0%
	Nebrasina	Residents	1,274	1,274	0%
<u>LBH6</u>	White Marble	Residents	1,121	1,121	0%
	Grey Marble	Residents	1,157	1,157	0%
	Nebrasina	Residents	1,292	1,292	0%
<u>LBH7</u>	White Marble	Residents	1,190	1,190	0%
	Grey Marble	Residents	1,223	1,223	0%
	Nebrasina	Residents	1,254	1,254	0%
<u>Capping Design</u>	White Marble	Residents	1,146	1,146	0%
	Grey Marble	Residents	1,183	1,183	0%
	Nebrasina	Residents	1,214	1,214	0%

## Minor Highways Fees

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Minor Highways Fees</u>					
	Building Materials (charge per application)	Business	140.00	140.00	0%
	Scaffold / Hoarding (charge per application)	Business	150.00	150.00	0%
	Plant & Maintain Licences	Business	140.00	140.00	0%
	Mobile Construction Equipment (e.g. cranes on the highway)	Business	150.00	150.00	0%
	Oversail Licences (e.g. cranes and canopies)	Business	150.00	150.00	0%
	Entrance to Cellars and Pavement Lights	Business	Recharged at cost	Recharged at cost	0%
	Vehicle Crossings (Average crossing)	Business	793.00	793.00	0%
<u>Skip Licencing</u>					
	(charge per application. (for 1-49)	Business	16.00	16.00	0%
	(charge per application. (for 50+) Registerd skip companies purchase blocks of applications)	Business	-	-	0%
	Rechargeable costs for unauthorised skips - removal fees	Business	-	-	0%
<u>Street Trading Licences</u>					
	Mobile	Business	820.00	820.00	0%
	Shops (per metre depth)	Business	133.00	133.00	0%
	Initial application for Tables & Chairs to cover costs for consultation]	Business	133.00	133.00	0%
<u>Cars for Sale on the Highway</u>					
	Removals - not a licencable fee and charge hardly ever occurs, we would pass on full cost and storage removed vehicle upon collection by owner.	Business	0.00	0.00	0%

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	% Increase
<u>"A"Board fees &amp; charges - very rarely have to removed these and if we did we would pass removal costs on to relevant party.</u>					
	Initial application fee	Business	0.00	0.00	0%
	Once approved by Planning a further:	Business	0.00	0.00	0%
	Thereafter annual fee	Business	0.00	0.00	0%
<u>Public Rights of Way</u>					
	Application to change definitive map & statement	Business	130.00	130.00	0%
<u>Highways Enquires</u>					
	For legal purposes requiring a written response	Business	50.00	50.00	0%
<u>Streetworks Inspection/Licensing</u>					
	Sample Inspection	Business	50.00	50.00	0%
	Defected Works	Business	47.50	47.50	0%
	License new plant	Business	375.00	375.00	0%
	license old plant	Business	375.00	375.00	0%
	Streetworks Overruns (min/day)	Business	100.00	100.00	0%
	Streetworks Overruns (max/day)	Business	2,500.00	2,500.00	0%
	Bar marks in front of vehicle crossings	Business	125.00	125.00	0%

# Fees & Charges 2010/11

# Appendix 7

## Green Spaces Fees

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<b>Meeting Hall Hire - Scale 1 (Haydon Hall)</b>					
	Rooms 1, 3 + 5 Mon - Fri	Business	38.00	38.00	0%
	Whole Hall Sat / Sun & Bank Holidays	Business	55.00	55.00	0%
	Rooms 2 or 4 or 6 Mon - Fri	Business	32.00	32.00	0%
<b>Meeting Hall Hire - Scale 2</b>					
	Rooms 1, 3 + 5 Mon - Fri	Business	20.00	20.00	0%
	Whole Hall Sat / Sun & Bank Holidays	Business	29.00	29.00	0%
	Rooms 2 or 4 or 6 Mon - Fri	Business	16.00	16.00	0%
<b>Cavendish Hall ( Leased to Richtone Ltd - prices shown are the maximum that can be charged ) - Scale 2</b>					
	Ground floor hall Mon - Thurs	Business	19.00	19.00	0%
	First floor hall Mon - Thurs	Business	19.00	19.00	0%
	Upstairs small room Mon - Thurs	Business	15.00	15.00	0%
	Ground floor hall Fri / Sat / Sun	Business	27.00	27.00	0%
	First floor hall Fri / Sat / Sun	Business	27.00	27.00	0%
	Upstairs small room Fri / Sat / Sun	Business	16.00	16.00	0%
<b>The Grange ( Leased to Lido Catering Co Ltd - prices shown are the maximum that can be charged )</b>					
	Large Room Mon - Thurs	Business	16.00	16.00	0%
	Medium room Mon - Thurs	Business	16.00	16.00	0%
	Small room Mon - Thurs	Business	15.00	15.00	0%
	Large Room Fri / Sat / Sun	Business	20.00	20.00	0%
	Medium Room Fri / Sat / Sun	Business	20.00	20.00	0%
	Small Room Fri / Sat / Sun	Business	16.00	16.00	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<b>Kings College Pavilion - (Prices shown are the maximum that can be charged)</b>					
	Small Room Mon - Thurs inc Friday until 4.40pm	Business	11.00	11.00	0%
	Medium Room Mon - Thurs inc Friday until 4.40pm	Business	11.00	11.00	0%
	Large Room Mon - Thurs inc Friday until 4.40pm	Business	16.00	16.00	0%
	Small Room Fri after 4.30 / Sat / Sun	Business	21.00	21.00	0%
	Medium Room Fri after 4.30 / Sat / Sun	Business	21.00	21.00	0%
	Large Room Fri after 4.30 / Sat / Sun	Business	31.00	31.00	0%
<b>Commercial Events - These are guide prices and will be negotiated on an individual basis.</b>					
	Commercial events / Operating Days	Business	2,198.00	2,198.00	0%
	Commercial events / set up strip down days	Business	366.00	366.00	0%
	Fairs & Circuses - Monday to Thursday	Business	808.00	808.00	0%
	Fairs & Circuses - Friday, Saturday, Sunday & Bank Holidays	Business	1,077.00	1,077.00	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Football, Rugby, Hockey, Lacrosse &amp; Gaelic Football (pro rata per match)</u>					
	Junior Without changing facilities	Residents	17.00	17.00	0%
	Pitch hire	Residents	23.00	23.00	0%
	changing facilities	Residents	25.00	25.00	0%
<u>Football, Rugby, Hockey, Lacrosse &amp; Gaelic Football (casual per match)</u>					
	Class 1A Modern dressing accommodation with hot & cold showers	Residents	56.00	56.00	0%
	Class 111 Dressing accommodation	Residents	26.00	26.00	0%
	Class 1V Other grounds	Residents	32.00	32.00	0%
	Junior Without changing facilities	Residents	18.00	18.00	0%
<u>Bowls ( May to September )</u>					
	Green Fees (per hour) Adult	Residents	5.00	5.00	0%
	Green Fees (per hour) Senior Citizens and Children	Residents	4.00	4.00	0%
	Season Tickets Adult	Residents	112.00	112.00	0%
	Season Tickets Senior Citizens and Children	Residents	57.00	57.00	0%
<u>Cricket (pro-rata per match)</u>					
	Class 1A Modern dressing accommodation with hot & cold showers	Residents	100.00	100.00	0%
	Class 111 Dressing accommodation	Residents	65.00	65.00	0%
	Class 1V Other grounds	Residents	51.00	51.00	0%
<u>Cricket (casual per match)</u>					
	Class 1A Modern dressing accommodation with hot & cold showers	Residents	119.00	119.00	0%
	Class 1B Older dressing accommodation with hot & cold showers	Residents	110.00	110.00	0%
	Class 11 Dressing accommodation with washing facilities	Residents	86.00	86.00	0%
	All day match ( commencing at 10.30 or 11.00am )	Residents	0.00	0.00	0%
	Additional charge per match for seasonal or single lettings	Residents	16.00	16.00	0%



# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Letting of Open Space</u>					
	Fund-raising events	Business	-	-	0%
	Charity events	Business	-	-	0%
	Events - profit making or commercial - min. hourly charge	Business	98.00	98.00	0%
	Events - local community or non-profit making - min. hourly charge	Business	16.00	16.00	0%
	Sports days	Business	22.00	22.00	0%
	Other events/minimum charge	Business	51.00	51.00	0%
	Film rights per day (negotiable)	Business	0.00	0.00	0%
	Stalls (carnival) - charity	Business	N/A	N/A	0%
	Stalls (carnival) - commercial	Business	N/A	N/A	0%
	Wedding photographs etc (New Charge 2007/08)	Residents	51.00	51.00	0%
<u>Use of Camp Site - Mad Bess Wood ( Scout Groups etc)</u>					
	0-29 persons per night	Residents	43.00	43.00	0%
	30-59 persons per night	Residents	64.00	64.00	0%
	60+ persons per night	Residents	119.00	119.00	0%
<u>Bayhurst Wood Barbecue Sites</u>					
	10am to 3pm	Residents	0.00	0.00	0%
	3pm to 10pm	Residents	0.00	0.00	0%
	10am to 10pm	Residents	0.00	0.00	0%
<u>Fishing Permits - Little Britain Lake ( maximum prices )</u>					
	Per annum - Adult	Residents	63.00	0.00	-100%
	Child / Senior Citizens	Residents	32.00	0.00	-100%
	Day Tickets - Adult	Residents	9.00	0.00	-100%
	Child / Senior Citizens	Residents	6.00	0.00	-100%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<b>Football, Rugby, Hockey, Lacrosse &amp; Gaelic Football (pro rata per match)</b>					
	Junior Without changing facilities	Residents	17.00	17.00	0%
	Pitch hire	Residents	23.00	23.00	0%
	changing facilities	Residents	25.00	25.00	0%
<b>Football, Rugby, Hockey, Lacrosse &amp; Gaelic Football (casual per match)</b>					
	Class 1A Modern dressing accommodation with hot & cold showers	Residents	56.00	56.00	0%
	Class 111 Dressing accommodation	Residents	26.00	26.00	0%
	Class 1V Other grounds	Residents	32.00	32.00	0%
	Junior Without changing facilities	Residents	18.00	18.00	0%
<b>Bowls ( May to September )</b>					
	Green Fees (per hour) Adult	Residents	5.00	5.00	0%
	Green Fees (per hour) Senior Citizens and Children	Residents	4.00	4.00	0%
	Season Tickets Adult	Residents	112.00	112.00	0%
	Season Tickets Senior Citizens and Children	Residents	57.00	57.00	0%
<b>Cricket (pro-rata per match)</b>					
	Class 1A Modern dressing accommodation with hot & cold showers	Residents	100.00	100.00	0%
	Class 111 Dressing accommodation	Residents	65.00	65.00	0%
	Class 1V Other grounds	Residents	51.00	51.00	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase - Non Residents
<u>Cricket (casual per match)</u>					
	Class 1A Modern dressing accommodation with hot & cold showers	Residents	119.00	119.00	0%
	Class 1B Older dressing accommodation with hot & cold showers	Residents	110.00	110.00	0%
	Class 11 Dressing accommodation with washing facilities	Residents	86.00	86.00	0%
	All day match ( commencing at 10.30 or 11.00am )	Residents	0.00	0.00	0%
	Additional charge per match for seasonal or single lettings	Residents	16.00	16.00	0%
<u>Tennis (charges per hour)</u>					
	Juniors - Weekdays up to 6pm	Residents	3.00	3.00	0%
	Weekends & Public Holidays	Residents	6.00	6.00	0%
	Adults - Weekdays up to 4pm	Residents	5.00	5.00	0%
	after 4pm, weekends & Public Holidays	Residents	6.00	6.00	0%
<u>Parks Patrol</u>					
	Seizure of motorcycle release fee	Residents	108.00	108.00	0%
	Storage of seized vehicles	Residents	12.00	12.00	0%

# Fees & Charges 2010/11

# Appendix 7

## Off Street Parking

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges Residents (incl of VAT) £	Current Charges Non Residents (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	Proposed New Charges Non Residents £	% Increase Residents	% Increase Non Residents	% Discount for Residents
<u>Kingsend South - Limited Stay</u>									
	up to 1 hour	Residents	0.60	0.70	0.60	0.70	0%	0%	14%
	up to 2 hours	Residents	1.00	1.00	1.00	1.10	0%	0%	9%
	up to 1 hour	Residents	0.60	0.70	0.60	0.70	0%	0%	14%
	up to 2 hours	Residents	1.00	1.20	1.00	1.20	0%	0%	17%
	up to 3 hours	Residents	1.20	2.40	1.20	2.40	0%	0%	50%
	up to 4 hours	Residents	2.00	4.00	2.00	4.00	0%	0%	50%
	up to 15 hours	Residents	2.20	4.40	2.20	4.40	0%	0%	50%
	up to 30 mins	Residents	Free	Free	Free	Free	0%	0%	0%
	up to 1 hour	Residents	0.20	0.60	0.20	0.60	0%	0%	67%
	up to 90 mins	Residents	0.40	0.80	0.40	0.80	0%	0%	50%
	up to 2 hours	Residents	0.60	1.20	0.60	1.20	0%	0%	50%
<u>Falling Lane - Limited Stay</u>									
	up to 30 mins	Residents	Free	Free	Free	Free	0%	0%	0%
	up to 1 hour	Residents	0.20	0.60	0.20	0.60	0%	0%	67%
	up to 90 mins	Residents	0.40	0.80	0.40	0.80	0%	0%	50%
	(up to 30 mins)	Residents	Free	Free	Free	Free	0%	0%	0%
	(up to 1 hour)	Residents	0.20	0.60	0.20	0.60	0%	0%	67%
	(up to 90 mins)	Residents	0.40	0.80	0.40	0.80	0%	0%	50%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges Residents (incl of VAT) £	Current Charges Non Residents (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	Proposed New Charges Non Residents £	% Increase Residents	% Increase Non Residents	% Discounts
<u>Oaklands Gate - Limited Stay</u>									
	(up to 2 hours)	Residents	0.60	1.20	0.60	1.20	0%	0%	50%
	(up to 3 hours)	Residents	1.00	2.00	1.00	2.00	0%	0%	50%
	(up to 4 hours)	Residents	1.80	3.60	1.80	3.60	0%	0%	50%
<u>Other Borough Car Parks</u>									
	(Up to 30 mins)	Residents	Free	Free	Free	Free	0%	0%	0%
	(Up to 1 hour)	Residents	0.20	0.40	0.20	0.40	0%	0%	50%
	(Up to 90 mins)	Residents	0.40	0.80	0.40	0.80	0%	0%	50%
	(Up to 2 hours)	Residents	0.60	1.20	0.60	1.20	0%	0%	50%
	(Up to 3 hours)	Residents	1.00	2.00	1.00	2.00	0%	0%	50%
	(Up to 4 hours)	Residents	2.00	4.00	2.00	4.00	0%	0%	50%
	(Up to 9 hours)	Residents	3.70	7.40	3.70	7.40	0%	0%	50%
	(Up to 15 hours)	Residents	6.20	10.00	6.20	10.00	0%	0%	38%
<u>Long Stay Reduced Charge</u>									
	(Up to 30 mins)	Residents	Free	Free	Free	Free	0%	0%	0%
	(Up to 1 hour)	Residents	0.20	0.40	0.20	0.40	0%	0%	50%
	(Up to 90 mins)	Residents	0.40	0.80	0.40	0.80	0%	0%	50%
	(Up to 2 hours)	Residents	0.60	1.20	0.60	1.20	0%	0%	50%
	(Up to 3 hours)	Residents	1.00	2.00	1.00	2.00	0%	0%	50%
	(Up to 4 hours)	Residents	1.80	3.60	1.80	3.60	0%	0%	50%
	(Up to 15 hours)	Residents	2.00	4.00	2.00	4.00	0%	0%	50%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges Residents (incl of VAT) £	Current Charges Non Residents (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	Proposed New Charges Non Residents £	% Increase Residents	% Increase Non Residents	% Discounts
<b>Cedars and Grainges</b>									
	(Up to 1 hour)	Residents	-	-	-	-			
	(Up to 2 hours)	Residents	1.00	1.10	1.00	1.10	0%	0%	10%
	(Up to 3 hours)	Residents	2.00	2.20	2.00	2.20	0%	0%	10%
	(Up to 4 hours)	Residents	2.50	2.70	2.50	2.70	0%	0%	8%
	(Up to 5 hours)	Residents	3.20	3.50	3.20	3.50	0%	0%	9%
	(Up to 6 hours)	Residents	4.50	5.50	4.50	5.50	0%	0%	22%
	(Up to 8 hours)	Residents	6.50	10.00	6.50	10.00	0%	0%	54%
	(over 8 hours)	Residents	8.50	14.00	8.50	14.00	0%	0%	65%
	All Day Sunday	Residents	2.00	2.00	2.00	2.00	0%	0%	0%
	Season ticket per quarter	Residents	300.00	375.00	300.00	375.00	0%	0%	25%
<b>Civic Centre Car Park (Saturdays only)</b>									
	Up to 2 hours	Residents	0.90	1.10	0.90	1.10	0%	0%	22%
	Up to 4 hours	Residents	1.80	2.30	1.80	2.30	0%	0%	28%
	Over 4 hours	Residents	3.50	4.50	3.50	4.50	0%	0%	29%
<b>All car parks that close overnight</b>									
	Hillingdon First Card Holder	Residents	75.00	75.00	75.00	75.00	0%	0%	0%

## On Street Parking

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges Residents (incl of VAT) £	Current Charges Non Residents (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	Proposed New Charges Non Residents (incl of VAT) £	% Increase Residents	% Increase Non-Residents	% Discounts
<u>Pay &amp; Display Meters</u>									
	Town Centres -Upto 30 minutes	Residents	free	free	free	free	0%	0%	0%
	Then per 20 minutes upto Maximum stay	Residents	0.20	0.40	0.20	0.40	0%	0%	50%
	Uxbridge Town Centre - Per 15 minutes	Residents	0.30	0.50	0.30	0.50	0%	0%	40%
	Local Centres and Parades - upto 30 minutes	Residents	free	free	free	free	0%	0%	0%
	Then per 30 minutes upto 2 hours	Residents	0.20	0.40	0.20	0.40	0%	0%	50%
	Then per 20 minutes upto Maximum stay	Residents	0.20	0.40	0.20	0.40	0%	0%	50%
<u>Parking Mangement schemes</u>									
	Outside shops - first 30 minutes	Residents	free	free	free	free	0%	0%	0%
	Outside shops - after 30 minutes- to maximum stay - per 30 minutes	Residents	0.20	0.40	0.20	0.40	0%	0%	50%
	Other places - per 20 minutes to maximum stay	Residents	0.20	0.40	0.20	0.40	0%	0%	50%





**Education & Children Services**

**Day Care and Music service**

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<b><u>Nestles Avenue Children’s Centre</u></b>					
	Full day care provision	Residents	205.00	205.00	0%
<b><u>South Ruislip Early Years Centre</u></b>					
	Full day care provision	Residents	205.00	205.00	0%
<b><u>Music Service (Termly charge)</u></b>					
	Group tuition	Residents	48.75	48.75	0%
	Individual tuition	Residents	91.50	91.50	0%
	Saturday Music Centre	Residents	48.75	48.75	0%
	Evening Activity or Saturday Choir Only	Residents	27.75	27.75	0%
	Use of Instrument	Residents	9.75	9.75	0%
<b><u>Music Service (Reduced rate for families in receipt of benefit - termly charge)</u></b>					
	Group tuition	Residents	12.75	12.75	0%
	Individual tuition	Residents	21.25	21.25	0%
	Saturday Music Centre	Residents	12.75	12.75	0%
	Evening Activity or Saturday Choir Only	Residents	9.25	9.25	0%
	Use of Instrument	Residents	4.10	4.10	0%

## Hillingdon Grid for Learning - Hillingdon Schools

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (excluding VAT) £	Proposed New Charges (excluding VAT) £	% Increase
<u>Core</u>					
Fixed Element (including SIMS licenses)	Primary	Schools	11,639.00	11,639.00	0%
	Secondary	Schools	10,639.00	10,639.00	0%
Fixed Element (excluding SIMS licenses)		Schools	9,432.00	9,432.00	0%
Fixed Element (including SIMS support and		Schools	7,139.00	7,139.00	0%
Per pupil (FTE) cost	Primary	Schools	8.00	8.00	0%
	Secondary	Schools	13.00	13.00	0%
Per pupil (FTE) cost (excluding SIMS support)		Schools	3.00	3.00	0%
<u>On-site</u>					
Regular term-time support (39 half day sessions)	Primary & Secondary	Schools	4,680.00	4,680.00	0%
Regular Term-Time Support (additional 39 half day sessions)	Primary & Secondary	Schools	3,510.00	3,510.00	0%
Pre-purchased Support - 10 half day sessions	Primary & Secondary	Schools	1,600.00	1,600.00	0%
Pre-purchased Support - 20 half day sessions	Primary & Secondary	Schools	3,000.00	3,000.00	0%
Pre-purchased Support - 30 half day sessions	Primary & Secondary	Schools	4,200.00	4,200.00	0%



# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (excluding VAT) £	Proposed New Charges (excluding VAT) £	% Increase
<u>IP Telephony Support</u>					
IP Telephony Support (per handset)	Primary & Secondary	Schools	28.00	28.00	0%
Voicemail	Primary & Secondary	Schools	24.00	24.00	0%
Channel (£ per calender month)	Primary & Secondary	Schools	250.00	250.00	0%
<u>Additional Services</u>					
Level 1 - Ad-hoc services	per hour	Schools	65.00	65.00	0%
Level 1 - Ad-hoc services	per day	Schools	390.00	390.00	0%
Level 2 - Ad-hoc services	per hour	Schools	80	80.00	0%
Level 2 - Ad-hoc services	per day	Schools	480	480.00	0%
Level 3 - Ad-hoc services	per hour	Schools	95.00	95.00	0%
Level 3 - Ad-hoc services	per day	Schools	570.00	570.00	0%
Training Room Hire (available from 8.30am to 5.30pm)	per hour	Schools	25.00	25.00	0%
Training Room Hire (available from 8.30am to 5.30pm)	per day	Schools	200.00	200.00	0%
Remote Backup Solution (RBS) - 3 year contract (£1,000 Initial Cost)	per annum	Schools	500.00	500.00	0%
Deskspace (per desk)	per annum	Schools	300	300.00	0%
Rack Space - 24U including power	per month	Schools	300	300.00	0%
Microsoft Exchange Account (per person - 2 year contract)	per annum	Schools	50	50.00	0%
Virtual Private Network (per person)	per annum	Schools	50	50.00	0%

## Hillingdon Grid for Learning - Non-Hillingdon Schools

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (excluding VAT) (£)	Proposed New Charges (excluding VAT) (£)	% Increase
<u>Non-Hillingdon School Package/Service Level Agreement</u>					
Broadband	Non-Schools	Schools	4,000.00	4,000.00	0%
Fibre	Non-Schools	Schools	5,000.00	5,000.00	0%
Per Pupil (FTE) Cost	Primary	Schools	8.00	8.00	0%
Per Pupil (FTE) Cost	Secondary	Schools	13.00	13.00	0%
Per Pupil (FTE) Cost (Excluding SIMS support)		Schools	3.00	3.00	0%
<u>On-site</u>					
Regular Term-Time Support (39 half day sessions)	Primary & Secondary	Schools	5,265.00	5,265.00	0%
Regular Term-Time Support (additional 39 half day sessions)	Primary & Secondary	Schools	3,949.00	3,949.00	0%
Pre-purchased Support - 10 half day sessions	Primary & Secondary	Schools	1,750.00	1,750.00	0%
Pre-purchased Support - 20 half day sessions	Primary & Secondary	Schools	3,300.00	3,300.00	0%
Pre-purchased Support - 30 half day sessions	Primary & Secondary	Schools	4,650.00	4,650.00	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (excluding VAT) (£)	Proposed New Charges (excluding VAT) (£)	% Increase
<u>IP-Telephony Support</u>					
IP Telephony Support (per handset)		Schools	28.00	28.00	0%
Voicemail		Schools	24.00	24.00	0%
Channel (£ per calender month)		Schools	250.00	250.00	0%
<u>Additional Services</u>					
Level 1 - Ad-hoc services	per hour	Schools	65.00	65.00	0%
Level 1 - Ad-hoc services	per day	Schools	390.00	390.00	0%
Level 2 - Ad-hoc services	per hour	Schools	80.00	80.00	0%
Level 2 - Ad-hoc services	per day	Schools	480.00	480.00	0%
Level 3 - Ad-hoc services	per hour	Schools	95.00	95.00	0%
Level 3 - Ad-hoc services	per day	Schools	570.00	570.00	0%
Training Room Hire (available from 8.30am to 5.30pm)	per hour	Schools	25.00	25.00	0%
Training Room Hire (available from 8.30am to 5.30pm)	per day	Schools	200.00	200.00	0%
Remote Backup Solution (RBS) - 3 year contract (£1,000 Initial Cost)	per annum	Schools	500.00	500.00	0%
Deskspace (per desk)	per annum	Schools	300.00	300.00	0%
Rack Space - 24U including power	per month	Schools	300.00	300.00	0%
Microsoft Exchange Account (per person - 2 year contract)	per annum	Schools	50.00	50.00	0%
Virtual Private Network (per person)	per annum	Schools	50.00	50.00	0%

## **Adult Social Care Health & Housing General Principles**

### **ADULT SOCIAL CARE SERVICES**

#### **Introduction**

1. The regulations governing the Adult Social Care (Social Services) charging regime are complex and therefore, as an aid to decision making, the report provides Members with background information on the statutory framework which regulates it.

#### **Recommendation**

2. It is recommended that discretionary charges for Adult Social Care and Housing Services remain unchanged.
3. The full cost of Adult Social Care services is recharged to Other Local Authorities, therefore the maximum charge in some cases refers to the amount that would be charged should another LA use that service.
4. A number of LBH social care charges are linked to the DWP and DCLG rate and are therefore based on current information although subject to confirmation. Cabinet have previously delegated authority to Officers to amend the proposed charges contained in this report should these rates subsequently confirmed by the DWP and DCLG be different.
5. A number of LBH Housing charges are linked to DCLG directives and Cabinet are asked to delegate authority to Officers to amend the proposed charges contained in this report should these rates subsequently confirmed by the DCLG be different.

#### **Residential Services**

6. Local authorities (LA's) are obliged to charge persons provided with accommodation under Part 3 of the National Assistance Act 1948. Section 22 of the Act requires LA's to fix a standard rate for such accommodation at an amount equivalent to the full cost to the authority in providing or purchasing it. LA's must assess an individual's ability to pay for services and decide what amount should be charged using the 1992 Assessment of Resources Regulations. Residents must be given a clear explanation of their financial assessment and informed of any proposed changes.
7. Residents will pay their assessed charge direct to the LA except when placed in the independent sector when residents may pay their contribution direct to the home or to the LA with the LA paying the remainder. LA's remain responsible for the full amount of the

debt should the resident default on payment. A charge should not be made for aftercare services provided under section 117 of the Mental Health Act 1983.

8. Clients may choose accommodation anywhere in England and Wales and at a more expensive rate than the council would usually expect to pay providing that the resident or a third party is willing and able to pay the 'top up' difference. Failure to meet top up arrangements could result in the resident being moved to other cheaper accommodation. Similarly self-funding clients with diminishing resources could find themselves being moved to lower cost accommodation. However, if their assessed needs can only be met in their current accommodation neither the resident nor a third party should be asked for a top up. Any arrangements made between the council, a resident and third parties will need to be reviewed regularly to take account of changes to accommodation fees and the council's usual costs which may not change in line and at the same rate. It must be made clear to residents and third parties whether the council intends to share the costs of future accommodation price increases.
9. Funding councils may refer to their own "usual costs" when making placements in another council's areas. A council's usual cost policy should be set at the start of each financial year, planning period or in response to significant market changes. The calculation of usual costs should be based on actual cost of providing care, other local factors and best value requirements. Councils should not set arbitrary ceilings on the amount they expect to pay for services nor should residents be charged more as a result of market inadequacies or commissioning failures. Councils need to be able to demonstrate that set costs are sufficient to meet assessed care needs to provide residents with the level of care services that they could reasonably expect to receive.

### **Non-Residential Services**

10. Section 17 of the Health and Social Services and Social Security Adjudications Act 1983 gives councils a discretionary power to charge adult recipients of non-residential services. Section 17 of the Act provides that councils may recover such charges as they consider reasonable; this necessitates taking account of a user's financial means. Particular care needs to be taken to avoid an adverse impact on a user's income and guidelines have been published by the DoH and are contained in "Fairer Contributions Guidance, Calculating an Individual's Contribution to their Personal Budget" published in July 2009. In the opinion of Officers the charging policy for non-residential care meets these revised DoH guidelines and therefore formal consultation is not necessary. Councils can justify charging a flat rate for services such as meals which substitute for ordinary living costs.
11. In considering what is reasonable in their local circumstances councils may need to go beyond the DoH minimum requirements that a user's net income should not be reduced below defined basic levels of income support or the Guarantee Credit of Pension Credit plus a 25% buffer. This minimum level is set so as not to undermine policies for social inclusion and the promotion of independence. The council has set a maximum charge of £260.00 (per week) for residents receiving non-residential services for the current year and it is recommended that this remains unchanged for 2010/11, similarly it is recommended that the current Homecare hourly rate of £13.80 also remains unchanged.



12. It is not acceptable to make a charge on disability benefits without assessing the reasonableness of doing so for each user. The guidance expects earnings of disabled people and their carers to be disregarded for assessment purposes so as to provide an incentive for them to enter and progress in the work environment. Councils have a responsibility to seek to maximise the incomes of users, where they would be entitled to benefits and therefore should ensure that comprehensive benefits advice is provided to all users at the time of a charge assessment. Councils need to monitor the impact of charging policies on users and need to know how much it costs to administer their system.

### **Income Management**

13. Assessment of a person's need for care should not be confused with the financial assessment, of a person's ability to pay a charge. Once someone has been assessed as needing a service that service should not be withdrawn because the user refuses to pay the charge. The Council should continue to provide the service while pursuing the debt which may involve taking action through the civil courts.

14. The Council's solicitor advises that the Council has no course of redress should a client default on payment in such circumstances where a client is charged the full rate without them having completed a financial assessment. The solicitor advises also that where a person has power of attorney over a client's affairs and defaults on making a payment on their behalf the council would have to sue the client who in turn would have to counter sue the person with power of attorney. This course of action is not considered feasible due to the fact vulnerable clients are reluctant to pursue the matter.

**HOUSING (GENERAL FUND) SERVICES**

**Introduction**

15. The appendix below lists all the Housing General Fund rents and fees, with officers proposed changes to the current charges. Brief details of each item are given below.

**Colne Park Caravan Site**

16. As regards the main charge and following consultation with Hillingdon Homes, and in line with other discretionary fees and charges, no inflationary increase is recommended.

**Careline**

17. The cost of providing Careline to private residents is charged to the General Fund (GF), whilst the cost of Careline provided to council tenants is charged to the HRA. Following a review of the Careline charging policy in 2003/04, the Council decided to harmonise Careline charges between the HRA and GF residents, by reducing Careline charges to private sector users. The primary aim of this policy was to ensure that the residential alarm service was affordable to all residents; the current monthly cost is £4.91 (£5.77 inclusive of VAT) and has remained unchanged since April 2005. It is recommended that charges remain at the same level for 2010/11.

**Private Sector Enforcement Notice**

18. A charge can be made when a formal enforcement notice is served under the Housing Act 2004, as was the case with the previous legislation it replaced. The service has in the past charged the maximum allowed under the statutory order and confirmation of this charge for 2010/11 is awaited from the DCLG.

**HMO Licensing**

19. This relates to Houses in Multiple Occupation, which depending on size are now subject to more detailed regulation and licensing. The Council's costs are recoverable via a fee which is set according to a formula agreed by the West London Housing sub-regional group.

## Works in Default

20. Officers will, after appropriate notice, ensure that works to property are carried out, where there is a safety or health concern. Costs incurred are recoverable which, following legal advice, are based on the cost of the officers' time involved in resolving the issue

## Homelessness / Temporary Accommodation

21. Two main types of temporary accommodation are used for homeless residents of the borough:

- a) Private Sector Short-term Leases (PSL)
- b) Bed & Breakfast accommodation.

### **a) PSL**

22. In 2002/03 the Government provided new incentives to local authorities which makes PSL properties affordable for local authorities for use in accommodating homeless clients. Rent charges for PSL properties are constrained; the Government sets maximum rent levels for Housing Benefit eligibility. In recent years the practice has been at Hillingdon for officers to set the precise level of rent, with appropriate member consultation, within the cap level, once the announcement has been received. Rents were increased by over inflation levels for 2006/07, to take account of the impact of the 2010 target – e.g. reducing numbers in PSL and less ability to spread costs.

23. From 2010/11 the Government has reviewed the subsidies paid for Housing Benefit on PSL properties and significantly revised the cap level and now apply this across homes according to the number of bedrooms as set out in the table below. This has had the effect of reducing the council's income by £5.6m per annum as described in the main body of this report.

Weekly Rent Charged	1 Bed	2 bed	3 bed	4+ bed
2010/11 Rent per week (estimated)	£190.58	£214.92	£268.47	£310.00
2009/10 Rent per week	£335.66	£335.66	£335.66	£335.66

24. The housing benefit cap levels, which are based on the local housing allowance (LHA), that will be apply for PSL properties will be fixed on the January 2010 LHA levels. However, these are expected to be similar to those estimated for 2010/11 in the table above.

### **b) Bed & Breakfast**

25. From 2010/11 the housing benefit threshold for B&B will be set at the January 2010 LHA rate for a one bed PSL property. Officers are recommending a rental charge to recover cost of procuring and managing B&B accommodations be set at this level for 2010/11. As in previous years, B&B clients who are not on housing benefit also have access to the Rent Waiver Scheme.

### **2010/11 MTF**

26. There are no planned increases for discretionary charges being proposed for 2010/11.

**Adult Social Care Health & Housing Fees and Charges**

27. Most care service charges are controlled through rules, principles and criteria set out in two regulatory documents:

- Residential care: Charging for Residential Accommodation Guide ('CRAG')
- Non-Residential Services: Fairer Contributions Guidance, Calculating an Individual's Contribution to their Personal Budget

28. In applying these guidelines, local authorities are expected to apply reasonable increases to charges which is presumed to be the general rate of RPI. In the past this has been consistent with the general rise in the basic state pension as advised by the DWP, however for 2010/11 it is proposed that discretionary charges remain unchanged. However those charges linked to DWP Income Support (IS) rates have risen accordingly.

29. Service users are entitled to have some expenses set off against their income for the purpose of assessing their financial contributions. In some circumstances this is tied to benefit levels, such as Income support. The proposed rates set out below have taken these requirements into account.

30. The full cost of the service is recharged to Other Local Authorities, therefore the maximum charge in some cases refers to the amount that would be charged should another LA use that service.

31. For clarity VAT is not applicable to any Adult Social Care charges. However for Housing there are some charges that are subject to VAT and these are included in the charges shown below.

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Minimum Charge £	Current Max Charge £	Date of last change to charge	Proposed Minimum Charge £	Proposed Maximum Charge £	% Increase Min Charge	Effective Date
<u>Home care</u>									
	Per hour	Residents	Nil	13.80	06-Apr-08	Nil	13.80	0%	05-Apr-10
	Maximum per week	Residents	Nil	260.00	06-Apr-08	Nil	260.00	0%	05-Apr-10
<u>Meals on wheels</u>									
	Daily delivery	Residents	2.80	2.80	06-Apr-08	2.80	2.80	0%	05-Apr-10
	Frozen meals weekly/fortnightly	Residents	2.80	2.80	06-Apr-08	2.80	2.80	0%	05-Apr-10
	Lunch club dining centre meal	Residents	2.80	2.80	06-Apr-08	2.80	2.80	0%	05-Apr-10
	Day centre meal	Residents	2.80	2.80	06-Apr-08	2.80	2.80	0%	05-Apr-10
<u>Respite (Residential) Care</u>									
	Young Adults (18-25)	Residents	Nil	260.00	06-Apr-08	Nil	260.00	0%	05-Apr-10
	Adults (25-60)	Residents	Nil	260.00	06-Apr-08	Nil	260.00	0%	05-Apr-10
	Older People (over 60)	Residents	Nil	260.00	06-Apr-08	Nil	260.00	0%	05-Apr-10
<u>Colham Road:</u>									
	Respite: under 25	Residents	Nil	1,976.52	06-Apr-08	Nil	1,996.30	0%	05-Apr-10
	Respite: over 25	Residents	Nil	1,976.52	06-Apr-08	Nil	1,996.30	0%	05-Apr-10
<u>Colham Road:</u>									
	under 25	Residents	54.45	1,976.52	06-Apr-08	54.45	1,996.30	0%	05-Apr-10
	over 25	Residents	67.80	1,976.52	06-Apr-08	67.80	1,996.30	0%	05-Apr-10

# Fees & Charges 2010/11

# Appendix 7

Type of Fee / Charge	Description of Fee / Charge	Stakeholder Type	Current Minimum Charge £	Current Max Charge £	Date of last change to charge	Proposed Minimum Charge £	Proposed Maximum Charge £	% Increase Min Charge	Effective Date
<u>Merrimans House</u>									
	Full board: under 25	Residents	54.45	1,545.60	06-Apr-08	55.81	1,561.05	1%	05/04/2010
	Full board: over 25	Residents	67.80	1,545.60	06-Apr-08	69.50	1,561.05	2%	05/04/2010
	Respite: under 25	Residents	0.00	260.00	06-Apr-08	0.00	260.00	0%	05/04/2010
	Respite: over 25	Residents	0.00	260.00	06-Apr-08	0.00	260.00	0%	05/04/2010
<u>Hatton Grove:</u>									
	under 25	Residents	54.45	1,508.99	06-Apr-08	55.81	1,524.10	1%	05/04/2010
	over 25	Residents	67.80	1,508.99	06-Apr-08	69.50	1,524.10	2%	05/04/2010
<u>Merchiston House:</u>									
	under 25	Residents	54.45	2,434.88	06-Apr-08	55.81	2,459.27	1%	05/04/2010
	over 25	Residents	67.80	2,434.88	06-Apr-08	69.50	2,459.27	2%	05/04/2010
<u>Charles Curran:</u>									
	under 25	Residents	54.45	1,508.99	06-Apr-08	55.81	1,524.10	1%	05/04/2010
	over 25	Residents	67.80	1,508.99	06-Apr-08	69.50	1,524.10	2%	05/04/2010
<u>Chapel Lane:</u>									
	under 25	Residents	54.45	1,052.10	06-Apr-08	55.81	1,062.65	1%	05/04/2010
	over 25	Residents	67.80	1,052.10	06-Apr-08	69.50	1,062.65	2%	05/04/2010
<u>Hillingdon Adult Care Scheme</u>									
	Age 18-24	Residents	26.20	323.89	06-Apr-08	26.20	331.99	0%	05/04/2010
	Age 25+	Residents	39.55	323.89	06-Apr-08	39.55	331.99	0%	05/04/2010
<u>Fully staffed supported housing unit</u>									
	Goshawk Gardens	Residents	Nil	788.13	06-Apr-08	Nil	796.04	0%	05/04/2010
	236 Swakeleys Road	Residents	Nil	788.13	06-Apr-08	Nil	796.04	0%	05/04/2010
	1 & 3 Standale Grove	Residents	Nil	788.13	06-Apr-08	Nil	796.04	0%	05/04/2010

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Minimum Charge £	Current Max Charge £	Date of last change to charge	Proposed Minimum Charge £	Proposed Maximum Charge £	% Increase Min Charge	Effective Date
<u>Satellite supported housing unit</u>									
	9 Petworth Gardens	Residents	Nil	141.61	06-Apr-08	Nil	143.08	0%	05/04/2010
	71 Marshall Drive	Residents	Nil	141.61	06-Apr-08	Nil	143.08	0%	05/04/2010
	8 Newhaven close	Residents	Nil	141.61	06-Apr-08	Nil	143.08	0%	05/04/2010
<u>Physical Disability Service</u>									
	BIG	Residents	Nil	37.40	06-Apr-08	Nil	37.40	0%	05/04/2010
<u>Learning Disability Service -</u>									
	Parkview	Residents	Nil	79.60	06-Apr-08	Nil	79.60	0%	05/04/2010
	Phoenix	Residents	Nil	79.60	06-Apr-08	Nil	79.60	0%	05/04/2010
	Challenging Behaviour	Residents	Nil	79.60	06-Apr-08	Nil	79.60	0%	05/04/2010
	Woodside	Residents	Nil	43.66	06-Apr-08	Nil	43.66	0%	05/04/2010
	Rural Activities	Residents	Nil	43.66	06-Apr-08	Nil	43.66	0%	05/04/2010
<u>Older People -</u>									
	Eastbury Road	Older People	Nil	45.82	06-Apr-08	Nil	45.82	0%	05/04/2010
	Grassy Meadow	Older People	Nil	45.82	06-Apr-08	Nil	45.82	0%	05/04/2010
	Asha	Older People	Nil	45.82	06-Apr-08	Nil	45.82	0%	05/04/2010
	Poplar Farm	Older People	Nil	45.82	06-Apr-08	Nil	45.82	0%	05/04/2010
	Asian Carers Grant Respite		Nil	45.82			45.82		
	Poplar Farm Saturday Service	Older People	Nil	75.14	06-Apr-08	Nil	75.14	0%	05/04/2010
<u>Colne Park Caravan Site -</u>									
	main charge	Residents	109.90	109.90	01-Apr-09	109.90	109.90	0%	01/04/2010
	water	Residents	4.82	4.82	01-Apr-09	4.82	4.82	0%	01/04/2010
	electricity per kwh	Residents	0.11	0.11	01-Apr-09	0.11	0.11	0%	01/04/2010



# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Minimum Charge £	Current Max Charge £	Date of last change to charge	Proposed Minimum Charge £	Proposed Maximum Charge £	% Increase Min Charge	Effective Date
<u>Caravan Sites</u>									
	Chemical Toilet Emptying Service	Residents	5.50	5.50	01-Apr-05	5.50	5.50	0%	01/04/2010
<u>Careline -</u>									
	Basic Monitoring (monthlycha	Residents	4.91	4.91	01-Apr-05	4.91	4.91	0%	01/04/2010
	Private Sector Enforcement N	Residents	0.00	300.00	01-Apr-09	0.00	300.00	0%	01/04/2010
	HMO licensing	Residents	0.00	Cost Recovery	01-Apr-09	0.00	450.00	0%	01/04/2010
	Works in default	Residents	0.00	Cost Recovery	01-Apr-09	0.00	5,000.00	0%	01/04/2010
<u>Homelessness (set to recover costs up to HB threshold levels)</u>									
	Temporary Accommodation	Residents	335.66	335.66	01-Apr-08	167.31	432.73	-168%	01/04/2010
	Bed & Breakfast	Residents	191.10	191.10	01-Apr-08	167.31	173.08	-24%	01/04/2010



**Deputy Chief Executive**

**Registration Births, Deaths and marriages**

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT)	Proposed New Charges (incl of VAT)	% Increase
<b><u>Certificates purchased from the Registrar</u></b>					
	Birth, Death and Stillbirth - Standard	Mixed	3.50	3.50	0%
	Birth and Stillbirth - Short	Mixed	0.00	0.00	0%
	Birth - Additional Short	Mixed	3.50	3.50	0%
	Marriage	Mixed	3.50	3.50	0%
<b><u>Certificates purchased from the Superintendent</u></b>					
	Birth - Standard	Mixed	7.00	7.00	0%
	Birth - Short	Mixed	5.50	5.50	0%
	Death and Marriage	Mixed	7.00	7.00	0%
<b><u>Marriages/Civil Partnerships (Statutory fees)</u></b>					
	Entry of each notice	Mixed	30.00	30.00	0%
	Basic ceremony/Schedule in Superintendent's Office	Mixed	40.00	40.00	0%
	Registrar's attendance at Registered Building	Mixed	47.00	47.00	0%
<b><u>Marriages/Civil Partnerships (Non - Statutory fees)</u></b>					
	One tier ceremony in four seasons room (Mon-Fri)	Mixed	55.00	55.00	0%
	One tier ceremony in four seasons room (Sat)	Mixed	65.00	65.00	0%
	Two tier ceremony in four seasons room (Mon-Fri)	Mixed	95.00	95.00	0%
	Two tier ceremony in four seasons room (Sat)	Mixed	100.00	100.00	0%
	Three tier ceremony in four seasons room (Mon-Fri)	Mixed	150.00	150.00	0%
	Three tier ceremony in four seasons room (Sat)	Mixed	165.00	165.00	0%
	Ceremony at approved Premises (Mon - Fri)	Mixed	300.00	300.00	0%
	Ceremony at approved Premises (Sat)	Mixed	400.00	400.00	0%
	Ceremony at approved Premises (Sun)	Mixed	445.00	445.00	0%

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Other Fees &amp; Charges above</u>					
	Total Statutory & Non-Stat Services (excluding Citizenship & NCS)	Mixed	0.00	0.00	0%
<u>Citizenship ceremony</u>					
	Citizenship ceremony ( Home Office set Fee )	Mixed	80.00	80.00	0%
<u>Nationality Checking</u>					
	Nationality Checking Service	Mixed	45.00	45.00	0%
<u>Registration confirmation letters</u>					
		Mixed	15.00	15.00	0%
<u>Edited registers</u>					
		Mixed	30.00	30.00	0%
<u>Credit reference agencies registers</u>					
		Mixed	500.00	500.00	0%

**Corporate Communications**

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT)	Proposed New Charges (incl of VAT)	% Increase
<u>Advertising charges in Hillingdon People</u>					
	Full page	Business	1,610.00	1610.00	0%
	Half page	Business	920.00	920.00	0%
	Quarter page	Business	575.00	575.00	0%
	Eighth page	Business	287.50	287.50	0%
	Display box	Business	138.00	138.00	0%
	Back page	Business	1,840.00	1840.00	0%
	Inside front full page	Business	1,725.00	1725.00	0%
	Inside front half page	Business	977.50	977.50	0%

**Civic Centre Room Hire Rates**

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT)	Proposed New Charges (incl of VAT)	% Increase
<b>Civic Centre Room Hire Rates</b>					
	CR2	Mixed	21.55	21.55	0%
	CR3	Mixed	28.62	28.62	0%
	CR3a	Mixed	25.83	25.83	0%
	CR3/3a combined	Mixed	43.08	43.08	0%
	CR4	Mixed	34.33	34.33	0%
	CR4a	Mixed	25.83	25.83	0%
	CR4/4a combined	Mixed	43.08	43.08	0%
	CR5	Mixed	43.08	43.08	0%
	CR6	Mixed	43.08	43.08	0%
	CR7	Mixed	20.18	20.18	0%
	CR8	Mixed	21.58	21.58	0%
	CR9	Mixed	21.58	21.58	0%
	Interview rooms	Mixed	13.45	13.45	0%
	Council Chamber	Mixed	82.78	82.78	0%
	Middlesex Suite (Day)	Mixed	78.83	78.83	0%
	Middlesex Suite (Night)	Mixed	110.25	110.25	0%
	Bar Area	Mixed	43.08	43.08	0%

**Finance & Resources**

**Revenue Services**

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Charges (incl of VAT)	Proposed New Charges (incl of VAT)	% Increase
<u>Summons</u>	Council Tax	Residents	95.00	95.00	0%
	NNDR	Business	165.00	165.00	0%

**Planning & Community Services**

**Leisure Centres & Swimming Pools**

Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges (incl of VAT) £	Concessi onary Charge (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	Proposed New Charges Non Residents (incl of VAT) £	New Concessi onary Charge To Residents (incl of VAT) £	New Concess- ionary Charge To NON Residents (incl of VAT) £	% Inc	Disco unt
<u>Swimming-Indoor</u>									
	Peak - Adult	3.30	1.50	3.30	3.70	1.50	1.70	0.00%	59.46 %
	- Child	1.60	0.85	1.60	1.60	0.85	1.00	0.00%	46.88 %
	Off Peak - Adult	2.60	0.70	2.60	2.90	0.70	0.90	0.00%	75.86 %
	- Child	1.30	0.65	1.30	1.30	0.65	0.90	0.00%	50.00 %
	Family Swim - Peak Ticket (2adults & 2 children)	N/A	0.00	8.50	9.50	4.70	N/A	0.00%	0.00%
	Family Swim - Off Peak Ticket (2adults & 2 children)	N/A	0.00	7.00	7.90	2.70	N/A	0.00%	0.00%
<u>Swimming- Outdoor</u>									
	Adult	N/A	0.00	5.00	5.60	3.50	4.50	0.00%	0.00%
	Child	N/A	0.00	3.00	3.00	2.00	3.00	0.00%	0.00%
	Under 5's	N/A	0.00	Free	Free	Free	Free	0.00%	0.00%
	Family (2 adults & 2 children)	N/A	0.00	13.00	15.00	11.00	13.00	0.00%	0.00%
	Early morning (adult)	N/A	0.00	2.50	3.00	2.00	N/A	0.00%	0.00%
	Evening Swim (adult)	N/A	0.00	3.00	3.50	2.50	N/A	0.00%	0.00%
<u>Spectators</u>									
	Adult	0.80	0.40	0.80	0.80	0.40	0.40	0.00%	50.00 %



# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges (incl of VAT) £	Concessi onary Charge (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	Proposed New Charges Non Residents (incl of VAT) £	New Concessi onary Charge To Residents (incl of VAT) £	New Concessi onary Charge To NON Residents (incl of VAT) £	% Inc	Disco unt
	Children	0.50	0.25	0.50	0.50	0.25	0.25	0.00%	50.00 %
	<u>Birthday Parties</u>								
	2 hour session (pool and room hire)	98.00	0.00	98.00	110.00	N/A	N/A	0.00%	0.00%
	<u>Swimming Instruction (per lesson)</u>								
	Adult	6.70	4.90	6.70	7.50	4.90	5.10	0.00%	34.67 %
	Child	4.30	3.20	4.30	4.30	3.20	3.40	0.00%	25.58 %
	Child - Bronze, Silver or Gold	4.60	3.70	4.60	4.60	3.70	3.90	0.00%	19.57 %
	One to one tuition	19.00	16.00	19.00	21.30	16.00	17.00	0.00%	24.88 %
	<u>Swim Crash Course</u>								
	1/2 hour per day x 5 day (per half hour)	20.00	15.45	20.00	22.00	15.45	17.00	0.00%	29.77 %
	<u>Private Hire (Hillingdon Pools from 25 to 33 metres)</u>								
	Hourly rate (Other organisations)	113.00	0.00	113.00	113.00	N/A	N/A	0.00%	0.00%
	Hourly Rate (Hillingdon Clubs)	95.00	0.00	95.00	N/A	N/A	N/A	0.00%	0.00%
	Per lane per hour (Other organisations)	22.60	0.00	22.60	22.60	N/A	N/A	0.00%	0.00%
	Per lane per hour (Hillingdon Clubs)	19.00	0.00	19.00	N/A	N/A	N/A	0.00%	0.00%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges (incl of VAT) £	Concessi onary Charge (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	Proposed New Charges Non Residents (incl of VAT) £	New Concessi onary Charge To Residents (incl of VAT) £	New Concessi onary Charge To NON Residents (incl of VAT) £	% Inc	Disco unt
<u>Private Hire (50m Pool)</u>									
	Hourly rate (Other organisations)	N/A	0.00	204.00	204.00	N/A	N/A	0.00%	0.00%
	Hourly Rate (Hillingdon Clubs)	N/A	0.00	184.00	N/A	N/A	N/A	0.00%	0.00%
	Per lane per hour (Other organisations)	N/A	0.00	25.50	25.50	N/A	N/A	0.00%	0.00%
	Per lane per hour (Hillingdon Clubs)	N/A	0.00	23.00	N/A	N/A	N/A	0.00%	0.00%
<u>School Bookings</u>									
	Up to 30 children	33.50	0.00	33.50	37.50	N/A	N/A	0.00%	0.00%
	Up to 50 children	54.00	0.00	54.00	60.50	N/A	N/A	0.00%	0.00%
	Each additional child	1.00	0.00	1.00	1.15	N/A	N/A	0.00%	0.00%
<u>Fun Sessions ( Children )</u>									
	1 hour	2.40	1.60	2.40	2.40	1.60	1.60	0.00%	33.33 %
<u>Young at Heart</u>									
	Single session	3.60	2.70	3.60	4.00	2.70	2.90	0.00%	32.50 %
<u>Solarium</u>									
	Single session	6.50	0.00	6.50	7.30	N/A	N/A	0.00%	0.00%
<u>Gym Inductions ( Casual use )</u>									
	Group	16.00	10.00	16.00	18.00	10.00	10.00	0.00%	44.44 %
	Individual 1:2:1	25.70	20.00	25.70	28.50	20.00	20.00	0.00%	29.82

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges (incl of VAT) £	Concessi onary Charge (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	Proposed New Charges Non Residents (incl of VAT) £	New Concessi onary Charge To Residents (incl of VAT) £	New Concessi onary Charge To NON Residents (incl of VAT) £	% Inc	Disco unt
									%
<u>Replacement Card</u>									
	Charge	3.00	3.00	3.00	3.00	3.00	3.00	0.00%	0.00%
<u>Casual Gym Session</u>									
	Peak	6.50	4.00	6.50	7.00	4.00	4.20	0.00%	42.86 %
	Off-Peak	5.00	2.50	5.00	5.50	2.50	2.70	0.00%	54.55 %
<u>Coached Fitness Classes</u>									
	Charges	5.70	4.50	5.70	6.20	4.50	4.70	0.00%	27.42 %
<u>Health &amp; Fitness Membership</u>									
	Site Specific Peak Membership (Hillingdon Sport & Leisure Complex only including Outdoor Pool)	N/A	0.00	48.00	52.00	N/A	N/A	0.00%	0.00%
	Site Specific Peak Membership (Botwell Sport & Leisure Centre, Highgrove Pool, Hillingdon Sport & Leisure Complex excluding the Outdoor Pool )	N/A	0.00	42.00	46.00	N/A	N/A	0.00%	0.00%
	Site Specific Peak Membership (Queensmead Sports Centre only)	37.00	0.00	37.00	41.00	N/A	N/A	0.00%	0.00%
	Off Peak Site Specific Membership	32.00	0.00	32.00	36.00	N/A	N/A	0.00%	0.00%

# Fees & Charges 2010/11

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Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges (incl of VAT) £	Concessi onary Charge (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	Proposed New Charges Non Residents (incl of VAT) £	New Concessi onary Charge To Residents (incl of VAT) £	New Concessi onary Charge To NON Residents (incl of VAT) £	% Inc	Disco unt
	LBH Employee Membership (Equal to 'Top Level' Membership)	28.00	0.00	38.00	38.00	N/A	N/A	0.00%	0.00%
	'Top Level' Membership (access to all available Sites excluding Outdoor Pool at Hillingdon Sport & Leisure Complex)	42.00	0.00	TBC	TBC	N/A	N/A	0.00%	0.00%
	<u>Health Suite</u>								
	Session	4.20	3.20	4.20	4.70	3.20	3.20	0.00%	31.91 %
	<u>Main Hall Hire (Events )</u>								
	Charges	POA	0.00	POA	POA	N/A	N/A	0.00%	0.00%
	<u>Main Hall Hire (Sports )</u>								
	Hillingdon Sport & Leisure Centre (4 courts)	N/A	0.00	38.00	42.40	N/A	N/A	0.00%	0.00%
	Queensmead Sports Centre (6 courts)	55.50	0.00	55.50	62.40	N/A	N/A	0.00%	0.00%
	Botwell Leisure Centre (4 courts)	N/A	0.00	38.00	42.40	N/A	N/A	0.00%	0.00%
	<u>Badminton</u>								
	Peak - Per court (Hillingdon Sport & Leisure Complex & Botwell Sport & Leisure Centre)	N/A	0.00	9.50	10.60	N/A	N/A	0.00%	0.00%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges (incl of VAT) £	Concessi onary Charge (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	Proposed New Charges Non Residents (incl of VAT) £	New Concessi onary Charge To Residents (incl of VAT) £	New Concessi onary Charge To NON Residents (incl of VAT) £	% Inc	Disco unt
	Peak - Per court (Queensmead Sports Centre)	9.25	0.00	9.25	10.40	N/A	N/A	0.00%	0.00%
	Off Peak - Per court (All Sites)	5.60	0.00	5.60	6.30	N/A	N/A	0.00%	0.00%
<u>Contract Hire (per badminton court)</u>									
	Trampoline/Martial Arts etc.	19.50	0.00	19.50	22.00	N/A	N/A	0.00%	0.00%
<u>Queensmead SC - Netball/5-a-side External (including floodlights)</u>									
	per court	25.00	0.00	25.00	28.00	N/A	N/A	0.00%	0.00%
<u>Cricket Lane</u>									
	Charges	28.00	0.00	28.00	31.50	N/A	N/A	0.00%	0.00%
<u>Table Tennis</u>									
	per table	5.90	0.00	5.90	6.60	N/A	N/A	0.00%	0.00%
<u>Holiday Activity - Weekly Charge</u>									
	Full day	72.00	48.00	72.00	80.00	48.00	48.00	0.00%	40.00 %
	Full day each additional child from family	56.50	40.00	56.50	63.00	40.00	40.00	0.00%	36.51 %
<u>Holiday Activity - Daily Charge</u>									
	Full day	17.00	10.80	17.00	19.00	10.80	10.80	0.00%	43.16 %
	Full day each additional child from family	13.00	8.00	13.00	14.50	8.00	8.00	0.00%	44.83 %

# Fees & Charges 2010/11

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Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges (incl of VAT) £	Concessi onary Charge (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	Proposed New Charges Non Residents (incl of VAT) £	New Concessi onary Charge To Residents (incl of VAT) £	New Concessi onary Charge To NON Residents (incl of VAT) £	% Inc	Disco unt
<u>Athletics Track - Casual Users</u>									
	Adult	2.75	0	2.75	3.1	N/A	1.5	0.00%	0.00%
	Child	1.5	0	1.5	1.5	N/A	N/A	0.00%	0.00%
	Spectators	0.5	0	0.5	0.5	N/A	N/A	0.00%	0.00%
<u>Athletic Meetings</u>									
	Hillingdon Clubs/Schools (Monday - Friday)	36	0	36	N/A	N/A	N/A	0.00%	0.00%
	Hillingdon Clubs/Schools (Weekends)	41.2	0	41.2	N/A	N/A	N/A	0.00%	0.00%
	Other Organisations (Monday - Friday)	51.5	0	N/A	51.5	N/A	N/A	0.00%	0.00%
	Other Organisations (Weekends)	56.65	0	N/A	56.65	N/A	N/A	0.00%	0.00%
<u>Meeting Room</u>									
	Full day (8 hrs max)	185	0	185	205	N/A	N/A	0.00%	0.00%
	Evening Rate	37	0	37	41.5	N/A	N/A	0.00%	0.00%
	Part day (rate per hour)	30	0	30	33.5	N/A	N/A	0.00%	0.00%
<u>Football Pitch</u>									
	1 to 2 matches (per match)	190	0	190	210	N/A	N/A	0.00%	0.00%
	3 to 5 matches (per match)	165	0	165	185	N/A	N/A	0.00%	0.00%
	6 to 9 matches (per match)	140	0	140	157	N/A	N/A	0.00%	0.00%
	10 or more matches (per match)	125	0	125	139	N/A	N/A	0.00%	0.00%
	Full pitch	100	0	100	112	N/A	N/A	0.00%	0.00%
<u>Astroturf Pitch</u>									
	Full pitch	100	0	100	112	N/A	N/A	0.00%	0.00%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges (incl of VAT) £	Concessi onary Charge (incl of VAT) £	Proposed New Charges Residents (incl of VAT) £	Proposed New Charges Non Residents (incl of VAT) £	New Concessi onary Charge To Residents (incl of VAT) £	New Concessi onary Charge To NON Residents (incl of VAT) £	% Inc	Disco unt
	1/3 pitch	55	0	55	61	N/A	N/A	0.00%	0.00%
<u>Petanque</u>									
	Casual use	1.15	0	1.15	1.3	N/A	N/A	0.00%	0.00%
	Full pitch (six)	25	0	25	28	N/A	N/A	0.00%	0.00%
	1/6 pitch	5	0	5	5.6	N/A	N/A	0.00%	0.00%
<u>Ice Rink</u>									
	Off Peak	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
	Peak	5.50	4.00	0.00	TBA	TBA	0.00	0.00%	0.00%

# Fees & Charges 2010/11

# Appendix 7

## Planning Services

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Concessionary Charge (incl of VAT) £	Discount	Proposed New Charges (incl of VAT) £	% Increase	New Concessionary Charge (incl of VAT) £	% Increase
<u>Pre Application Fees</u>									
	Category A Development	Residents	3,000.00	0.00	0%	3,000.00	0%	0.00	0%
	Category B Development	Residents	1,800.00	0.00	0%	1,800.00	0%	0.00	0%
	Category C Development	Residents	900.00	0.00	0%	900.00	0%	0.00	0%
<u>Follow up Meetings</u>									
	Category A Development	Residents	800.00	0.00	0%	800.00	New	0.00	0%
	Category B Development	Residents	400.00	0.00	0%	400.00	New	0.00	0%
	Category C Development	Residents	400.00	0.00	0%	400.00	New	0.00	0%
<u>Other Developments</u>									
	Telecommunication proposals	Residents	220.00	0.00	0%	220.00	New	0.00	0%



Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Householders</u>					
	Minor Applications	Residents	220.00	220.00	0%
	Major Applications	Residents	5,000.00	5,000.00	0%
	Specialist: Additional flat fee where listed Building or Conservation advice is required	Residents	100.00	100.00	0%
	<u>Land Charges - Search Fees</u>				
	Standard commercial search	Mixed	70.00	70.00	0%
	Official certificate of search (Form LLC1) only	Mixed	26.00	26.00	0%
	Standard domestic search	Mixed	60.00	60.00	0%
	Personal search of local land charges – register only	Mixed	11.00	11.00	0%
	Official and Personal searches of LLC - registers only – additional parcels of land (each)	Mixed	1.00	1.00	0%
	Common land search (where not part of CON 29)	Mixed	15.00	15.00	0%
	Compiling Con 29R (For Official searches and Personal Search agents)	Mixed	30.00	30.00	New
	Compiling Con 29O (For Official searches and Personal Search agents)	Mixed	18.00	18.00	New
	<u>Planning &amp; Transportations fees</u>				
	Application Decision copy fee	Mixed	15.00	15.00	0%
	Tree Preservation Order copy fee	Mixed	17.00	17.00	0%
	Demolition Order fee	Mixed	100.00	100.00	New
	Travel Plan fee per case	Mixed	500.00	500.00	New

## Building Control

Small Domestic Buildings not exceeding 300m2 floor area and not more than 3 stories, inc. basements

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Concessionary Charge (incl of VAT) £	% Increase
<b>Table 1 - New House and Flats</b>					
	1.00	Residents	309.00	309.00	0%
	2.00	Residents	520.00	520.00	0%
	3.00	Residents	726.00	726.00	0%
	4.00	Residents	937.00	937.00	0%
	5.00	Residents	1,148.00	1,148.00	0%
	6.00	Residents	1,297.00	1,297.00	0%
	7.00	Residents	1,483.00	1,483.00	0%
	8.00	Residents	1,668.00	1,668.00	0%
	9.00	Residents	1,854.00	1,854.00	0%
	10.00	Residents	2,039.00	2,039.00	0%
	11.00	Residents	2,188.00	2,188.00	0%
	12.00	Residents	2,338.00	2,338.00	0%
	13.00	Residents	2,488.00	2,488.00	0%
	14.00	Residents	2,638.00	2,638.00	0%
	15.00	Residents	2,786.00	2,786.00	0%
	16.00	Residents	2,935.00	2,935.00	0%
	17.00	Residents	3,085.00	3,085.00	0%
	18.00	Residents	3,234.00	3,234.00	0%
	19.00	Residents	3,384.00	3,384.00	0%
	20.00	Residents	3,533.00	3,533.00	0%
	Charge per unit 21-30	Residents	113.00	113.00	0%
	Charge per unit 31 and over	Residents	82.00	82.00	0%

Table 2 – Building Control (continued)

This section applies to single-family dwellings not exceeding 3 storeys, including basements, when work is finished. With the exception of loft conversions when more than one extension is involved please aggregate the total floor areas

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Concessional Charge (incl of VAT) £	% Increase
<u>Domestic extension</u>					
	Extension under 10m <sup>2</sup>	Residents	309.00	309.00	0%
	Extension over 10m <sup>2</sup> and up to 40m <sup>2</sup>	Residents	462.01	462.01	0%
	Extension over 40m <sup>2</sup> and up to 60m <sup>2</sup>	Residents	618.00	618.00	0%

Table 3 – Building Control (continued)

This section applies to single-family dwellings not exceeding 3 storeys, including basements, when work is finished. With the exception of loft conversions when more than one extension is involved please aggregate the total floor areas

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT)	Proposed New Charges (incl of VAT)	% Increase
<u>Domestic extension</u>					
	Extension under 10m <sup>2</sup>	Residents	309.00	309.00	0%
	Extension over 10m <sup>2</sup> and up to 40m <sup>2</sup>	Residents	462.01	462.01	0%
	Extension over 40m <sup>2</sup> and up to 60m <sup>2</sup>	Residents	618.00	618.00	0%
	Extension under 10m <sup>2</sup>	Residents	309.00	309.00	0%
	Extension over 10m <sup>2</sup> and up to 40m <sup>2</sup>	Residents	462.01	462.01	0%
	Extension over 40m <sup>2</sup> and up to 60m <sup>2</sup>	Residents	618.00	618.00	0%
<u>Detached garages/Carports</u>					
	Detached garages (up to 40m <sup>2</sup> )	Mixed	156.00	156.00	0%

Table 4 – Building Control (continued)

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT)	Proposed New Charges (incl of VAT)	% Increase
Table 3 - All other work					
	£2,000 or less, the sum of	Mixed	115.00	115.00	0%
	Exceeding £2,000 and up to and	Mixed	200.00	200.00	0%
	Exceeding £5,000 and up to and including £20,000 the sum of	Mixed	200.00	200.00	0%
	Plus for every £1,000, or part	Mixed	10.40	10.40	0%
	Exceeding £20,000 and up to and including £100,000 the sum of	Mixed	356.00	356.00	0%
	Plus for every £1,000, or part	Mixed	9.00	9.00	0%

## Arts

Great Barn, Manor Farm House, Manor Farm Hall, The Stables, Winston Churchill Hall

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Commercial and Social Organisations</u>					
	Mon-Fri	Business	17.40	17.40	0%
	Sat, Sun, Bank Hol	Business	21.75	21.75	0%
<u>Non profit making Organisations</u>					
	Mon-Fri	Mixed	8.44	8.44	0%
	Sat, Sun, Bank Hol	Mixed	10.08	10.08	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Concessionary Charge (incl of VAT) £	Discount	Proposed New Charges (incl of VAT) £	% Increase	New Concessionary Charge (incl of VAT) £	% Increase
<u>Charitable Organisations</u>									
	Mon-Fri	Mixed	6.37	0.00	0%	6.37	0%	0.00	0%
	Sat, Sun, Bank Hol	Mixed	7.33	0.00	0%	7.33	0%	0.00	0%
<u>Stables on both sides on single hire only Commercial and Social Organisations</u>									
	Mon-Fri	Mixed	23.93	0.00	0%	23.93	0%	0.00	0%
	Sat, Sun, Bank Hol	Mixed	30.45	0.00	0%	30.45	0%	0.00	0%
<u>Non profit making Organisations</u>									
	Mon-Fri	Mixed	11.97	0.00	0%	11.97	0%	0.00	0%
	Sat, Sun, Bank Hol	Mixed	17.40	0.00	0%	17.40	0%	0.00	0%
<u>Charitable Organisations</u>									
	Mon-Fri	Mixed	9.82	0.00	0%	9.82	0%	0.00	0%
	Sat, Sun, Bank Hol	Mixed	13.05	0.00	0%	13.05	0%	0.00	0%
<u>Charity Events</u>									
	Friday 18:00 to 22.00 Session	Mixed	114.19	0.00	0%	114.19	0%	0.00	0%
	Saturday 08:00 to 18:00 Session	Mixed	173.99	0.00	0%	173.99	0%	0.00	0%
<u>Exhibitions (Flower, Art etc)</u>									
	Friday 9.30am to 4.30pm	Mixed	70.71	0.00	0%	70.71	0%	0.00	0%
	Saturday 9.30am to 4.30pm	Mixed	167.46	0.00	0%	167.46	0%	0.00	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Concessionary Charge (incl of VAT) £	Discount	Proposed New Charges (incl of VAT) £	% Increase	New Concessionary Charge (incl of VAT) £	% Increase
<u>Duty Officer</u>									
	Friday	Mixed	16.44	0.00	0%	16.44	0%	0.00	0%
	Saturday	Mixed	27.19	0.00	0%	27.19	0%	0.00	0%
<u>Cow Byre</u>									
	Daytime - 09:00am to 5:00pm - Exhibition	Mixed	200.00	100.00	0%	200.00	0%	100.00	0%
	Evening - 06:00pm to 11:00pm - When used with above	Mixed	125.00	62.50	0%	125.00	0%	62.50	0%
	Lower Rate contribution in kind	Mixed	45.00	0.00	0%	45.00	0%	0.00	0%

# Fees & Charges 2010/11

# Appendix 7

## Great Barn

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Concessionary Charge (incl of VAT) £	Discount	Proposed New Charges (incl of VAT) £	% Increase	New Concessionary Charge (incl of VAT) £	% Increase
<u>Great Barn</u>									
	09:00 to 5:00pm Antique / Craft Fairs (Peak Season)	Mixed	1,000.00	500.00	0%	1,000.00	0%	500.00	0%
	09:00 to 5:00pm Exhibitions (Peak Season)	Mixed	500.00	250.00	0%	500.00	0%	250.00	0%
	06:00 to 11:00pm Concert/ Production	Mixed	400.00	200.00	0%	400.00	0%	200.00	0%
	Off Season 9.00-3.0	Mixed	400.00	250.00	0%	400.00	0%	250.00	0%
	Off Season 9.00-3.00 (FRI-SUN)	Mixed	600.00	300.00	0%	600.00	0%	300.00	0%
	06:00 to 11:00pm Concert/ Production	Mixed	400.00	200.00	0%	400.00	0%	200.00	0%
	09:00 to 5:00pm Courtyard - Farmers Market	Mixed	300.00	150.00	0%	300.00	0%	150.00	0%



# Fees & Charges 2010/11

# Appendix 7

## Winston Churchill Hall

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Concessionary Charge (incl of VAT) £	Discount	Proposed New Charges (incl of VAT) £	% Increase	New Concessionary Charge (incl of VAT) £	% Increase
<u>Social Events, Weddings etc</u>									
	Lounge only	Mixed	52.20	0.00	0%	52.20	0%	0.00	0%
	Auditorium and Lounge - Mon to fri	Mixed	97.87	0.00	0%	97.87	0%	0.00	0%
	Auditorium and Lounge - Sat, Sun, Bank Hol	Mixed	119.61	0.00	0%	119.61	0%	0.00	0%
<u>Registered Fund Rasing Charities</u>									
	Lounge only	Mixed	38.09	0.00	0%	38.09	0%	0.00	0%
	Auditorium and Lounge - Mon to fri	Mixed	51.16	0.00	0%	51.16	0%	0.00	0%
	Auditorium and Lounge - Sat, Sun, Bank Hol	Mixed	81.56	0.00	0%	81.56	0%	0.00	0%
<u>Commercial and Promotional Events</u>									
	Lounge only	Business	59.81	0.00	0%	59.81	0%	0.00	0%
	Auditorium and Lounge - Mon to fri	Business	75.04	0.00	0%	75.04	0%	0.00	0%
	Auditorium and Lounge - Sat, Sun, Bank Hol	Business	108.67	0.00	0%	108.67	0%	0.00	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Concessionary Charge (incl of VAT) £	Discount	Proposed New Charges (incl of VAT) £	% Increase	New Concessionary Charge (incl of VAT) £	% Increase
<b>Health &amp; Fitness Classes</b>									
	Lounge only	Mixed	25.01	0.00	0%	25.01	0%	0.00	0%
<b>Additional Charges</b>									
	Seats in and out Set up - Day	Mixed	87.14	0.00	0%	87.14	0%	0.00	0%
	Radio Mics(1 hand held,2 lapel available) - Day	Mixed	8.70	0.00	0%	8.70	0%	0.00	0%
	Radio Mics(1 hand held,2 lapel available) - Week	Mixed	34.79	0.00	0%	34.79	0%	0.00	0%
	Vocal Mics(5 available) - Day	Mixed	5.46	0.00	0%	5.46	0%	0.00	0%
	Vocal Mics(5 available) - Week	Mixed	10.88	0.00	0%	10.88	0%	0.00	0%
	Piano (tuning extra) - Day	Mixed	10.82	0.00	0%	10.82	0%	0.00	0%
	Piano (tuning extra) - Week	Mixed	16.32	0.00	0%	16.32	0%	0.00	0%
<b>Deposits</b>									
	Lounge	Mixed	54.37	0.00	0%	54.37	0%	0.00	0%
	Charity/Cultural Event	Mixed	217.48	0.00	0%	217.48	0%	0.00	0%
	Commercial Event	Mixed	434.97	0.00	0%	434.97	0%	0.00	0%
	Social		543.72	0.00	0%	543.72	0%	0.00	0%

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase	
<u>Theatrical, Concert, Show Hire</u>						
	09:00 to 15:00	Session Rate - Mon to fri	Mixed	293.60	293.60	0%
	09:00 to 15:00	Session Rate - Sat, Sun, Bank Hol	Mixed	434.97	434.97	0%
	15:00 to Midnight	Session Rate - Mon to fri	Mixed	326.22	326.22	0%
	15:00 to Midnight	Session Rate - Sat, Sun, Bank Hol	Mixed	493.59	493.59	0%
	09:00 to 15:00	Hourly Rate - Mon to Fri	Mixed	38.02	38.02	0%
	09:00 to 15:00	Hourly Rate - Sat, Sun, Bank Hol	Mixed	65.24	65.24	0%
	15:00 to Midnight	Hourly Rate - Mon to Fri	Mixed	54.37	54.37	0%
	15:00 to Midnight	Hourly Rate - Sat, Sun, Bank Hol	Mixed	97.87	97.87	0%

## Compass Theatre

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Full Week Booking</u>					
	Sunday 10:00 to 23:30	Mixed	2,011.72	2,011.72	0%
	Weekdays 18:00 to 23:00	Mixed	2,011.72	2,011.72	0%
	Saturday 09:00 to Midnight	Mixed	2,011.72	2,011.72	0%
<u>Rehearsals - Weekdays only, outside whole week</u>					
	Lounge Hourly Rate	Mixed	43.50	43.50	0%
	Auditorium Hourly Rate	Mixed	48.80	48.80	0%
<u>Additional Charges</u>					
	Radio Mics(1 hand held,2 lapel available) - Day	Mixed	8.70	8.70	0%
	Radio Mics(1 hand held,2 lapel available) - Week	Mixed	34.79	34.79	0%
	Vocal Mics(5 available) - Day	Mixed	5.46	5.46	0%
	Vocal Mics(5 available) - Week	Mixed	10.88	10.88	0%
	Piano (tuning extra) - Day	Mixed	10.87	10.87	0%
	Piano (tuning extra) - Week	Mixed	16.32	16.32	0%
<u>Use of ovens</u>					
	Additional Charge	Mixed	105.58	105.58	New
<u>Seating layout</u>					
	Change of seating layout ie additions/removals	Mixed	84.46	84.46	New

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Full Week Booking</u>					
	Stage, Auditorium & Dressing Rooms - Week	Mixed	1,496.59	1,496.59	0%
	Matinees (If full week hire is booked)-Week	Mixed	251.32	251.32	0%
	Rehearsal Rooms - midweek - Per Hour	Mixed	6.18	6.18	0%
	Rehearsal Rooms - Sat/Sun - Per Hour	Mixed	8.76	8.76	0%
<u>Additional Charges</u>					
	Additional Dressing Room - Per 4 Hour Session	Mixed	20.60	20.60	0%
	Single Performance	Mixed	267.80	267.80	0%
	Additional Hire Charge Incurred after hire period has elapsed	Mixed	57.68	57.68	0%
<u>Deposits</u>					
	Entire week	Mixed	149.35	149.35	0%
	All other Bookings	Mixed	60.77	60.77	0%
	Ticket Printing (158 Max)	Mixed	11.33	11.33	0%
	Advertising Uxbridge Gazette -(Reduced for more than one advert)	Mixed	63.57	63.57	0%
	Advertising Compass Whats On *	Mixed	55.62	55.62	0%
	Cleaning Charge	Mixed	70.04	70.04	0%
	Use of Workshop - Per Hour	Mixed	9.27	9.27	0%
	Workshop Storage - Weekly	Mixed	55.62	55.62	0%
	Costume Hire – Adult - Week	Mixed	13.39	13.39	0%
	Costume Hire – Child – Week	Mixed	7.21	7.21	0%
	Portable Appliance Test	Mixed	11.33	11.33	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<u>Additional Stage Equipment - Per Week</u>					
	Ceiling Mounted Video/Data Projector	Mixed	55.62	55.62	0%
	Sony NICAM Video Player/Recorder	Mixed	16.48	16.48	0%
	DVD Player	Mixed	22.66	22.66	0%
	2 x ROBE 250 Moving Spot Light	Mixed	32.96	32.96	0%
	6 x Chroma-Q DMX Colour Scroller	Mixed	11.33	11.33	0%
	8 x Par 16 'Birdi' with 12v Transformers	Mixed	5.15	5.15	0%
	Stage Dance Floor	Mixed	65.92	65.92	0%
	Mirror Ball	Mixed	16.48	16.48	0%
	Strobe Light	Mixed	20.60	20.60	0%
	UV Lights	Mixed	16.48	16.48	0%
	Manual Smoke Machine	Mixed	39.14	39.14	0%
	DMX Smoke Machine	Mixed	39.14	39.14	0%
	Additional Follow Spot & Dimmer	Mixed	27.81	27.81	0%
	4 x Shure SM58 Vocal Mics	Mixed	13.39	13.39	0%
	Upright Piano	Mixed	19.57	19.57	0%
	Baby Grand Piano (Property of HMS)	Mixed	0.00	0.00	0%
	Manhandling on/off stage	Mixed	0.00	0.00	0%
	Piano Tuning	Mixed	0.00	0.00	0%
	Custom Gobos	Mixed	0.00	0.00	0%
	Gobos	Mixed	6.18	6.18	0%
	Pyro Firing Box with 2 Pods	Mixed	11.33	11.33	0%
	Additional Pods – upto six	Mixed	6.18	6.18	0%
	Pyrotechnics	Mixed	0.00	0.00	0%
	Stage Gauze Cloth	Mixed	55.62	55.62	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Proposed New Charges (incl of VAT) £	% Increase
<b>Consumable Media</b>					
	Mini Disc - EACH	Mixed	5.15	5.15	0%
	Consumables	Mixed	0.00	0.00	0%
<b>Non Performance Use</b>					
	Stage & Auditorium without lighting or sound	Mixed	19.83	19.83	0%
	Stage & Auditorium with technical support	Mixed	33.73	33.73	0%
<b>Room Hire - per 4 hour Session</b>					
	Studio - midweek	Mixed	35.02	35.02	0%
	Studio - weekend	Mixed	56.65	56.65	0%
	Oak Room - midweek	Mixed	42.23	42.23	0%
	Oak Room - Weekend	Mixed	52.53	52.53	0%
	Long Room - Midweek	Mixed	52.53	52.53	0%
	Long Room - Weekend	Mixed	96.82	96.82	0%
	Blue Room - Midweek	Mixed	39.14	39.14	0%
	Blue Room - Weekend Only	Mixed	50.47	50.47	0%
<b>AV Equipment &amp; Support - Per Hire</b>					
	Portable TV/DVD Combi	Mixed	27.81	27.81	0%
	Portable TV/Video Combi	Mixed	22.66	22.66	0%
	Portable Video/Data Projector & Screen	Mixed	54.59	54.59	0%
	DVD Player for use with projector	Mixed	16.48	16.48	0%
	OHP - Overhead Projector	Mixed	8.24	8.24	0%
	Flip Chart and one set of Pens	Mixed	8.24	8.24	0%
	Replacement Pens	Mixed	13.39	13.39	0%
	Photocopying - Per A 4 Sheet	Mixed	0.27	0.27	0%

**Adult Education**

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Concession Charge (incl of VAT) £	Discount	Proposed New Charges (incl of VAT) £	% Increase	New Concessionary Charge (incl of VAT) £	% Increase
<b><u>Tuition Fee per Guided Learning Hour</u></b>									
	LSC funded provision	Residents	2.41	1.69	0%	2.41	0%	1.69	0%
	LBH funded provision	Residents	2.41	1.69	0%	2.41	0%	1.69	0%
<b><u>Enrolment charge for non resident for non LSC course</u></b>									
	Charge	Non Residents	New	New	New	10.00	New	10.00	New



# Fees & Charges 2010/11

# Appendix 7

## Libraries Service

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Concession Charge (incl of VAT) £	Discount	Proposed New Charges (incl of VAT) £	% Increase	New Concessionary Charge (incl of VAT) £	% Increase
<u>Cassettes</u>									
	Charges	Residents	FREE	FREE	0%	FREE	0%	FREE	0%
<u>Compact Discs</u>									
	Charges - every 3 weeks	Residents	1.50	0.75	0%	1.50	0%	0.75	0%
<u>DVDs</u>									
	Charges - per week	Residents	3.00	1.50	0%	3.00	0%	1.50	0%
<u>Children's DVDs</u>									
	Charges - per week	Residents	1.50	0.75	0%	1.50	0%	0.75	0%
<u>Videos</u>									
	Charges - per week	Residents	1.00	0.50	0%	1.00	0%	0.50	0%
<u>Children's videos</u>									
	Charges - per week	Residents	0.50	0.25	0%	0.50	0%	0.25	0%
<u>Language Courses</u>									
	Charges - every 3 weeks	Residents	3.00	1.50	0%	3.00	0%	1.50	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Concession Charge (incl of VAT) £	Discount	Proposed New Charges (incl of VAT) £	% Increase	New Concessionary Charge (incl of VAT) £	% Increase
<u>Video Language Courses</u>									
	Charges - every 3 weeks - Other	Residents	3.00	1.50	0%	3.00	0%	1.50	0%
<u>CD &amp; Cassettes</u>									
	Charges - every 3 weeks - Other	Residents	2.00	1.00	0%	2.00	0%	1.00	0%
<u>eAudiobooks (downloadable)</u>									
	Charges - every 3 weeks - Other	Residents	2.00	1.00	0%	2.00	0%	1.00	0%
<u>Holds (Reservations) - Self Placed</u>									
	Charges - Other	Residents	0.50	0.50	0%	0.50	0%	0.50	0%
<u>Holds (Reservations) - Staff Placed</u>									
	Charges - Other	Residents	1.00	0.50	0%	1.00	0%	0.50	0%
<u>Holds (Reservations) - Not in stock</u>									
	Charges	Residents	2.00	2.00	0%	2.00	0%	2.00	0%
<u>Holds (Reservations) - British Library Items</u>									
	Charges	Residents	3.00	3.00	0%	3.00	0%	3.00	0%

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Concession Charge (incl of VAT) £	Discount	Proposed New Charges (incl of VAT) £	% Increase	New Concessionary Charge (incl of VAT) £	% Increase
<u>Holds (Reservations) - Photocopies</u>									
	Charges	Residents	£2.00 + 20p per A4 sheet	£2.00 + 20p per A4 sheet	0%	£2.00 + 20p per A4 sheet	0%	£2.00 + 20p per A4 sheet	0%
<u>Charges - Other</u>									
	Lost Tickets	Residents	2.00	1.00	0%	2.00	0%	1.00	0%
	Overdue Reminders	Residents	0.80	FREE	0%	0.80	0%	FREE	0%
	Fines								
	Books	Residents	0.15	0.05	0%	0.15	0%	0.05	0%
	Talking Books	Residents	0.15	0.05	0%	0.15	0%	0.05	0%
	Cassettes	Residents	0.15	0.05	0%	0.15	0%	0.05	0%
	Compact Discs	Residents	0.15	0.15	0%	0.15	0%	0.15	0%
	Language Courses	Residents	0.15	0.15	0%	0.15	0%	0.15	0%
	Videos	Residents	1.00	1.00	0%	1.00	0%	1.00	0%
	DVDs	Residents	1.00	1.00	0%	1.00	0%	1.00	0%
	Junior Videos	Residents	0.50	0.50	0%	0.50	0%	0.50	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Concession Charge (incl of VAT) £	Discount	Proposed New Charges (incl of VAT) £	% Increase	New Concessionary Charge (incl of VAT) £	% Increase
<u>Fax Rates - Outgoing Fax</u>									
	In the UK	Residents	£1 first page 50p subsequent page	0.00	0%	£1 first page 50p subsequent page	0.00	0.00	0%
	Western Europe	Residents	£2.20 first page £1.10 subsequent page	0.00	0%	£2.20 first page £1.10 subsequent page	0.00	0.00	0%
	Rest of the World	Residents	£3.50 first page £1.75 subsequent page	0.00	0%	£3.50 first page £1.75 subsequent page	0.00	0.00	0%
<u>Fax Rates - Incoming Fax</u>									
	Per Fax (any length)	Residents	£1.00 per fax	0.00	0%	£1.00 per fax	0.00	0.00	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Concession Charge (incl of VAT) £	Discount	Proposed New Charges (incl of VAT) £	% Increase	New Concessionary Charge (incl of VAT) £	% Increase
<b>Print Charges</b>									
	Black and White PC Prints per A4 sheets	Residents	20p per A4 sheet	0.00	0%	20p per A4 sheet	0.00	0.00	0%
	Colour PC Prints per A4 sheets	Residents	40p per A4 sheet	0.00	0%	40p per A4 sheet	0.00	0.00	0%
	CD-ROM/Microform Prints per sheet	Residents	30p per sheet	0.00	0%	30p per sheet	0.00	0.00	0%
	Floppy Disks	Residents	0.50	0.00	0%	0.50	0.00	0.00	0%
	CD-R	Residents	1.00	0.00	0%	1.00	0.00	0.00	0%
	USB Pen Drives	Residents	12.00	0.00	0%	12.00	0.00	0.00	0%
<b>Photocopies</b>									
	Black & White	Residents	10p for A4 & 20p for A3	0.00	0%	10p for A4 & 20p for A3	0.00	0.00	0%
	Colour	Residents	£1 for A4 & £1.50 for A3	0.00	0%	£1 for A4 & £1.50 for A3	0.00	0.00	0%
<b>Colour Photocopies</b>									
	Black & White	Residents	30p for A4 & 60p for A3	0.00	0%	30p for A4 & 60p for A3	0.00	0.00	0%

# Fees & Charges 2010/11

# Appendix 7

Type of Fee/Charge	Description of Fee / Charge	Stakeholder Type	Current Standard Charges (incl of VAT) £	Concession Charge (incl of VAT) £	Discount	Proposed New Charges (incl of VAT) £	% Increase	New Concessionary Charge (incl of VAT) £	% Increase
Hire of Library Premises									
	Monday - Thursday per hour	Residents	8.50	0.00	0%	8.50	0.00	0.00	0%
	Friday - Saturday per hour	Residents	9.50	0.00	0%	9.50	0.00	0.00	0%
	Commercial Organisations	Residents	15.00	0.00	0%	15.00	0.00	0.00	0%

<b>Project</b>	<b>Group</b>	<b>Current Programme 2009/10 (£000s)</b>	<b>Proposed Programme 2010/11 (£000s)</b>	<b>Proposed Programme 2011/12 (£000s)</b>	<b>Proposed Programme 2012/13 (£000s)</b>	<b>Proposed Programme 2013/14 (£000s)</b>
<b>Capital Expenditure</b>						
<u>Leisure &amp; Culture Projects (Major Construction Projects)</u>						
Leisure Development - Botwell Green	P&CS	10,391	475	0	0	0
Hillingdon Sport & Leisure Centre	P&CS	8,372	350	0	0	0
Sports & Community Projects	Contingency	1,000	0	0	0	0
Minet Cycle Club	P&CS	501	214	0	0	0
Brookfields - Second Floor	P&CS	256	8	0	0	0
Queensmead Fitness Centre Refurbishment	P&CS	30	50	0	0	0
<b>Sub-total</b>		<b>20,550</b>	<b>1,097</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Other Projects (Major Construction Projects)</u>						
New Young People's Centres	E&CS	2,000	1,370	0	0	0
Children's Centres - Phase 2	E&CS	1,645	215	0	0	0
Longmead Section 106	E&CS	1,250	1,263	0	0	0
Targeted Capital - Uxbridge High	E&CS	1,247	111	0	0	0
Harefield School Nursery	E&CS	1,247	0	0	0	0
Children's Centres - Phase 3	E&CS	1,200	2,736	0	0	0
New Years Green Lane Civic Amenity Site	E&CP	400	3,800	0	0	0
Targeted Capital - Oak Farm	E&CS	398	0	0	0	0
Pinkwell New Classrooms	E&CS	391	9	0	0	0
Ruislip High School	E&CS	308	0	0	0	0
Glebe Primary - temporary classroom	E&CS	229	0	0	0	0
Heathrow Primary	E&CS	172	9	0	0	0
Project QS support	P&CS	100	0	0	0	0
Arundel Road Development HIP	E&CP	30	3,000	0	0	0

<b>Capital Programme 2009/10 - 2013/14</b>		<b>Current Programme 2009/10 (£000s)</b>	<b>Proposed Programme 2010/11 (£000s)</b>	<b>Proposed Programme 2011/12 (£000s)</b>	<b>Proposed Programme 2012/13 (£000s)</b>	<b>Proposed Programme 2013/14 (£000s)</b>
<b>Project</b>	<b>Group</b>					
Farm Barns	F&R	10	235	155	0	0
Major Construction Projects Fees	Corporate	0	850	850	850	850
<b>Sub-total</b>		<b>10,627</b>	<b>13,598</b>	<b>1,005</b>	<b>850</b>	<b>850</b>
<b>Schools Projects</b>						
Guru Nanak Expansion	E&CS	7,075	5,710	0	0	0
Formula Capital Devolved to Schools	E&CS	4,523	3,876	3,876	0	0
Primary Capital Programme	E&CS	2,975	0	0	0	0
School Improvement Programme (Modernisation)	E&CS	1,875	0	0	0	0
Early Years Foundation Stage - Surestart	E&CS	1,020	0	0	0	0
Schools Kitchens	E&CS	994	4,928	548	0	0
Expansion Haydon	E&CS	930	0	0	0	0
Extended Schools	E&CS	419	251	0	0	0
Specialist Schools	E&CS	293	0	0	0	0
Schools Access Programme	E&CS	235	100	100	100	0
School Places Provision (Basic Needs)	E&CS	100	0	0	0	0
School Travel Plans	E&CS	77	0	0	0	0
Douay Martyrs - Drama, 6th form common rooms	E&CS	65	0	0	0	0
Ruislip High School (unallocated)	E&CS	60	0	0	0	0
Pinkwell Hall Replacement	E&CS	30	520	0	0	0
Rosedale College Section 106 (only)	E&CS	26	0	0	0	0
Extension of Nursery Care / Education - Surestart	E&CS	24	1,169	0	0	0
Primary School Expansions Phase II	E&CS	0	5,150	26,319	16,835	18,546
Urgent Building Condition Projects	E&CS	0	1,985	2,680	2,342	211
Primary School Expansions Phase I	E&CS	0	1,942	3,542	780	0
Building Schools for the 21st Century	E&CS	0	1,000	1,600	1,109	1,000
Ruislip High School expansion	E&CS	0	0	1,500	0	0



<b>Project</b>	<b>Group</b>	<b>Current Programme 2009/10 (£000s)</b>	<b>Proposed Programme 2010/11 (£000s)</b>	<b>Proposed Programme 2011/12 (£000s)</b>	<b>Proposed Programme 2012/13 (£000s)</b>	<b>Proposed Programme 2013/14 (£000s)</b>
<b>Sub-total</b>		20,721	26,631	40,165	21,166	19,757
<u>Housing Revenue Account Projects</u>						
Works to Existing Stock	HRA	9,762	10,000	10,000	10,000	10,000
Townfield Community Centre	DCE (HRA)	660	0	0	0	0
Estates Improvements	HRA	495	1,280	0	0	0
Other HRA Projects	HRA	300	200	200	200	200
Redevelopment Schemes	HRA	120	0	0	0	0
Cash Incentive Scheme	HRA	100	150	150	150	150
Long Lane - Mental Health Units	HRA	30	0	0	0	0
New Build - HRA Pipeline Sites Phase 1	HRA	0	7,508	193	0	0
New Build - Extra Care Sites Phase 1	HRA	0	3,430	3,430	176	0
<b>Sub-total</b>		11,467	22,568	13,973	10,526	10,350
<u>Programmes of Works</u>						
Disabled Facilities Grants	ASCH&H	2,017	3,000	3,000	3,000	3,000
Highways Improvements	E&CP	1,358	0	0	0	0
Chrysalis Programme	DCE	1,018	1,000	1,000	1,000	1,000
Purchase of Vehicles	Contingency	725	1,500	2,246	0	0
Highways/Footpaths/Lighting	Contingency	600	0	0	0	0
ICT Asset Management Strategy	F&R	454	0	0	0	0
Town Centres Initiatives	DCE	438	525	325	325	325
Private Sector Renewal Grant	ASCH&H	360	450	390	390	390
Property Enhancements Programme	F&R	321	500	500	500	500
Cabinet Member Initiatives - Street Lighting	E&CP	300	0	0	0	0

**Capital Programme 2009/10 - 2013/14**

**APPENDIX 8**

<b>Capital Programme 2009/10 - 2013/14</b>						
<b>Project</b>	<b>Group</b>	<b>Current Programme 2009/10 (£000s)</b>	<b>Proposed Programme 2010/11 (£000s)</b>	<b>Proposed Programme 2011/12 (£000s)</b>	<b>Proposed Programme 2012/13 (£000s)</b>	<b>Proposed Programme 2013/14 (£000s)</b>
Cabinet Member Initiatives - Streetscene / Street Furniture	E&CP	250	0	0	0	0
Cabinet Member Initiatives - Road Safety	E&CP	210	0	0	0	0
Cabinet Member Initiatives - Green Spaces Strategy	E&CP	187	0	0	0	0
Property Enhancements Programme Contingency	F&R	179	0	0	0	0
Leader's Initiative	DCE	125	300	200	200	200
Assisted Funding Programme	P&CS	32	0	0	0	0
Cabinet Member Initiatives - Traffic Congestion Mitigation	E&CP	10	0	0	0	0
ICT Single Development Plan	Corporate	0	1,378	0	0	0
Highways Structural Works	E&CP	0	1,100	1,100	1,100	1,100
Street Lighting Programme	E&CP	0	300	300	300	300
Highways Localities Programme	E&CP	0	258	258	258	258
Road Safety Programme	E&CP	0	250	250	250	250
<b>Sub-total</b>		<b>8,584</b>	<b>10,561</b>	<b>9,569</b>	<b>7,323</b>	<b>7,323</b>
<b>Other Projects</b>						
Local Implementation Plan (funded by Transport for London)	E&CP	3,521	4,000	4,000	4,000	0
Breakspear Crematorium	E&CP	1,876	0	0	0	0
Library Refurbishment Programme	P&CS	1,500	622	622	311	0
West London Empty Property Grant	ASCH&H	1,150	1,100	0	0	0
General Contingency	Corporate	1,137	500	0	0	0
Improving Information Management	ASCH&H	735	0	0	0	0
Civic Centre Enhancements	F&R	648	1,590	1,200	1,185	1,115
Pathfinder (Playgrounds) new in 2009/10	E&CS	504	598	0	0	0
Transport for London 08/09	E&CP	461	0	0	0	0
Priority Projects	Contingency	400	0	0	0	0
HIP Projects	DCE	370	0	0	0	0
Mental Health - Mead House	ASCH&H	363	114	0	0	0

Capital Programme

<b>Capital Programme 2009/10 - 2013/14</b>						
<b>Project</b>	<b>Group</b>	<b>Current Programme 2009/10 (£000s)</b>	<b>Proposed Programme 2010/11 (£000s)</b>	<b>Proposed Programme 2011/12 (£000s)</b>	<b>Proposed Programme 2012/13 (£000s)</b>	<b>Proposed Programme 2013/14 (£000s)</b>
Youth Offending Team consolidation into Link 1A / Cashiers	F&R	360	0	0	0	0
Section 106 / Section 278 Schemes	P&CS	307	0	0	0	0
Enabling Electronic Social Care Record (ESCR)	ASCH&H	276	0	0	0	0
Car Park Improvement	E&CP	200	0	0	0	0
Hillingdon First - Card Supply	F&R	200	0	0	0	0
Hillingdon First - Pay & Display Equipment	E&CP	192	0	0	0	0
Public Conveniences	E&CP	185	0	0	0	0
Youth Capital Fund	E&CS	167	167	0	0	0
Botwell Multi Use Games Area	P&CS	150	100	0	0	0
Civic Centre Security Improvements	F&R	127	0	0	0	0
LDA Energy Efficiency Grant	ASCH&H	125	0	0	0	0
Purchase of Benefits Customer Self-Service Facilities	ASCH&H	121	0	0	0	0
Surestart Aiming High for Disabled Children short breaks	E&CS	105	365	0	0	0
Ruislip Lido Toilets	P&CS	100	0	0	0	0
ICT works at Crematorium	F&R	97	0	0	0	0
Vehicle Workshops - West Drayton Young Peoples Centre	E&CS	94	0	0	0	0
Home Access for Targeted Groups	E&CS	90	0	0	0	0
Colne Park Caravan Site - Refurbishment Works - Phase 2	ASCH&H	78	296	0	0	0
Harmondsworth Dog Free Mini Football Area	P&CS	70	0	0	0	0
Learning Disability Modernisation Programme	ASCH&H	60	0	0	0	0
Civic Centre Electrical Works	F&R	55	0	0	0	0
Victoria Hall	F&R	53	0	0	0	0
Civic Centre Boilers	F&R	50	0	0	0	0
Information Systems - Every Child Matters	E&CS	41	0	0	0	0
Voltage Optimisation Equipment (Libraries)	P&CS	40	0	0	0	0
Photovoltaic Cells - Civic Centre Roof	F&R	34	0	0	0	0
ISPP Project (Information Systems Parents & Providers)	E&CS	24	0	0	0	0
Cabinet Member Initiatives - CCTV	P&CS	22	230	0	0	0
Ruislip Lido Projects	E&CP	18	0	0	0	0

<b>Capital Programme 2009/10 - 2013/14</b>		<b>Current Programme 2009/10 (£000s)</b>	<b>Proposed Programme 2010/11 (£000s)</b>	<b>Proposed Programme 2011/12 (£000s)</b>	<b>Proposed Programme 2012/13 (£000s)</b>	<b>Proposed Programme 2013/14 (£000s)</b>
<b>Project</b>	<b>Group</b>					
NLDC	P&CS	10	0	0	0	0
Improving Care Homes Environment for Older People	ASCH&H	3	0	0	0	0
South Ruislip Development	P&CS	0	4,661	2,700	258	0
Highgrove Pool Phase II	P&CS	0	4,100	0	0	0
Hayes End Library Development	P&CS	0	2,600	0	0	0
Environmental Assets	E&CP	0	2,000	0	0	0
Winston Churchill Hall Refurbishment	P&CS	0	430	0	0	0
Manor Farm Stables Development	P&CS	0	371	0	0	0
Willow Tree Centre	P&CS	0	300	0	0	0
William Byrd Pool	P&CS	0	250	0	0	0
North Hillingdon Adult Education Centre Roof Replacement	P&CS	0	155	0	0	0
Libraries Refurbishment - Central Library	P&CS	0	0	2,000	1,000	0
<b>Sub-total</b>		<b>16,119</b>	<b>24,549</b>	<b>10,522</b>	<b>6,754</b>	<b>1,115</b>
<b>Partnership Projects</b>						
Safer Stronger Communities Fund (Youth Awareness)	P&CS	100	50	0	0	0
LAA Reward Grant Share to Primary Care Trust	Partners	0	335	335	0	0
LAA Reward Grant Share to Community Safety Partnership	Partners	0	140	140	140	0
LAA Reward Grant Share to BAA & Uxbridge College	Partners	0	130	130	0	0
LAA Reward Grant Share to Probation Service	Partners	0	65	65	0	0
<b>Sub-total</b>		<b>100</b>	<b>720</b>	<b>670</b>	<b>140</b>	<b>0</b>
<b>Programme Total</b>		<b>88,168</b>	<b>99,724</b>	<b>75,904</b>	<b>46,759</b>	<b>39,395</b>

<b>Project</b>	<b>Group</b>	<b>Current Programme 2009/10 (£000s)</b>	<b>Proposed Programme 2010/11 (£000s)</b>	<b>Proposed Programme 2011/12 (£000s)</b>	<b>Proposed Programme 2012/13 (£000s)</b>	<b>Proposed Programme 2013/14 (£000s)</b>
<b>Capital Financing</b>						
<b>Source</b>						
Government Specific Capital Grants		36,653	40,774	18,248	13,824	13,824
Capital Receipts - General Fund		8,845	8,595	13,700	8,175	0
Capital Receipts - HRA		120	452	0	0	0
Supported Borrowing		3,379	2,054	11,671	6,480	5,600
LAA Reward Grant		0	2,230	970	140	0
Other External Funding		13,284	14,096	6,935	6,126	2,126
Unsupported Borrowing funded by Revenue Savings (Invest-to-Save)		2,754	9,808	5,060	176	0
Unsupported Borrowing funded by Council Tax		23,133	21,715	19,320	11,838	17,845
<b>Programme Total</b>		<b>88,168</b>	<b>99,724</b>	<b>75,904</b>	<b>46,759</b>	<b>39,395</b>

**Treasury Management Strategy Statement,  
Annual Investment Strategy and Minimum Revenue Provision  
Statement 2010/11 to 2012/13**

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1. Background
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3. Outlook for Interest Rates
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**Annexes**

- A. Current and Projected Portfolio Position
- B. Prudential Indicators
- C. Interest Rate Outlook provided by Arlingclose Ltd
- D. Specified Investments for use by the Council
- E. Non - Specified Investments for use by the Council

### **1. Background**

1.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") requires local authorities to determine the Treasury Management Strategy Statement (TMSS). This statement also incorporates the Annual Investment Strategy. Together, these cover the financing and investment strategy for the forthcoming financial year.

In response to the financial crisis in 2008 and the collapse of the Icelandic banks, CIPFA revised the TM Code and Guidance Notes as well as the Prudential Indicators in late November 2009. Communities and Local Government (CLG) is also in the process of revising and updating the Investment Guidance. The required changes have been incorporated into this Strategy on the assumption that the changed code in Appendix 10 is formally adopted.

1.2 CIPFA has defined Treasury Management as:

"the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.3 The Council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk is an important and integral element of its treasury management activities. The main risks to the Council's treasury activities are:

- Credit and Counterparty Risk (Security of Investments)
- Liquidity Risk (Inadequate cash resources)
- Market or Interest Rate Risk (Fluctuations in interest rate levels)
- Inflation Risk (Exposure to inflation)
- Refinancing Risk (Impact of debt maturing in future years)
- Legal & Regulatory Risk
- Fraud & Corruption

1.4 The strategy also takes into account the impact of the Council's Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position (Appendix A), the Prudential Indicators (Appendix B) and the outlook for interest rates (Appendix C).

1.5 The purpose of this Treasury Management Strategy Statement is to approve:

- Treasury Management Strategy for 2010-11 (Borrowing - Section 4, Debt Rescheduling - Section 5, Investments - Section 6)
- Prudential Indicators – Appendix B (NB - PI No. 6 - The Authorised Limit is a statutory limit)
- MRP Statement – Section 8
- Use of Specified and Non-Specified Investments – Appendices D & E

**2. Balance Sheet and Treasury Position**

- 2.1 The underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) together with Balances and Reserves are the core drivers of Treasury Management Activity. The estimates, based on the current Revenue Budget and Capital Programmes, are set out below:

	<b>31 Mar 10 Estimate £m</b>	<b>31 Mar 11 Estimate £m</b>	<b>31 Mar 12 Estimate £m</b>	<b>31 Mar 13 Estimate £m</b>
CFR	221.7	249.5	279.0	290.0
Balances & Reserves	32.6	30.9	30.7	30.6
<b>Net Balance Sheet Position</b>	189.1	218.6	248.3	259.4

- 2.2 The Council's level of debt and investments is linked to these components of the Balance Sheet. The current portfolio position is set out at Appendix A. Market conditions, interest rate expectations and credit risk considerations will influence the Council's strategy in determining the borrowing and investment activity against the underlying Balance Sheet position.
- 2.3 As the CFR represents the level of borrowing for capital purposes and revenue expenditure cannot be financed from borrowing, net physical external borrowing should not exceed the CFR other than for short term cash flow requirements. It is permissible under the Prudential Code to borrow in advance of need up to the level of the estimated CFR over the term of the Prudential Indicators. Where this takes place the cash will form part of its invested sums until the related capital expenditure is incurred. This being the case net borrowing should not exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years other than in the short term due to cash flow requirements. The draft revisions to the CLG's Investment Guidance recommend that the Strategy should state the authority's policies on investing money borrowed in advance of need.
- 2.4 The move to International Financial Reporting Standards (IFRS) has implications for the Capital Financing Requirement components of the Balance Sheet. The Council's Private Finance Initiative (PFI) scheme is already included within the Balance Sheet. Operating leases have been reclassified and will result in the related long term assets and liabilities being brought onto the Balance Sheet. The estimates for the CFR and Long Term Liabilities have been adjusted to take into the addition of Operating leases. This will influence the determination of the Council's Affordable Borrowing Limit and Operational Boundary.
- 2.5 The CLG has recently consulted on proposals to reform the council housing subsidy system. The proposed Self-financing option would require a one-off reallocation of housing debt. The estimates set out in Prudential Indicators 6 and 7 of this strategy allow for any potential debt transfer which may arise in the future. Until such time as the transfer may occur the Operational and Authorised limits applicable will be those excluding the Self-financing allowance.



- 2.6 The estimate for interest payments in 2010/11 is £6.6 million and for interest receipts is £150k.

### **3. Outlook for Interest Rates**

The economic interest rate outlook provided by the Council's treasury advisor, Arlingclose Ltd, is attached at Appendix C. Financial markets remain reasonably volatile as the structural changes necessary within economies and the banking system evolve. This volatility provides opportunities for active treasury management. The Council will reappraise its strategy from time to time and, if needs be, realign it with evolving market conditions and expectations for future interest rates.

### **4. Borrowing Requirement and Strategy**

- 4.1 The Council's underlying need to borrow for capital purposes is measured by reference to its Capital Financing Requirement (CFR) – see Appendix B. The CFR represents the cumulative capital expenditure of the local authority that has not been financed. To ensure that this expenditure will ultimately be financed, local authorities are required to make a Minimum Revenue Provision for Debt Redemption (MRP) from within the Revenue budget each year.
- 4.2 Capital expenditure not financed from internal resources (i.e. Capital Receipts, Capital Grants and Contributions, Revenue or Reserves) will produce an increase in the CFR (the underlying need to borrow). In turn this will produce an increased requirement to charge MRP in the Revenue Account.
- 4.3 External borrowing may be greater or less than the CFR. However, in accordance with the Prudential Code, the Council will ensure that net external borrowing does not, except in the short term, exceed the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years.

4.4 The cumulative estimate of the maximum long-term borrowing requirement is estimated by comparing the projected CFR with the profile of the current portfolio of external debt and long term liabilities over the same financial horizon, as follows:

	<b>31/03/2010 Estimate £m</b>	<b>31/03/2011 Estimate £m</b>	<b>31/03/2012 Estimate £m</b>	<b>31/03/2013 Estimate £m</b>
<b>Capital Financing Requirement</b>	221.7	249.5	279.0	290.0
<b>Less:</b> Existing Profile of Borrowing and Other Long Term Liabilities	176.5	169.9	166.4	160.0
<b>Cumulative Gross External Borrowing Requirement</b>	<b>45.2</b>	<b>79.6</b>	<b>112.6</b>	<b>130.0</b>
Balances & Reserves	32.6	30.9	30.7	30.6
<b>Cumulative Net Borrowing Requirement</b>	<b>12.6</b>	<b>48.7</b>	<b>81.9</b>	<b>99.4</b>

4.5 There is a significant difference between the gross external borrowing requirement and the net external borrowing requirement represented by the Council's level of balances and reserves. The Council's current strategy is only to borrow to the level of its net borrowing requirement. The reasons for this are to reduce credit risk, take pressure off the Council's lending list and also to avoid the cost of carry existing in the current interest rate environment. Borrowing in advance of need in line with the net borrowing requirement will only be considered if the long term costs outweigh the short term benefits. Capital expenditure levels, market conditions and interest rate levels will be monitored during the year. This will be done in order to minimise borrowing costs over the medium to longer term. A prudent and pragmatic approach to borrowing will be maintained to minimise borrowing costs without compromising the longer-term stability of the portfolio, consistent with the Council's Prudential Indicators.

4.6 In conjunction with advice from its treasury advisor, Arlingclose Ltd, the Council will keep under review the options it has in borrowing from the PWLB, the market and other sources identified in the Treasury Management Practices Schedules, section 4, up to the available capacity within its CFR and Affordable Borrowing Limit (defined by CIPFA as the Authorised Limit).

4.7 The outlook for borrowing rates:  
Short-dated gilt yields are forecast to be lower than medium and long-dated gilt yields during the financial year. Despite additional gilt issuance to fund the UK government's support to the banking industry, short-dated gilts are expected to benefit from expectations of lower interest rates as the economy struggles through a recession. Yields for these maturities will fall as expectations for lower interest rates mount.

- 4.8 The differential between investment earnings and debt costs, despite long term borrowing rates being around historically low levels, remains acute. This is expected to remain a feature during 2010/11. The so-called “cost of carry” associated with long term borrowing compared to temporary investment returns means that the appetite for new long term borrowing brings with it additional short-term costs.
- 4.9 Public Works Loans Board (PWLB) variable rates have fallen below 1%. They are expected to remain low as the Bank Rate is maintained at historically low levels to enable the struggling economy emerge from the recession. Against a backdrop of interest rates remaining lower for longer and a continuation of the cost of carry, then a passive borrowing strategy (i.e. borrow long term funds as they are required) may remain appropriate. Equally, variable rate funds (that avoid the cost of carry) or EIP (equal instalments of principal) that mitigate the impact are both active considerations.
- 4.10 Decisions to borrow at low, variable rates of interest will be taken after considering the absolute level of longer term interest rate equivalents and the extent of variable rate earnings on the Council’s investment balances. When longer term rates move below the cost of variable rate borrowing any strategic exposure to variable interest rates will be reviewed and, if appropriate, reduced.
- 4.11 The PWLB will be the preferred source of borrowing given the transparency and control this facility provides. In addition following a programme of early PWLB debt redemption during 2009/10, the ratio of PWLB to market loans has decreased. To address this reduction any new borrowing should ideally be sourced from the PWLB to improve this ratio.
- 4.12 The Council has £48m LOBO loans (Lender’s Options Borrower’s Option) of which £10m will be in their option state in FY 2010-11. In the event that the lender exercises the option to change the rate or terms of the loan, the Council will consider the terms being provided and also repayment of the loan without penalty. The Council may utilise cash resources for repayment or may consider replacing the loan(s) by borrowing from the PWLB.
- 4.13 The Council will undertake a financial options appraisal process to establish how it has arrived at its ‘value for money’ judgement, in any event where the lender exercises their option to change the rate or terms of the agreement.

### **5. Debt Rescheduling**

- 5.1 The Council will continue to maintain a flexible policy for debt rescheduling. Market volatility and the steep yield curve may provide opportunities for rescheduling debt from time to time. The rationale for rescheduling would be one or more of the following:
- Savings in interest costs with minimal risk
  - Balancing the volatility profile (i.e. the ratio of fixed to variable rate debt) of the debt portfolio
  - Amending the profile of maturing debt to reduce any inherent refinancing risks.
- 5.2 In September 2009, the PWLB issued a Consultation document, entitled ‘PWLB Fixed Rates’. The PWLB is reviewing the frequency of rate setting (currently daily) and could move to a live pricing basis. The deadline for the consultation

period was 8 January 2010. The likely outcome of this is a reduction in the extent of the margins between premature repayment and new borrowing rates, particularly for longer maturities.

- 5.3 Any rescheduling activity will be undertaken within the Council's treasury management policy and strategy. The Council will agree in advance with Arlingclose the strategy and framework within which debt will be repaid / rescheduled if opportunities arise. Thereafter the Council's debt portfolio will be monitored against equivalent interest rates and available refinancing options on a regular basis. As opportunities arise, they will be discussed between Arlingclose and the Council's officers.
- 5.4 All rescheduling activity will comply with the accounting requirements of the local authority SORP. This will also comply with regulatory requirements of the Capital Finance and Accounting Regulations (SI 2007 No 573 as amended by SI 2008/414).
- 5.5 Borrowing and debt rescheduling activity will be reported in the monthly treasury management outturn report to Cabinet.

### **6. Investment Policy and Strategy – Annual Investment Strategy**

#### **Background**

- 6.1 Guidance from CLG on Local Government Investments in England requires that an Annual Investment Strategy (AIS) be set.

#### **Investment Policy**

- 6.2 To comply with the CLG's guidance, the Council's general policy objective is to invest its surplus funds prudently. The Council's investment priorities are:

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

The CLG's Guidance on investments reiterates security and liquidity as the primary objectives of a prudent investment policy. The speculative procedure of borrowing purely in order to invest is unlawful.

- 6.3 Investments are categorised as 'Specified' or 'Non Specified' investments based on the criteria in the CLG Guidance. Potential instruments for the Council's use within its investment strategy are contained in Appendix D.
- 6.4 The credit crisis has refocused attention on the treasury management priority of security of capital monies invested. The draft revisions to the CLG's Investment Guidance state that a specified investment is one made with a body or scheme of "high credit quality". The Council will continue to maintain a counterparty list based on these criteria. It will monitor and update the credit standing of the institutions on a regular basis. This assessment will include credit ratings and other alternative assessments of credit strength as outlined in paragraph 6.12. The CLG's Draft revisions to its Guidance on local government investments

recommend that the Investment Strategy should set out the procedures for determining the maximum periods for which funds may prudently be committed. Such decisions will be based on an assessment of the authority's Balance Sheet position with the limit being set in Prudential Indicator 12 - Upper Limit for total principal sums invested over 364 days.

6.5 The CLG's Draft revisions to its Guidance on local government investments recommend that the strategy should state the authority's policies on investing money borrowed in advance of spending needs. This statement should identify any measures to minimise such investments, including any limits on:

- amounts borrowed and
- periods between borrowing and expenditure.

The statement should also comment on the management of risks, including the risk of loss of the borrowed capital and the risk associated with interest rate changes.

Limits on the amount borrowed in advance of need are identified in the Cumulative Maximum External Borrowing Requirement for future financial years set out in the table at paragraph 4.4. This also sets the periods between borrowing and expenditure. The management of risks, including the risk of loss of the borrowed capital, are identical for all forms of investment as set out in this strategy. The risk associated with interest rate changes are based on the Interest Rate forecast at Appendix C and the current cost of carry referred to in section 4 above.

6.6 The Council's current level of investments is presented at Appendix A.

### **Investment Strategy**

6.7 The global financial market storm in 2008 and 2009 has forced investors of public money to reappraise the question of risk versus yield. Income from investments is a key support in the Council's budget. The UK Bank Rate has been maintained at 0.5% since March 2009. Short-term money market rates are likely to remain at very low levels, which will have a significant impact on investment income. The Council's strategy must however be geared towards this development whilst adhering to the principal objective of security of invested monies.

6.8 The Director of Finance and Resources, under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. Decisions taken on the core investment portfolio will be reported to Cabinet and the Audit Committee twice yearly.

### **Investments managed in-house:**

6.9 The Council's shorter term cash flow investments are made with reference to the outlook for the UK Bank Rate and money market rates.

6.10 In any period of significant stress in the markets, the default position for all investments to be made with the Debt Management Office will be considered.

6.11 Currently the Council has restricted its investment activity to:

- The Debt Management Agency Deposit Facility (The rates of interest from the DMADF are below equivalent money market rates. However, the returns are an acceptable trade-off for the guarantee that the Council's capital is secure)
- AAA rated Money Market Funds with a Constant Net Asset Value (CNAV)
- Deposits with other local authorities
- Business reserve accounts and term deposits. These have been primarily restricted to UK institutions that are rated at least A+ long term, and have access to the UK Government's 2008 Credit Guarantee Scheme (CGS)
- Bonds issued by Multilateral Development Banks

6.12 Conditions in the financial sector have begun to show signs of improvement, albeit with substantial intervention by government authorities. In order to diversify the counterparty list, the use of comparable non-UK Banks for investments is now considered appropriate.

The sovereign states whose banks are to be included are Australia, Canada, Finland, France, Germany, Netherlands, Spain, Switzerland and the US. These countries and the Banks within them (see Appendix D), have been selected after analysis and careful monitoring of:

- Credit Ratings (minimum long-term A+)
- Credit Default Swaps
- GDP; Net Debt as a Percentage of GDP
- Sovereign Support Mechanisms / potential support from a well resourced parent institution
- Share Price

The Council has also taken into account information on corporate developments and market sentiment towards the counterparties. The Council and its treasury advisors, Arlingclose, will continue to analyse and monitor these indicators and credit developments on a regular basis. They will respond as necessary to ensure security of the capital sums invested.

Since we remain in a heightened state of sensitivity to risk, vigilance is imperative. This modest expansion of the counterparty list is an incremental step. In order to meet requirements of the revised CIPFA Treasury Management Code, the Council is focusing on a range of indicators (as stated above), not just credit ratings.

Limits for Specified Investments are set out in Appendix D.

6.13 Non Specified Investments:

To protect against a prolonged period of low interest rates, deposits for one to five years and longer-term secure investments will be actively considered within the limits the Council has set for Non-Specified Investments (see Appendix E). The longer-term investments will be likely to include:

- **Supranational bonds (bonds issued by multilateral development banks):** The joint and individual pan-European government guarantees in place on these bonds provide security of the principal invested. Even at the lower yields likely to be in force, the return on these bonds will provide certainty of income against an outlook of low official interest rates.

- **Deposits / Certificates of Deposit with banks or building societies:**  
Deposits for between one and five years and certificates of deposits may be made following consultation with the treasury adviser. Institutions will need to demonstrate a higher level of credit worthiness.
- **UK government guaranteed bonds and debt instruments issued by banks/building societies:**  
The UK Government's 2008 Credit Guarantee Scheme permits specific UK institutions to issue short-dated bonds with an explicit government guarantee. The bonds are issued at a margin over the underlying gilt and would be a secure longer-term investment option.

### **6.14 Investments which constitute capital expenditure**

Investments meeting the definition of capital expenditure can be financed from capital or revenue resources. They are also subject to the CLG's Guidance on "non-specified investments". Placing of such investments has accounting, financing and budgetary implications. Whilst it is permissible to fund capital investments by increasing the underlying need to borrow, it should be noted that under the CLG's MRP Guidance, MRP should be applied over a 20 year period.

6.15 The Council has determined that it is not currently prudent to make investments which constitute capital expenditure. These would presently need to be sourced from revenue and therefore the requirement for MRP would make the investment not viable.

6.16 All investment activity will comply with the accounting requirements of the local authority SORP.

## **7. Balanced Budget Requirement**

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

## **8. 2010/11 Minimum Revenue Provision Statement**

8.1 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision (MRP) has been issued by the Secretary of State. Local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

8.2 The major proportion of the MRP for several years from 2009/10 onwards will relate to the more historic debt liability. It will continue to be charged at the rate of 4%, using the CFR as the basis of calculation. Certain expenditure reflected within the debt liability at 31<sup>st</sup> March 2008 will, under delegated powers, be subject to MRP under option 3. It thus will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using a straight line method. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.

8.3 Estimated life periods will be determined under delegated powers. Where expenditure is not on the creation of an asset, and is of a type subject to estimated life periods, to which guidance refers, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances. This would be where the recommendations of the guidance would not be appropriate.

8.4 Some types of capital expenditure incurred by the Council are not capable of being related to an individual asset. In these cases asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner, which reflects the nature of the main component of expenditure. It will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

8.5 What is a Minimum Revenue Provision?

Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred. Therefore such expenditure is spread over several years so as to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual Minimum Revenue Provision. This was previously determined under Regulation, and will in future be determined under Guidance.

8.6 New statutory duty

Statutory Instrument 2008 no. 414 s4 lays down that:

- A local authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent.
- The above is a substitution for the previous requirement to comply with regulation 28 in S.I. 2003 no. 3146, (as amended)
- The share of Housing Revenue Account CFR is not subject to a MRP charge

8.7 Government Guidance

Along with the above duty, the Government issued guidance in February 2008. This requires that a Statement on the Council's policy for its annual MRP should be submitted to the full Council for approval. This should be before the start of the financial year to which the provision will relate.

The Council are legally obliged to "have regard" to the guidance. This is intended to enable a more flexible approach to assessing the amount of annual provision than was required under the previous statutory requirements. The guidance offers four main options under which MRP could be made. There is an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period. This period should be reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The requirement to 'have regard' to the guidance therefore means that: -



- Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.
- It is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

### 8.8 Option 1: Regulatory Method

Under the previous MRP regulations, MRP was set at a uniform rate of 4% of the adjusted CFR on a reducing balance method (which in effect meant that MRP charges would stretch into infinity). This historic approach must continue for all capital expenditure incurred in years before the start of this new approach. It may also be used for new capital expenditure up to the amount which is deemed to be supported through the SCE(R) annual allocation.

### Option 2: Capital Financing Requirement Method

This is a variation on option 1 which is based upon a charge of 4% of the aggregate CFR without any adjustment for Adjustment A, or certain other factors which were brought into account under the previous statutory MRP calculation. The CFR is the measure of an authority's outstanding debt liability as depicted by their balance sheet.

### Option 3: Asset Life Method.

This method may be applied to most new capital expenditure, including where desired that which may alternatively continue to be treated under options 1 or 2.

Under this option, it is intended that MRP should be spread over the estimated useful life of either an asset created, or other purpose of the expenditure. There are two useful advantages of this option: -

- Longer life assets e.g. freehold land can be charged over a longer period than would arise under options 1 and 2.
- No MRP charges need to be made until the financial year after that in which an item of capital expenditure is fully incurred and, in the case of a new asset, comes into service use (this is often referred to as being an 'MRP holiday'). This is not available under options 1 and 2.

There are two methods of calculating charges under option 3:

- equal instalment method – equal annual instalments
- annuity method – annual payments gradually increase during the life of the asset

### 8.9 Option 4: Depreciation Method

Under this option, MRP charges are to be linked to the useful life of each type of asset using the standard accounting rules for depreciation (but with some exceptions) i.e. this is a more complex approach than option 3.

The same conditions apply regarding the date of completion of the new expenditure as apply under option 3.

### **9. Reporting on the Treasury Outturn**

The Investment Manager will report on treasury management activity and performance as follows:

(a) A monthly treasury management report will be sent to Cabinet providing an overview of activity and also the treasury out-turn position.

(b) Audit Committee will be responsible for the scrutiny of treasury management strategy and practices.

### **10. Other items**

#### **Member Training**

CIPFA's revised Code requires all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities. Treasury Management is included in the general finance training for members. Discussions are ongoing with Arlingclose, the Council's treasury management advisors, on devising specific training for Audit Committee.

The CLG's draft revisions to its guidance on local government investments recommend that the Investment Strategy should state what process is adopted for reviewing and addressing the needs of the authority's treasury management staff for training in investment management.

The Council adopts a continuous performance and development programme to ensure staff are regularly appraised and any training needs addressed. Treasury staff also attend regular training sessions, seminars and workshops. These ensure their knowledge is up to date and relevant. Details of training received are maintained as part of the performance and development process.

#### **Investment Consultants**

The CLG's Draft revisions to its Guidance on local government investments recommend that the Investment Strategy should state:

- Whether and, if so, how the authority uses external contractors offering information, advice or assistance relating to investment and
- How the quality of any such service is controlled.

The Council has a contract in place with Arlingclose Limited to provide a treasury advisory service. A schedule of services has been agreed between both parties. This clearly set out the duties to be carried out as part of the contract. Performance is measured against the schedule of services to ensure the services being provided are in line with the agreement.

#### **Publication**

The CLG's Draft revisions to its Guidance on local government investments recommend that the initial strategy and any revised strategy should, when approved, be made available to the public free of charge, in print or online.

The Treasury Management Strategy Statement is available on the Council's website.

**EXISTING PORTFOLIO PROJECTED FORWARD**

	<b>Current Portfolio £m</b>	<b>31 Mar 10 Estimate £m</b>	<b>31 Mar 11 Estimate £m</b>	<b>31 Mar 12 Estimate £m</b>	<b>31 Mar 13 Estimate £m</b>
<b>External Borrowing:</b>					
Fixed Rate – PWLB	109.6	109.6	105.1	103.6	99.1
Fixed Rate – Market	38.0	38.0	39.0	40.0	38.0
Variable Rate – PWLB	0	15.0	13.5	12.0	10.5
Variable Rate – Market	10.0	10.0	9.0	8.0	10.0
Existing long-term liabilities	3.9	3.9	3.3	2.8	2.4
<b>Total External Debt</b>	<b>161.5</b>	<b>176.5</b>	<b>169.9</b>	<b>166.4</b>	<b>160.0</b>
<b>Investments:</b>					
Deposits and monies on call, Money Market Funds & Supranational Bonds	38.0	35.6	40.6	28.0	39.7
<b>Total Investments</b>	<b>38.0</b>	<b>35.6</b>	<b>40.6</b>	<b>28.0</b>	<b>39.7</b>
<b>Net Borrowing Position</b>	<b>123.5</b>	<b>140.9</b>	<b>129.3</b>	<b>138.4</b>	<b>120.3</b>

**PRUDENTIAL INDICATORS 2010/11 TO 2012/13**

**1 Background:**

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. It should be noted that CIPFA undertook a review of the Code in early 2008, and issued a revised Code in November 2009.

**2. Net Borrowing and the Capital Financing Requirement:**

This is a key indicator of prudence. This is in order to ensure that over the medium term net borrowing will only be for a capital purpose. The local authority should ensure that the net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

The Director of Finance and Resources reports the Council had no difficulty meeting this requirement in 2009/10, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

**3. Estimates of Capital Expenditure:**

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits. In particular it considers the impact on Council Tax and, in the case of the HRA, housing rent levels.

No . 1	Capital Expenditure	2009/10 Approved £m	2009/10 Estimate £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
	Non-HRA	92.9	69.8	77.1	61.9	36.3
	HRA	12.3	11.5	22.6	14.0	10.5
	<b>Total</b>	<b>105.2</b>	<b>81.3</b>	<b>99.7</b>	<b>75.9</b>	<b>46.8</b>

3.2 It is planned that capital expenditure will be financed as follows:

Capital Financing	2009/10 Approved £m	2009/10 Estimate £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
Capital receipts	9.2	4.5	9.0	13.7	8.2
Government Grants	33.0	25.0	34.8	11.0	5.8
Major Repairs Allowance	7.6	8.0	8.2	8.2	8.2
Revenue Contribution	4.6	3.1	2.1	2.1	2.1
Other External Funding	15.8	13.1	12.0	4.8	4.0
Supported borrowing	9.2	3.3	2.1	11.7	6.5
Unsupported borrowing	25.8	24.3	31.5	24.4	12.0
<b>Total</b>	<b>105.2</b>	<b>81.3</b>	<b>99.7</b>	<b>75.9</b>	<b>46.8</b>

**4. Ratio of Financing Costs to Net Revenue Stream:**

4.1 This is an indicator of affordability. It highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs.

4.2 The ratio is based on costs net of investment income.

No 2	Ratio of Financing Costs to Net Revenue Stream	2009/10 Approved %	2009/10 Estimate %	2010/11 Estimate %	2011/12 Estimate %	2012/13 Estimate %
	Non-HRA	4.90	4.14	5.11	6.24	7.25
	HRA	4.15	4.39	4.40	4.88	4.82
	<b>Total</b>	<b>4.72</b>	<b>4.20</b>	<b>4.95</b>	<b>5.94</b>	<b>6.71</b>

**5. Capital Financing Requirement:**

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing. It is an aggregation of the amounts shown for Fixed and Intangible assets, the Revaluation Reserve, the Capital Adjustment Account, Government Grants Deferred and any other balances treated as capital expenditure.

No. 3	Capital Financing Requirement	2009/10 Approved £m	2009/10 Estimate £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
	Non-HRA	172.0	157.6	181.2	207.9	218.7
	HRA	64.0	64.1	68.3	71.1	71.3
	<b>Total CFR</b>	<b>236.0</b>	<b>221.7</b>	<b>249.5</b>	<b>279.0</b>	<b>290.0</b>

5.2 The year-on-year change in the CFR is due to the following

Capital Financing Requirement	2009/10 Approved £m	2009/10 Estimate £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
<b>Balance B/F</b>	207.0	195.3	221.7	249.5	279.0
Capital expenditure financed from borrowing	35.0	30.6	33.6	36.0	18.5
Revenue provision for debt Redemption.	-5.0	-4.2	-5.8	-6.5	-7.5
<b>Balance C/F</b>	<b>236.0</b>	<b>221.7</b>	<b>249.5</b>	<b>279.0</b>	<b>290.0</b>

**6. Actual External Debt:**

6.1 This indicator is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

<b>No. 4</b>	<b>Actual External Debt as at 31/03/2009</b>	<b>£m</b>
	Borrowing	198.0
	Other Long-term Liabilities	4.0
	<b>Total</b>	<b>202.0</b>

**7. Incremental Impact of Capital Investment Decisions:**

7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

<b>No. 5</b>	<b>Incremental Impact of Capital Investment Decisions</b>	<b>2009/10 Approved £</b>	<b>2010/11 Estimate £</b>	<b>2011/12 Estimate £</b>	<b>2012/13 Estimate £</b>
	Increase in Band D Council Tax	17.64	<b>2.41</b>	27.75	50.55
	Increase in Average Weekly Housing Rents	-0.03	<b>0.06</b>	0.58	0.58

7.2 The increase in Band D Council tax / average weekly rents reflects the increases in the provision for Capital Financing Charges. It should be noted however for 2010/11 there will in fact be no increase in Council tax as capital expenditure will be financed predominantly from internal resources.

**8. Authorised Limit and Operational Boundary for External Debt:**

8.1 The Council has an integrated treasury management strategy. It manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council. It will not just arise from capital spending reflected in the CFR.

8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario. It has sufficient headroom over and above this to allow for unusual cash movements.

8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

## APPENDIX 9

No. 6	Authorised Limit for External Debt	2009/10 Approved £m	2009/10 Actual £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
	Borrowing	293	293	299	318	313
	Other Long-term Liabilities	3	3	3	3	2
	<b>Total</b>	196	<b>296</b>	<b>302</b>	<b>321</b>	<b>315</b>
	Council Housing Subsidy self financing	n/a	n/a	70	70	70
	<b>Total</b>	<b>296</b>	<b>296</b>	<b>372</b>	<b>391</b>	<b>385</b>

8.5 The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit. These reflect the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

8.6 The Director of Finance and Resources has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of Council.

No. 7	Operational Boundary for External Debt	2009/10 Approved £m	2009/10 Actual £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
	Borrowing	268	268	269	288	283
	Other Long-term Liabilities	3	3	3	3	2
	<b>Total</b>	<b>271</b>	<b>271</b>	<b>272</b>	<b>291</b>	<b>285</b>
	Council Housing Subsidy self financing	-	-	70	70	70
	<b>Total</b>	<b>271</b>	<b>271</b>	<b>342</b>	<b>361</b>	<b>355</b>

### 9. Adoption of the CIPFA Treasury Management Code:

9.1 This indicator demonstrates that the Council has adopted the principles of best practice.

No. 8	Adoption of the CIPFA Code of Practice in Treasury Management
	The Council approved the adoption of the CIPFA Treasury Management Code at the Council meeting on 25 February 2010.

The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury activities.



**10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:**

10.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments)

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

		<b>2009/10 Approved %</b>	<b>2009/10 Actual %</b>	<b>2010/11 Estimate %</b>	<b>2011/12 Estimate %</b>	<b>2012/13 Estimate %</b>
<b>No 9</b>	<b>Upper Limit for Fixed Interest Rate Exposure</b>	100	100	100	100	100
<b>No 10</b>	<b>Upper Limit for Variable Interest Rate Exposure</b>	50	50	50	50	50

10.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis. The decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

**11. Maturity Structure of Fixed Rate borrowing:**

11.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates. It is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

11.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

<b>No. 11</b>	<b>Maturity structure of fixed rate borrowing</b>	<b>Lower Limit %</b>	<b>Upper Limit %</b>
	under 12 months	0	25
	12 months and within 24 months	0	25
	24 months and within 5 years	0	50
	5 years and within 10 years	0	75
	10 years and within 20 years	0	75
	20 years and within 30 years	0	75
	30 years and within 40 years	0	75
	40 years and within 50 years	0	75
	50 years and above	0	75

**12. Upper Limit for total principal sums invested over 364 days:**

12.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

<b>No. 12</b>	<b>Upper Limit for total principal sums invested over 364 days</b>	<b>2009/10 Approved £m</b>	<b>2009/10 Actual £m</b>	<b>2010/11 Estimate £m</b>	<b>2011/12 Estimate £m</b>	<b>2012/13 Estimate £m</b>
		<b>50</b>	<b>50</b>	<b>47</b>	<b>27</b>	<b>10</b>

**Arlingclose Economic and Interest Rate Forecast**

<b>Jan-10</b>										
	<b>Sep-09</b>	<b>Mar-10</b>	<b>Jun-10</b>	<b>Sep-10</b>	<b>Dec-10</b>	<b>Mar-11</b>	<b>Jun-11</b>	<b>Sep-11</b>	<b>Dec-11</b>	<b>Mar-12</b>
<b>Official Bank Rate</b>										
<b>Upside risk</b>				+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50
<b>Central case</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>1.00</b>	<b>1.50</b>	<b>2.00</b>	<b>2.50</b>	<b>3.00</b>	<b>3.00</b>
<b>Downside risk</b>					-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
<b>1-yr LIBID</b>										
<b>Upside risk</b>				+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
<b>Central case</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>	<b>1.50</b>	<b>1.75</b>	<b>2.25</b>	<b>3.00</b>	<b>3.50</b>	<b>4.00</b>	<b>4.00</b>
<b>Downside risk</b>					-0.25	-0.25	-0.50	-0.50	-0.50	-0.50
<b>5-yr gilt</b>										
<b>Upside risk</b>		+0.25	+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
<b>Central case</b>	<b>2.50</b>	<b>2.70</b>	<b>2.80</b>	<b>2.90</b>	<b>3.00</b>	<b>3.25</b>	<b>3.50</b>	<b>3.75</b>	<b>4.00</b>	<b>4.25</b>
<b>Downside risk</b>		-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
<b>10-yr gilt</b>										
<b>Upside risk</b>			+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25
<b>Central case</b>	<b>3.50</b>	<b>3.75</b>	<b>3.75</b>	<b>4.00</b>	<b>4.00</b>	<b>4.25</b>	<b>4.25</b>	<b>4.50</b>	<b>4.50</b>	<b>4.75</b>
<b>Downside risk</b>			-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
<b>20-yr gilt</b>										
<b>Upside risk</b>		+0.25	+0.50	+0.50	+0.50	+0.25	+0.25	+0.25	+0.25	+0.25
<b>Central case</b>	<b>4.00</b>	<b>4.25</b>	<b>4.50</b>	<b>4.75</b>	<b>4.75</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>
<b>Downside risk</b>		-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
<b>50-yr gilt</b>										
<b>Upside risk</b>		+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
<b>Central case</b>	<b>4.25</b>	<b>4.25</b>	<b>4.50</b>	<b>4.50</b>	<b>4.50</b>	<b>4.75</b>	<b>4.75</b>	<b>4.75</b>	<b>4.75</b>	<b>4.75</b>
<b>Downside risk</b>			-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

The recovery in growth is likely to be slow and uneven, more “W” than “V” shaped.

The Bank of England will stick to its lower-for-longer stance on policy rates.

Gilt yields will remain volatile; yields have been compressed by Quantitative Easing and will rise once QE tapers off and if government debt remains at record high levels.

The path of the base rate has been downgraded to reflect the fragile state of the recovering economy and the severe fiscal correction that will be coming post General Election that will dampen aggregate demand and cut household cashflow.

Expectations of central bank exit strategies and their timing will increase volatility in sovereign bond yields and equities.

There are significant threats to the forecast from potential downgrades to sovereign ratings and/or political instability.

### Underlying Assumptions:

- The Bank of England’s Quantitative Easing (QE) program which injected £200bn to insure against the downside risks to growth and stimulate the economy officially ends 26th January. We estimate that QE has depressed gilt yields by around 70bs (0.7%).
- The Bank forecasts GDP to grow by 4% in 2011 but concedes growth could be impeded by corporate and consumer balance sheet adjustments, restrictions in bank credit and consumers’ cautious spending behaviour. This is an optimistic forecast in our view; evidence of recovery is scant with weak real economic data and rising unemployment. Q4 2009 grew by just 0.1%.
- Looming bank regulation and liquidity and capital requirements will curb bank lending activity. The Bank retains the option to reduce the rate on commercial banks’ deposits to encourage them to lend. But FSA regulations will force banks to buy more Gilts, which could help slow the rise in yields in 2010/11.
- The employment outlook remains uncertain. Pay freezes, short hours, job cuts and a migration toward part time employment will continue into 2010 keeping the headline unemployment number down.
- Inflation is not an immediate worry for the Bank, which forecasts CPI to rise due to higher commodity prices and VAT reverting to 17.5%. Commodity prices and VAT will push inflation over 3% prompting a letter from the Bank’s Governor to the Chancellor in Q1 2010.
- The UK fiscal deficit remains acute. Cuts in public spending and tax increases are now inevitable and more likely to be pushed through in 2010 by a new government with a clear majority, however a hung parliament cannot be ruled out and would be potentially disruptive to financial markets.

- The net supply of gilts will rise to unprecedented levels in 2010. Failure to articulate and deliver on an urgent and credible plan to lower government borrowing to sustainable levels over the medium term will be negative for gilts.
- The Federal Reserve Chairman Bernanke's diagnosis of a weak U.S. economy and labour market signal that the Fed's "extended period" of low rates may get even longer. The outlook for the Eurozone is more optimistic but the European Central Bank will only increase rates after a durable upturn in growth.

**Specified and Non Specified Investments****Specified Investments identified for use by the Council**

Specified Investments will be those that meet the criteria in the CLG Guidance, i.e. the investment:

- is sterling denominated
- has a maximum maturity of 1 year
- meets the “high” credit criteria as determined by the Council or is made with the UK government or is made with a local authority in England, Wales and Scotland.
- is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate).

“Specified” Investments identified for the Council’s use are:

- Deposits in the DMO’s Debt Management Account Deposit Facility
- Deposits with UK local authorities
- Deposits with banks and building societies
- \*Certificates of deposit with banks and building societies
- \*Gilts : (bonds issued by the UK government)
- \*Bonds issued by multilateral development banks
- AAA-rated Money Market Funds with a Constant Net Asset Value (Constant NAV)

\* Investments in these instruments will be on advice from the Council’s treasury advisor.

For credit rated counterparties, the minimum criteria will be the short-term / long-term ratings assigned by various agencies. These agencies may include Moody’s Investors Services, Standard & Poor’s and Fitch Ratings.

Long-term minimum: A1 (Moody’s) or A+ (S&P) or A+ (Fitch)

Short-term minimum: P-1 (Moody’s) or A-1 (S&P) or F1 (Fitch).

The Council will also take into account information on corporate developments, market sentiment and financial indicators towards investment counterparties.

The Director of Finance and Resources has delegated powers to amend the counterparty list as required to maintain effective management of the treasury function.

New specified investments will be made within the following limits:

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<b>Instrument</b>	<b>Country</b>	<b>Counterparty</b>	<b>Maximum Limit Value £m</b>	<b>Maximum Limit %</b>
Term Deposits	UK	DMADF, DMO	No limit	No limit
Term Deposits/Call Accounts	UK	Other UK Local Authorities	£35m per Local Authority	No limit
Term Deposits/Call Accounts	UK	Barclays	20	15
Term Deposits/Call Accounts	UK	Clydesdale	20	15
Term Deposits/Call Accounts	UK	HSBC	20	15
Term Deposits/Call Accounts	UK	Lloyds Banking Group (inc Bank of Scotland)	20	15
Term Deposits/Call Accounts	UK	Nationwide	20	15
Term Deposits/Call Accounts	UK	Royal Bank of Scotland	20	15
Term Deposits/Call Accounts	UK	Santander UK	20	15
Term Deposits/Call Accounts	Australia	Australia and NZ Banking Group	15	15
Term Deposits/Call Accounts	Australia	Commonwealth Bank of Australia	15	15
Term Deposits/Call Accounts	Australia	National Australia Bank Ltd	15	15
Term Deposits/Call Accounts	Australia	Westpac Banking Corp	15	15
Term Deposits/Call Accounts	Canada	Bank of Montreal	15	15
Term Deposits/Call Accounts	Canada	Bank of Nova Scotia	15	15
Term Deposits/Call Accounts	Canada	Canadian Imperial Bank of Commerce	15	15
Term Deposits/Call Accounts	Canada	Royal Bank of Canada	15	15
Term Deposits/Call Accounts	Canada	Toronto-Dominion Bank	15	15

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Term Deposits/Call Accounts	Finland	Nordea Bank Finland	15	15
Term Deposits/Call Accounts	France	BNP Paribas	15	15
Term Deposits/Call Accounts	France	Calyon (Credit Agricole Group)	15	15
Term Deposits/Call Accounts	France	Credit Agricole SA	15	15
Term Deposits/Call Accounts	Germany	Deutsche Bank AG	15	15
Term Deposits/Call Accounts	Netherlands	Rabobank	15	15
Term Deposits/Call Accounts	Spain	Banco Bilbao Vizcaya Argentaria	15	15
Term Deposits/Call Accounts	Spain	Banco Santander SA	15	15
Term Deposits/Call Accounts	Switzerland	Credit Suisse	15	15
Term Deposits/Call Accounts	US	JP Morgan	15	15
Gilts	UK	DMO	No limit	No Limit
Bonds	EU	European Investment Bank/Council of Europe	50	40
AAA rated Money Market Funds (MMF)	UK/Ireland/Luxembourg	CNAV MMFs	5	7.5 per institution. Maximum MMF exposure 37.5

The above percentage limits are based on a rolling average balance of 30 days.

In addition to individual institution limits, a group limit of 20% is applicable.

Non UK Banks are restricted to a maximum exposure of 25% per country and a total overseas aggregate exposure (excluding MMF;s) of 40%.

Maturity periods may be amended to less than one year to address any emerging risk concerns.



**Non-Specified Investments determined for use by the Council**

Having considered the rationale and risk associated with Non-Specified Investments, the following have been determined for the Council's use:

	In-house use	Maximum maturity	Max % of portfolio	Capital expenditure?
<ul style="list-style-type: none"> <li>▪ Deposits with banks and building societies</li> <li>▪ Certificates of deposit with banks and building societies</li> </ul>	✓	5 years	40 in aggregate	No
Gilts and bonds <ul style="list-style-type: none"> <li>▪ Gilts</li> <li>▪ Bonds issued by multilateral development banks</li> <li>▪ Bonds issued by financial institutions guaranteed by the UK government, e.g. GEFCO</li> <li>▪ Sterling denominated bonds by non-UK sovereign governments</li> </ul>	✓ (on advice from treasury advisor)	6 years	40 in aggregate	No

In determining the period to maturity of an investment, the investment should be regarded as commencing on the date of the commitment of the investment rather than the date on which funds are paid over to the counterparty.

Deposits and certificates of deposit with banks, and building societies, if taken for periods in excess of one year, will have the following minimum credit ratings:

	Long-term	Short-term
Fitch	AA- (AA minus)	F1+
Moody's	Aa3	P-1
S&P	AA- (AA minus)	A-1+

The Council will also take into account information on corporate developments, market sentiment and financial indicators towards investment counterparties.

**THE CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY  
(CIPFA) REVISED CODE OF PRACTICE FOR TREASURY MANAGEMENT IN  
PUBLIC SERVICES**

**Background**

In 2002, CIPFA published Treasury Management in the Public Services Code of Practice and Cross sectional Guidance Notes (the TM Code). At the time, it issued sector specific guidance notes in respect to the main categories of public service organisations, including local authorities. This code was adopted by the London Borough of Hillingdon.

In 2009 the TM Code was revised and the opportunity was taken to update these local authority specific guidance notes.

**Recommendation**

That Council now approve the adoption of the 2009 revised CIPFA Treasury Management Code.

**Information**

In response to the financial crisis in 2008 and the collapse of the Icelandic banks, in November 2009 CIPFA released two updated codes. These were its revised Code of Practice on Treasury Management as well as the revised Prudential Code for Capital Finance in Local Authorities. To a large extent the two revised codes replicate their earlier versions however the main changes are detailed below.

The London Borough of Hillingdon has amended its treasury policy and practices to allow adoption of the new requirements into its treasury operations. Some of the references in the Treasury Management Strategy Statement are noted below.

- **CIPFA's definition of treasury management:** This now makes specific reference to investments. The revised definition of treasury management is: "The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks." (Paragraph 1.2)
- **Strategy if large gross to net borrowing difference:** The Prudential Code requires that where there is a significant difference between the net and the gross borrowing position, the risks and benefits associated with this strategy should be clearly stated in the annual strategy. (Paragraph 4.5)
- **Risk Management:** The identification and management of risk remains at the heart of the treasury management function.
  - i. Credit and Counterparty Risk is placed at the forefront of treasury risks. (Paragraph 6.2) The Code recognises that credit ratings should be the

starting point but not the only criteria in determining the lending list. Other considerations of creditworthiness and market information should also be assessed alongside. (Paragraph 6.4)

- ii. There needs to be a policy and assessment of risk for borrowing in advance of need. Authorities are required to demonstrate value for money for such borrowing and that they can ensure the security of such funds. (Paragraph 6.5)
  - iii. Strategies should address how the risk associated with borrowing or investments subject to optionality is being addressed. An example is call option dates on Lender Option Borrower Option (LOBO) loans. (LOBO's have agreed dates where the lender has the option to alter the terms of the deal and the borrower then has the option to either accept the changes or repay the debt without penalty). (Paragraph 4.13)
- **Governance and Reporting:** There is greater emphasis on the adoption of and scrutiny of the treasury management function.
    - i. Full Council is to approve the annual treasury management strategy (per this report).
    - ii. Local authorities are required to name a responsible body (for example, committee, board or council) or nominated group of individuals or relevant committee such as Audit Committee or relevant Scrutiny Committee to undertake this function. (Paragraph 9)
    - iii. In addition to the year-end report on treasury activity, Councils should report on treasury activity more frequently, with a mid-year report included as a minimum. (This is already in the Treasury Management Practices)
  - **Skills and Training:** Officers and members tasked with treasury management responsibilities, including those tasked with the scrutiny of the treasury management function, should receive appropriate training relevant to their needs and understand fully their roles and responsibilities. (Paragraph 10)
  - **External Services Providers:** Authorities should be clear about the services they receive which should meet their needs and be the subject of regular competitive tendering in accordance with standing orders. CIPFA advises organisations document comprehensively the arrangements made with the service providers. The overall responsibility for treasury management must nevertheless always remain with the organisation. (Paragraph 10)