

COUNCIL BUDGETS

2018-2019



WANDSWORTH BOROUGH COUNCIL – BUDGET BOOK 2018/19

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SECTION 1

COUNCIL'S REVENUE BUDGET AND COUNCIL TAX

This section sets out how the 2018/19 revenue budget, council tax, and budget framework were developed from the previous year's budget. It is based on reports considered by the Finance and Corporate Resources Overview and Scrutiny Committee on the 17th January 2018 and 21st February 2018, and by the Council on the 7th March 2018. The section contains appendices summarising the budgetary effect of developments and of repricing from November 2016 to 2017, levies from other public bodies, special reserves, and the council tax base.

WANDSWORTH BOROUGH COUNCIL

FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY
COMMITTEE – 21ST FEBRUARY 2018

EXECUTIVE – 26TH FEBRUARY 2018

Report by the Director of Resources on the Council Tax Requirement and
Council Tax for 2018/19

SUMMARY

The Cabinet Member's recommendation indicates a Council Tax Requirement and total tax amounts for 2018/19 as shown in bold below. The recommended budget framework (Appendix F) then implies the average Band D tax amounts increasing as shown in italics below. These sums are before any further reductions in expenditure or use of balances and reserves.

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£m	£m	£m	£m
Council Tax Requirement	53.890	55.987	74.117	85.253
Average Band D Tax amount:	£	£	£	£
Council	420.02	428.42	<i>559.45</i>	<i>634.87</i>
Greater London Authority	280.02	294.23	<i>300.09</i>	<i>306.07</i>
TOTAL	700.04	722.65	<i>859.54</i>	<i>940.94</i>
Total for majority of Borough	694.00	716.50	853.32	934.66
Total for Conservators' area	722.61	745.80	883.35	965.44

GLOSSARY

DCLG	-	Department for Communities and Local Government
GLA	-	Greater London Authority
LPFA	-	London Pension Fund Authority
NNDR	-	National Non-Domestic Rate
RSG	-	Revenue Support Grant
SFA	-	Settlement Funding Assessment
W&PCC	-	Wimbledon and Putney Commons' Conservators

RECOMMENDATIONS

1. The Finance and Corporate Resources Overview and Scrutiny Committee are recommended to support the recommendations of the Cabinet Member for Finance and Corporate Resources, shown in paragraph 2. If they approve any views, comments or recommendations on this report, they will be submitted to the Executive for their consideration.
2. The Cabinet Member for Finance and Corporate Resources recommends the Executive as follows: -
 - (a) to approve the General Fund budget variations and further spending requirements shown in paragraph 6 and in Appendix A;
 - (b) to endorse the proposals for reserves as described in paragraphs 13 and 14 and as summarised in Appendix C;
 - (c) to recommend the Council, in the form shown in Appendix D and Appendix E, to give effect to the council tax requirement and council tax amounts for 2018/19 so determined;
 - (d) to recommend the Council to adopt the budget framework shown in Appendix E, subject to any variations subsequently approved by the Executive within the overriding restrictions that unearmarked reserves should not be forecast to fall below £6.75 million in 2018/19 nor the council tax band D forecast for the next two years rise by more than a further £51.65 (paragraph 35); and
 - (e) to agree that, should it be necessary following the meeting of the Greater London Authority (GLA) on 22nd February 2018, the Director of Resources be authorised to update the content of this report for any changes to the GLA's band D council tax and related GLA budget reported within this report, for the approval of full Council at its meeting on 7th March 2018.

INTRODUCTION

3. Section 32 of the Local Government Finance Act 1992 requires the Council to calculate its budget requirement before 11th March, and Section 30 requires that by the same date the Council sets amounts of council tax for each category of dwellings in its area. The Council's Constitution requires the Executive to submit to the Council, in February or early March, after having regard to the advice of the Director of Resources, its estimates in relation to revenue budgets for the current financial year, the revenue budgets for future financial years including allocation to different services and projects, and reserves for specified and general contingencies for the forthcoming financial year, the budget requirement and basic amounts of tax.
4. For these calculations, this paper updates the revenue budget for 2018/19 approved in January in Paper No.18-9 to include the latest estimates of expenditure and notified levies and precepts. The revenue budget is set out in paragraph 8. The financial reserves appropriate for specific purposes are

(Paper No. 18-88)

reviewed in paragraphs 14 and 15 and paragraph 16 refers to the need for a general reserve appropriate to meet contingencies. The calculation of the council tax requirement is described in paragraph 25. Paragraphs 27 to 31 present the calculations of the Council's share of council tax, and discuss the risks of the requirement for a council tax referendum. Paragraph 32 sets out the requirements of the Greater London Authority. The results for taxpayers in 2018/19, allowing for this precept, are set out in paragraph 33 and the recommended revenue budget framework is discussed in paragraph 35.

COUNCIL NET REVENUE EXPENDITURE

Service Revenue Budgets

5. In January 2018 the Executive approved an aggregate budget for 2017/18 of £200.674 million at November 2017 prices after allowing for certain budget variations (Paper No. 18-9). A copy of the report by the Director of Resources on the Council's budget plans for 2018/19 and future years was placed on the Economic Development Office business home page on the Council's website. Written comments were invited by 9th February in order to be considered by the Finance and Corporate Resources Overview Committee and the Executive. No comments were received.
6. Since the approval of the budget in Paper No. 18-9, a number of other adjustments have been accommodated, including changes in levies and charges as notified by bodies empowered to make levies or charges upon the Council, changes in specific grants and other technical accounting adjustments. Budget variations approved by the Executive in this cycle, with the support of the relevant Overview and Scrutiny Committee, are detailed in [Appendix A](#).
7. The allowance recommended for inflation from November 2017 prices through to 2018/19 outturn is £6.2 million. Cumulative increases for 2019/20 and 2020/21 of £15.3 million and £24.2 million respectively are also recommended.

Council's Revenue Expenditure

8. Subject to approval of the revenue budget variations, the Council's net expenditure for 2018/19 through to 2020/21 is as follows:

	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£m	£m	£m
Budgets as per Paper No. 18-9	176.989	181.923	182.236
Budget variations (Appendix A)	0.279	0.029	0.029
Provision for inflation	6.237	15.341	24.190
Revised committee budgets	183.505	197.293	206.455
New Homes Bonus	-12.932	-10.941	-8.968
Improved Better Care Fund	-11.883	-15.188	-15.188
Council Net Expenditure	158.690	171.164	182.299

New Homes Bonus

9. The New Homes Bonus was introduced in 2011 and provides a Government grant equivalent to the increase in council tax revenues that would otherwise be generated from new housing stock, but calculated using national council tax rates. Originally the grant was payable on cumulative growth in housing stock for the previous six years. However, following a review of the arrangements, the 2017/18 payments are based on the previous five years' growth and for 2018/19 onwards for the previous four years. In both cases this is after a deduction for assumed housing growth. The Council is therefore expected to receive New Homes Bonus funding of £12.932 million in 2018/19 (down from £13.288 million in 2017/18) and for budgeting purposes a reduced level of grant has been reflected in future years.

Improved Better Care Fund

10. The Government continues to provide funding to assist with the pressures within social care via the Improved Better Care Fund. The Council's allocation for 2018/19 is £11.883 million with a further indicative allocation of £15.188 million in 2019/20. In addition, the Government has just announced Wandsworth's Adult Social Care Support Grant allocation for 2018/19 of £811,000. Originally introduced for 2017/18 only, the grant recognises the continuing spend pressures in this area. Approved committee budgets include corresponding expenditure budgets where known at this stage and any further spending pressures in this area will be dealt with through the usual arrangements.

Funding pressures

11. Government recognition of these continuing funding pressures is evidenced by its continuation of the adult social care precept, first introduced in 2016/17, which gives those authorities responsible for adult social care an extra flexibility on their council tax referendum threshold to be used entirely for social care. As part of the Provisional Local Government Finance Settlement issued on 19th December 2017 the Secretary of State confirmed that local authorities could, if they could demonstrate improvements in adult social care, raise a precept up to a maximum of 6% over three years (with 2018/19 being the second year). In light of the continuing growth in demand for adult social care services it is now recommended that, as in 2017/18, an adult social care precept of 2% is levied in the coming year. The precept would be shown on the face of council tax bills and in the information supplied with the demand notice.
12. Paper No. 18-36 reported to the Education and Children's Services Overview and Scrutiny Committee on 8th February 2018 highlighted the ongoing budget pressures in children's services and an in-year projected overspend of £1.686 million. Projections of the use of reserves and balances in the current year make allowance for this and the overall outlook for 2017/18 (paragraph 15). As in previous years, any need for additional budget in the coming year will be considered as part of the 2017/18 outturn report presented to the June cycle of meetings. As the funding of these pressures will require a further drawing down of reserves, a £2 million contribution to the Financial Resilience Reserve in 2018/19 is included in paragraph 18.

GENERAL FUND REVENUE RESERVES

(Paper No. 18-88)

13. The calculation of the Council's requirements has to include the amount of financial reserves which it will be appropriate to raise or use in the financial year. The Council has no need for reserves for two of the purposes which it is obliged to consider: to cover deficits remaining from any earlier financial year (as there are none), and to cover 2019/20 expenditure to be incurred before revenues for that year are available (as this can be met within the Council's temporary borrowing limit).

Special Reserves

14. The special reserves are those appropriate for meeting future expenditure in performing the Council's functions. The reserves, their purposes and the expected change in their balances under existing policies are shown in Appendix C.

General Reserves

15. The general reserves at 31st March 2018, on the basis of previous reports and the current outlook for 2017/18 would then be:

	Original £m	Revised £m	£m
Estimated General Fund balance 01/04/17			13.500
General Fund balance 01/04/17		19.358	5.858
Projected use of working balance in year		-2.949	-2.949
Use of Balances and Reserves:			
Renewals Fund	0.097	0.525	0.428
Financial Resilience Reserve	1.200	1.200	0
Children's Services Recovery Reserve	0	9.600	9.600
Committee Budgets 2017/18	-164.350	-176.793	-12.443
Planned Contribution to General Reserve			-1.359
Estimated General Fund balance 31/03/18			<u>12.635</u>
Recommended for contingencies			<u>13.500</u>
Shortfall over required contingency			-0.865

16. The in-year projected shortfall of £0.865 million is assumed at this stage to be funded from the Financial Resilience Reserve. The Council must make an appropriate prudent allowance for contingencies for the forthcoming year. In addition, under Section 25 of the Local Government Act 2003, the Council's Chief Financial Officer must report to the Council on the following matters:
- (a) The robustness of the estimates made for the purposes of the calculations; and
 - (b) the adequacy of the proposed financial reserves, having considered the proposals within this paper.

17. The Director of Resources considers the estimates to be robust and that it would be prudent to again retain a general reserve for contingencies of all kinds of about £13.5 million. The full range of uncertainties in the next financial year is indicated by the items shown in Appendix B. The Cabinet Member for Finance and Corporate Resources has been consulted and concurs with this proposal.

USE OF BALANCES AND RESERVES

18. The Council's net expenditure is adjusted for planned movement on balance and reserves as follows:

<u>Use of Balances and Reserves</u>	<u>2018/19</u> £m	<u>2019/20</u> £m	<u>2020/21</u> £m
Council's Net Expenditure	158.690	171.164	182.299
Movement on balances and reserves:			
Renewals Fund	-0.097	-0.097	-0.097
Financial Resilience Reserve	+0.800	-1.200	-1.200
Net Expenditure after Use of Balances and Reserves	159.394	169.867	181.003

LOCAL AUTHORITY FINANCE SETTLEMENT

19. From 2013/14, the Government significantly amended the methodology for Central Government support for Local Government, consolidating most previous specific grants into the new funding model, and reallocating the total through three separate funding streams: retained business rates (the Council retains 30% of local business rates), a business rates "top-up" (recognising the lower amount receivable under this methodology when compared with the assessed funding base level), and Revenue Support Grant (RSG). In October 2015 the Chancellor of the Exchequer announced that, by 2020, 100% of business rates income would be devolved to local government and core grant funding via RSG would end. During 2016 the Council chose to take up the Government's offer of a four-year grant settlement, available to those authorities who published an efficiency plan, in order to provide certainty of funding up to 2019/20.
20. Subsequently the Government has agreed to the creation of a London Business Rates Pool pilot scheme starting from April 2018 for one year only which allows London to retain 100% of any growth in business rates (whilst also sharing the risk of any overall fall in business rates). As a result, for 2018/19 only at this stage, an increased level of retained business rates will replace RSG in full, with the Council retaining 64% of business rates received and passing over 36% to the GLA. The Council expects this proposal to be financially beneficial, however given the uncertainty over business rates projections and levels of appeals across London plus the recent release of new valuation data by the Valuation Office agency, it is considered prudent not to build in any assumption of increased business rates retention into the framework at this stage. Current assumptions, therefore, are for income levels to be in line with the four-year settlement (as subsequently adjusted)

accepted by the Council as follows:

	<u>2017/18</u> £m	<u>2018/19</u> £m	<u>2019/20</u> £m	<u>2020/21</u> £m
Retained Business Rates	34.217	75.799	36.316	36.316
Business Rates Top-Up	34.538	25.483	36.358	36.358
Revenue Support Grant	37.014	0.000	23.076	23.076
	<u>105.769</u>	<u>101.282</u>	<u>95.750</u>	<u>95.750</u>

21. At this stage an assumption has been made of no further decrease in Government funding beyond the current four-year settlement (2019/20), notwithstanding the Government's commitment to a "Fair Funding Review" of local authority baseline funding allocations to conclude by that point which is likely to change future funding levels.

CALCULATION OF COUNCIL TAX AMOUNTS

Collection Fund

22. The tax requirements of the Council are aggregated with those of the precepting authorities within the Collection Fund. The Council's part represents its budget requirement less its share of retained Business Rates, and any Collection Fund surplus or deficit.
23. With regard to the council tax element, it is estimated that the Collection Fund will have a surplus of £3.541 million at 31st March 2018. Of this amount £2.125 million will be credited to the Council's General Fund in 2018/19. The remainder is passed to the GLA.
24. Local Business Rates due are also credited to the Collection Fund and were shared between the Council (30%), the GLA (20%) and the DCLG (50%) in 2017/18. The estimated deficit on the Collection Fund in respect of Business Rates at 31st March 2018 is £4.89 million (of which the Council's share is £1.467 million) which is a reduction on the previous year's deficit of £6.1 million. The Council's share of this deficit will be met by a transfer from the Business Rates Volatility Reserve. The 2017 revaluation has caused a degree of uncertainty due to the unknown impact of appeals and the Council has prepared its estimates of income from business rates including a significant contribution to the provision for appeals. In light of this it is not proposed to replace the amounts applied against the deficit in the Business Rates Volatility Reserve.

Wandsworth Council Tax Requirement

25. After taking account of Business Rates and central Government support and the use of balances and reserves detailed in [paragraph 18](#), the amount that this Council needs to raise from council tax for its own purposes is as follows:

<u>2017/18</u> £m	<u>2018/19</u> £m	<u>2019/20</u> £m	<u>2020/21</u> £m
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Council Tax 2018/19

Net Expenditure after use of balances and reserves	161.694	159.394	169.867	181.003
Collection Fund Surplus (-)/Deficit (+)	-2.035	-2.125		
	<u>159.659</u>	<u>157.269</u>	<u>169.867</u>	<u>181.003</u>
Less:				
Retained Business Rates	-34.217	-75.799	-36.316	-36.316
Business Rates Top-Up	-34.538	-25.483	-36.358	-36.358
Revenue Support Grant	-37.014	0	-23.076	-23.076
	<u>-105.769</u>	<u>-101.282</u>	<u>-95.750</u>	<u>-95.750</u>
Wandsworth Council Tax Requirement	53.890	55.987	74.117	85.253

26. The statutory form of calculation by the Council is shown in [Appendix E](#), with details in [Appendix D](#).

Council Tax Base

27. The Council tax bases are calculated annually by the Director of Resources under the authority delegated to him by the Council at its meeting on 4th February 2004. These have now been determined as 130,683 for the Borough as a whole, and 27,423 for the Wimbledon and Putney Commons Conservators' area. The figures for 2017/18 were 128,303 and 27,090. Growth of 1,800 properties per annum has been assumed for future years and the tax base figures incorporate the effect of Council Tax Support on the tax base.

Wimbledon and Putney Commons Conservators (W&PCC)

28. The Council is required to treat as a special expense the levy of the W&PCC, and formally resolved to do so for successive financial years at its meeting on 10th March 1993. For 2018/19 this levy amounts to £803,497, an increase of £28,489 on the levy for 2017/18. As a special expense it must be charged only to taxpayers within the Conservators' area, who will therefore have tax amounts £29.30 (£28.61 in 2017/18) higher than elsewhere in the Borough at band D.
29. The Council has to calculate first an average band D tax element (dividing the tax needs shown in paragraph 25 by the 130,683 tax base figure), and then separate amounts for the majority of the Borough (excluding the special expenses) and for the Conservators' levy area. The statutory form of statement is shown in [Appendix E](#) and the amounts are:

	Average	Majority	W&PCC
	£	£	£
2018/19	428.42	422.27	451.57
2017/18	420.02	413.98	442.59

30. Having calculated band D amounts, the Council has to calculate for each part of its area the amounts of tax for valuation bands other than D. The calculation is made by applying the statutory proportion for each band to the relevant band D amount. The amounts are shown in [Appendix E](#) part (d)(viii).

Council Tax Referenda

31. The Government has confirmed the council tax referendum thresholds for 2018/19 and that an increase in the relevant amount of council tax that is considered to be excessive is 3% or more. However, councils with adult social care responsibilities will also be able to increase council tax as detailed in paragraph 11.

Greater London Authority

32. The Mayor of London has issued a consultation document on the GLA budget requirement and precepts which shows the total GLA precept increasing from £280.02 to £294.23 (an increase of 5.1%) for 2018/19. The GLA is due to consider its final budget on 22nd February 2018 i.e. after the meeting of the Finance and Corporate Resources OSC but before the meeting of the Executive, which is due to be held on 26th February 2018. Should the GLA change their provisional budget and/or council tax requirement, it is proposed that the Director of Resources be authorised to update the content of this report for any changes to the GLA's budget and precept reported within this report, for the approval of the full Council at its meeting on 7th March 2018. when considering the council tax requirement.

COUNCIL TAX AMOUNTS

33. Combining this Council's tax amount with that of the GLA produces total band D amounts as follows for 2018/19:

	Average	Majority	Conservators' Area
	£	£	£
Wandsworth Council	428.42	422.27	451.57
Greater London Authority	294.23	294.23	294.23
	<u>722.65</u>	<u>716.50</u>	<u>745.80</u>

34. The amounts for all valuation bands are shown in Appendix E part (f). After taking account of discounts, exemptions and the distribution of properties over valuation bands, the average bill for all dwellings in the Borough is estimated to be around £645 which should remain as the lowest average bill in the country.

FUTURE YEARS' BUDGET FRAMEWORK

35. The budget variations, inflation allowances and grant assumptions described earlier in this report imply that the average band D tax amounts for the Council element would be £559 in 2019/20 and £635 in 2020/21. These represent

increases of 30.6% and 13.5% respectively, compared with the preceding year. With the assumed GLA precept, the total average band D amount would rise to £860 in 2019/20 and £941 in 2020/21. The budget framework showing these amounts is given in Appendix F. In accordance with the Council's Constitution, the Council should be recommended to adopt this framework on the basis that the Executive may then approve budget variations within the overriding restrictions that unearmarked reserves should not be forecast to fall below £6.75 million (50% of that set aside for contingencies) in 2018/19, nor the council tax band D forecast for the next two years rise by more than a further £51.65.

36. The detailed budget by Overview and Scrutiny Committee for 2017/18 to 2020/21 (based on budgets approved in Paper No. 18-9 as amended for those budget variations shown in Appendix A) is available in the Members' On Line Library and will be published as part of the Council's Budget Book. As in previous years, any overspend against the current year's approved budget and funding of additional budget in 2018/19 for children's services pressures will be considered as part of the Council's 2017/18 outturn report due to be reported to this Committee at their meeting on 28th June 2018. As the funding of these pressures will require a further drawing down of reserves the proposals above allow for a top up of the Financial Resilience Reserve of £2 million in 2018/19.
37. Taking all of the above matters into account, it is recommended that for 2018/19 the Council's element of the council tax remains at 2017/18 levels but, in light of continuing growth in demand for adult social care services, an adult social care precept of 2% is levied.
38. If Government referendum criteria required increases of no more than 2% and the adult social care precept continues at 2%, the framework in Appendix F indicates that the council tax requirement would have to be reduced, either from budget reductions or the use of reserves, by £23.0 million by the end of the framework period. This gap will need to be addressed by the Council in its Medium Term Financial Strategy due to be submitted to the Executive and the Council for approval in June 2018. Whilst the Council has reserves identified to meet some of these pressures, once these have been expended there will remain an ongoing budget shortfall which will inevitably put pressure on future council tax levels or require efficiency savings.

EQUALITY IMPACT AND NEEDS ANALYSIS

39. The Equality Act 2010 requires that the Council when exercising its functions must have "due regard" to the need to eliminate discrimination, to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. As such an Equality Impact and Needs Analysis has been undertaken on the proposals in this report and is attached as Appendix G.

The Town Hall
Wandsworth
SW18 2PU

MARK MAIDMENT
Director of Resources

13th February 2018

Background Papers

The following background papers were used in the preparation of this report:

1. The Council's Budget Book 2017/18
2. Budget variations approved by the Executive in this financial year
3. Service committees' budget variation requests in this cycle
4. Local Authority Finance Settlement notification
5. GLA precept and levying bodies' documents.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the Democratic Services Manager (Mr G Collins – 020 8871 6021; email graham.collins@richmondandwandsworth.gov.uk) can supply it if required.

APPENDIX A

General Fund Budget Variations	CAPITAL				REVENUE			
	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
<u>EDUCATION AND CHILDREN'S SERVICES – 08/02/2018</u>								
(18-39) Local Offer for Care Leavers						+29	+29	+29
(18-43) Schools Basic Needs Capital Programme		+14,300						
(18-44) SEN School Places – Riversdale ASD Base		+450						
(18-45) Capital Maintenance in Schools		+2,862						
(18-48) Schools Brokerage						+153	(Note 1)	
<u>HOUSING AND REGENERATION – 18/01/2018</u>								
(18-15) Homelessness Reduction Incentives						+250		
Total General Fund Budget Variations		+17,612				+432	+29	+29

Note 1: funded in full by grant so has no impact on General Fund working balance

**EXAMPLES OF CONTINGENCIES WHICH COULD INCREASE
GENERAL FUND EXPENDITURE**

- (a) Changes in application of legislation and the conditions for Government specific grants.
- (b) Increase in inflation above the levels anticipated when setting the budget.
- (c) The application of higher than anticipated inflation indices to contracted-out services, where increases are contractually based on the inflation index for specified calendar months.
- (d) Retendering of service contracts at higher costs due to factors such as the Working Time Directive, the statutory minimum wage, and less competitive markets.
- (e) Unforeseen difficulties in recovering arrears, requiring additional provision to be made for doubtful debts.
- (f) Other unforeseen demands, and opportunities for service improvements in line with the Council's general policies, which could not be accommodated within approved budgets.
- (g) Utilisation of specific grants already consolidated into the budget.
- (h) Budgetary pressures facing services arising from changes in local demographics such as adult social services and housing, and increased demand for statutory services especially in relation to looked after children.
- (i) Shortfalls in capital receipts, adding to the net interest borne by the General Fund.
- (j) Cost of a local disaster not covered by Government grant under the Bellwin Scheme.
- (k) Transferred responsibilities from health authorities to local authorities.
- (l) Reduction in income streams due to the continuing economic difficulties.
- (m) Potential increase in costs arising from Welfare Reform implementation.
- (n) Differences in levy or charge from that estimated before formal notice issued by levying body.

GENERAL FUND REVENUE RESERVES

All these reserves are legally part of the Council's General Fund, though earmarked for specific purposes. The reserves, their purposes, and the expected change in their balances, under existing policies, are summarised below:

	Balance 1st April <u>2017</u> £'000	Budgeted Change <u>2017/18</u> £'000	Balance 1st April <u>2018</u> £'000	Budgeted Change <u>2018/19</u> £'000	Balance 1st April <u>2019</u> £'000
Renewals Fund - revenue	29,275	-525	28,750	-97	28,652
This fund is for "loans" to services with unusually large requirements for building refurbishment, energy conservation schemes, computer software and vehicle and plant replacements. The planned expenditure is chiefly for IT hardware and software.					
Finite Services Fund	1,410	0	1,410	0	1,410
This reserve provides for some pre-financing of identified costs of limited duration which includes the Council's aspirations programme and support from the General Fund for the two regeneration schemes where costs fall outside of the Housing Revenue Account.					
Specific Grant Reserve	1,000	0	1,000	0	1,000
This reserve is for potential over-estimates or losses of specific Government grants for General Fund services.					
Services Transformation Reserve	17,484	0	17,484	0	17,484
This reserve was established in 2010/11 to meet the short-term costs of service restructuring including redundancy and will be used to fund part of the deficit arising from the shortfall in Government funding in future years.					
Insurance Reserve	7,053	0	7,053	0	7,053
This reserve was established to meet certain non-specific liability and property claims where the Council does not insure externally. The adequacy of the reserve will continue to be subject to periodic external reviews.					

	Balance 1st April <u>2017</u> £'000	Budgeted Change <u>2017/18</u> £'000	Balance 1st April <u>2018</u> £'000	Budgeted Change <u>2018/19</u> £'000	Balance 1st April <u>2019</u> £'000
Pensions Resilience Reserve	43,424	0	43,424	0	43,424
<p>This reserve was established in 2017/18 by consolidating the balances on three other pension related reserves. This reserve will continue to mitigate the impact of future increases in employer's pension contributions following fund revaluation, provide for any deficit to be funded for those pensions falling under the remit of the London Pension Fund Authority and meet costs relating to pensions enhancements which fall outside statutory pension schemes (mainly for teachers) previously charged to the Enhanced Pension Fund Reserve.</p>					
DSO Reserve	5,090	0	5,090	0	5,090
<p>Reserve balances relating to accrued surpluses of the Design Service and Operational Services Direct Service Organisation (DSO) are used to enable future investment in plant and equipment or to meet redundancy costs if they arise.</p>					
Business Rates Volatility Reserve	7,000	-2,000	5,000	0	5,000
<p>This reserve was established in 2011/12 in recognition of the volatility of the arrangements for future local government funding. The reserve is used to meet any shortfall in business rate yield compared with that included in the Settlement Funding Assessment, together with any estimated surplus or deficit arising on the Collection Fund in respect of business rates. £2m of this is to be utilised to cover the Council's share of the anticipated 2016/17 deficit. Changes to the reserve balance in 2018/19 will depend on the financial impact of the newly formed London Business Rates Pool pilot scheme which has yet to be quantified.</p>					
Financial Resilience Reserve	32,338	-2,065	30,273	800	31,073
<p>This reserve was established in 2014/15 in recognition of the substantial pressures on budgets and diminishing Government support. The 2017/18 council tax setting exercise transferred £6m to this reserve from the former Pensions Reserve to enable an increase in the active employer's rate to be borne without recourse to council tax and £1.2m is to be used for this purpose again in 2018/19. In addition adjustments to this reserve balance are assumed in order to balance the budget in both 2017/18 (£0.865 million use of reserve) and 2018/19 (£2 million contribution to).</p>					
Children's Services Recovery Reserve	15,468	-9,600	5,868	0	5,868
<p>This reserve was established at 2015/16 outturn to forward fund the anticipated short to medium term pressures relating to increased demand for children's specialist services. £9.6m of this reserve is to be utilised to meet pressures in 2017/18. Any additions to or required use of this reserve to meet pressures in 2018/19 and future years will be determined as part of the 2017/18 outturn exercise when the latest impact on service budgets will be known.</p>					
Other Balances	426	0	426	0	426
TOTAL REVENUE RESERVES AVAILABLE FOR COUNCIL TAX PURPOSES	159,968	-14,190	145,778	704	146,481

APPENDIX D

**Amounts to be calculated by the Council for the purposes of
Section 31A of the Local Government Finance Act 1992
for the year 2018/19**

	<u>£'000</u>	<u>See Note</u>
(a) The expenditure the Council estimates it will incur in the year in performing its functions and will charge to a Revenue Account , other than a BID revenue account, for the year in accordance with proper practices;	897,822	1
(b) Such allowance as the Council estimates will be appropriate for contingencies in relation to expenditure to be charged to a revenue account for the year in accordance with proper practices;	13,500	
(c) The financial reserves which the Council estimates it will be appropriate to raise in the year for meeting its estimated future expenditure;	NIL	
(d) Such financial reserves as are sufficient to meet so much of the amount estimated by the Council to be a revenue account deficit for any earlier financial year as has not already been provided for;	NIL	
(e) Any amounts which it estimates will be transferred in the year from its General Fund to its Collection Fund in accordance with section 97(4) of the Local Government Finance Act 1988; and	NIL	
(f) Any amounts which it estimates will be transferred from its General Fund to its Collection Fund pursuant to a direction under section 98(5) of the Local Government Finance Act 1988 and charged to a revenue account for the year.	NIL	
SUB-TOTAL	<u>911,322</u>	
 <u>LESS</u>		
(a) The income which it estimates will accrue to it in the year and which it will credit to a revenue account, other than a BID Revenue Account, for the year in accordance with proper practices;	764,158	1
(b) Any amounts which it estimates will be transferred in the year from its Collection Fund to its General Fund in accordance with section 97(3) of the Local Government Finance Act 1988;	78,381	

- | | | | |
|-----|--|--------|---|
| (c) | Any amounts which it estimates will be transferred from its Collection Fund to its General Fund pursuant to a direction under section 98(4) of the Local Government Finance Act 1988 and will be credited to a revenue account for the year; and | NIL | |
| (d) | The amount of the financial reserves which the Authority estimates that it will use in order to provide for the items mentioned in (a), (b), (e) and (f) above. | 12,797 | 2 |

SUB-TOTAL

855,335

DIFFERENCE (Council Tax Requirement)

55,987

<u>Note 1</u>	<u>Expenditure</u> £'000	<u>Income</u> £'000
Gross Expenditure/Income	895,044	742,591
Central Government Funding & Localised Business Rates		25,483
Less internal recharges	-3,659	-3,659
Plus inflation to end of 2018/19	6,437	200
Less credit from Collection Fund shown separately		-457
	<u>897,822</u>	<u>764,158</u>

Note 2

General reserves available (paragraph 15)	£'000
Less drawings from special reserves (<u>Appendix C</u>)	13,500
	-704
	<u>12,797</u>

FORM OF COUNCIL RESOLUTION

- (a) That the revised revenue estimates for the year 2017/18 referred to in Paper No. 18-9 as adjusted and the revenue estimates for 2018/19 as summarised in this report be approved;
- (b) That the details of the council tax requirement for the year 2018/19, as set out in Appendix D of this paper, be approved;
- (c) That it be noted that the following amounts for the year 2018/19 have been calculated in accordance with the delegation made by the Council on 4th February 2004 and with regulations made under Section 33(5) and 34(4) of the Local Government Finance Act 1992:
- (i) 130,683 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its council tax base for the year; and
 - (ii) 27,423 being the amount calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amount of its council tax base for the year for dwellings in the Wimbledon and Putney Commons Conservators' Levy Area;
- (d) That it be noted in accordance with Section 25 of the Local Government Act 2003 that the Director of Resources has reported that the estimates are sufficiently robust for the purposes of the calculations and that the proposed financial reserves are adequate, and the following amounts be now calculated by the Council for the year 2018/19 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:
- (i) £911,322,478 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A of the Act;
 - (ii) £855,335,034 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;
 - (iii) £55,987,444 being the amount by which the aggregate at d(i) above exceeds the aggregate at (d)(ii) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year;
 - (iv) £428.42 being the amount at (d)(iii) divided by the amount at (c)(i) above, calculated by the Council in accordance

with Section 33(1) of the Act as the basic amount of its council tax for the year;

- (v) £803,496.80 being the aggregate amount of all special items referred to in Section 34(1) of the Act, namely the levy of the Wimbledon and Putney Commons Conservators;
- (vi) £422.27 being the amount at (d)(iv) above less the result given by dividing the amount at (d)(v) above by the amount at (c)(i) above, calculated by the Council in accordance with Section 34(2) of the Act as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates;
- (vii) £451.57 being the amount given by adding to the amount at (d)(vi) above the amount of the special item at (d)(v) above divided by the amount at (c)(ii) above, calculated by the Council in accordance with Section 34(3) of the Act as the basic amount of its council tax for the year for dwellings in that part of its area to which the special item relates; and
- (viii)

<u>Valuation Band</u>	Wimbledon and Putney Commons Conservators' Levy Area	All other parts of the Council's Area
	£	£
A	301.05	281.52
B	351.23	328.44
C	401.40	375.36
D	451.58	422.28
E	551.93	516.12
F	652.28	609.96
G	752.63	703.80
H	903.16	844.56

being the amounts given by multiplying the amounts at (d)(vi) and (d)(vii) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council in accordance with Section 36(1) of the Act as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;

- (e) That it be noted that for the year 2018/19 the Greater London Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

<u>Valuation Band</u>	Greater London Authority £
A	196.15
B	228.85
C	261.54
D	294.23
E	359.61
F	425.00
G	490.38
H	588.46

- (f) That having calculated the aggregate in each case of the amounts at (d)(viii) and (e) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2018/19 for each of the categories of dwellings shown below:

<u>Valuation Band</u>	Wimbledon and Putney Commons Conservators' Levy Area £	All other parts of the Council's Area £
A	497.20	477.67
B	580.08	557.29
C	662.94	636.90
D	745.81	716.51
E	911.54	875.73
F	1,077.28	1,034.96
G	1,243.01	1,194.18
H	1,491.62	1,433.02

APPENDIX F**GENERAL REVENUE BUDGET FRAMEWORK**

	<u>2017/18</u> <u>Revised</u> £m	<u>2018/19</u> £m	<u>2019/20</u> £m	<u>2020/21</u> £m
Committee Budgets at 2017 prices				
Adult Care & Health	73.079	72.997	74.051	74.051
Education & Children's Services	84.070	70.886	70.553	70.553
Community Services	42.793	40.344	39.614	39.515
Housing and Regeneration	5.036	6.163	8.739	8.984
Finance & Corporate Resources	-4.151	-13.122	-11.005	-10.838
Inflation to outturn prices		6.237	15.341	24.190
	200.827	183.505	197.293	206.455
New Homes Bonus	-13.451	-12.932	-10.941	-8.968
Non-Service Specific Grants	-2.138			
Improved Better Care Fund	-8.445	-11.883	-15.188	-15.188
Total	176.793	158.690	171.164	182.299
Use of Balances	-3.434	-0.097	-0.097	-0.097
Use of Earmarked Reserves	-11.665	0.800	-1.200	-1.200
Net Expenditure after drawings from reserves	161.694	159.394	169.867	181.003
Less:				
Collection Fund surplus	-2.035	-2.125		
Retained Business Rates	-34.217	-75.799	-36.316	-36.316
Business Rates "Top-up"	-34.538	-25.483	-36.358	-36.358
Revenue Support Grant	-37.014	0.000	-23.076	-23.076
Council Tax Requirement	53.890	55.987	74.117	85.253
Band D Council Tax	£	£	£	£
Wandsworth Council	420.02	428.42	559.45	634.87
Greater London Authority	280.02	294.23	300.09	306.07
Total	700.04	722.65	859.54	940.94
Increase in Wandsworth Council Tax		2.00%	30.6%	13.5%
Budget reductions or use of reserves needed in future years to maintain Wandsworth "relevant basic amount" to within 3.99%			15.095m	23.042m

ANALYSIS OF SERVICE BUDGETS 2018/19

£'000	ADULT CARE & HEALTH SERVICES	COMMUNITY SERVICES	EDUCATION & CHILDREN'S SERVICES	FINANCE & CORPORATE RESOURCES	HOUSING & REGENERATION	GENERAL FUND TOTAL	DEDICATED SCHOOLS BUDGET	HOUSING REVENUE ACCOUNT	TOTAL
EXPENDITURE - at November 2017 prices for General Fund									
Salaries	12,127	8,122	32,775	6,062	5,036	64,122	148,704	16,311	229,137
Indirect Employee Expenses	142	-	818	352	21	1,333	80	267	1,680
Premises	32	5,289	528	620	306	6,775	84	41,447	48,306
Use of Transport	1,647	166	3,610	14	24	5,461	18	300	5,779
Concessionary Fares	-	14,027	-	-	-	14,027	-	-	14,027
Supplies and Services	1,553	116	2,796	733	-	5,198	9,549	-	14,747
- Funding to Voluntary Bodies	1,762	5,996	4,984	4,449	555	17,746	9,827	3,380	30,953
Third Party Payments	-	15,732	1,514	735	-	17,981	1,047	-	19,028
- Precepts, Levies and Charges	97,500	23,087	20,137	1,564	13,739	156,027	14,480	4,512	175,019
- Other	-	-	-	189,085	8,318	197,403	-	219	197,622
Transfer Payments	8,356	7,328	12,492	7,894	735	36,805	1,449	8,255	46,509
- Housing Benefits etc	111	9,009	6,791	526	-	16,437	-	23,436	39,873
Central & Technical Support	-	-	-	-	-	-	-	-	-
Depreciation and Impairment	-	-	-	-	-	-	-	-	-
Capital Financing Charges	-	-	-	-	-	-	-	-	-
- Capital Charges to Users	-	-	-	-	-	-	-	-	-
TOTAL	123,230	88,872	86,445	2,12,034	28,734	539,315	185,238	170,491	895,044

ANALYSIS OF SERVICE BUDGETS 2018/19 (Continued)

£'000	ADULT CARE & HEALTH SERVICES	COMMUNITY SERVICES	EDUCATION & CHILDREN'S SERVICES	FINANCE & CORPORATE RESOURCES	HOUSING & REGENERATION	GENERAL FUND TOTAL	DEDICATED SCHOOLS BUDGET	HOUSING REVENUE ACCOUNT	TOTAL
INCOME - at November 2017 prices for General Fund									
Government Grants	34,318	40	2,686	186,458	10,752	234,254	173,868	-	408,122
Rents	211	-	-	4,685	-	4,896	-	114,675	119,571
Fees/Charges & Other Income	15,704	48,488	12,873	27,876	11,793	116,734	11,370	28,465	156,569
Interest Received	-	-	-	6,137	26	6,163	-	2,624	8,787
Contribution from Reserves	-	-	-	-	-	-	-	24,727	24,727
TOTAL	50,233	48,528	15,559	225,156	22,571	362,047	185,238	170,491	717,776
NET EXPENDITURE	72,997	40,344	70,886	-13,122	6,163	177,268	-	-	177,268
New Homes Bonus Funding						-12,932			
Improved Better Care Fund						-11,883			
General Fund inflation from November 2017 to end of 2018/19						6,237			
Net Committee Budgets						158,690			

SUMMARY OF SERVICE BUDGETS

	<u>2017/18 REVISED BUDGET</u>				<u>2018/19 BUDGET</u>			
	<u>2017/18 ORIGINAL BUDGET</u>	INFLATION TO NOV 17	DEVELOPMENTS	TOTAL	INFLATION TO NOV 17	DEVELOPMENTS	TOTAL	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Salaries	59,067	697	7,381	67,145	697	4,358	64,122	
Indirect Employee Expenses	1,082	-	251	1,333	-	251	1,333	
Premises	6,570	86	-27	6,629	86	119	6,775	
Use of Transport	5,236	-	225	5,461	-	225	5,461	
Concessionary Fares	13,750	-	-	13,750	-	277	14,027	
Supplies and Services								
- Grants to Voluntary Bodies	5,279	0	-242	5,037	0	-81	5,198	
- Other	16,653	2	7,605	24,260	2	1,091	17,746	
Third Party Payments	174,516	794	12,489	187,799	802	-1,310	174,008	
Transfer Payments	198,058	-	-804	197,254	-	-655	197,403	
Central and Technical Support	37,831	214	-426	37,619	220	-1,246	36,805	
Depreciation and Impairment	16,394	-	42	16,436	-	43	16,437	
Government Grants	-231,848	-	-4,816	-236,664	-	-2,406	-234,254	
Rents	-3,596	-	235	-3,361	-	-1,300	-4,896	
Fees, Charges and Other Income	-116,858	-236	651	-116,443	-236	360	-116,734	
Interest Received	-5,299	-	-129	-5,428	-	-864	-6,163	
	<u>176,835</u>	<u>1,557</u>	<u>22,435</u>	<u>200,827</u>	<u>1,571</u>	<u>-1,138</u>	<u>177,268</u>	
Adult Care and Health	67,698	174	5,207	73,079	182	5,117	72,997	
Finance and Corporate Resources	-11,190	266	6,773	-4,151	272	-2,204	-13,122	
Education and Children's Services	73,413	327	10,330	84,070	327	-2,854	70,886	
Community Services	41,138	769	886	42,793	769	-1,563	40,344	
Housing and Regeneration	5,776	21	-761	5,036	21	366	6,163	
	<u>176,835</u>	<u>1,557</u>	<u>22,435</u>	<u>200,827</u>	<u>1,571</u>	<u>-1,138</u>	<u>177,268</u>	

SUMMARY OF SERVICE BUDGETS

BUDGET 2017-2021

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/18 ORIGINAL BUDGET AT NOVEMBER 2016 PRICES	176,835	176,835	176,835	176,835
INFLATION	1,557	1,571	1,571	1,571
2017/18 ORIGINAL BUDGET REPRICED AT NOVEMBER 2017 PRICES	178,392	178,406	178,406	178,406
 DEVELOPMENTS				
Adult Care and Health	5,207	5,117	6,171	6,171
Education and Children's Services	10,330	-2,854	-3,187	-3,187
Community Services	886	-1,563	-2,287	-2,386
Finance and Corporate Resources	6,773	-2,204	-87	80
Housing and Regeneration	-761	366	2,942	3,187
TOTAL DEVELOPMENTS	22,435	-1,138	3,552	3,865
REVISED BUDGET TOTALS	200,827	177,268	181,958	182,271
 REVENUE EXPENDITURE BY SERVICE				
Adult Care and Health	73,079	72,997	74,051	74,051
Education and Children's Services	84,070	70,886	70,553	70,553
Community Services	42,793	40,344	39,620	39,521
Finance and Corporate Resources	-4,151	-13,122	-11,005	-10,838
Housing and Regeneration	5,036	6,163	8,739	8,984
REVISED BUDGET TOTALS	200,827	177,268	181,958	182,271

**ADULT CARE AND HEALTH SERVICES OVERVIEW AND SCRUTINY COMMITTEE
SUMMARY**

	<u>2017/18 REVISED BUDGET</u>				<u>2018/19 BUDGET</u>		
	<u>2017/18</u>	INFLATION TO NOV. '17	DEVELOPMENTS	TOTAL	INFLATION TO NOV. '17	DEVELOPMENTS	TOTAL
	<u>ORIGINAL</u> <u>BUDGET</u>						
Salaries	11,061	162	1,684	12,907	162	904	12,127
Indirect Employee Expenses	144	-	-2	142	-	-2	142
Premises	32	-	-	32	-	-	32
Use of Transport	1,444	-	203	1,647	-	203	1,647
Supplies and Services							0
- Contracts with Voluntary Bodies	1,302	-	-	1,302	-	251	1,553
- Other	1,847	-	-2	1,845	-	-85	1,762
Third Party Payments	95,931	12	3,539	99,482	20	1,549	97,500
Central and Technical Support	8,484	-	-128	8,356	-	-128	8,356
Depreciation and Impairment	111	-	-	111	-	-	111
Government Grants	-36,810	-	-87	-36,897	-	2,492	-34,318
Rents	-211	-	-	-211	-	-	-211
Other Income	-15,637	-	-	-15,637	-	-67	-15,704
NET EXPENDITURE at November 2017 prices	67,698	174	5,207	73,079	182	5,117	72,997
REVENUE EXPENDITURE BY SERVICE							
Adult Service Operations	78,402	136	4,424	82,962	144	2,545	81,091
Commissioning & Quality Standards	14,033	12	-31	14,014	12	-533	13,512
Business Resources	-357	12	886	541	12	2,147	1,802
Public Health	-24,380	14	-72	-24,438	14	958	-23,408
NET EXPENDITURE at November 2017 prices	67,698	174	5,207	73,079	182	5,117	72,997

**ADULT CARE AND HEALTH SERVICES OVERVIEW AND SCRUTINY COMMITTEE
SUMMARY**

	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000	<u>2020/21</u> £'000
2017/2018 ORIGINAL BUDGET at November 2016 prices	67,698	67,698	67,698	67,698
INFLATION TO NOVEMBER 2017	174	182	182	182
2017/2018 ORIGINAL BUDGET REPRICED	<u>67,872</u>	<u>67,880</u>	<u>67,880</u>	<u>67,880</u>
DEVELOPMENTS				
Adult Service Operations	4,424	2,545	2,817	2,817
Commissioning & Quality Standards	-31	-533	-495	-495
Business Resources	886	2,147	2,170	2,170
Public Health	-72	958	1,679	1,679
NET EFFECT OF DEVELOPMENTS	<u>5,207</u>	<u>5,117</u>	<u>6,171</u>	<u>6,171</u>
NET EXPENDITURE at November 2017 prices	<u>73,079</u>	<u>72,997</u>	<u>74,051</u>	<u>74,051</u>
ANALYSIS BY SERVICE				
Adult Service Operations	82,962	81,091	81,363	81,363
Commissioning & Quality Standards	14,014	13,512	13,550	13,550
Business Resources	541	1,802	1,825	1,825
Public Health	-24,438	-23,408	-22,687	-22,687
NET EXPENDITURE at November 2017 prices	<u>73,079</u>	<u>72,997</u>	<u>74,051</u>	<u>74,051</u>

**ADULT CARE AND HEALTH SERVICES OVERVIEW AND SCRUTINY COMMITTEE
ADULT SERVICE OPERATIONS**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/2018 ORIGINAL BUDGET at November 2016 prices	78,402	78,402	78,402	78,402
INFLATION TO NOVEMBER 2017	136	144	144	144
2017/2018 ORIGINAL BUDGET REPRICED	78,538	78,546	78,546	78,546
DEVELOPMENTS				
<u>Prior to March 2017 Council Tax Setting</u>				
13-24 (Jan 13) Independent Professional Advocacy Services	-	-83	-83	-83
15-46 (Feb 15) LD Service and Development of Staff Mutual	-	-22	-22	-22
15-413 (Nov 15) Commissioning Options with Voluntary Organisations	-	-8	-8	-8
16-138 (Apr 16) Shared Staffing Arrangement	-	-442	-1,254	-1,254
Income & Contract Review & Departmental Efficiencies	-	-860	-872	-872
Independent Living Fund Grant Reduction	-	8	16	16
<u>This Year Budget Variations</u>				
17-167 (Jun 17) Expenditure funded by Improved Better Care Fund	3,492	3,110	3,806	3,806
17-278 (Sep 17) Home Care Services and Market Management	1,465	1,465	1,865	1,865
17-280 (Sep 17) Independent Living Fund	270	262	254	-
17-382 (Nov 17) Revision of Charges	-	-67	-67	-67
17-386 (Nov 17) Expenditure to be funded by Government Grants	530	-	-	-
ACH 227 (Jan 18) Supported Employment Service	-	-17	-17	-17
<u>Transfers between Committees</u>				
Split Support Services to Children's Services	-859	-859	-859	-859
<u>Other Technical/Volume Adjustments</u>				
Local Reform & Community Voices Grant	-2	178	178	178
Social Care in Prisons Grant	-68	283	283	283
Independent Living Fund - Grant Removal	-	-	-	254
Housing with Preventative Support - funded by IBCF	150	150	150	150
Transfers within Committee	-554	-553	-553	-553
NET EFFECT OF DEVELOPMENTS	4,424	2,545	2,817	2,817
NET EXPENDITURE at November 2017 prices	82,962	81,091	81,363	81,363
ANALYSIS BY SERVICE				
Adult Service Operations Teams	14,094	13,873	13,835	13,835
Early Help & Enablement Services	1	-106	-106	-106
Services for Older People, Sensory & Physical Disabilities	25,210	23,695	24,033	24,033
Services for Adults with Learning Disabilities	36,751	36,865	36,914	36,914
Services for Adults with Mental Health Needs	6,906	6,764	6,687	6,687
NET EXPENDITURE at November 2017 prices	82,962	81,091	81,363	81,363

**ADULT CARE AND HEALTH SERVICES OVERVIEW AND SCRUTINY COMMITTEE
COMMISSIONING & QUALITY STANDARDS**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/2018 ORIGINAL BUDGET at November 2016 prices	14,033	14,033	14,033	14,033
INFLATION TO NOVEMBER 2017	12	12	12	12
2017/2018 ORIGINAL BUDGET REPRICED	<u>14,045</u>	<u>14,045</u>	<u>14,045</u>	<u>14,045</u>
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
ACH 221 Integrated Sexual Health Contract Award	-750	-1,500	-1,500	-1,500
17-167 (Jun 17) Expenditure funded by Improved Better Care Fund	180	169	207	207
17-383 (Nov 17) Voluntary Sector Preventative Services Officer	61	320	320	320
Transfers within Committee	<u>478</u>	<u>478</u>	<u>478</u>	<u>478</u>
NET EFFECT OF DEVELOPMENTS	-31	-533	-495	-495
NET EXPENDITURE at November 2017 prices	<u>14,014</u>	<u>13,512</u>	<u>13,550</u>	<u>13,550</u>
ANALYSIS BY SERVICE				
Commissioning Teams	107	107	107	107
Professional Standards & Safeguarding	1,485	1,476	1,506	1,506
Prevention & Wellbeing Services	1,019	1,276	1,284	1,284
Adult Public Health Services	11,403	10,653	10,653	10,653
NET EXPENDITURE at November 2017 prices	<u>14,014</u>	<u>13,512</u>	<u>13,550</u>	<u>13,550</u>

**ADULT CARE AND HEALTH SERVICES OVERVIEW AND SCRUTINY COMMITTEE
BUSINESS RESOURCES**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/2018 ORIGINAL BUDGET at November 2016 prices	-357	-357	-357	-357
INFLATION TO NOVEMBER 2017	12	12	12	12
2017/2018 ORIGINAL BUDGET REPRICED	-345	-345	-345	-345
DEVELOPMENTS				
<u>Prior to March 2017 Council Tax Setting</u>				
2017/18 Removal of Adult Social Care Support Grant from base budget	-	1,303	1,303	1,303
<u>This Year Budget Variations</u>				
17-167 (Jun 17) Expenditure funded by Improved Better Care Fund	142	101	124	124
17-386 (Nov 17) Expenditure funded by Government Grants	16	-	-	-
<u>Transfers between Committees</u>				
Split Support Services to Children's Services	111	111	111	111
Realignment of Legal Budgets	166	166	166	166
Financial Assessments	390	390	390	390
<u>Other Technical/Volume Adjustments</u>				
War Pensions Scheme Disregard Grant	-16	-	-	-
Transfers within Committee	77	76	76	76
NET EFFECT OF DEVELOPMENTS	886	2,147	2,170	2,170
NET EXPENDITURE at November 2017 prices	541	1,802	1,825	1,825
ANALYSIS BY SERVICE				
Business Resources	541	1,802	1,825	1,825
NET EXPENDITURE at November 2017 prices	541	1,802	1,825	1,825

ADULT CARE AND HEALTH SERVICES OVERVIEW AND SCRUTINY COMMITTEE
PUBLIC HEALTH

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/2018 ORIGINAL BUDGET at November 2016 prices	-24,380	-24,380	-24,380	-24,380
INFLATION TO NOVEMBER 2017	14	14	14	14
2017/2018 ORIGINAL BUDGET REPRICED	<u>-24,366</u>	<u>-24,366</u>	<u>-24,366</u>	<u>-24,366</u>
DEVELOPMENTS				
<u>Prior to March 2017 Council Tax Setting</u>				
Income, Contract and Departmental Efficiencies	-	-1	-2	-2
<u>Transfers between Committees</u>				
16-138 (Apr 16) Shared Staffing Arrangement	-	310	310	310
Realignment of Legal Budgets	-28	-28	-28	-28
Reprofile 16-138 (Apr 16) Shared Staffing Arrangement	155	155	155	155
Centralisation of Policy Officers	-199	-199	-199	-199
<u>Other Technical/Volume Adjustments</u>				
Public Health Grant Reduction	-	721	1,443	1,443
NET EFFECT OF DEVELOPMENTS	<u>-72</u>	<u>958</u>	<u>1,679</u>	<u>1,679</u>
NET EXPENDITURE at November 2017 prices	<u><u>-24,438</u></u>	<u><u>-23,408</u></u>	<u><u>-22,687</u></u>	<u><u>-22,687</u></u>
ANALYSIS BY SERVICE				
Public Health Advice	2,564	2,564	2,564	2,564
NHS Health Checks	450	450	450	450
Health Protection	35	35	35	35
Obesity	25	25	25	25
Sexual Health	626	626	626	626
Smoking and Tobacco	311	311	311	311
Substance Misuse	16	16	16	16
Miscellaneous	-453	-144	-145	-145
Public Health Grant	-28,047	-27,326	-26,604	-26,604
Physical Activity	35	35	35	35
NET EXPENDITURE at November 2017 prices	<u><u>-24,438</u></u>	<u><u>-23,408</u></u>	<u><u>-22,687</u></u>	<u><u>-22,687</u></u>

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE
SUMMARY**

	<u>2017/18 REVISED BUDGET</u>				<u>2018/19 BUDGET</u>		
	<u>2017/18</u>	INFLATION TO NOV.'17	DEVEL- OPMENTS	TOTAL	INFLATION TO NOV.'17	DEVEL- OPMENTS	TOTAL
	<u>ORIGINAL</u> <u>BUDGET</u>						
Employees	7,820	103	615	8,538	103	199	8,122
Premises	5,201	86	2	5,289	86	2	5,289
Transport	166	-	-	166	-	-	166
Supplies & Services	5,453	2	887	6,342	2	657	6,112
Third Party Payments	40,349	782	-495	40,636	782	-2,312	38,819
Transfer Payments	13,760	-	-10	13,750	-	267	14,027
Support Services	7,459	10	-114	7,355	10	-141	7,328
Depreciation & Impairment	9,009	-	-	9,009	-	-	9,009
Government Grants	-40	-	-	-40	-	-	-40
Other Grants & Contributions	-1,333	-	-	-1,333	-	-	-1,333
Customer & Client Receipts	-45,865	-214	-15	-46,094	-214	-251	-46,330
Recharge Income	-841	-	16	-825	-	16	-825
NET EXPENDITURE at November 2017 prices	41,138	769	886	42,793	769	-1,563	40,344
REVENUE EXPENDITURE BY SERVICE							
Community Safety & Other Environmental Services	3,338	21	264	3,623	21	10	3,369
Contracts & Leisure	33,694	661	-285	34,070	661	-1,016	33,339
ECS Management & Support	6,152	20	-388	5,784	20	-388	5,784
Highways Operations and Street Scene	-843	11	337	-495	11	281	-551
Planning & Transport	1,306	31	14	1,351	31	-162	1,175
Traffic & Engineering	-2,509	25	945	-1,539	25	-288	-2,772
NET EXPENDITURE at November 2017 prices	41,138	769	886	42,793	769	-1,563	40,344

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE
SUMMARY**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/18 ORIGINAL BUDGET AT at November 2017 Price Level	41,138	41,138	41,138	41,138
INFLATION TO NOVEMBER 2017	769	769	769	769
2017/18 ORIGINAL BUDGET REPRICED	<u>41,907</u>	<u>41,907</u>	<u>41,907</u>	<u>41,907</u>
DEVELOPMENTS				
Community Safety & Other Environmental Services	264	10	10	10
Contracts & Leisure	-285	-1,016	-1,037	-952
Highways Operations and Street Scene	337	281	281	281
Traffic & Engineering	944	-288	-788	-957
Planning & Transport	14	-162	-371	-386
ECS Management & Support	-388	-388	-388	-388
NET EFFECT OF DEVELOPMENTS	<u>886</u>	<u>-1,563</u>	<u>-2,293</u>	<u>-2,392</u>
NET EXPENDITURE at November 2017 prices	<u>42,793</u>	<u>40,344</u>	<u>39,614</u>	<u>39,515</u>
REVENUE EXPENDITURE BY SERVICE				
Community Safety & Other Environmental Services	3,623	3,369	3,369	3,369
Contracts & Leisure	34,070	33,339	33,318	33,403
Highways Operations and Street Scene	-495	-551	-551	-551
Traffic & Engineering	-1,540	-2,772	-3,272	-3,441
Planning & Transport	1,351	1,175	966	951
ECS Management & Support	5,784	5,784	5,784	5,784
NET EXPENDITURE at November 2017 prices	<u>42,793</u>	<u>40,344</u>	<u>39,614</u>	<u>39,515</u>

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE
COMMUNITY SAFETY & ENVIRONMENTAL SERVICES**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/18 ORIGINAL BUDGET at November 2016 Price Level	3,338	3,338	3,338	3,338
INFLATION TO NOVEMBER 2017	21	21	21	21
2017/18 ORIGINAL BUDGET REPRICED	<u>3,359</u>	<u>3,359</u>	<u>3,359</u>	<u>3,359</u>
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
17-396 (Nov 17) Revision of Charges	-1	-5	-5	-5
<u>Other Technical/Volume adjustments</u>				
Reprofile 16-138 (April 16) Shared Staffing Agreement	250	-	-	-
<u>Transfers Between Committees</u>				
Realignment of Legal Budgets	-9	-9	-9	-9
CCTV Transfer	-4	-4	-4	-4
Transfer from Public Health	49	49	49	49
Transfers within committee	-21	-21	-21	-21
NET EFFECT OF DEVELOPMENTS	<u>264</u>	<u>10</u>	<u>10</u>	<u>10</u>
NET EXPENDITURE at November 2017 prices	<u>3,623</u>	<u>3,369</u>	<u>3,369</u>	<u>3,369</u>
REVENUE EXPENDITURE BY SERVICE				
Community Safety	690	690	690	690
Coroners Court and Mortuary	553	553	553	553
Regulatory Services	2,380	2,126	2,126	2,126
NET EXPENDITURE at November 2017 prices	<u>3,623</u>	<u>3,369</u>	<u>3,369</u>	<u>3,369</u>

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE
HIGHWAYS OPERATIONS AND STREET SCENE**

	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000	<u>2020/21</u> £'000
2017/18 ORIGINAL BUDGET at November 2016 Price Level	-843	-843	-843	-843
INFLATION TO NOVEMBER 2017	11	11	11	11
2017/18 ORIGINAL BUDGET REPRICED	<u>-832</u>	<u>-832</u>	<u>-832</u>	<u>-832</u>
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
17-396 (Nov 17) Review of Charges	-	-56	-56	-56
<u>Transfers Between Committees</u>				
Realignment of Legal Budgets	-11	-11	-11	-11
Transfers within committee	348	348	348	348
NET EFFECT OF DEVELOPMENTS	<u>337</u>	<u>281</u>	<u>281</u>	<u>281</u>
NET EXPENDITURE at November 2017 prices	<u>-495</u>	<u>-551</u>	<u>-551</u>	<u>-551</u>
REVENUE EXPENDITURE BY SERVICE				
Inspection & Enforcement	-573	-625	-625	-625
Network Management	-478	-482	-482	-482
Tree Root Provision	368	368	368	368
Winter Maintenance	188	188	188	188
NET EXPENDITURE at November 2017 prices	<u>-495</u>	<u>-551</u>	<u>-551</u>	<u>-551</u>

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE
CONTRACTS & LEISURE**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/18 ORIGINAL BUDGET at November 2016 Price Level	33,694	33,694	33,694	33,694
INFLATION TO NOVEMBER 2017	661	661	661	661
2017/18 ORIGINAL BUDGET REPRICED	<u>34,355</u>	<u>34,355</u>	<u>34,355</u>	<u>34,355</u>
DEVELOPMENTS				
<u>Prior to March 2017 Budget Setting</u>				
14-362 (July 14) Leisure Centres Contract	-	137	158	243
15-228 (June 15) Leisure and Culture Staff Mutual	-	-42	-84	-84
Income and contract review and departmental efficiencies	-	-505	-505	-505
<u>This Year Budget Variations</u>				
17-234 (July 17) Financial Results	30	-	-	-
17-396 (Nov 17) Review of Charges	-12	-48	-48	-48
<u>Other Technical/Volume adjustments</u>				
Refuse Contract - Growth in Number of Properties	63	63	63	63
Contract adjustment with Enable re Formula E	-	-244	-244	-244
<u>Transfers Between Committees</u>				
Realignment of Legal Budgets	-18	-18	-18	-18
Transfers within committee	-348	-359	-359	-359
NET EFFECT OF DEVELOPMENTS	<u>-285</u>	<u>-1,016</u>	<u>-1,037</u>	<u>-952</u>
NET EXPENDITURE at November 2017 prices	<u>34,070</u>	<u>33,339</u>	<u>33,318</u>	<u>33,403</u>
REVENUE EXPENDITURE BY SERVICE				
Leisure, Culture & Bereavement	-1,915	-1,820	-1,841	-1,756
Libraries Contract	4,932	4,932	4,932	4,932
Retained Services (Mutual Contract)	6,286	6,007	6,007	6,007
Street Cleansing	5,041	4,531	4,531	4,531
Waste Collection & Recycling	5,511	5,474	5,474	5,474
Waste Disposal inc Levy	14,215	14,215	14,215	14,215
NET EXPENDITURE at November 2017 prices	<u>34,070</u>	<u>33,339</u>	<u>33,318</u>	<u>33,403</u>

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE
PLANNING & TRANSPORT**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/18 ORIGINAL BUDGET at November 2017 Price Level	1,306	1,306	1,306	1,306
INFLATION TO NOVEMBER 2017	31	31	31	31
2017/18 ORIGINAL BUDGET REPRICED	<u>1,337</u>	<u>1,337</u>	<u>1,337</u>	<u>1,337</u>
DEVELOPMENTS				
<u>Prior to March 2017 Budget Setting</u>				
16-138 (April 16) Shared Staffing Arrangement	-	-	-194	-194
<u>This Year Budget Variations</u>				
17-396 (Nov 17) Review of Charges	-2	-10	-10	-10
17-178 (July 17) Grant Expenditure	30	30	15	-
<u>Other Technical/Volume adjustments</u>				
Income, contract and departmental efficiencies	-	-150	-150	-150
<u>Transfers Between Committees</u>				
Realignment of Legal Budgets	-14	-14	-14	-14
<u>Transfers within committee</u>				
	-	-18	-18	-18
NET EFFECT OF DEVELOPMENTS	<u>14</u>	<u>-162</u>	<u>-371</u>	<u>-386</u>
NET EXPENDITURE at November 2017 prices	<u>1,351</u>	<u>1,175</u>	<u>966</u>	<u>951</u>
REVENUE EXPENDITURE BY SERVICE				
Building Control	-24	-30	-30	-30
Development Management	-272	-442	-636	-636
Information & Business Support	249	249	249	249
Policy & Design	1,173	1,173	1,158	1,143
Transport Strategy	225	225	225	225
NET EXPENDITURE at November 2017 prices	<u>1,351</u>	<u>1,175</u>	<u>966</u>	<u>951</u>

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE
ECS MANAGEMENT & SUPPORT**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/18 ORIGINAL BUDGET at November 2016 Price Level	6,152	6,152	6,152	6,152
INFLATION TO NOVEMBER 2017	20	20	20	20
2017/18 ORIGINAL BUDGET REPRICED	<u>6,172</u>	<u>6,172</u>	<u>6,172</u>	<u>6,172</u>
DEVELOPMENTS				
<u>Prior to March 2017 Budget Setting</u>				
16-138 (April 16) Shared Staffing Arrangement	-	-10	-10	-10
<u>This Year Budget Variations</u>				
17-396 (Nov 17) Review of Charges	-	-18	-18	-18
Transfers within committee	-388	-360	-360	-360
NET EFFECT OF DEVELOPMENTS	<u>-388</u>	<u>-388</u>	<u>-388</u>	<u>-388</u>
NET EXPENDITURE at November 2017 prices	<u>5,784</u>	<u>5,784</u>	<u>5,784</u>	<u>5,784</u>
REVENUE EXPENDITURE BY SERVICE				
ECS Management & Support	25	25	25	25
Precepts & Levies	5,759	5,759	5,759	5,759
NET EXPENDITURE at November 2017 prices	<u>5,784</u>	<u>5,784</u>	<u>5,784</u>	<u>5,784</u>

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE
TRAFFIC & ENGINEERING**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/18 ORIGINAL BUDGET at November 2016 Price Level	-2,509	-2,509	-2,509	-2,509
INFLATION TO NOVEMBER 2017	25	25	25	25
2017/18 ORIGINAL BUDGET REPRICED	-2,484	-2,484	-2,484	-2,484
DEVELOPMENTS				
<u>Prior to March 2017 Budget Setting</u>				
16-104 (Feb 15) Parking Enforcement Contract	-	-74	-74	-74
16-138 (April 16) Shared Staffing Arrangement	-	-61	-61	-61
<u>This Year Budget Variations</u>				
17-234 (July 17) Outturn paper - Parking IT System	200	-	-	-
17-396 (Nov 17) Revision of Charges	-	-10	-10	-10
<u>Other Technical/Volume adjustments</u>				
Parking Enforcement Contract	39	39	39	39
Revenue Highways Maintenance Funding	-	-1,000	-1,500	-1,500
Concessionary Fares	-	278	278	278
Reprofile 16-138 (April 16) Shared Staffing Arrangement	334	169	169	-
<u>Transfers Between Committees</u>				
Realignment of Legal Budgets	-21	-21	-21	-21
Transfers within committee	392	392	392	392
NET EFFECT OF DEVELOPMENTS	944	-288	-788	-957
NET EXPENDITURE at November 2017 prices	-1,540	-2,772	-3,272	-3,441
REVENUE EXPENDITURE BY SERVICE				
CCTV	414	352	352	352
Concessionary Fares	13,847	14,124	14,124	14,124
Engineering - Highways	6,868	5,869	5,369	5,200
Engineering - Parking & Traffic	547	547	547	547
Engineering - Road Safety	78	68	68	68
Parking	2,868	2,504	2,504	2,504
Parking inc. Contract Management	-26,162	-26,236	-26,236	-26,236
NET EXPENDITURE at November 2017 prices	-1,540	-2,772	-3,272	-3,441

**EDUCATION AND CHILDREN'S SERVICES OVERVIEW AND SCRUTINY COMMITTEE
SUMMARY**

	<u>2017/18 REVISED BUDGET</u>				<u>2018/19 BUDGET</u>		
	<u>2017/18</u>	INFLATION TO NOV. '17	DEVEL- OPMENTS	TOTAL	INFLATION TO NOV. '17	DEVEL- OPMENTS	TOTAL
	<u>ORIGINAL</u> <u>BUDGET</u>						
Salaries	30,409	327	4,328	35,064	327	2,039	32,775
Indirect Employee Expenses	788	-	30	818	-	30	818
Premises	605	-	-106	499	-	-77	528
Use of Transport	3,588	-	22	3,610	-	22	3,610
Supplies and Services							
- Contracts with Voluntary Bodies	3,074	-	-254	2,820	-	-278	2,796
- Other	4,601	-	585	5,186	-	383	4,984
Third Party Payments							
- Levies	1,514	-	-	1,514	-	-	1,514
- Other	22,930	-	8,125	31,055	-	-2,793	20,137
Central and Technical Support	13,493	-	-1,002	12,491	-	-1,001	12,492
Depreciation and Impairment	6,748	-	42	6,790	-	43	6,791
Government Grants	-1,123	-	-1,803	-2,926	-	-1,563	-2,686
Other Income	-13,214	-	363	-12,851	-	341	-12,873
NET EXPENDITURE at November 2017 prices	73,413	327	10,330	84,070	327	-2,854	70,886

REVENUE EXPENDITURE BY SERVICE

Children and Families	32,900	191	9,778	42,869	191	-2,490	30,601
Early Help	17,461	57	-235	17,283	57	-831	16,687
Education, Performance & Planning	22,587	75	-92	22,570	75	-411	22,251
Finance & Commissioning	465	4	879	1,348	4	878	1,347
NET EXPENDITURE at November 2017 prices	73,413	327	10,330	84,070	327	-2,854	70,886

**EDUCATION AND CHILDREN'S SERVICES OVERVIEW AND SCRUTINY COMMITTEE
SUMMARY**

	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000	<u>2020/21</u> £'000
2017/2018 ORIGINAL BUDGET at November 2016 prices	73,413	73,413	73,413	73,413
INFLATION TO NOVEMBER 2017	327	327	327	327
2016/2017 ORIGINAL BUDGET REPRICED	<u>73,740</u>	<u>73,740</u>	<u>73,740</u>	<u>73,740</u>
DEVELOPMENTS				
Children and Families	9,778	-2,490	-2,797	-2,797
Early Help	-235	-831	-833	-833
Education, Performance & Planning	-92	-411	-434	-434
Finance & Commissioning	879	878	877	877
NET EFFECT OF DEVELOPMENTS	<u>10,330</u>	<u>-2,854</u>	<u>-3,187</u>	<u>-3,187</u>
NET EXPENDITURE at November 2017 prices	<u>84,070</u>	<u>70,886</u>	<u>70,553</u>	<u>70,553</u>
ANALYSIS BY SERVICE				
Children and Families	42,869	30,601	30,294	30,294
Early Help	17,283	16,687	16,685	16,685
Education, Performance & Planning	22,570	22,251	22,228	22,228
Finance & Commissioning	1,348	1,347	1,346	1,346
NET EXPENDITURE at November 2017 prices	<u>84,070</u>	<u>70,886</u>	<u>70,553</u>	<u>70,553</u>

**EDUCATION AND CHILDREN'S SERVICES OVERVIEW AND SCRUTINY COMMITTEE
CHILDREN AND FAMILIES**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/2018 ORIGINAL BUDGET at November 2016 prices	32,900	32,900	32,900	32,900
INFLATION TO NOVEMBER 2017	191	191	191	191
2017/2018 ORIGINAL BUDGET REPRICED	33,091	33,091	33,091	33,091
DEVELOPMENTS				
<u>Prior to March 2017 Council Tax Setting</u>				
16-30 (Jan 16) Development Budget Items	-	-31	-43	-43
16-42 (Feb 16) Removal of Temporary Children's Services Budget Pressures	-	-2,574	-2,574	-2,574
16-175 (Jun 16) Children's Social Work Service	-	-92	-92	-92
16-440 (Nov 16) Family Recovery Project Funding to March 2019	-	-	-295	-295
<u>This Year Budget Variations</u>				
17-234 (Jun 17) Children's Services Budget Pressures	9,600	-	-	-
18-39 (Feb 17) Care Leavers Local Offer	-	29	29	29
<u>Transfers between Committees</u>				
Realignment of Legal Budgets	-19	-19	-19	-19
<u>Other Technical/Volume Adjustments</u>				
Transfers within Committee	197	197	197	197
NET EFFECT OF DEVELOPMENTS	9,778	-2,490	-2,797	-2,797
NET EXPENDITURE at November 2017 prices	42,869	30,601	30,294	30,294
ANALYSIS BY SERVICE				
Children in Need	4,878	3,977	3,975	3,975
Children Looked After	6,018	6,014	6,011	6,011
Care Placements	15,325	4,951	4,951	4,951
Family & Community Services	5,419	4,414	4,412	4,412
Family Centres & Contact Services	2,477	2,502	2,499	2,499
Family Recovery	1,215	1,212	915	915
Fostering & Commissioning	3,114	3,113	3,113	3,113
Locality Teams	1,922	1,919	1,919	1,919
Teenage Pregnancy	228	228	228	228
Safeguarding Standards	1,289	1,287	1,287	1,287
Social Care Academy	984	984	984	984
NET EXPENDITURE at November 2017 prices	42,869	30,601	30,294	30,294

**EDUCATION AND CHILDREN'S SERVICES OVERVIEW AND SCRUTINY COMMITTEE
PREVENTION AND INTERVENTION**

	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000	<u>2020/21</u> £'000
2017/2018 ORIGINAL BUDGET at November 2016 prices	17,461	17,461	17,461	17,461
INFLATION TO NOVEMBER 2017	57	57	57	57
2016/2017 ORIGINAL BUDGET REPRICED	<u>17,518</u>	<u>17,518</u>	<u>17,518</u>	<u>17,518</u>
DEVELOPMENTS				
<u>Prior to March 2017 Council Tax Setting</u>				
16-30 (Jan 16) Development Budget Items	-	-6	-8	-8
17-49 (Feb 17) Health Visiting Service	-	-375	-375	-375
Income, Contract and Departmental Efficiencies	-	-24	-24	-24
<u>This Year Budget Variations</u>				
ECS 536 (Sep 17) Health Visiting Service	-56	-225	-225	-225
17-374 (Nov 17) Revision of Charges	-	-22	-22	-22
<u>Other Technical/Volume Adjustments</u>				
Transfers within Committee	-179	-179	-179	-179
NET EFFECT OF DEVELOPMENTS	<u>-235</u>	<u>-831</u>	<u>-833</u>	<u>-833</u>
NET EXPENDITURE at November 2017 prices	<u>17,283</u>	<u>16,687</u>	<u>16,685</u>	<u>16,685</u>
ANALYSIS BY SERVICE				
After School Care	-32	-54	-54	-54
Youth Services	2,402	2,375	2,375	2,375
Comminssioned & Directly Managed Centres	2,742	2,742	2,742	2,742
Early Years & Intervention Support	9,335	8,791	8,789	8,789
Youth Offending	1,146	1,144	1,144	1,144
Operational Teams	1,690	1,689	1,689	1,689
NET EXPENDITURE at November 2017 prices	<u>17,283</u>	<u>16,687</u>	<u>16,685</u>	<u>16,685</u>

**EDUCATION AND CHILDREN'S SERVICES OVERVIEW AND SCRUTINY COMMITTEE
EDUCATION, PERFORMANCE & PLANNING**

	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000	<u>2020/21</u> £'000
2017/2018 ORIGINAL BUDGET at November 2016 prices	22,587	22,587	22,587	22,587
INFLATION TO NOVEMBER 2017	75	75	75	75
2016/2017 ORIGINAL BUDGET REPRICED	22,662	22,662	22,662	22,662
DEVELOPMENTS				
<u>Prior to March 2017 Council Tax Setting</u>				
16-30 (Jan 16) Development Budget Items	-	-7	-10	-10
16-37 (Feb 16) Special Educational Needs Transport	-	-	-20	-20
17-50 (Feb 17) SEN & Disabilities Reform Grant	-	-111	-111	-111
<u>This Year Budget Variations</u>				
17-368 (Nov 17) SEN Reform Grant	288	-	-	-
18-48 (Feb 18) School Brokerage Grant	153	-	-	-
<u>Transfers between Committees</u>				
Workright Team	-21	-21	-21	-21
Realignment of Legal Budgets	-54	-54	-54	-54
<u>Other Technical/Volume Adjustments</u>				
SEN Reform Grant	-240	-	-	-
Transfers within Committee	-218	-218	-218	-218
NET EFFECT OF DEVELOPMENTS	-92	-411	-434	-434
NET EXPENDITURE at November 2017 prices	22,570	22,251	22,228	22,228
ANALYSIS BY SERVICE				
Contracts, HR and Schools Support	704	704	704	704
Education Inclusion Service	599	598	598	598
Pupil Services	17	17	17	17
School Standards and Improvement	1,046	893	893	893
Schools Finance	4,465	4,464	4,464	4,464
Schools ICT	700	700	700	700
Special Education Needs & Disability Services	8,873	8,710	8,687	8,687
Life Long Learning	92	91	91	91
Dedicated School Budget Funded by General Fund	6,074	6,074	6,074	6,074
NET EXPENDITURE at November 2017 prices	22,570	22,251	22,228	22,228

**EDUCATION AND CHILDREN'S SERVICES OVERVIEW AND SCRUTINY COMMITTEE
FINANCE & COMMISSIONING**

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2017/2018 ORIGINAL BUDGET at November 2016 prices	465	465	465	465
INFLATION TO NOVEMBER 2017	4	4	4	4
2016/2017 ORIGINAL BUDGET REPRICED	<hr/> 469	<hr/> 469	<hr/> 469	<hr/> 469
DEVELOPMENTS				
<u>Prior to March 2017 Council Tax Setting</u>				
16-30 (Jan 16) Development Budget Items	-	-1	-2	-2
<u>Transfers between Committees</u>				
Split Support Services with Adult Social Services	769	769	769	769
Centralisation of Policy Officers	-90	-90	-90	-90
<u>Other Technical/Volume Adjustments</u>				
Transfers within Committee	200	200	200	200
NET EFFECT OF DEVELOPMENTS	<hr/> 879	<hr/> 878	<hr/> 877	<hr/> 877
Part of Developments included in Original Budget				
NET EXPENDITURE at November 2017 prices	<hr/> 1,348	<hr/> 1,347	<hr/> 1,346	<hr/> 1,346
ANALYSIS BY SERVICE				
Commissioning	669	668	668	668
Business Resources	679	679	678	678
NET EXPENDITURE at November 2017 prices	<hr/> <hr/> 1,348	<hr/> <hr/> 1,347	<hr/> <hr/> 1,346	<hr/> <hr/> 1,346

**FINANCE AND CORPORATE RESOURCES OVERVIEW
AND SCRUTINY COMMITTEE SUMMARY**

	<u>2017/18 REVISED BUDGET</u>			<u>2018/19 BUDGET</u>			
	<u>2017/18 ORIGINAL BUDGET</u>	<u>INFLATION TO NOV.'17</u>	<u>DEVEL- OPMENTS</u>	<u>TOTAL</u>	<u>INFLATION TO NOV.'17</u>	<u>DEVEL- OPMENTS</u>	<u>TOTAL</u>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	5,962	62	38	6062	62	38	6,062
Indirect Employee Expenses	129	-	223	352	-	223	352
Premises	620	-	0	620	-	0	620
Use of Transport	14	-	0	14	-	0	14
Supplies and Services			0		-	0	
- Grants to voluntary bodies	787	-	12	799	-	-54	733
- Other	4,380		5,993	10,373	-	69	4,449
Third party payments			0		-	0	
- Precepts, Levies and Charges	773	-	0	773	-	-38	735
- Other	1,564	-	0	1,564	-	0	1,564
Transfer Payments	189,624	-	-539	189,085	-	-539	189,085
Central and Technical Support	7,660	204	818	8,682	210	24	7,894
Depreciation and Impairment	526	-	0	526	-	0	526
Government Grants	-186,357	-	-216	-186,573	-	-101	-186,458
Rents	-3,385	-	235	-3,150	-	-1,300	-4,685
Fees, Charges and Other Income	-28,214	-	338	-27,876	-	338	-27,876
Interest Received	-5,273	-	-129	-5,402	-	-864	-6,137
NET EXPENDITURE	-11,190	266	6,773	-4,151	272	-2,204	-13,122

REVENUE EXPENDITURE BY SERVICE

General Services							
- Chief Executive and other Departme	1,879	10	73	1,962	10	-98	1,791
- Resources Department	-18,718	196	6,339	-12,183	202	-293	-18,809
Revenue Services	7,076	37	-527	6,586	37	-527	6,586
Property Services	-2,681	11	460	-2,210	11	-1,273	-3,943
Economic Development	1,254	12	428	1,694	12	-13	1,253
NET EXPENDITURE	-11,190	266	6,773	-4,151	272	-2,204	-13,122

**FINANCE AND CORPORATE RESOURCES OVERVIEW AND
SCRUTINY COMMITTEE
SUMMARY**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/18 ORIGINAL BUDGET AT NOVEMBER 2016 PRICES	-11,190	-11,190	-11,190	-11,190
INFLATION TO NOVEMBER 2017	266	272	272	272
2017/18 ORIGINAL BUDGET REPRICED	<u>-10,924</u>	<u>-10,918</u>	<u>-10,918</u>	<u>-10,918</u>
DEVELOPMENTS				
General Services				
- Chief Executive and other Department	73	-98	-98	-98
- Resources Department	6,339	-293	1,824	1,991
Revenue Services	-527	-527	-527	-527
Property Services	460	-1,273	-1,273	-1,273
Economic Development	428	-13	-13	-13
NET EFFECT OF DEVELOPMENTS	<u>6,773</u>	<u>-2,204</u>	<u>-87</u>	<u>80</u>
NET EXPENDITURE with inflation to November 2017	<u><u>-4,151</u></u>	<u><u>-13,122</u></u>	<u><u>-11,005</u></u>	<u><u>-10,838</u></u>
ANALYSIS BY SERVICE				
General Services				
- Chief Executive and other Department	1,962	1,791	1,791	1,791
- Resources Department	-12,183	-18,809	-16,692	-16,525
Revenue Services	6,586	6,586	6,586	6,586
Property Services	-2,210	-3,943	-3,943	-3,943
Economic Development	1,694	1,253	1,253	1,253
NET EXPENDITURE	<u><u>-4,151</u></u>	<u><u>-13,122</u></u>	<u><u>-11,005</u></u>	<u><u>-10,838</u></u>

**FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
GENERAL SERVICES**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/18 ORIGINAL BUDGET AT NOVEMBER 2016 PRICES	1,879	1,879	1,879	1,879
INFLATION TO NOVEMBER 2017	10	10	10	10
2017/18 ORIGINAL BUDGET REPRICED	<u>1,889</u>	<u>1,889</u>	<u>1,889</u>	<u>1,889</u>
DEVELOPMENTS				
<u>Prior to March 2017 Council Tax Setting</u>				
16-138 (Apr 16) Shared Staffing Arrangement	-	-67	-67	-67
<u>This Year Budget Variations</u>				
17-234 (July 17) Council Outturn Paper	66	-	-	-
<u>Other Technical / Volume Adjustments</u>				
Transfers within Committee	7	7	7	7
London Borough Grants Committee	-	-38	-38	-38
NET EFFECT OF DEVELOPMENTS	<u>73</u>	<u>-98</u>	<u>-98</u>	<u>-98</u>
NET EXPENDITURE with inflation to November 2017	<u>1,962</u>	<u>1,791</u>	<u>1,791</u>	<u>1,791</u>
ANALYSIS BY SERVICE				
Land Charges	-8	-8	-8	-8
Emergency Planning	209	209	209	209
Registration of Births, Deaths and Marriages	48	48	48	48
Corporate Initiatives	312	245	245	245
Customers and Partnerships	1,401	1,297	1,297	1,297
Other				
NET EXPENDITURE with inflation to November 2017	<u>1,962</u>	<u>1,791</u>	<u>1,791</u>	<u>1,791</u>

**FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
GENERAL SERVICES - RESOURCES DEPARTMENT**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/18 ORIGINAL BUDGET AT NOVEMBER 2016 PRICES	-18,718	-18,718	-18,718	-18,718
INFLATION TO NOVEMBER 2017	196	202	202	202
2017/18 ORIGINAL BUDGET REPRICED	-18,522	-18,516	-18,516	-18,516
DEVELOPMENTS				
<u>Prior to March 2017 Council Tax Setting</u>				
16-103 (Feb 16) Transactional Services	-	-	-44	-44
16-138 (Apr 16) Shared Staffing Arrangement	-	-722	-722	-722
<u>This Year Budget Variations</u>				
17-234 (July 17) Council Outturn Paper	5,259	-	-	-
<u>Other Technical / Volume Adjustments</u>				
Realignment of Legal Budgets	230	230	230	230
New Burdens Funding 2017/18	-115	-	-	-
Reprofile of 16-138 (Apr 16) Shared Staffing Arrangement	99	-	-	-
GDPR Legislation	23	70	-	-
FOI Data Protection Act Officer	-	24	-	-
London Borough Grants Committee Contributions	-	-27	-27	-27
Revised forecast for interest	-129	-185	713	880
Investment Income	-	-679	678	678
Credit Card Surcharge Legislative Requirement	-	24	24	24
<u>Transfers between Committee</u>				
Central Support Services	233	233	233	233
Prior Year Pay Award Allowance	739	739	739	739
NET EFFECT OF DEVELOPMENTS	6,339	-293	1,824	1,991
NET EXPENDITURE with inflation to November 2017	-12,183	-18,809	-16,692	-16,525
GENERAL SERVICES - FINANCE DEPARTMENT				
ANALYSIS BY SERVICE				
Registration of Electors	683	683	683	683
General Services Finance	5,462	4,194	6,311	6,478
Shared Staffing Agreement	4,800	-	-	-
Apprenticeship Levy	400	400	400	400
Capital Financing Account				
- Interest	-10,579	-10,994	-10,994	-10,994
- Depreciation charge	-17,383	-17,383	-17,383	-17,383
Corporate Management Costs	4,434	4,291	4,291	4,291
NET EXPENDITURE with inflation to November 2017	-12,183	-18,809	-16,692	-16,525

**FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
REVENUE SERVICES**

	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000	<u>2020/21</u> £'000
2017/18 ORIGINAL BUDGET AT NOVEMBER 2016 PRICES	7,076	7,076	7,076	7,076
INFLATION TO NOVEMBER 2017	37	37	37	37
2017/18 ORIGINAL BUDGET REPRICED	<u>7,113</u>	<u>7,113</u>	<u>7,113</u>	<u>7,113</u>
DEVELOPMENTS				
<u>Transfers between Committees</u>				
Realignment of Legal Budgets	3	3	3	3
<u>Other Technical / Volume Adjustments</u>				
Council Tax Subsidy	42	42	42	42
Housing Benefit Subsidy	-563	-563	-563	-563
Transfer within Committee	-9	-9	-9	-9
NET EFFECT OF DEVELOPMENTS	<u>-527</u>	<u>-527</u>	<u>-527</u>	<u>-527</u>
NET EXPENDITURE with inflation to November 2017	<u>6,586</u>	<u>6,586</u>	<u>6,586</u>	<u>6,586</u>
ANALYSIS BY SERVICE				
Council Tax and Rate Collection	1,488	1,488	1,488	1,488
Housing and Council Tax Benefits	5,098	5,098	5,098	5,098
NET EXPENDITURE with inflation to November 2017	<u>6,586</u>	<u>6,586</u>	<u>6,586</u>	<u>6,586</u>

**FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
PROPERTY SERVICES**

	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000	<u>2020/21</u> £'000
2017/18 ORIGINAL BUDGET AT NOVEMBER 2016 PRICES	-2,681	-2,681	-2,681	-2,681
INFLATION TO NOVEMBER 2017	11	11	11	11
2017/18 ORIGINAL BUDGET REPRICED	<u>-2,670</u>	<u>-2,670</u>	<u>-2,670</u>	<u>-2,670</u>
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
17-234 (June 2017) Outturn Report	200	-	-	-
<u>Transfers between Committees</u>				
Annual Review of Housing Resources (Property Income)	-65	-780	-780	-780
Realignment of Legal Budgets	-21	-21	-21	-21
<u>Other Technical / Volume Adjustments</u>				
Commercial Rental Income Review	400	-420	-420	-420
Realignment of NNDR Budgets	-54	-54	-54	-54
Other Minor Adjustments	-	2	2	2
NET EFFECT OF DEVELOPMENTS	<u>460</u>	<u>-1,273</u>	<u>-1,273</u>	<u>-1,273</u>
NET EXPENDITURE with inflation to November 2017	<u>-2,210</u>	<u>-3,943</u>	<u>-3,943</u>	<u>-3,943</u>
ANALYSIS BY SERVICE				
Operational Properties	498	500	500	500
Commercial Properties	-2,927	-4,662	-4,662	-4,662
Properties Pending Disposal	219	219	219	219
NET EXPENDITURE with inflation to November 2017	<u>-2,210</u>	<u>-3,943</u>	<u>-3,943</u>	<u>-3,943</u>

**FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
ECONOMIC DEVELOPMENT INCL TOWN CENTRES**

	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000	<u>2020/21</u> £'000
2017/18 ORIGINAL BUDGET AT NOVEMBER 2016 PRICES	1,254	1,254	1,254	1,254
INFLATION TO NOVEMBER 2017	12	12	12	12
2017/18 ORIGINAL BUDGET REPRICED	<u>1,266</u>	<u>1,266</u>	<u>1,266</u>	<u>1,266</u>
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
17-234 (July 17) Council Outturn Paper	441	-	-	-
<u>Transfers between Committees</u>				
Realignment of Legal Budgets	-13	-13	-13	-13
NET EFFECT OF DEVELOPMENTS	<u>428</u>	<u>-13</u>	<u>-13</u>	<u>-13</u>
NET EXPENDITURE with inflation to November 2017	<u>1,694</u>	<u>1,253</u>	<u>1,253</u>	<u>1,253</u>
ANALYSIS BY SERVICE				
Town Centres	511	303	303	303
Economic Development	1,183	950	950	950
NET EXPENDITURE with inflation to November 2017	<u>1,694</u>	<u>1,253</u>	<u>1,253</u>	<u>1,253</u>

**FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
CENTRAL SUPPORT SERVICES SUMMARY**

	<u>2017/18 REVISED BUDGET</u>				<u>2018/19 BUDGET</u>		
	<u>2017/18</u>						
	<u>ORIGINAL</u>	<u>INFLATION</u>	<u>DEVEL-</u>	<u>TOTAL</u>	<u>INFLATION</u>	<u>DEVEL-</u>	<u>TOTAL</u>
	<u>TO NOV.'17</u>	<u>OPMENTS</u>		<u>TO NOV.'17</u>	<u>OPMENTS</u>		
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Salaries	17,663	182	1,038	18,883	182	99	17,944
Indirect Employee Expenses	1014	-	-	1,014	-	11	1,025
Premises	6098	-	-54	6,044	-	-54	6,044
Use of Transport	355	-	-	355	-	-	355
Supplies and Services	9,956	19	-285	9,690	19	-236	9,739
Third Party Payments	2,688	-	524	3,212	-	524	3,212
Income	-5141	-	-15	-5,156	-	-15	-5,156
NET EXPENDITURE	32,633	201	1208	34,042	201	329	33,163
Administrative Buildings	9,226	18	-42	9,202	18	-42	9,202
Central Services - Resources Department	15,025	137	918	16,080	137	267	15,429
Central Services - Chief Executive's Department	8,382	46	332	8,760	46	104	8,532
NET EXPENDITURE	32,633	201	1,208	34,042	201	329	33,163

**FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
CENTRAL SUPPORT SERVICES SUMMARY**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/18 ORIGINAL BUDGET AT NOVEMBER 2016 PRICES	32,633	32,633	32,633	32,633
INFLATION TO NOVEMBER 2017	201	201	201	201
2017/18 ORIGINAL BUDGET REPRICED	<u>32,834</u>	<u>32,834</u>	<u>32,834</u>	<u>32,834</u>
DEVELOPMENTS				
Administrative Buildings	-42	-42	-42	-42
Central Services - Resources Department	918	267	197	-353
Central Services - Chief Executive's Department	332	104	80	80
NET EFFECT OF DEVELOPMENTS	<u>1,208</u>	<u>329</u>	<u>235</u>	<u>-315</u>
REVISED BUDGET TOTALS	<u><u>34,042</u></u>	<u><u>33,163</u></u>	<u><u>33,069</u></u>	<u><u>32,519</u></u>
REVENUE EXPENDITURE BY SERVICE				
Administrative Buildings	9,202	9,202	9,202	9,202
Central Services - Resources Department	16,080	15,429	15,359	14,809
Central Services - Chief Executive's Department	8,760	8,532	8,508	8,508
REVISED BUDGET TOTALS	<u><u>34,042</u></u>	<u><u>33,163</u></u>	<u><u>33,069</u></u>	<u><u>32,519</u></u>

**FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
ADMINISTRATIVE BUILDINGS**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/18 ORIGINAL BUDGET AT NOVEMBER 2016 PRICES	9,226	9,226	9,226	9,226
INFLATION TO NOVEMBER 2017	18	18	18	18
2017/18 ORIGINAL BUDGET REPRICED	<u>9,244</u>	<u>9,244</u>	<u>9,244</u>	<u>9,244</u>
DEVELOPMENTS				
<u>Other Technical / Volume Adjustments</u>				
Review of Legal Budgets	12	12	12	12
Realignment of NNDR Budgets	-54	-54	-54	-54
NET EFFECT OF DEVELOPMENTS	<u>-42</u>	<u>-42</u>	<u>-42</u>	<u>-42</u>
NET EXPENDITURE with inflation to November 2017	<u>9,202</u>	<u>9,202</u>	<u>9,202</u>	<u>9,202</u>
REVENUE EXPENDITURE BY SERVICE				
Building costs	6,588	6,588	6,588	6,588
Facilities Management team	1,358	1,358	1,358	1,358
Schools Capital Team	365	365	365	365
Borough Valuers function	891	891	891	891
	<u>9,202</u>	<u>9,202</u>	<u>9,202</u>	<u>9,202</u>

**FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
CENTRAL SERVICES - RESOURCES DEPARTMENT**

	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000	<u>2020/21</u> £'000
2017/18 ORIGINAL BUDGET AT NOVEMBER 2016 PRICES	15,025	15,025	15,025	15,025
INFLATION TO NOVEMBER 2017	137	137	137	137
2017/18 ORIGINAL BUDGET REPRICED	<u>15,162</u>	<u>15,162</u>	<u>15,162</u>	<u>15,162</u>
DEVELOPMENTS				
<u>Prior to March 2017 Council Tax Setting</u>				
16-138 (Apr 16) Shared Staffing Agreement	-	-537	-537	-537
<u>Transfers Between Committees</u>				
Realignment of Legal Budgets	168	168	168	168
"LinkedIn" Budget	-	10	10	10
<u>Other Technical / Volume Adjustments</u>				
Reprofile 16-138 (Apr 16) Shared Staffing Arrangement	745	550	550	0
GDPR Legislation	23	70	-	-
Credit Card Surcharge Legislative Requirement	-	24	24	24
Transfers within Committee	-18	-18	-18	-18
NET EFFECT OF DEVELOPMENTS	<u>918</u>	<u>267</u>	<u>197</u>	<u>-353</u>
NET EXPENDITURE with inflation to November 2017	<u>16,080</u>	<u>15,429</u>	<u>15,359</u>	<u>14,809</u>
REVENUE EXPENDITURE BY SERVICE				
Finance Directorate and General Services	1,181	1,179	1,179	1,079
Financial Management	2,577	2,483	2,483	2,383
Financial Services	2,515	2,322	2,322	2,222
Revenue Services	1,762	1,762	1,762	1,662
Corporate Services	8,045	7,683	7,613	7,463
NET EXPENDITURE with inflation to November 2017	<u>16,080</u>	<u>15,429</u>	<u>15,359</u>	<u>14,809</u>

**FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
CENTRAL SERVICES - CHIEF EXECUTIVE'S DEPARTMENT**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/18 ORIGINAL BUDGET AT NOVEMBER 2016 PRICES	8,382	8,382	8,382	8,382
INFLATION TO NOVEMBER 2017	46	46	46	46
2017/18 ORIGINAL BUDGET REPRICED	<u>8,428</u>	<u>8,428</u>	<u>8,428</u>	<u>8,428</u>
DEVELOPMENTS				
<u>Prior to March 2017 Council Tax Setting</u>				
16-138 (Apr 16) Shared Staffing Agreement	-	-250	-250	-250
<u>Transfers Between Committees</u>				
Transfer of Policy Officers from Children's Services	90	90	90	90
Transfer of Policy Officers from Public Health	147	147	147	147
Realignment of Legal Budgets	14	14	14	14
<u>Other Technical / Volume Adjustments</u>				
FOI Data Protection Act Officer	-	24	-	-
Transfers within Committee	81	79	79	79
NET EFFECT OF DEVELOPMENTS	<u>332</u>	<u>104</u>	<u>80</u>	<u>80</u>
NET EXPENDITURE with inflation to November 2017	<u>8,760</u>	<u>8,532</u>	<u>8,508</u>	<u>8,508</u>
REVENUE EXPENDITURE BY SERVICE				
Customers and Partnerships	2,589	2,504	2,480	2,480
Policy and Performance	6,171	6,028	6,028	6,028
NET EXPENDITURE with inflation to November 2017	<u>8,760</u>	<u>8,532</u>	<u>8,508</u>	<u>8,508</u>

**HOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE
SUMMARY**

	<u>2017/18 REVISED BUDGET</u>			<u>2018/19 BUDGET</u>			
	<u>2017/18 ORIGINAL BUDGET</u>	<u>INFLATION TO NOV.'16</u>	<u>DEVEL- OPMENTS</u>	<u>TOTAL</u>	<u>INFLATION TO NOV.'16</u>	<u>DEVEL- OPMENTS</u>	<u>TOTAL</u>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	3,815	43	716	4,574	43	1,178	5,036
Indirect Employee Expenses	21	-	-	21	-	-	21
Premises	112	-	77	189	-	194	306
Use of Transport	24	-	-	24	-	-	24
Supplies and Services	488	-	142	630	-	67	555
Third Party Payments	11,445	-	1,330	12,775	-	2,294	13,739
Transfer Payments	8,434	-	-265	8,169	-	-116	8,318
Central and Technical Support	735	-	-	735	-	-	735
Depreciation and Impairment	0	-	-	0	-	-	0
Government Grants	-7,518	-	-2,710	-10,228	-	-3,234	-10,752
Other Income	-11,754	-22	-51	-11,827	-22	-17	-11,793
Interest Received	-26	-	-	-26	-	-	-26
NET EXPENDITURE at November 17 prices	5,776	21	-761	5,036	21	366	6,163
REVENUE EXPENDITURE BY SERVICE							
Private Sector Housing	603	8	29	640	8	19	630
Housing Services	5,002	9	-932	4,079	9	304	5,315
Housing Management and Service Strategy	171	4	142	317	4	43	218
NET EXPENDITURE at November 17 prices	5,776	21	-761	5,036	21	366	6,163

**HOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE
SUMMARY**

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/18 ORIGINAL BUDGET AT at November 2016 Price Level	5,776	5,776	5,776	5,776
INFLATION TO NOVEMBER 2017	21	21	21	21
2017/18 ORIGINAL BUDGET REPRICED	<u>5,797</u>	<u>5,797</u>	<u>5,797</u>	<u>5,797</u>
DEVELOPMENTS				
Private Sector Housing	29	19	-5	-2
Housing Services	-932	304	2,919	3,176
Housing Management and Service Strategy	142	43	28	13
NET EFFECT OF DEVELOPMENTS	<u>-761</u>	<u>366</u>	<u>2,942</u>	<u>3,187</u>
NET EXPENDITURE at November 2017 prices	<u>5,036</u>	<u>6,163</u>	<u>8,739</u>	<u>8,984</u>
REVENUE EXPENDITURE BY SERVICE				
Private Sector Housing	640	630	606	609
Housing Services	4,079	5,315	7,930	8,187
Housing Management and Service Strategy	317	218	203	188
NET EXPENDITURE at November 2017 prices	<u>5,036</u>	<u>6,163</u>	<u>8,739</u>	<u>8,984</u>

PRIVATE SECTOR HOUSING

	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000	<u>2020/21</u> £'000
2017/18 ORIGINAL BUDGET AT at November 2016 Price Level	603	603	603	603
INFLATION TO NOVEMBER 2017	8	8	8	8
2017/18 ORIGINAL BUDGET REPRICED	<u>611</u>	<u>611</u>	<u>611</u>	<u>611</u>
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
17-416 (Nov 2017) Review of Charges	-1	-2	-2	-2
<u>Other Technical/Volume adjustments</u>				
Review of HMO Income From Cyclical Licences	-	21	-3	-
Reprofiling of Savings	30	-	-	-
NET EFFECT OF DEVELOPMENTS	<u>29</u>	<u>19</u>	<u>-5</u>	<u>-2</u>
NET EXPENDITURE at November 2017 prices	<u>640</u>	<u>630</u>	<u>606</u>	<u>609</u>
REVENUE EXPENDITURE BY SERVICE				
Home Improvement Agency	11	11	11	11
Private Sector Housing	629	619	595	598
NET EXPENDITURE at November 2017 prices	<u>640</u>	<u>630</u>	<u>606</u>	<u>609</u>

HOUSING SERVICES

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/18 ORIGINAL BUDGET AT at November 2016 Price Level	5,002	5,002	5,002	5,002
INFLATION TO NOVEMBER 2017	9	9	9	9
2017/18 ORIGINAL BUDGET REPRICED	5,011	5,011	5,011	5,011
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
17-175 (June 2017) Annual Review of Housing Resources	-1,327	-1,583	-1,583	-1,583
17-419 (November 2017) Homeless Reduction Act Staffing	247	740	740	740
18-15 (January 2018) Homeless Reduction initiatives	-	250	-	-
<u>Other Technical/Volume adjustments</u>				
Reprofile 16-138 (April 16) Shared Staffing Agreement	83	117	132	-
Removal of Flexible Homelessness Grant From Base Budget	-	-	2,850	2,850
<u>Transfers Between Committees</u>				
Annual Review of Housing Resources (Property Income)	65	780	780	1,169
NET EFFECT OF DEVELOPMENTS	-932	304	2,919	3,176
NET EXPENDITURE at November 2017 prices	4,079	5,315	7,930	8,187
REVENUE EXPENDITURE BY SERVICE				
Direct Homelessness Costs	2,232	2,691	5,541	5,541
Homelessness Prevention Schemes	45	329	94	351
Direct Asylum Seeker and Other Destitutes Costs	541	541	541	541
Housing Services Administration	1,261	1,754	1,754	1,754
NET EXPENDITURE at November 2017 prices	4,079	5,315	7,930	8,187

HOUSING MANAGEMENT AND SERVICE STRATEGY

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000
2017/18 ORIGINAL BUDGET AT at November 2016 Price Level	171	171	171	171
INFLATION TO NOVEMBER 2017	4	4	4	4
2017/18 ORIGINAL BUDGET REPRICED	<u>175</u>	<u>175</u>	<u>175</u>	<u>175</u>
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
17-178 (June 2017) Self and Custom Build	172	30	15	0
17-416 (Nov 2017) Review of Charges	-	-2	-2	-2
<u>Other Technical/Volume adjustments</u>				
Housing Association Income	-	15	15	15
<u>Transfers Between Committees</u>				
Self and Custom Build Planning Expenditure	-30	-	-	-
NET EFFECT OF DEVELOPMENTS	<u>142</u>	<u>43</u>	<u>28</u>	<u>13</u>
NET EXPENDITURE at November 2017 prices	<u>317</u>	<u>218</u>	<u>203</u>	<u>188</u>
REVENUE EXPENDITURE BY SERVICE				
Graffiti Removal	147	147	147	147
Travellers Site	-42	-44	-44	-44
House Purchase and Leaseholder Advances	-31	-31	-31	-31
Affordable Housing and Service Strategy	77	-20	-35	-50
Animal Welfare	39	39	39	39
Warden Services, Watch and Telecare	-32	-32	-32	-32
Public Health Initiatives	159	159	159	159
NET EXPENDITURE at November 2017 prices	<u>317</u>	<u>218</u>	<u>203</u>	<u>188</u>

CAPITAL RESOURCES (GENERAL)

Financing the Programme

1. The Council's ability to finance capital spending is restricted only by its own view on affordability, subject to the Government's possible imposition of limits on local authority borrowing for macro-economic reasons.
2. The potential sources of finance for the Council's capital expenditure are: -
 - a) grants earmarked for particular schemes or services, and obtained only on
 - b) condition that a corresponding addition is made to the programme;
 - c) Government capital grants not earmarked for particular schemes or services;
 - d) Community Infrastructure Levy (CIL) and Section 106 payments;
 - e) realisation of investments of usable capital receipts and reserves;
 - f) borrowing; and
 - g) contributions from Council revenue accounts.
3. However, not all of these sources of finance are currently relevant. Borrowing is financially disadvantageous compared with the alternative of investment realisation, as long as the Council has substantial investments available for this purpose - except in the limited circumstances of spend-to-save schemes in schools. Also borrowing cannot be relied upon to finance the Programme in subsequent years because the Government reconsiders annually whether to limit local authority borrowing for macroeconomic reasons. In addition the use of borrowing will add to future years revenue costs at a time when future revenue support from Central Government is uncertain and there are constraints on the level to which borrowing can be supported by council tax increases. Contributions from Council revenue accounts are rarely available or the general capital programme, because of the impact on council tax.
4. There currently appears to be no prospect of the Government issuing wholly unearmarked grants, and grants continue to be earmarked for particular schemes or services, although some Children's Services capital grants are described as "within the Single Capital Pot". Contributions from Council revenue accounts are rarely available for the General Capital Programme because of the impact on council tax. Currently then, the major sources of finance for the Council's general capital expenditure are earmarked grants and realisation of investments. These are discussed in more detail below.

Grants and Reimbursements

5. Grants and reimbursements expected to support the programme over future years total £143.3 million. The most significant are schemes funded through CIL proceeds of £67.4 million (this includes Neighbourhood CIL) and a ringfenced capital grant of £41.3 million being used to fund the expansion of the Royal College of Art (RCA) in Battersea. Other major schemes include Government grants for education schemes totalling around £7.8 million, schemes funded through Section 106 reimbursements of around £15.4 million and schemes funded by TfL grant of £5.3 million.

Realisation of Investments

6. The amount of the Council's investments at any time reflects daily variations in routine cashflows as well as capital spending, debt redemption and new capital receipts. The Council's total investments as at 31st December 2017 were £580.8 million, but these relate almost entirely to current liabilities and to General Fund reserves for contingencies and specific purposes. The investments available specifically for financing the General Capital Programme are those arising from the capital receipts, which are neither payable to the Government nor used within the Housing Revenue Account (HRA) and specific elements within the Renewals fund which were previously set aside to finance capital projects.
7. As the use of HRA receipts for capital spending in the General Fund is in most cases restricted by Regulation, forecast capital receipts shown in the table in paragraph 20 include mainly estimates relating to sales of General Fund sites already identified as surplus, amounting to £11.8 million in 2017/18, £13.3 million in 2018/19, £4.5 million in 2019/20, £6.4 million in 2020/21 and £4.8 million in 2021/22. However these figures include a capital receipt relating to the Atheldene site, currently estimated at a total of £26.3 million over the framework period. The Mayor of London's policy of delivering 50% affordable housing may reduce the land value of this site and therefore the amount the Council receives. A limited sum of HRA receipts able to be used freely for General Fund purposes has been included within the overall receipt totals. This may increase in later years, particularly for any General Fund regeneration schemes, but these will be added in as appropriate in due course. Due to the current uncertainties in the property market, the total estimates for site sales have been reduced by 20% to reflect the risks associated with the level and timing of their receipt.

Community Infrastructure Levy

8. CIL is a levy which local authorities can charge on new developments and use to fund infrastructure in the local area. This levy came into force in Wandsworth in November 2012. The CIL is a standard charge based on development size and location, and is index linked from the date that the scheme was introduced to the date of planning approval. Under the requirements of the legislation governing the CIL, 15% of all receipts must be earmarked for use in the local area ("Neighbourhood CIL) from where they are received and the arrangements for this in Wandsworth are implemented through the Wandsworth Local Fund (WLF). After a further deduction of an amount set aside for administration, capped at 5%, outstanding CIL income is treated as capital resources to fund capital infrastructure works throughout the Borough, not ringfenced to the area of development. CIL income arising within the VNEB Area will be subject to separate arrangements as set out in Paper No. 13-135 where the payments will be used to pay for relevant infrastructure within the VNEB Area.
9. The Council may carry forward CIL income to fund future identified infrastructure schemes. The proposed additions to the programme include

£9.2 million to be financed by CIL, bringing the total amount financed by CIL from 2017/18 to 2019/20 to £67.4 million with schemes within Community Services, Finance and Corporate Resources, and Education and Children's Services. This includes Neighbourhood CIL proceeds.

10. Since its inception a prudent approach has been taken to the approval of schemes funded from CIL to ensure all expenditure commitments are fully funded as future projections of CIL income are, by their very nature, not guaranteed. For the wider Wandsworth area (i.e. excluding Nine Elms) expenditure schemes totalling £40 million have already been identified (largely relating to the Wandsworth One Way System and Cremorne/Diamond Jubilee Bridge) with CIL receipts collected to date totalling £45 million. Officers are now reviewing the process for identifying prioritised schemes to be funded by CIL and this will be brought before Members for approval in due course.

Use of Capital Grants and Receipts

11. The table below compares the estimated capital resources with the capital payments to be financed. The £50.8 million usable receipts at the start of 2017/18 will decrease to £37.8 million at the start of 2018/19, £24.6 million at the start of 2019/20, and to £16.9 million at the start of 2020/21. Usable receipts will then decrease to £16.3 million at the start of 2021/22 and then decrease to £13.1 million by the end of 2021/22.

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
	£'000	£'000	£'000	£'000	£'000
Usable Capital Receipts at start of year	50,848	37,761	24,612	16,946	16,346
Add: Grants and reimbursements	41,687	54,608	40,258	6,129	578
Add: Renewals Fund	37	-	-	-	-
Add: New capital receipts	11,800	13,265	4,519	6,400	4,800
Less: Total General Capital Payments (after slippage)	(66,611)	(81,022)	(52,443)	(13,129)	(8,578)
Usable Capital Receipts at end of year	37,761	24,612	16,946	16,346	13,146

Revenue Effects

12. Capital payments have no revenue effect to the extent that they are financed by capital grant, provided that the grant is not significantly delayed. Payments financed by the realisation of investments entail loss of interest on those investments.

13. The revenue effects, based on the loss of investment interest at the current budgeted rate, of the revised General Fund capital programme are shown in the table in paragraph 10, with a full year annual impact of £541,000 equivalent to £4.22 Band D council tax. The revenue effects of the additions now proposed, based upon the loss of investment interest, amount to £10,000 in 2018/19, £48,000 in 2019/20 and £74,000 in a full year. The net revenue effects, as shown in the table in paragraph 8 above, would have a full year annual cost of £74,000 equivalent to £0.58 Band D Council Tax, and will be included as part of the 2018/19 Council Tax setting process.

SUMMARY OF GENERAL FUND CAPITAL PROGRAMME 2017/18 - 2019/20

	REVISED PROGRAMME			
	2017/18	2018/19	2019/20	Future Years
	£'000	£'000	£'000	£'000
<u>ADULT CARE & HEALTH SERVICES</u>				
Adult Care	2,462	2,089	110	0
<u>COMMUNITY SERVICES</u>				
Leisure Centres and Sports Services	990	223	0	0
Public Halls/Community Centres	67	0	0	0
Planning Services	210	0	0	0
Parks and Open Spaces	2,542	1,804	0	0
Environmental Services	134	1,959	0	0
Crime Reduction Strategy	115	405	0	0
Libraries and Heritage	140	552	3,000	0
Highways Services	25,699	19,502	31,755	0
CIL Schemes	2,484	1,989	1,000	0
Depots	140	0	0	0
	32,522	26,434	35,755	0
<u>EDUCATION & CHILDREN'S SERVICES</u>				
Secondary Education	1,919	900	0	0
Primary Education	1,962	17,186	0	0
Special Schools/Other	6,251	1,384	0	0
Other Education Funded Schemes	400	1,028	750	0
Other Children's Services	1,278	1,198	0	0
	11,809	21,696	750	0
<u>FINANCE & CORPORATE SERVICES</u>				
Operational Buildings	2,897	1,841	325	0
IT Services	848	93	0	0
Property Services	20,455	74	0	0
Economic Development	499	0	0	0
General Finance & Corporate Services	10,934	14,048	9,753	6,707
	35,634	16,056	10,078	6,707
<u>HOUSING GENERAL FUND</u>				
Loans to Leaseholders	350	350	400	0
Empty Properties Grant	572	350	350	0
Disabled Facilities Grant	1,262	1,047	0	0
Other Housing Schemes	2,000	3,000	0	0
	4,184	4,747	750	0
TOTAL GENERAL FUND CAPITAL PROGRAMME	86,611	71,022	47,443	6,707

ADULT CARE AND HEALTH**SCHEME****ADULT CARE**

Adaptations for Disabled			
Better at Home Improvement Scheme			
Complex Needs Hub (Graveney) Remodelling			
Electronic Monitoring of Homecare			
Gwyneth Morgan Day Centre Refurbishment (Fairfield)			
Substance Misuse Treatment Base			
TOTAL ADULT CARE AND HEALTH			

REVISED PROGRAMME		
2017/18	2018/19	2019/20
£'000	£'000	£'000
290	300	0
0	90	0
30	0	0
12	0	0
1,665	1,648	110
465	51	0
2,462	2,089	110

COMMUNITY SERVICES
SCHEME

LEISURE CENTRES AND SPORTS SERVICES

Balham Leisure Centre (Bedford) - Pool Roof Renewals	100	0	0
Barn Elms - Changing Rooms	160	0	0
Furzedown Recreation Ground (Furzedown) - 3G Pitch replacement	8	0	0
Putney Leisure Centre (Thamesfield): - Pool Roof Renewals	257	0	0
Tooting Bec Lido Pavilion (Bedford)	292	0	0
Tooting Lido (Bedford) - Poolside Surface Refurbishment	0	50	0
Tooting Leisure Centre (Tooting) - Fire Alarm Renewal	118	0	0
Tooting Leisure Centre (Tooting) - UV Disinfection System	2	0	0
Tooting Leisure Centre (Tooting) - Replacement of Failed Pool Basin Tiling	0	173	0
Wandle Leisure Centre (Southfields)- Roof Renewal and Sports Hall Cladding	54	0	0

TOTAL LEISURE CENTRES AND SPORTS SERVICES

PUBLIC HALLS/COMMUNITY CENTRES

Civic Suite (Fairfield) - Renewal of Roof Covering	67	0	0
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TOTAL PUBLIC HALLS/COMMUNITY CENTRES

PLANNING SERVICES

Hosted Web Based Planning and Related Services IT System	210	0	0
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TOTAL PLANNING SERVICES

PARKS AND OPEN SPACES

Battersea Park (Queenstown): - River Wall	0	260	0
Battersea Park (Queenstown): - Improvements funded from Formula E	0	583	0
Battersea Park (Queenstown): - Promontory scheme	0	70	0
Battersea Park (Queenstown): - New play facilities	98	0	0
Battersea Park (Queenstown): - Restoration of pedestrian gate access	48	0	0
Falcon Park (Latchmere) - New 3G Pitch	1,285	0	0
Huguenot Burial Ground -39-41 East Hill (Fairfield)	0	276	0
King George's Park (Southfields)	0	200	0
Latchmere Recreation Scheme (Latchmere)	0	65	0
St Mary's Church Boundary Wall (St Mary's Park)- Essential Repairs	0	15	0
Tooting Common Heritage Project (Bedford)	1,072	235	0
Paths Resurfacing in Parks	38	100	0

TOTAL PARKS AND OPEN SPACES

ENVIRONMENTAL SERVICES

St George's Mortuary Expansion (Tooting)	134	0	0
Putney Vale Crematorium (Roehampton)- replacement of cremators	0	966	0
Coroner's Court	0	993	0

TOTAL ENVIRONMENTAL SERVICES

	REVISED PROGRAMME		
	2017/18	2018/19	2019/20
	£'000	£'000	£'000
LEISURE CENTRES AND SPORTS SERVICES			
Balham Leisure Centre (Bedford) - Pool Roof Renewals	100	0	0
Barn Elms - Changing Rooms	160	0	0
Furzedown Recreation Ground (Furzedown) - 3G Pitch replacement	8	0	0
Putney Leisure Centre (Thamesfield): - Pool Roof Renewals	257	0	0
Tooting Bec Lido Pavilion (Bedford)	292	0	0
Tooting Lido (Bedford) - Poolside Surface Refurbishment	0	50	0
Tooting Leisure Centre (Tooting) - Fire Alarm Renewal	118	0	0
Tooting Leisure Centre (Tooting) - UV Disinfection System	2	0	0
Tooting Leisure Centre (Tooting) - Replacement of Failed Pool Basin Tiling	0	173	0
Wandle Leisure Centre (Southfields)- Roof Renewal and Sports Hall Cladding	54	0	0
TOTAL LEISURE CENTRES AND SPORTS SERVICES	990	223	0
PUBLIC HALLS/COMMUNITY CENTRES			
Civic Suite (Fairfield) - Renewal of Roof Covering	67	0	0
TOTAL PUBLIC HALLS/COMMUNITY CENTRES	67	0	0
PLANNING SERVICES			
Hosted Web Based Planning and Related Services IT System	210	0	0
TOTAL PLANNING SERVICES	210	0	0
PARKS AND OPEN SPACES			
Battersea Park (Queenstown): - River Wall	0	260	0
Battersea Park (Queenstown): - Improvements funded from Formula E	0	583	0
Battersea Park (Queenstown): - Promontory scheme	0	70	0
Battersea Park (Queenstown): - New play facilities	98	0	0
Battersea Park (Queenstown): - Restoration of pedestrian gate access	48	0	0
Falcon Park (Latchmere) - New 3G Pitch	1,285	0	0
Huguenot Burial Ground -39-41 East Hill (Fairfield)	0	276	0
King George's Park (Southfields)	0	200	0
Latchmere Recreation Scheme (Latchmere)	0	65	0
St Mary's Church Boundary Wall (St Mary's Park)- Essential Repairs	0	15	0
Tooting Common Heritage Project (Bedford)	1,072	235	0
Paths Resurfacing in Parks	38	100	0
TOTAL PARKS AND OPEN SPACES	2,542	1,804	0
ENVIRONMENTAL SERVICES			
St George's Mortuary Expansion (Tooting)	134	0	0
Putney Vale Crematorium (Roehampton)- replacement of cremators	0	966	0
Coroner's Court	0	993	0
TOTAL ENVIRONMENTAL SERVICES	134	1,959	0

COMMUNITY SERVICES
SCHEME

	REVISED PROGRAMME		
	2017/18	2018/19	2019/20
	£'000	£'000	£'000
Mobile CCTV to combat flytipping	15	0	0
CCTV cameras for traffic monitoring / enforcement	100	0	0
New CCTV control room	0	405	0
TOTAL CRIME REDUCTION STRATEGY	115	405	0
LIBRARIES AND HERITAGE			
Battersea Library (Shaftesbury) - Public Toilets	45	0	0
Tooting Library (Graveney)- Waterproofing of Basement Area	96	0	0
Wandsworth Town Library Fit-Out (Fairfield)	0	552	3,000
TOTAL LIBRARIES AND HERITAGE	140	552	3,000
COUNCIL FUNDED HIGHWAY SERVICES			
Blocked Gullies	50	100	0
Capitalised Repairs: -Carriageways	2,931	2,000	2,000
Capitalised Repairs: - Footways	1,960	1,000	1,000
Signs & Poster Boards - boroughwide	150	0	0
Street LED Lighting	4,008	0	0
TOTAL COUNCIL FUNDED HIGHWAY SERVICES	9,099	3,100	3,000

COMMUNITY SERVICES
SCHEME

	REVISED PROGRAMME		
	2017/18	2018/19	2019/20
	£'000	£'000	£'000
TRANSPORT FOR LONDON FUNDED SCHEMES			
Battersea High Street (St Mary's Park)	285	300	0
Bedford Hill (Bedford)	285	200	0
Beechcroft Road and Magdalen Estate (Wandsworth Common)	57	50	0
Bramford Gardens (Fairfield)	48	0	0
Car Club - Support for Expansion	48	0	0
Contraflow cycling	29	0	0
Cycling Connections	0	50	0
Cycle Parking Programme	29	60	0
Elmbourne Road (Bedford)	0	125	0
Garratt Lane (Earlsfield)	95	0	0
Lavender Hill (Shaftesbury)	380	0	0
Lower Richmond Road (Thamesfield)	95	0	0
Mitcham Lane/ Thrale Road (Furzedown)	190	100	0
Priory Lane (Roehampton)	95	200	0
Putney Cycle and Pedestrian Access	0	25	0
Putney Hill (East Putney)	48	0	0
Queenstown Road (Queenstown)	48	50	0
Quietways	537	146	0
Safe Routes to School - Investigation & Implementation	48	50	0
Shared Cycle Schemes	0	20	0
Southfields (Southfields)	285	200	0
Stag Lane Crossing (Roehampton)	0	24	0
Station Access Improvements	48	0	0
Street Trees	0	10	0
Walking and Cycling Improvements in Parks and Commons	0	50	0
	2,647	1,660	0
Principal Road Maintenance			
Resurfacing of Carriageway on Principal Roads	343	0	0
	343	0	0
Other Schemes			
Flexible Funding	50	50	0
Infrastructure Corridors	450	0	0
	500	50	0
TOTAL TRANSPORT FOR LONDON SCHEMES	3,490	1,710	0

COMMUNITY SERVICES
SCHEME

	REVISED PROGRAMME		
	2017/18	2018/19	2019/20
	£'000	£'000	£'000
<u>Schemes Funded by Section 106 or CIL in the Vauxhall and Nine Elms Opportunity Area</u>			
Project Development Fees	250	200	200
Riverwalk	2,114	1,000	0
Utilities	571	916	530
Increased Bus Capacity and Pump Priming New Services	650	1,000	3,363
Improvement to Battersea Park Station	300	300	12,404
Nine Elms Highways, Pedestrian and Public Realm	2,364	1,390	1,500
Pedestrian Bridge	1,102	797	0
Queenstown Road footways and cycle facilities	0	0	500
Health Facilities	1,300	0	5,200
Key Gateways	50	100	58
Thessaly Road	0	1,000	0
	8,702	6,703	23,755
<u>Section 106 agreements under the Town & Country Planning Act 1990 Other Schemes</u>			
Alton Road 3-5 SW15 (Roehampton)	20	0	0
Arton Wilson House, 85 Roehampton Lane SW15 (Roehampton)	100	0	0
ASDA Clapham Junction (Shaftesbury)	81	0	0
Caius House Open Space Area (St Mary's Park)	61	0	0
Eltringham Depot and York Road Footway Works (Latchmere)	41	0	0
Falcon Wharf - TfL London Buses (Latchmere)	64	0	0
Former Ralph West Halls, 45, Worfield St (St Mary's Park)	463	0	0
Griffon and Lanner House, Winstanley Road SW11 (Latchmere)	17	0	0
Hardwicks Way 1-9 and 2-6 (Southfields)	80	0	0
IMA House, 20 Northfields SW18 (Thamesfield)	35	0	0
Merton Road 249-251 (Southfields)	19	0	0
Parkview - Queens Circus (Queenstown)	20	0	0
Peabody Clapham Junction Crossing and Footway (Northcote)	135	0	0
Putney Bridge Road 50-52 Former South Thames Coll (Thamesfield)	15	0	0
Putney Bridge Road 118 (Thamesfield)	14	0	0
Queen Mary's Hospital, Roehampton Lane SW15 (Roehampton)	18	0	0
Ram Brewery (Fairfield)	64	0	0
Removal of River Wandle Half Tide Weir	964	0	0
St Georges Grove - TfL London Buses (Earlsfield)	153	0	0
South Thames College, Wandsworth Site, SW18 (Fairfield)	21	0	0
The Plough Public House St John's Hill (Fairfield)	19	0	0
Upper Richmond Road 77-83 (East Putney)	100	0	0
Upper Richmond Road 84-88 (East Putney)	104	0	0
Wandsworth Business Village, 3-9 Broomhill Rd (Southfields)	24	0	0
Wandsworth Enterprise Park (Fairfield)	38	0	0
Westfield House, Knaresborough Drive (Southfields)	433	0	0
Wandsworth One Way System (Fairfield)	1,000	4,889	5,000
Other Schemes	24	0	0
TOTAL SECTION 106 SPEND	4,127	4,889	5,000

COMMUNITY SERVICES
SCHEME

Other Highways Schemes

Pay and Display machine replacement			
Upgrade Pay & Display machines for new coinage			
Electric Charging points			

TOTAL HIGHWAYS SCHEMES

Schemes Funded by CIL

Cremorne Footbridge, Detailed Design Consultancy			
Upper Richmond Road and Putney Stations (Thamesfield)			

Neighbourhood CIL

Bedford Hill Public Realm and Road Safety (Bedford)			
Bellevue Road Streetscape Improvements (Nightingale)			
Falcon Park Improvements (Latchmere)			
Wandsworth Common ballpen - upgrade (Northcote)			
Southfields Public Realm Upgrade (Southfields)			
Wandsworth Park LED lighting (Thamesfield)			
Dover House Road Parade - Streetscape Enhancements (West Putney)			
Swaby Gardens Improvements (Earlsfield)			
Putney Park Lane improvements (West Putney)			
Earlsfield Railway Bridge Improvements (Earlsfield)			
Lavender Hill (including Lavender Gardens lighting) (Shaftesbury)			
Putney Bridge floodlighting (Thamesfield)			
Leaders Garden new footpath, tree work and seating (Thamesfield)			
Wandsworth Bridge floodlighting (St Mary's Park)			
Garratt Park playground refurbishments and replacement of equipment (Earlsfield)			
Tours passage alleyway - streetscape & lighting improvements			
Fred Wells Garden refurbishment (St Mary's Park)			
Roehampton Vale / Putney Vale cemetery resiting a block (Roehampton)			
Battersea Arts Centre (Shaftesbury)			
Wandle Valley Park - Improved Gateways			
Aslett Enclave - Streetscape (Earlsfield)			
Lydden Twilley - repaving and resurfacing (Earlsfield)			

DEPOTS

Frogmore House (Fairfield) - Renew Roof Covering and Insulation			
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TOTAL COMMUNITY SERVICES

REVISED PROGRAMME			
	2017/18	2018/19	2019/20
	£'000	£'000	£'000
	0	3,100	0
	93	0	0
	188	0	0
	281	3,100	0
	25,699	19,502	31,755
	100	100	0
	0	1,000	1,000
	25	0	0
	7	0	0
	123	0	0
	129	0	0
	200	0	0
	40	0	0
	67	0	0
	163	0	0
	245	0	0
	100	0	0
	1	0	0
	450	0	0
	79	0	0
	100	130	0
	180	0	0
	174	0	0
	220	80	0
	82	0	0
	0	334	0
	0	114	0
	0	107	0
	0	124	0
	2,484	1,989	1,000
	140	0	0
	140	0	0
	32,522	26,434	35,755

EDUCATION AND CHILDREN'S SERVICES**EDUCATION DEPARTMENT SCHEMES****SECONDARY EDUCATION**

Bolingbroke Academy (Northcote)

Ark Putney Academy (Former Elliott School) (West Putney)

TOTAL SECONDARY EDUCATION**PRIMARY EDUCATION****Basic Need - Primary Places**

Alderbrook (Balham)- Bulge Reception Class

Atheldene (Earlsfield)- Primary School

Brandlehow (Thamesfield) Installation of Modular Building
relocated from Riversdale SchoolOasis Academy Putney School (Thamesfield)- Final
Accounts/School FFE/ICT Provision

Sheringdale Primary School (Southfields) Expansion

Other Schemes

Alderbrook (Balham)- Masonry/Brickwork

Allfarthing Primary School (Fairfield)- Heating

Chesterton (Latchmere) - New Heating

Eardley Primary School (Furzedown)- Heating

Falconbrook (Latchmere)- Windows

Fircroft Primary School (Tooting) - Alterations/Heating facilities in
Early Years building

Granard Primary School (West Putney)- Boiler

Granard Primary School (West Putney) - Windows

Heathmere Primary School- Heating

Primary School Land Costs

Ravenstone Primary School (Bedford) - ASD Building and
Landscaping works

Ravenstone Autistic Spectrum Disorder Base (Bedford)

Smallwood School (Tooting) - Windows and Roof level air-vents

Southmead Primary School (West Hill)

St George's Primary School Expansion (Queenstown)

TOTAL PRIMARY EDUCATION

REVISED PROGRAMME		
2017/18	2018/19	2019/20
£'000	£'000	£'000
1,819	0	0
100	900	0
1,919	900	0
17	0	0
100	103	0
5	0	0
150	150	0
38	0	0
310	253	0
5	0	0
35	130	0
127		
202	300	0
30	0	0
0	7	0
142	0	0
27	100	0
221	0	0
0	15,000	0
122	66	0
153	0	0
516	0	0
52	0	0
20	1,330	0
1,652	16,933	0
1,962	17,186	0

EDUCATION AND CHILDREN'S SERVICES

	REVISED PROGRAMME		
	2017/18	2018/19	2019/20
	£'000	£'000	£'000
SPECIAL SCHOOLS (WBC)			
Bradstow School - New Residential	21	0	0
Bradstow Special School- Heating	143	0	0
Greenmead/Ronald Ross (West Putney/West Hill)- School Places	5,504	1,000	0
Linden Lodge (West Hill):- Family Centre	549	0	0
Linden Lodge (West Hill):- Renewal of Existing Platform (Scissor Lift	0	115	0
Nightingale School (Wandsworth common) - Heating	0	269	0
Oakdene Minibus	34	0	0
TOTAL SPECIAL SCHOOLS/OTHER	6,251	1,384	0
OTHER EDUCATION FUNDED SCHEMES			
201-203 Lavender Hill - improvements (Shaftesbury)	0	80	0
Schools Devolved Capital	400	948	750
TOTAL OTHER EDUCATION FUNDED SCHEMES	400	1,028	750
TOTAL EDUCATION	10,531	20,498	750
<u>OTHER CHILDREN'S SERVICES</u>			
Children Looked After Placements	1,077	410	0
Conversion/Extension Foster Carers' Properties	100	196	0
Wandsworth Local Fund (NCIL):- Upper Tooting Place Toddlers Play Space	0	4	0
Wandsworth Local Fund (NCIL):- Leaders Gardens (Thamesfield) - Playspace Improvements	51	10	0
Wandsworth Local Fund (NCIL):- Wandsworth Common play provision (Wandsworth Common)	50	0	0
Wandsworth Local Fund (NCIL):- King George's Park play space (Southfields)	0	2	0
Wandsworth Local Fund (NCIL):- Wandsworth Common, Chivalry Road play space - redesign and refurbishment	0	165	0
Wandsworth Local Fund (NCIL):- Wandsworth Common, St. Mark's play space - redesign and refurbishment	0	74	0
Wandsworth Local Fund (NCIL):- Windmill Gardens - playspace	0	201	0
Various Final Accounts	0	136	0
TOTAL OTHER CHILDREN'S SERVICES	1,278	1,198	0
TOTAL EDUCATION AND CHILDREN'S SERVICES	11,809	21,696	750

FINANCE AND CORPORATE SERVICES**SCHEME****OPERATIONAL BUILDINGS**

Operational Property Plant Renewal	2,452	1,841	325
Town Hall (Fairfield): -Renewal of Lift S005	9	0	0
Town Hall (Fairfield):- Demolish Prefabs and Boiler House for Parking	86	0	0
Town Hall Extension (Fairfield):- Renew Roof Covering to Roof A	350	0	0

TOTAL OPERATIONAL BUILDINGS**IT SERVICES**

ICT Infrastructure

TOTAL IT SERVICES**PROPERTY SERVICES**

Acquisition of Properties	10,727	0	0
Acquisition of Atheldene and Surrounding Sites	7,540	0	0
Thames Tideway Tunnel	180	0	0
Wood and Palladino House	1,963	74	0
Works to Land and Property Prior to Sale	45	0	0

TOTAL PROPERTY SERVICES**ECONOMIC DEVELOPMENT**

Balham & Mitcham Lane Public Realm	310	0	0
Nine Elms Art Centre Lease	180	0	0
People into Employment	9	0	0

TOTAL ECONOMIC DEVELOPMENT**GENERAL FINANCE & CORPORATE SERVICES**

Hybrid Vehicle Purchase	37	0	0
Loans to Other Bodies	100	0	0
Royal College of Art expansion	10,797	14,048	9,753

TOTAL GENERAL FINANCE & CORPORATE SERVICES**TOTAL FINANCE & CORPORATE SERVICES**

REVISED PROGRAMME		
2017/18	2018/19	2019/20
£'000	£'000	£'000
2,452	1,841	325
9	0	0
86	0	0
350	0	0
2,897	1,841	325
848	93	0
848	93	0
10,727	0	0
7,540	0	0
180	0	0
1,963	74	0
45	0	0
20,455	74	0
310	0	0
180	0	0
9	0	0
499	0	0
37	0	0
100	0	0
10,797	14,048	9,753
10,934	14,048	9,753
35,634	16,056	10,078

HOUSING & REGENERATION (non-HRA)**SCHEME**

	REVISED PROGRAMME		
	2017/18	2018/19	2019/20
	£'000	£'000	£'000
Loans to Leaseholders	350	350	400
Empty Properties Grant	572	350	350
Disabled Facilities Grants	1,262	1,047	0
OTHER HOUSING SCHEMES			
Wandsworth Affordable Housing Programme	1,000	3,000	0
Do It Yourself Shared Ownership	1,000	0	0
	2,000	3,000	0
TOTAL HOUSING & REGENERATION (non-HRA)	4,184	4,747	750

WANDSWORTH BOROUGH COUNCIL

FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY
COMMITTEE – 21ST FEBRUARY 2018

EXECUTIVE – 26TH FEBRUARY 2018

Report by the Director of Resources on the Council's Treasury Policy for 2018/19

SUMMARY

This report reviews the Treasury Management activities so far during 2017/18 and makes proposals for 2018/19 for approval by the full Council, in accordance with CIPFA's revised Treasury Management Code, the Council's Treasury Policy Statement and the Local Government Act 2003.

Short-term interest rates have shown some increase in response to the 0.25% base rate rise in November 2017, although they still remain low and the financial environment difficult.

Approval is now sought for an updated Treasury Policy Statement for 2018/19, including the determination of the Council's affordable borrowing limit and operational boundary, and the minimum revenue provision policy for the financial year 2018/19.

Investments increased during 2017/18 from £523 million to £566 million at the end of December, and interest rates averaged 0.77%. Investments are expected to remain at similar levels. Debt has reduced from £138 million to £129 million reflecting repayments of PWLB debt.

GLOSSARY

BIDS	– Business Improvement Districts
CCLA	– Charities, Church of England, Local Authorities
CIPFA	– Chartered Institute of Public Finance and Accountancy
DCLG	– Department for Communities and Local Government
DMADF	– Debt Management Account Deposit Facility
DSB	– Dedicated Schools Budget
Fitch	– Fitch Ratings Ltd (the international credit ratings agency)
HRA	– Housing Revenue Account
LIBID	– London Inter Bank Bid Rate
MMF's	– Money Market Funds
Moody's	– the international credit ratings agency

MRP – minimum revenue provision
PWLB – Public Works Loan Board
SSA - Richmond and Wandsworth Shared Staffing Arrangement
Standard & Poor's – the international credit ratings agency

RECOMMENDATIONS

1. The Finance and Corporate Resources Overview and Scrutiny Committee are recommended to support the recommendations to the Executive in paragraph 2. If they approve any views, comments or recommendations on the report, these will be submitted to the Executive for consideration.
2. The Executive is recommended to recommend the Council -
 - (a) to authorise the Director of Resources to determine the Council's Treasury Policy Statement for 2018/19 on the basis of the Statement in Appendix A;
 - (b) to approve, as required under Section 3 of Part 1 of the Local Government Act 2003, for the financial year 2018/19 an affordable borrowing limit and operational boundary of £140 million as shown in paragraph 17; and
 - (c) to approve, as recommended under Guidance issued under the Local Government Act 2003, an MRP for 2018/19 to repay internal borrowing by the Dedicated Schools Budget (DSB) over a period of nine years, as shown in paragraphs 18 to 20.

INTRODUCTION

3. The Council's Treasury Policy Statement defines both the overall arrangements for treasury management and the expectations for the ensuing financial year. These arrangements are in accordance with the 'Treasury Management Code' issued by CIPFA in 2002, and subsequently revised in 2011 and late 2017. They also have regard to the 'Prudential Code,' issued by CIPFA, and considered by the Council on the basis of Paper No. 04-129 in January 2004, and to Investment Guidance issued under Section 15 of the Local Government Act 2003 by the DCLG. The recent amendments in late 2017 to the Treasury Management Code relate to investments that are not part of treasury management activity and do not arise from cash flows and debt management. These are commercial investments such as purchase of investment properties, investments in subsidiaries or investments for service objectives including regeneration. The Council's approach to these types of investments will be included within a Capital Strategy which is required by CIPFA's amended Prudential Code and is to be reported and approved by full Council before 31st March 2018 in Paper No. 18-91 elsewhere on the agenda to this meeting.
4. The overall arrangements for Treasury Management include provision for review and updating of the Statement at about this time of year. The last annual review of the Statement was in February 2017 (Paper No. 17-95) but it was updated more recently in Paper No 17-236 in June 2017. This updated Statement is attached as Appendix A to this report. Subsequent paragraphs

comment on experience to date in 2017/18, and policy for 2018/19 and later years.

GENERAL TREASURY MANAGEMENT EXPERIENCE IN 2017/18

5. The Council's investments have averaged well over £550 million throughout the year, rates have remained low and the financial environment continues to be difficult. The increase in base rate of 0.25% on 2nd November 2017 has improved rates to some extent, but the impact has been limited as further base rate rises were not expected in the short-term. However, the latest announcement following the meeting of the Monetary Policy Committee on 8th February indicated that rates may rise sooner than anticipated and possibly as early as May 2018. The Council's overall average interest rate was 0.77% to the end of December, and is expected to increase to around 0.82% for the final quarter of the financial year. This should rise further into 2018/19 as maturing short-fixed investments are replaced by investments at improved rates. New short-term investments for less than one year are now averaging 0.73%, compared to an average of 0.52% for those maturing over the same period. Opportunities for two year investments are limited but £20 million has been placed with other local authorities in the third quarter at an average rate of 0.89%. Rates on the other short-term Council investments, mainly MMFs and Short Dated Bond Funds have also correspondingly increased.
6. The longer-term investment of £25 million in the CCLA Property Fund has distributed dividend income of over 4% for each of the three quarters so far in 2017/18, and continues to boost revenue returns. The capital value of the Fund has recovered from its fall following the European Union Referendum result and is now very comfortably above its nominal value.
7. A full report on the 2017/18 treasury management record will be made to committee in June 2018, in accordance with the arrangements prescribed in the Policy Statement. Meanwhile, Appendix B charts the movements in short-term interest rates during 2017. This shows the rate on the Council's own investments, together with the 7 Day LIBID rate used as a benchmark, and the 3 Month LIBID rate as an example of a slightly longer term rate. The Council's monthly rate has been well above the benchmark. The benchmark rates hardly varied until the base rate rise in November. The average interest rate earned on the Council's investments has been 0.77%, compared to 0.98% for the equivalent time period in 2016/17 and compared to a benchmark (7 Day LIBID rate) of 0.15%.
8. Investments The Council began the year 2017/18 with short-term investments of £523 million, which increased to £566 million at the end of December. The level of investment has never fallen below the opening level, and on average has been around £574 million. The size and composition of the Council's investments at 31st March 2017 and 31st December 2017 is shown in Appendix C.
9. Debt The size and composition of the Council's debt at 31st March 2017 and 31st December 2017 is shown in Appendix D. Gross debt has reduced from £138 million to £129 million reflecting repayments of PWLB debt. A further

repayment will be made before the end of 2017/18. No new long-term borrowing has been undertaken, and none is expected for the remainder of the year.

10. The Council's Treasury Management activities are now carried out by a joint team under the shared staffing arrangement with Richmond. There is therefore the possibility of one Council avoiding a brokerage fee by borrowing from the other on the rare occasions when short-term borrowing may be needed to cover a liquidity gap. The joint team will calculate any rate based upon that day's market conditions and any trade must be mutually beneficial to both authorities. This falls within existing policy.
11. The Markets in Financial Instruments Directive 2014/65 (MiFID II) came into effect on 3rd January 2018. Under MiFID II all local authorities are classified by financial institutions as a retail client by default rather than a 'per se professional client,' unless the authority chooses to elect to opt up to 'elective professional client' status. In order not to restrict its current range of investments the Council has successfully opted up where necessary. This status had to be agreed individually with each financial institution, broker or adviser and certain conditions had to be met relating to the quantity of transactions carried out and the experience and knowledge of those carrying out the transactions. The interpretation of MiFID II was not uniform across all organisations and there were differences in both the information requirements and even whether or not an opt up was required for identical investment types.
12. A new accounting standard ("IFRS9") relating to the measurement of financial instruments is due to be introduced in 2018/19. This could potentially result in annual gains or losses arising from changes in the fair value of some investments being charged to revenue in the General Fund. This could have an impact for a longer-term investment such as the CCLA Property Fund and for the types of funds currently being considered for potential new long-term investment. It is not unusual for such funds to show some volatility in the short to medium term, with the expectation that these fluctuations will even out in the longer term. Currently the General Fund is protected from these annual movements until the investment is redeemed, but it seems likely that this will not continue under IFRS9. Local authority representatives have made representations to the government for a statutory override to mitigate these effects but so far none has been forthcoming.
13. Longer-term investments The Council's policy was amended at the end of 2016/17 to allow for investment of up to £50 million for a period of around 5 years in order to provide the opportunity to access increased yield. The policy permits investment with a wide range of funds and asset classes, subject to meeting the criteria to not count as capital expenditure. Local authority regulations governing whether or not certain investments meet the criteria not to be capital expenditure are extremely complex and this has made fund selection difficult. Investments in equities or property constitute capital expenditure but pooled funds containing these asset classes may in some, but not all circumstances fall outside the definition of capital expenditure. It is probable that any fund selected by the Council will contain these asset classes so the Director of Resources is taking external advice before committing to any investments to be certain that they are appropriate for the Council's needs.

14. The choice of funds was also further delayed by the introduction of IFRS9 and MiFID II, outlined in paragraphs 11 and 12. The implications of both of these changes had to be worked through before funds could be selected and, particularly in relation to MIFIDII this has been a lengthy and somewhat uncertain process. Now that the practical application of MiFID II is clearer, the Director of Resources has been able to progress with fund selection using appropriate external advice. Funds under consideration are generally pooled funds containing a wide range of asset classes to provide diversification and to manage risk. Funds with an annual income stream are preferred so that the Council is provided with revenue income. It is expected that the new investments will be in place early in the new financial year.

TREASURY MANAGEMENT STRATEGY FOR 2018/19

15. The Strategy for 2018/19 considers the outlook for investment and debt levels for the period 2018/19 to 2020/21, taking into account estimates of major cash flow movements. These estimates are shown in the table in paragraph 4.1 in **Appendix A**.
16. The Council is expected to begin the year with investments of around £520 million. Repayments of £17.2 million of new PWLB loans taken up for the HRA on 28th March 2012 will fall due during the year. The estimated movements for the following two years based upon current cash flows show that investments are likely to reduce to below £400 million as the HRA Regeneration schemes progress and other balances fall. These cash flows do not currently allow for all potential expenditure relating to regeneration schemes in Roehampton and Battersea or the new council-led development programme which will be modelled into cash flows in due course.
17. Affordable Borrowing Limit and Operational Boundary for 2018/19 The Council has to set an affordable borrowing limit and operational boundary for 2018/19 under Section 3 of Part 1 of the Local Government Act 2003. This limit refers only to gross borrowing, ignoring investments, and it is intended that it reflects the maximum amount that a local authority decides that it can afford to borrow. This limit was set at £155 million in February 2017 for 2017/18, reflecting the existing long-term borrowing of £138 million at 1 April 2017, and allowing for the possibility of borrowing for a “spend-to-save” scheme, and short-term fluctuations in cash flows, including deposit facilities offered to other bodies and external funds, such as the North East Surrey Crematorium Board. Long-term borrowing is expected to be £120 million at 1st April 2018 and no new long-term borrowing is currently planned. A limit of £140 million is therefore proposed for the affordable borrowing limit and operational boundary for 2018/19, reflecting the existing borrowing, and allowing for other possible requirements.
18. MRP Statement for 2018/19 Regulations issued under the Local Government Act 2003 require local authorities to calculate an annual amount of mrp to be set aside from revenue for the repayment of debt that is “prudent”. Accompanying guidance, to which local authorities should have regard,

recommends the preparation of an annual statement of policy on making mrp, for approval by full Council. The mrp should not take account of capital expenditure on housing assets.

19. For Wandsworth a “prudent” mrp has, until 2017/18, been nil, reflecting the fact that the Council’s debt relates to the Housing Revenue Account. The equivalent statement last year did however refer to plans for internal borrowing by the Dedicated Schools Budget (DSB) to partly fund the scheme to develop Greenmead/Ronald Ross schools of around £7 million. This amount was internally borrowed during 2016/17.
20. Last year it was proposed that the Council would have an mrp, commencing in 2017/18 charged to the DSB, to repay any such internal borrowing, at the equivalent to the PWLB rate for nine years. This will continue into 2018/19 and later years and will more than cover any minimum required under guidance for a “prudent” mrp.

The Town Hall
Wandsworth
SW18 2PU
13th February 2018

MARK MAIDMENT
Director of Resources

Background Papers

No background papers were used in the preparation of this report:-
All reports to the Overview and Scrutiny Committees, regulatory and other committees, Executive and the full Council can be viewed on the Council website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001 in which case the Democratic Services Officer (Mr Graham Collins – 020 8871 6021; mail to: gcollins@richmondandwandsworth.gov.uk) can supply a copy if required.

WANDSWORTH BOROUGH COUNCIL

TREASURY POLICY STATEMENT - FEBRUARY 2018

1. SCOPE OF CORPORATE TREASURY MANAGEMENT

- 1.1 Treasury management activities are defined as the ‘management of the Council’s cash flows, 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, supporting the achievement of the Council’s business and service objectives.’
- 1.2 All cash, bank balances, financial assets, borrowings and credit arrangements held or made by any person in the course of their employment by the Council fall within the scope of Corporate Treasury Management, apart from items specifically excepted for this purpose by the Executive. The current exceptions are:
- (i) Funds held as cash and as bank balances, and managed by officers of the Education and Youth Services for the purposes of school journey grants, and voluntary funds;
 - (ii) Funds held as cash and as bank balances and managed by officers of Adult Social Services and Children’s Services Departments’ Care Establishments for small items of expenditure and on behalf of residents;
 - (iii) Funds held in bank accounts for school disbursements and managed by officers in schools that have exercised their right to use different bankers from the Council; and
 - (iv) Pension Fund investments and balances under the control of investment managers appointed by the Pensions Committee.

2. ADMINISTRATION

- 2.1 The Director of Resources’ responsibilities for Treasury Management are prescribed in the Council’s Financial Regulations. Corporate Treasury Management is part of the statutory responsibility of the Director of Resources under Section 151 of the Local Government Act 1972, and no other Council, or school employee is authorised to borrow or make credit arrangements on behalf of the Council.
- 2.2 Subject to 2.3 below, the Director of Resources has delegated authority in relation to Treasury Management as follows:
- (i) To invest any surplus balances of the Council’s funds other than the Pension Fund and to sell investments for the purpose of re-investment or to meet the needs of a particular fund;

- (ii) to administer the Council's external debt within the ambit of any policy as to borrowing which the Council may have from time to time determined, and specifically:
 - (a) to raise, repay, renew and otherwise vary the terms of the loans; and
 - (b) to enter into any collateral agreements necessary to facilitate effective debt management; and
- (iii) to negotiate and enter into leasing agreements in order to finance the acquisition of vehicles, plant and equipment and to enter into any collateral agreements necessary to facilitate an effective leasing policy.

2.3 The Director of Resources shall submit for the approval of the full Council by 31st March of each year, a Treasury Policy Statement defining the overall arrangements and strategy for the ensuing financial year, a report on the exercise of his delegated authority by 30th September in the following financial year, and a mid-year review report. Such statements and reports will have regard to good professional practice and relevant codes such as the CIPFA Guide to Treasury Management in the Public Services. The Policy Statement shall distinguish between general strategy, which shall be followed without exception, and strategy specific to the circumstances foreseen for the coming year, from which the Director may depart if changed circumstances so require provided that the departure shall be reported to the next available meeting of the Finance and Corporate Resources Overview and Scrutiny Committee, the Executive and the Council. The Director may depart from the policy to act upon the lowest credit rating of the three credit rating agencies when making investment decisions, following consultation with the Cabinet Member for Finance and Corporate Resources, if circumstances become such that investment opportunities under this policy are so restricted that it is not possible to place investments other than with the DMADF.

2.4 Day-to-day Treasury Management responsibilities shall be handled by the Financial Management Division of the Resources Department, in accordance with a Treasury Systems Document. The Treasury Systems Document shall contain details of the Council's Treasury Management Practices, including how the Council manages and controls the relevant activities.

2.5 Treasury Management activities and issues shall be reviewed at least monthly at the Treasury Management meeting within the Resources Department chaired by the Director and attended by the Assistant Director (Financial Management). This meeting makes strategic decisions relating to items such as structure of investments and timing of long-term borrowing. The Director of Resources or, in his absence the Assistant Director of Financial Management may authorise changes in strategy previously defined at a monthly meeting if circumstances require.

2.6 Treasury Management advisers shall be appointed at least once within the lifetime of each Council to carry out an independent review of the Council's Treasury Management activities.

3. GENERAL STRATEGY

3.1 Corporate Treasury Management will be conducted in a manner that regards the successful identification, monitoring, and control of risk as of prime importance, and accordingly the analysis and reporting of treasury management will include a substantial focus on the risk implications, and employ suitable performance measurement techniques within the context of effective risk management.

3.2 Investment:

3.2.1 Cash Balances. The Council shall not borrow in order to make financial investments. Investment of the Council's surplus cash balances (other than the exceptions listed under longer term investments) shall be for up to 364 days through brokers in the sterling money market, through an investment firm in Certificates of Deposit (CDs), directly through the Government's Debt Management Account Deposit Facility (DMADF), or directly with sterling AAA rated money market funds. Investments may also be placed directly with institutions where more attractive interest rates can be obtained than by investing through brokers. Where money market funds are used, the choice of fund shall be determined at the monthly Treasury Management meeting within the Resources Department, as described in paragraph 2.5 above. Around £80 million of the portfolio shall be invested for 3 months or less, and the remaining balance shall be invested for periods of between 3 months and 364 days, except in the case of longer-term investments referred to in paragraph 3.2.4.

3.2.2 Investments shall, subject to the exceptions listed under long term investments in paragraph 3.2.4, be placed with institutions in accordance with the following criteria shown in the table and sub-paragraphs below. Any non-UK financial institution must have a country of origin with a sovereign credit rating of at least AA.

<u>Policy para 3.2.2</u>	<u>Short-term rating</u>	<u>Long-term rating</u>	<u>Short-term watch</u>	<u>Institution</u>	<u>Maximum Investment</u>	<u>Maximum Investment > 6 months</u>
(a)	F1+	AA-	Not Negative	UK or non-UK	£50m	£30m
(b)				UK Local Authority or precepting authority	£100m	£100m
(c)	F1+	AA-	Negative	UK or non-UK	£20m	nil
(d)	F1+	A	Not Negative	UK or non-UK	£20m	£20m
(e)	F1+	A	Negative	UK or non-UK	£10m	nil
(f)	F1	A	Not Negative	UK or non-UK	£10m	£10m
(g)	F1	A+	Negative	UK or non-UK	£5m	nil
(h)	F1	A	Not Negative	UK or non-UK – 2 out of 3 rating agencies	£10m	3 months only
(i)				Royal Bank of Scotland/Nat West PLC	£50m	Overnight only

- (a) up to £50 million with UK or non-UK institutions with a Fitch credit rating of at least F1+ short-term, AA- long-term, and a short-term watch that is not negative, (or equivalent under Moody's or Standard and Poor's), and where generally no more than £30 million is placed for periods longer than 6 months;
- (b) up to £100 million with other UK local authorities or precepting authorities;
- (c) up to £20 million for a maximum of 6 months with UK or non-UK institutions with a Fitch credit rating of at least F1+ short-term, AA- long-term, and a short-term watch that is negative (or equivalent under Moody's or Standard and Poor's);
- (d) up to £20 million with UK or non-UK institutions with a Fitch credit rating of at least F1+ short-term, A long-term, and a short-term watch that is not negative (or equivalent under Moody's or Standard and Poor's);
- (e) up to £10 million for a maximum of 6 months with UK or non-UK institutions with a Fitch credit rating of at least F1+ short-term, A long-term, and a short-term watch that is negative (or equivalent under Moody's or Standard and Poor's);
- (f) up to £10 million with UK or non-UK institutions with a Fitch credit rating of at least F1 short-term, A long-term, and a short-term watch that is not negative (or equivalent under Moody's or Standard and Poor's);
- (g) up to £5 million for a maximum of 6 months with UK or non-UK institutions with a Fitch credit rating of at least F1 short-term, A+ long-term, and a short-term watch that is negative (or equivalent under Moody's or Standard and Poor's);
- (h) up to £10 million with UK or non-UK institutions for a maximum of 3 months where 2 out of 3 credit rating agencies have a Fitch credit rating of at least F1 short-term, A long-term, and a short-term watch that is not negative (or equivalent under Moody's or Standard and Poor's); and
- (i) up to £50 million with Royal Bank of Scotland/Nat West PLC overnight only.

The credit ratings from Fitch, Moody's and Standard and Poor's shall be reviewed on a monthly basis and before any investment is placed, and the lowest of the three will be used.

The above investment criteria shall be regarded as maximum levels and due regard shall be had to market conditions. Restrictions on the above limits may be placed from time to time on a temporary basis by the Director of Resources or in his absence the Assistant Director of Financial Management. Any such temporary restrictions applied shall be reported to the next available meeting of the Finance and Corporate Resources Overview and Scrutiny Committee, the Executive and the Council.

3.2.3 Money Market Funds and Short Dated Income Funds. Investments may also be placed directly in sterling money market funds (MMFs) with AAA ratings or with Short Dated Income Funds with AA ratings. Investments shall be placed in accordance with the following criteria:-

- a) These Funds may be either short dated funds with daily liquidity or slightly longer dated funds with a short notice period. The choice of fund is to be determined at the monthly Treasury Management meeting within the Resources Department, as described in paragraph 2.5 above. Daily operation of the funds will be managed by the Treasury Management Team within the Financial Management Division.
- b) The maximum overall limit for the use of MMFs and Short Dated Income Funds shall be 50% of total investments.
- c) The maximum limit for each counterparty with AAA rating shall be £50 million.
- d) Each MMF shall have as a minimum AAA credit rating from one of the three main credit rating agencies and, if the Fund has more than one rating, each rating shall be AAA.
- e) Each Short Dated Income Fund shall have as a minimum AA credit rating from one of the three main credit rating agencies.
- f) The maximum investment placed in any Fund shall not exceed 7.5% of the total assets under management in the Fund.
- g) For a AA rated Short Dated Income Fund, the maximum investment in any Fund shall not exceed £5 million, or 7.5% of assets under management, whichever is the lower.

3.2.4 Longer Term Investments. Investments for periods longer than 364 days must be authorised by the Director of Resources and placed in accordance with the following criteria:-

- a) Investments shall be for no longer than two years, unless specifically identified as one of the exceptions under b) below. The amount that can prudently be invested for longer than 364 days, but for no longer than two years must relate to forecasts of investments taking into account foreseeable net spending needs and allowing for adequate reserves and contingencies. As investment levels are expected to remain above £300 million for the next two years, a prudent limit for the maximum amount to be invested for longer than 364 days but for no longer than two years is £150 million. Investments over 364 days shall not exceed £50 million with any individual counterparty.
- b) Investments may be placed for periods longer than two years as follows. Any such investments will not count against the £150 million limit in a) above.
 - (i) Up to £25 million may be placed in a Property Fund that is set up under a scheme approved by HM Treasury so that it does not count as capital expenditure.
 - (ii) Up to £50 million may be placed in a Covered Bond. The bond will have a maturity period of no longer than three years and will have a credit rating of AAA from at least one of the three credit rating agencies. If the bond issuer is one of the institutions on the Council's investment list this investment will not count against the limit for that counterparty under paragraph 3.2.2.

- (iii) Loans may be made to Staff Mutuals, other Service Providers or Voluntary Organisations at market rates of interest. The detailed terms of each loan will be determined on an individual basis by the Director of Resources, subject to an overall maximum limit of £5 million per loan.
- (iv) Loans may be made through bond instruments issued by any Joint Venture arrangement or vehicle set up for the purpose of regenerating the Council's housing estates. Any such investment shall not exceed £50 million.
- (v) Loans may be made to Wandsworth based Business Improvement Districts (BIDS) for start up loans at up to market rates of interest to an overall maximum limit of £1 million.
- (vi) Investments may be made from the Pensions Resilience Reserve and other cash balances up to an aggregate limit of £50 million for around five years, subject to meeting the criteria to not count as capital expenditure. The following classes of assets may be utilised –Individual Corporate Bonds (grade BBB and above), Fixed Income Funds, Equity Funds and Mixed Asset Funds (including Multi Asset Credit). In addition investments may be made in products akin to those currently used by the Pension Fund. Where practicable, suitable hedging arrangements will be made on all such investments; however it is recognised that hedging (outside a fund) against downside risk will often be cost prohibitive therefore risk management will focus on diversification. To that end the total amount invested with any one manager and/or asset class shall not exceed £20 million or country by £25 million unless capital appreciation takes an initial investment over that value.
- (vii) The investment of amounts set aside from HRA reserves for repayment of long-term PWLB loans which may be invested for longer periods, as long as the maturity date is no later than the maturity date of the long-term PWLB loan.

3.3 No credit arrangements shall be undertaken except -

- (a) leases of land and buildings approved by the Executive or under powers delegated to the Head of Property or another officer; and
- (b) finance leases for vehicles, plant, and equipment on terms more favourable than realisation of investments.

3.4 Generally, at least 90%, and always at least 80%, of the Council's borrowing shall be taken in the form of loans raised for a period in excess of one year and, if practicable, with an average original period of at least six years. Long-term loans shall be taken up either through brokers in the sterling money market, the Public Works Loan Board (PWLB), or by the issuing of a bond.

4. STRATEGY FOR 2018/19.

4.1 The following table considers the outlook for investment and debt levels for the period 2018/19 to 2020/21 taking into account estimates of major cash flow movements.

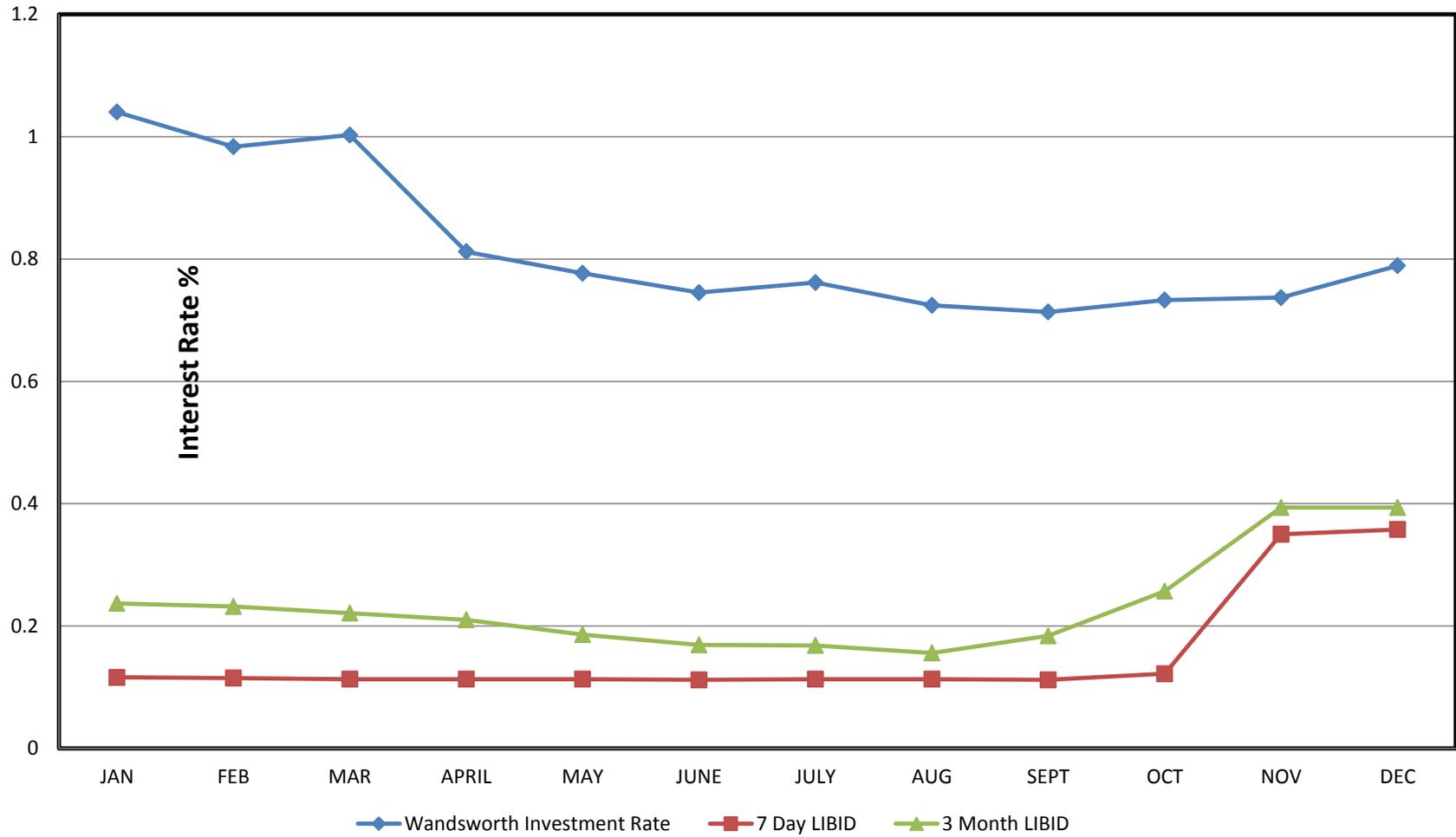
	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'m	£'m	£'m
Estimated investments 1st April	520.0	384.1	345.8
Estimated debt 1st April	-120.4	-103.2	-86.0
Deposit facilities for other bodies & funds	-0.5	-0.5	-0.5
<u>Net investments/debt 1st April</u>	<u>399.1</u>	<u>280.4</u>	<u>259.3</u>
Deduct			
Capital payments - general	-71.0	-47.4	-6.1
Capital payments - HRA	-199.5	-77.9	-20.8
Payment of capital receipts to Government	-2.6	-2.6	-2.6
Net Movement in funds, reserves & provisions	-131.9	-76.3	-8.1
Add			
Capital receipts	17.8	9.9	10.2
Capital grants	87.4	51.2	16.7
Revenue provision for capital & credit liabilities	181.1	122.0	41.1
In-year net cash movement before loans	<u>-118.7</u>	<u>-21.1</u>	<u>30.4</u>
Net investments/debt 31st March	<u>280.4</u>	<u>259.3</u>	<u>289.7</u>
Estimated investments 31st March	384.1	345.8	359.0
Estimated debt 31st March	-103.2	-86.0	-68.8
Deposit facilities for other bodies	-0.5	-0.5	-0.5
Repayment of debt	17.2	17.2	17.2
Change in use of deposit facilities	0.0	0.0	0.0

4.2 The Council is expected to begin the year with investments of around £520 million. Repayments of £17.2 million of new PWLB loans taken up for the HRA on 28th March 2012 will fall due during the year. The estimated movements for the following two years based upon current cash flows show that investments are likely to reduce below £400 million as the HRA Regeneration schemes progress and the level of other balances falls. These cash flows do not currently allow for all potential expenditure relating to regeneration schemes in Roehampton and Battersea or the new council-led development programme which will be modelled into cash flows in due course.

- 4.3 Affordable Borrowing Limit and Operational Boundary for 2018/19 The Council has to set an affordable borrowing limit and operational boundary for 2018/19 under Section 3 of Part 1 of the Local Government Act 2003. This limit refers only to gross borrowing, ignoring investments, and it is intended that it reflect the maximum amount that a local authority decides that it can afford to borrow. This limit was set at £155 million in February 2017 for 2017/18, reflecting the existing long-term borrowing of £138 million at 1 April 2017, and allowing for the possibility of borrowing for a “spend-to-save” scheme and short-term fluctuations in cash flows, including deposit facilities offered to other bodies and external funds, such as the North East Surrey Crematorium Board. Long-term borrowing is expected to be £120 million at 1st April 2018 and no new long-term borrowing is currently planned. A limit of £140 million is therefore proposed for the affordable borrowing limit and operational boundary for 2018/19, reflecting the existing borrowing and allowing for other possible requirements.

The Town Hall
Wandsworth
SW18 2PU
13th February 2018

Interest Rates 2017



TOTAL INVESTMENTS**31st December 2017****INTEREST AMOUNT**

	<u>RATE</u>		FITCH RATING		
	<u>%</u>	<u>£'m</u>	Long-term	Short-term	S-T Outlook
<u>OVERNIGHT</u>					
Royal Bank of Scotland	0.01	0.0			
		<u>0.0</u>			
<u>MONEY MARKET & SHORT DATED INCOME FUNDS</u>					
Statestreet Sterling (CNAV)		15.1		AAA rating	
Federated Global Sterling (CNAV)		7.4		AAA rating	
JP Morgan (CNAV)		2.4		AAA rating	
Deutsche Sterling (CNAV)		1.2		AAA rating	
Standard Life (CNAV)		0.1		AAA rating	
Insight (CNAV)		0.1		AAA rating	
Insight Liquidity Plus (VNAV)		13.5		AAA rating	
Federated Cash Plus (VNAV)		1.0		AAA rating	
Standard Life Liquidity Fund (VNAV)		5.0		AAA rating	
Royal London Cash Plus Fund		10.0		AAA rating	
		<u>55.8</u>			
<u>SHORT FIXED < 3 MONTHS</u>					
Northumberland County Council	0.79	5.0			
Newcastle City Council	0.98	5.0			
Newcastle City Council	0.98	5.0			
Warrington Borough Council	0.98	5.0			
Herefordshire Council	0.97	5.0			
		<u>25.0</u>			
<u>SHORT FIXED > 3 MONTHS</u>					
Goldman Sachs International Bank	0.93	10.0	A	F1	Not Negative
Santander UK PLC	0.60	5.0	A	F1	Not Negative
Lloyds Bank PLC	0.80	5.0	A+	F1	Not Negative
DBS Bank Ltd.	0.56	10.0	AA-	F1+	Not Negative

Dudley Metropolitan Borough Council	0.97	15.0			
Birmingham City Council	0.70	20.0			
Birmingham City Council	0.70	8.0			
Birmingham City Council	0.70	7.0			
Commonwealth Bank of Australia	0.53	10.0	AA-	F1+	Not Negative
Qatar National Bank	0.85	10.0	A+	F1	Not Negative
Australia and New Zealand Banking Group Ltd.	0.52	10.0	AA-	F1+	Not Negative
Australia and New Zealand Banking Group Ltd.	0.52	10.0	AA-	F1+	Not Negative
United Overseas Bank Ltd.	0.48	5.0	AA-	F1+	Not Negative
DBS Bank Ltd.	0.54	10.0	AA-	F1+	Not Negative
United Overseas Bank Ltd.	0.51	10.0	AA-	F1+	Not Negative
Commonwealth Bank of Australia	0.52	10.0	AA-	F1+	Not Negative
Commonwealth Bank of Australia	0.52	10.0	AA-	F1+	Not Negative
Credit Industriel et Commercial	0.57	10.0	A+	F1	Not Negative

175.0

SHORT FIXED > 6 MONTHS

Walsall Borough Council	0.65	10.0			
Canadian Imperial Bank of Commerce	0.50	10.0	AA-	F1+	Not Negative
West Dunbartonshire Council	0.50	8.0			
Australia and New Zealand Banking Group Ltd.	0.50	10.0	AA-	F1+	Not Negative
Birmingham City Council	0.50	5.0			
Broxbourne Borough Council	0.50	8.3			
Lloyds Bank PLC	0.50	5.0	A+	F1	Not Negative
Landesbank Hessen-Thuringen Girozentrale	0.54	10.0	A+	F1+	Not Negative
National Bank of Canada	0.50	10.0	A+	F1	Not Negative
Toronto-Dominion Bank	0.55	10.0	AA-	F1+	Not Negative
Glasgow City Council	0.70	10.0			
Societe Generale	0.73	10.0	A	F1	Not Negative
Glasgow City Council	0.72	10.0			
Toronto-Dominion Bank	0.70	5.0	AA-	F1+	Not Negative
Cooperatieve Rabobank U.A.	0.72	10.0	AA-	F1+	Not Negative
Toronto-Dominion Bank	0.70	5.0	AA-	F1+	Not Negative
Santander UK PLC	0.72	5.0	A	F1	Not Negative
United Overseas Bank Ltd.	0.70	10.0	AA-	F1+	Not Negative
Thurrock Council	0.75	5.0			
Thurrock Council	0.74	5.5			

Woking Borough Council	0.57	6.4
Doncaster Metropolitan Borough Council	0.70	5.0
London Borough of Southwark	0.75	10.0
Northumberland County Council	0.56	10.0
Barnsley Metropolitan County Council	0.56	10.0
Rotherham Metropolitan Borough Council	0.70	10.0
North Tyneside Council	0.75	4.0
North Tyneside Council	0.75	5.0
North Tyneside Council	0.75	4.0
Barnsley Metropolitan County Council	0.56	10.0
North Tyneside Council	0.77	5.0
North Tyneside Council	0.77	5.0
		<u>246.1</u>

SHORT FIXED > 1 YEAR

Walsall Borough Council	0.70	10.0
Birmingham City Council	0.70	10.0
Doncaster Metropolitan Borough Council	0.73	5.0
Wolverhampton City Council	0.80	8.0
Lancashire County council	0.85	10.0
Exeter City Council	0.90	10.0
		<u>53.0</u>

CCLA Property Fund **25.0**

Mutuals & similar organisations **0.5**

580.4

less amount invested on behalf of WRWA **-14.12**

TOTAL INVESTMENTS **566.29**

TOTAL INVESTMENTS

31ST MARCH 2017

INTEREST AMOUNT

RATE

%

£'m

**Long-
term**

FITCH RATING

**Short-
term**

S-T Outlook

OVERNIGHT

Royal Bank of Scotland	0.01	0.0			
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0.0**MONEY MARKET & SHORT DATED INCOME FUNDS**

Federated Global Sterling (CNAV)		11.9		AAA rating
JP Morgan (CNAV)		0.1		AAA rating
Deutsche Sterling (CNAV)		0.1		AAA rating
Standard Life (CNAV)		13.8		AAA rating
Insight (CNAV)		0.1		AAA rating
Insight Liquidity Plus (VNAV)		18.5		AAA rating
Royal London Cash Plus Fund		10.0		AAA rating

54.5**SHORT FIXED < 3 MONTHS**

DBS Bank	0.49	10.0	AA-	F1+	Not Negative
Goldman Sachs International Bank	0.87	5.0	A	F1	Not Negative
OCBC Bank	0.80	10.0	AA-	F1+	Not Negative
Commonwealth Bank of Australia	1.00	10.0	AA-	F1+	Not Negative
Svenska Handelsbanken	0.80	20.0	AA-	F1+	Not Negative
Canadian Imperial Bank of Commerce	0.80	10.0	AA-	F1+	Not Negative
Commonwealth Bank of Australia	1.00	10.0	AA-	F1+	Not Negative
DBS Bank	0.78	20.0	AA-	F1+	Not Negative
United Overseas Bank	0.46	5.0	AA-	F1+	Not Negative
Commonwealth Bank of Australia	1.00	10.0	AA-	F1+	Not Negative
DBS Bank	0.78	10.0	AA-	F1+	Not Negative
Toronto Dominion	0.80	10.0	AA-	F1+	Not Negative
Santander UK PLC	0.78	5.0	A	F1	Not Negative

135.0**SHORT FIXED > 3 MONTHS**

National Australia Bank	0.80	10.0	AA-	F1+	Not Negative
Toronto Dominion Bank	0.71	20.0	AA-	F1+	Not Negative
Liverpool City Council	0.95	5.0			
United Overseas Bank	0.68	10.0	AA-	F1+	Not Negative
Bank of Montreal	0.52	10.0	AA-	F1+	Not Negative
Svenska Handelsbanken	0.50	10.0	AA-	F1+	Not Negative

Australia & New Zealand Banking Gp	0.45	30.0	AA-	F1+	Not Negative
Bank of Nova Scotia	0.50	10.0	AA-	F1+	Not Negative
Lloyds Bank PLC	1.00	5.0	A+	F1	Not Negative

110.0

SHORT FIXED > 6 MONTHS

National Australia Bank	0.58	10.0	AA-	F1+	Not Negative
Rabobank	0.64	10.0	AA-	F1+	Not Negative
United Overseas Bank	0.57	5.0	AA-	F1+	Not Negative
Monmouthshire County Council	0.98	3.0			
United Overseas Bank	0.54	5.0	AA-	F1+	Not Negative
North Tyneside Council	0.48	2.0			
Commonwealth Bank of Australia	0.51	10.0	AA-	F1+	Not Negative
Warrington Borough Council	0.45	10.0			
North Tyneside Council	0.48	5.0			
North Tyneside Council	0.48	2.0			
Commonwealth Bank of Australia	0.51	10.0	AA-	F1+	Not Negative
Walsall Borough Council	0.48	10.0			
Enfield Council	0.50	10.0			
DBS Bank	0.53	10.0	AA-	F1+	Not Negative
Northumberland County Council	0.79	5.0			
Newcastle City Council	0.98	5.0			
Newcastle City Council	0.98	5.0			
Warrington Borough Council	0.98	5.0			
Herefordshire Council	0.97	5.0			

127.0

SHORT FIXED > 1 YEAR

Walsall Borough Council	0.65	10.0			
Woking Borough Council	0.57	6.4			
Northumberland County Council	0.56	10.0			
Barnsley Metropolitan Council	0.56	10.0			
Rotherham Metropolitan Council	0.70	10.0			
Barnsley Metropolitan Council	0.56	10.0			
Walsall Borough Council	0.70	10.0			
Dudley Met Borough Council	0.97	15.0			

	<u>81.4</u>
CCLA Property Fund	<u>25.0</u>
Mutuals & similar organisations	<u>0.6</u>
less amount invested on behalf of WRWA	<u>-10.1</u>
<u>TOTAL INVESTMENT</u>	<u>523.35</u>

TOTAL DEBT

Maturity Date	Rate of interest %	Balance 31.3.17 £'000	Balance 31.12.17 £'000
<u>Long-Term Debt</u>			
PWLB EIP Loans 28/03/25	1.69	137,614	129,013
<u>Total Long-Term Debt</u>		<u>137,614</u>	<u>129,013</u>
<u>Deposit Facilities for other Bodies</u>			
NESCB		618	478
<u>TOTAL DEBT</u>		<u>138,232</u>	<u>129,491</u>

SECTION 3
COUNCIL HOUSING BUDGETS

WANDSWORTH BOROUGH COUNCIL

HOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE – 18TH
JANUARY 2018

EXECUTIVE – 22ND JANUARY 2018

COUNCIL – 7TH FEBRUARY 2018

Joint Report by the Director of Resources and the Director of Housing and Regeneration on the
Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges

SUMMARY

In January or February each year the Council has a duty under the Local Government and Housing Act 1989 to formulate proposals for expenditure and income for its housing stock for the following financial year which will ensure that no debit balance occurs for that year on the Housing Revenue Account. Consequently, this report reviews various matters appertaining to the Housing Revenue Account, including Council housing rents and charges, the housing capital programme and the overall Housing Revenue Account budget framework for the years 2017/18 to 2020/21.

The report first recommends additions to the capital programme of £108.679 million as set out in Appendix B to this report before turning to proposals for expenditure and income. Insofar as proposals for income are concerned, the Council has a duty to review Council housing rents and, as usual, the report contains information on rent levels in Wandsworth.

Taking account of all relevant factors the Cabinet Member for Housing recommends that a minimum 1% rent decrease is applied to the social rented stock 2018, that existing affordable rents for Council-let properties also be decreased by 1% and proposes general increases in non-residential charges of 3.5%, all to take effect from the first Monday in April 2018.

Finally, Appendix E shows the revised budget framework that reflects the proposals in this report and Appendix F graphically reflects the revised Housing Revenue Account business plan forecast over 10 years. On the forecast parameter used, the business plan demonstrates that the Council continues to be in a position to finance future expenditure plans and maintain the Decent Homes standard.

GLOSSARY

CPI	Consumer Price Index
DHP	Discretionary Housing Payments
HRA	Housing Revenue Account Local
LHA	Housing Allowance

1. The Housing and Regeneration Overview and Scrutiny Committee are recommended to support the recommendations in paragraph 3.
2. If the Overview and Scrutiny Committee approve any views, comments or recommendations on this report, these will be submitted to the Executive for their consideration.
3. The Cabinet Member for Housing recommends the Executive to recommend to the Council as follows:-
 - (a) that the Housing Revenue Account capital programme additions totalling £108.679 million as set out in Appendix B to the report be approved and that accordingly the total capital programme over the HRA budget framework period summarised in Appendix C to the report be adopted;
 - (b) that in accordance with the Welfare Reform and Work Act 2016 a 1% decrease (or an average £1.26 per week reduction) in applicable social rents be approved to take effect from Monday 2nd April 2018;
 - (c) that for existing affordable rents a 1% decrease in line with the Welfare Reform and Work Act 2016 be approved from Monday 2nd April 2018;
 - (d) note that service charges for tenants continue to be calculated annually based on uplifted actual costs, taking into account the Government's intention to see transparent charges that reflect the services being provided whilst endeavouring to keep increases within the limit of CPI + 1%;
 - (e) that the Director of Resources, in conjunction with the Director of Housing and Regeneration, be authorised on an ongoing basis to reduce rents of individual properties in the limited circumstances outlined in paragraph 24;
 - (f) that the Director of Housing and Regeneration be authorised to serve notices upon tenants of HRA dwellings, advising that the changes in rents and service charges will be applied from Monday 2nd April 2018 where applicable;
 - (g) that the non-residential charges as set out in Appendix D to the report be approved with effect from Monday 2nd April 2018;
 - (h) that the estimates shown in Appendix E to the report for the HRA for the financial years 2017/18 to 2020/21 be adopted as the HRA budget framework, subject to any variations subsequently approved by the Executive within the overriding restriction that the HRA reserves shown for 31st March 2021 should not be forecast by the Director of Resources to reduce by more than £40 million; and,
 - (i) that the Director of Resources be authorised to prepare the statutory HRA statement for 2018/19 showing the estimates made on the basis of the foregoing proposals.

HOUSING REVENUE ACCOUNT AND BUSINESS PLAN REVIEW

4. Under Part VI of the Local Government and Housing Act 1989, each local authority is required to keep a Housing Revenue Account (HRA) in accordance with proper practices and detailed directions by the Secretary of State. The Act also requires that:-
 - (a) during January or February each year, the Council must formulate proposals for expenditure and income for its housing for the following year, which will ensure, on the best assumptions that can be made at that time, that the HRA for that year does not show a debit balance;
 - (b) these proposals must be implemented and monitored to ensure that the HRA will not show a debit balance; and
 - (c) within a month of formulating its proposals, a statement must be prepared, showing these proposals and the estimated HRA income and expenditure. This statement must be made available for public inspection until the end of the year following the year to which the statement relates.
5. This report has been prepared to enable the Council to meet the statutory requirement outlined in (a) above for 2018/19, but more importantly in the context of the HRA business planning process, that the Council has prepared longer-term plans for the management of its housing stock that are affordable. The requirement for monitoring, described in (b) above is delegated to the Director of Housing and Regeneration. The requirement to make available the statement referred to in (c) above is met by including the HRA budget framework within the Council's budget publication, which is then available for reference in public libraries in the borough and on the Council's website.

HRA Estimates and Business Plan – proposals for capital expenditure

6. The HRA capital expenditure estimates have been based on the current cash flows for the approved capital programme adjusted for slippage as approved in the HRA Business Plan update in September 2017 (Paper No. 17-270) and any budget virements and budget variations approved since as summarised in Appendix A to this report.
7. The HRA Business Plan includes funding for assumed levels of capital spend over the next 30 years based on a stock condition survey and the data and information held on stock and key components. The stock condition survey is a statistically based estimate used to inform assumptions within the business plan on the future level of capital resources required to maintain the Council's housing stock to the Decent Homes standard. An update of the survey was undertaken in 2012, the results of which continue to inform the current assumptions within the business plan on future levels of capital spend. Funding has been recommended for approval in the Housing Revenue Account capital bids for an update to be carried out during 2018/19. The Council's housing management database contains details of key components (e.g. age, when last subject to works etc) that helps shape the programme and prioritise on a property and estate basis.

8. The stock condition survey identified that on average £25 million (at 2012 prices) would need to be invested in the stock each year to maintain Council owned housing stock and the wider estates at a basic decency standard. This equates to average expenditure of approximately £1,465 per property per annum for the tenanted stock or £44,000 per property over the life of the 30 year business plan.
9. The Director of Resources and the Director of Housing and Regeneration propose additions totalling £108.679 million as summarised below and as set out in detail in Appendix B for consideration.

Programme Area	2017/18	2018/19	2019/20	2020/21 onwards	Total
	£000s	£000s	£000s	£000s	£000s
Repairs & Improvements	-	16,142	15,106	15,901	47,149
Environmental & Estate Improvements	-	-	100	-	100
Site Developments	159	4,050	66	-	4,275
Regeneration	20	35,775	17,160	-	52,955
House Purchase Grants	-	200	3,100	-	3,300
Purchase of Properties	-	400	500	-	900
TOTAL	179	56,567	36,032	15,901	108,679

10. These additions include all foreseeable works derived from the current stock condition survey, both in terms of meeting and maintaining the Decent Homes standard and delivering a programme of Decent Homes Plus works at a total cost of £47.149 million. This includes an additional £12.286 million provision for fire safety related works as referenced elsewhere on this agenda (Paper No. 18-12).
11. Further capital bids on the Winstanley/York Road and Alton regeneration schemes include bids for both the regeneration project teams for 2019/20. In addition, there are a number of bids relating to site reprovision and creation of office facilities and buyback costs across both schemes. All costs relating to the regeneration scheme are considered to be project costs and are included in the overall scheme costs within the HRA.
12. Also proposed are a number of new build schemes, with developments at Nightingale Square for modular housing as approved in Paper No. 17-177 and at Whitlock Drive as part of the Self and Custom Build Housing programme. In addition, a budget for Council led development feasibility studies have been included which is a crucial element in delivering the ambitious programme of developing 1,000 new homes (Paper No. 17-417). Budget approvals for the development of these sites will be approved on a phase by phase basis at the relevant time.
13. The resulting capital programme over the HRA budget framework period is shown in summary and full detail in Appendix C. The additional cost to the HRA, net of amounts which should be charged to leaseholders, is estimated at £102.049 million. The total additional amount that would be chargeable to leaseholders resulting from these additions is £6.63 million. For those leaseholders billed, the average major works charge is estimated to be £1,811 for capital bids included in this report compared to £3,437 per property from the January 2017 bids. The reduction in the average leaseholders' service charge is linked to the nature of rechargeable works in the approved programme at any given time. The actual amount and timing of

recharges to leaseholders is subject to consultation and will depend on the incidence of spending on these major works schemes on different housing properties.

HRA Estimates and Business Plan – proposals for capital income

14. On existing policies, the financing of the HRA capital programme comes from the following sources:-
- (a) A revenue charge for depreciation, as defined by regulations, continues to be put into the HRA's major repairs capital reserve and is used to fund capital works. The charge, which takes into account actual inflation levels, stock movements and depreciation on non-dwellings such as garages, is estimated to contribute £24.501 million in 2017/18 and £20.989 million in 2018/19 towards funding future capital works. The reduction in 2018/19 is due to a change in accounting regulations (replacing the previous methodology for calculation with another), this technical adjustment has no cash impact on the overall resources available and has had no effect on the Council's spending plans;
 - (b) Current government regulations allow any housing capital receipts resulting from sales other than statutory Right to Buy sales to be retained by the Council. Current projections are that usable receipts of £16.459 million will be generated in 2017/18 which includes income from the sale of vacant properties that is to be reinvested into future purchases for low cost rent based on current policy. The business plan assumes an ongoing level of receipts from the disposal of minor sites at around £1 million per year reducing as the scope for continuing to identify such disposal opportunities declines;
 - (c) Capital receipts from Right to Buy sales are covered by a voluntary agreement between the Council and the Department for Communities and Local Government whereby retained receipts from Right to Buy sales over an assumed level must be utilised to fund no more than 30% of the replacement and development cost of re-provision of low cost social housing within three years of receiving those receipts. The business plan assumes therefore that 30% of the future Right to Buy re-provision expenditure (£35.385 million) is funded from Right to Buy one-for-one retained receipts with the balance (£82.565 million) funded by short term borrowing as per the agreement. As at the end of September 2017 the Council had retained £26 million of receipts requiring a total investment in affordable housing of £86.7 million by September 2020. Right to Buy sales and therefore retained receipts are considered to continue at the current level until the end of the framework period. In addition to the short term borrowing identified above the business plan assumes total estimated borrowing of £405 million over the next 10 years to finance the cost of the capital programme (including the Winstanley/York Road and Alton regeneration schemes to support the replacement of social housing and the new site development programme), without which the business plan would become unviable. The revenue reserve would need to fund the annual cost of borrowing being both the interest charges and the repayment of the principal sum borrowed;
 - (d) As approved in the September HRA Business Plan update (Paper No. 15-315) the Council has the option of funding the social and affordable housing

elements of the two regeneration schemes from section 106 affordable housing contributions, grant funding or additional Right to Buy one-for-one replacement receipts insofar as they are available. The current business plan assumes that £27.459 million of the future regeneration re-provision cost is met from these sources;

- (e) Where capital expenditure is incurred in relation to properties previously sold on long leases the costs are chargeable to the leaseholder as part of the annual service charge bill. The estimated level of leaseholder contributions is £5.261 million in 2017/18 and £13.985 million in 2018/19; and
- (f) The HRA's capital and revenue reserves, which totalled £321.873 million at the beginning of 2017/18, insofar as these continue to remain available.

HRA Estimates and Business Plan – proposals for revenue expenditure

Management and maintenance expenditure

- 15. The updated business plan allows for inflation in 2018/19 of 2% on salaries (in line with current national proposals) and inflationary increases in line with the Consumer Price Index (CPI) or other relevant index where those costs are linked to specific contracts. The budgeted level of spend on the management and revenue maintenance of properties in 2018/19 is £2,899 per dwelling after adjusting for leasehold and tenants' service charges. This average management and maintenance cost for 2018/19 includes all budget variations approved by the Executive in this year to date and other budget adjustments proposed in this cycle.
- 16. Going forward, expenditure at broadly these levels has been anticipated in the HRA business plan, although this element of spend must be kept under constant review to ensure the long-run viability of the business plan. An ongoing increase in expenditure of just £100,000 per annum would reduce the estimated overall reserves after 30 years by £5 million when taking into account inflation and the future loss of interest on this additional expenditure. This highlights the significant impact that relatively small annual expenditure adjustments have on the overall financial position.

Servicing of debt

- 17. 2012/13 saw an end to the unpopular HRA subsidy system which saw a quarter of all Wandsworth rents pass to other local authorities. The subsidy system was replaced with self-financing. Self-financing required the Council to take on a significant sum of debt as the necessary price of "buying out" of the HRA subsidy system and in lieu of all future negative subsidy payments. The final settlement figure for Wandsworth required a one off buyout cash payment to the government of £434 million. This was initially funded by borrowing from the government's Public Works Loan Board (£224 million to be fully repaid over 13 years) and using £210 million of Council reserves (referred to as "internal borrowing").
- 18. As approved in Paper No. 15-315, and in response to the amended financial outlook for the HRA business plan at that time, the borrowing term of the internal borrowing element of the outstanding debt has previously been extended and is currently estimated to be repaid by 2031/32.

19. Based on the interest rates borrowed at for this self financing debt, together with the ongoing servicing of the existing debt in the HRA and the financing of new borrowing for the Right to Buy re-provision, it is estimated to cost the HRA £4.967 million in interest and require principal repayments totalling £67.345 million during 2018/19. This has been incorporated within the business plan and budget framework.

HRA Estimates and Business Plan – proposals for revenue income

20. The average Council social dwelling rent in Wandsworth is currently £125.90 per week. In addition, average housing management related service charges of £7.20 per week are charged to tenants, creating a total average charge of £133.10 all of which is eligible for housing benefit where applicable. There are significant variations in actual rents around this average ranging from £45.75 to £374.97 per week depending on the size and location of the property.
21. The Rent Officer currently sets, for Housing Benefit purposes, Local Housing Allowance (LHA) rates to set the level of benefit payments made to tenants in the private rented sector. As a comparison, in Wandsworth the LHA rates currently range from £209.77 for a one bedroom property to £417.02 for 4 bedrooms or more, excluding service charges, depending on where the property is situated. Wandsworth's own rents are significantly below market rate for equivalent properties available on the private rental market.

The Government's rent reduction policy

22. The Welfare Reform and Work Act 2016 included a requirement that all social housing registered providers must reduce social housing rents by 1% each year for four years (2016/17 – 2019/20) with the rent setting exercise for 2018/19 being year three following the 1% rent reductions approved in Paper No. 16-9 and Paper No. 17-9. This rent reduction is mandatory whereas the Government's previous directions to stock holding councils on rent setting were guidance only. The Council's current approved rent policy (Paper No. 14-577) is effectively overridden where it conflicts with Government legislation. As a 1% rent reduction must be passed to every existing tenant, elements of the Council's own rent setting policy cannot be implemented during the statutory rent reduction period, as the policy in some instances conflicts with this legislation.
23. The Council as a minimum has to comply with the Act and it is therefore recommended that the 1% rent reduction (equivalent to an average £1.26 per property per week reduction) be implemented for all social rented properties with effect from the first Monday in April 2018.
24. Rent levels will generally be subject to a 1% decrease except where necessary to achieve a transfer that substantially reduces under-occupation of a larger property or where there would be different rents for almost identical properties in the same location as a result of changes in previous valuations and the rate at which the rents of such properties moved towards the valuation rent. It is proposed that in such limited, and any other exceptional, circumstances the Director of Resources, in conjunction with the Director of Housing and Regeneration, continues to be authorised on an ongoing basis to harmonise rents at the lower level.

The total welfare benefit cap

25. When first introduced in 2013, the total welfare benefit cap was set at £26,000 per annum in London, equivalent to £500 per week. For rent and service charges to be affordable it is considered that such costs should be no more than 45% of the benefit cap. Accordingly, the Council's current rent policy restricts those rents above £225 per week. The Council currently has 215 properties being charged weekly rent and service charges higher than this.
26. The Welfare Reform and Work Act 2016 reduced the benefit cap further to £23,000 per annum for existing claimants in London from December 2016. 45% of this equates to an affordable rent and service charge level of £199 per week. The Council's current Discretionary Housing Payments (DHP) policy automatically awards DHP to those tenants affected by the benefit cap where rent is in excess of 45% of current weekly total capped benefit income of £199 per week. The Council currently has 955 properties charged weekly rent and service charges higher than £199 per week although the rent reduction will move a small number of property rents back below the revised threshold of £199 per week.
27. Those properties becoming vacant with current rents higher than £199 per week will continue to be charged rent at this higher rate. The Council will then use its ability to recycle HRA resources into funding DHP to protect those workless households on benefits affected by the benefit cap whilst those that have the ability to pay continue to pay and/or receive benefits to assist with covering rent and service charges. However this will need to be reviewed in the event of the Council no longer being able to recycle HRA funds to pay DHP as the Council has to apply for an annual Direction to enable it to do so which is not guaranteed beyond 2017/18 at this time.

Tenants' service charges

28. In addition to rent, some tenants currently pay a service charge. Whilst rent generally covers charges associated with the occupation of a dwelling such as maintenance and general housing management, service charges usually reflect additional services connected to the upkeep of communal facilities rather than particular occupation of a dwelling. Tenants therefore receive different types of services, paid for via tenants' service charges, depending on the property in which they live.
29. Individual service charges for tenants were first introduced in 2004/05 as part of the then Government's rent restructuring "unpooling" policy and recovered costs which were previously included in the rent charge. Tenant service charges are calculated each year using a calculation broadly equivalent to that used to calculate leaseholders' service charges. The current average weekly charges are shown in the table below.

Service Charge	No. of Properties Charged	Average Charge (Per Week)	Lowest Weekly Charge	Highest Weekly Charge
Estate Cleaning	13,788	£2.30	£0.07	£11.30
Garden Maintenance	14,424	£0.59	£0.01	£4.19
Block Cleaning	12,974	£2.06	£0.04	£8.66
Communal Electricity	13,587	£1.20	£0.01	£9.50
Paladins	12,689	£0.33	£0.10	£1.11

Aerials	7,642	£0.07	£0.01	£0.89
Entrycall	11,243	£0.47	£0.02	£4.21
Sheltered Wardens	1,076	£25.32	Flat Fee £25.32	
Overall Average		£7.20		

30. As these service charges are calculated based on cost recovery, current Council policy means they will not require annual committee decisions to set the levels for the forthcoming year. The general principle will be that actual costs from the previous completed financial year (which may include an element of variable repair costs) will be used as the base for calculating next year's charges adjusted for estimated inflation, much in the same way as with leaseholder service charges.
31. The 2003 *Guide to Social Rent Reforms in the Local Authority Sector* which first introduced the concept of unpooling tenants' service charges and the 2014 *Guidance on Rents for Social Housing* state that authorities are expected to set reasonable and transparent service charges which reflect the service being provided to tenants. The guidance reiterates that service charges are not governed by the same factors as rent, however authorities should endeavour to keep increases for service charges within the previous limit on rent changes, of CPI + 1%, to help keep charges affordable. The only exception to this expectation is where new or extended services are introduced, where an additional charge may need to be made. Where this is the case, authorities are expected to consult appropriately with tenants before introducing new or extended services and associated charges. There is no proposal to introduce any new service charges for 2018/19.
32. Tenants will continue to receive charges only for the particular services they receive, to be fully covered by housing benefit where tenants are eligible.

Impact of welfare reform on housing benefit claimants

33. Prior to 2013, any increase in rents for those tenants on Housing Benefit was fully covered by a corresponding increase in Housing Benefit. This enabled the Council's rents policy to be implemented without affecting those on benefits who were deemed unable to pay the increased rent themselves. However, since the government's welfare reforms introduced Universal Credit, maximum benefit caps and benefit reductions for those Council tenants deemed to be under occupying, this is no longer the case. There are currently 899 (898 last year) Council tenants affected who have had their housing benefit reduced as a result of under occupation, of which 26 (34 last year) are currently receiving a DHP to top up their benefit. The total welfare benefit cap affects 115 (67 last year) Council tenants, of which 32 (8 in last year) are receiving a DHP to help cover their rent charge. The increase over last year's reported levels are all as a result of the benefit cap reduction highlighted in paragraph 26.

Affordable rents

34. There are currently 193 Council properties let on affordable rent terms (rather than social rents). In line with Government requirements, this includes properties that have been developed as part of the GLA's Affordable Housing Programme, those associated conversions from social rent to support development costs and those that have been acquired using Right to Buy one for one replacement receipts, both in and out of borough.

35. Guidance on affordable rents was set out in the Government's revised guidance on social housing rent setting published in May 2014. Affordable rents are intended to provide higher levels of income to in particular support new development with the ability to set such rents at up to 80% of market rents. Whilst the guidance does not set maximum rents authorities should have regard to the local market context where the property is located, including the relevant LHA for the Broad Rental Market Area in which the property is located, when setting affordable rents. Unlike social rents, affordable rents are inclusive of service charges.
36. New properties and relets being let at affordable rent levels can be set at up to 80% of the prevailing market rent. However the approach taken by the Council is to set rents generally below and often significantly below the 80% threshold to assist in maintaining affordability. In setting rents due regard will be given to the guideline affordable rents set out in the Affordable Housing Update Report (Paper No. 17-176), the overall position of the HRA business plan and the need now to maximise rental income and to ensure that revenue continues to support the Council's development programme. As identified elsewhere in this report due regard will be given to the impact of revisions to welfare benefit caps, availability of DHP and LHA caps when setting Affordable Rents. In relation to future affordable rents. Another factor will be the impact of increased grant levels which the Government and the London Mayor may offer to assist in containing rent levels at or nearer to social/formula rent levels.
37. As affordable rent properties are a form of social housing for existing properties let at affordable rent levels it is now required that current levels should also be decreased in 2018/19 by 1%, in line with the Welfare Reform and Work Act .

HRA NON-RESIDENTIAL CHARGES

38. The current policy on the setting of non-residential charges for garages, parking lots and storsheds was approved by the Executive on 1st July 2002 (Paper No. 02-594), with charging criteria established with the aim of ensuring charges reflect relative quality and desirability of sites and are sensitive and responsive to market demand. In the absence of any evidence of general falling demand for sites, it is proposed that charges for all garages be increased by an average 3.5%, in line with the Council's current charging policy, with effect from the first Monday in April 2018. The current and proposed new weekly net rent price banding for garages are shown in Appendix D, Table 1. Some garages have a supply of running water and/or drainage connected to the mains sewers, for which a charge, currently £0.49 per week, is made. This will be revised in accordance with increases as advised by Castle Water (previously Thames Water) which are yet to be confirmed.
39. Charges for storsheds were banded in January 2005 (Paper No. 05-94), again to ensure charges reflect relative desirability. As with garages it is proposed that charges for all categories be increased by an average 3.5%. It is proposed also that prices for motorcycle garages, parking lots and cycle lockers be increased on the same basis. These charges, as set out in Appendix D, Table 2, are recommended to take effect from the first Monday in April 2018.
40. There are a number of other charges made for replacement permits, keys and door entry fobs, as well as a charge the Council levies for pre-assignment enquiries in respect of leaseholders selling their property. It is proposed that with effect from the

first Monday in April 2018, these prices also be increased by an average 3.5% for replacement permits, keys and door entry fobs and pre assignment income as set out in Appendix D, Table 3.

41. The total estimated increase in budgeted income arising from the proposed non-residential charges is £113,000 in 2018/19 and subsequent years and has been incorporated in the HRA budget framework presented as part of this report for approval.

HRA BUDGET FRAMEWORK

42. The HRA business plan and budget framework is set by the Council each year together with a controlling parameter to limit the annual expenditure and the consequential reduction in the forecast capital and revenue reserve levels that the Executive can commit to within each framework period. In January 2017 this was set at a level of £40 million (Paper No. 17-9).
43. The HRA business plan and budget framework reported to this committee and the Executive in September 2017 (Paper No. 17-270) has been adjusted to take account of the recommendations in this report, including the additions to the capital programme, the recommendations on rents and service charges, the increase in non-residential charges together with any other budget variations being recommended for approval this cycle. Appendix E to this report sets out a HRA budget framework that reflects the proposals in this report covering the period to 31st March 2021, before which time predicted HRA reserves must not be reduced by more than £40 million from the presently predicted £168.208 million.
44. The HRA business plan graph provides an overview of HRA trends for the coming years and the latest forecast of reserves is shown at Appendix F. The plan currently assumes 1% rent reductions in line with the Government requirements up until 2019/20 and annual rent increases in line with guidance and existing Council policy thereafter. It also takes into account the latest estimates of revenue spend and capital expenditure in line with the stock condition survey but assumes that all self financing existing debt is repaid by 2031/32.
45. Significant levels of future surpluses are still forecast by the end of the 30 year business planning period however these only materialise once the self-financing settlement Public Works Loan Board debt has been fully repaid in 2024/25. Until that time, based on current assumptions, reserves are projected to reduce as a result of the Council's investment in its current housing stock and plans for new housing development, highlighting that further expenditure growth (both capital and revenue) needs to continue to be tightly controlled.
46. These future forecast surpluses involve a raft of assumptions on future spend and income levels which if varied can have a significant effect on available resources. In addition, the Localism Act 2011 includes provision for the Secretary of State to re-open the self-financing settlement "if there has been a change in any matter that was taken into account" in the settlement; quite what circumstances this could cover is not certain. There is therefore a risk of over-reliance on future potential headroom which could throw the HRA business plan out of balance and necessitate additional borrowing, higher rents (if permissible) or reduced service provision in future years.

47. The Director of Resources and the Director of Housing and Regeneration consider that this HRA business plan and framework similarly updated would demonstrate that the Council is in a strong position to finance future expenditure plans and to continue to maintain the decent homes standard.

CABINET MEMBER FOR HOUSING

48. The Cabinet Member for Housing has been consulted and, taking all matters into account, considers a rent decrease of a minimum 1% or an average £1.26 per week reduction for applicable social rents, in line with the latest legislation, to be necessary and appropriate. The Cabinet Member also considers that similar decreases for affordable rents both in and out of the borough are necessary and appropriate. The Cabinet Member also welcomes the progress made in ensuring that service charges applied to estates, blocks and dwellings are fully transparent and relate to the cost of services provided. Finally, the Cabinet Member considers that the proposed increases in non-residential charges as set out in Appendix D to this report are appropriate.
49. The Cabinet Member for Housing proposes that the Council should be recommended to adopt the revised HRA budget framework as detailed in Appendix E and the HRA business plan shown graphically in Appendix F to this report.

CONCLUSION

50. Taking into account the previously approved HRA Business Plan Update (Paper No. 17-270) it is now recommended that a 1% decrease be applied to the Council's social and affordable rents with effect from the first Monday in April 2018 in line with the Welfare Reform and Work Act. It is also recommended that non-residential charges are increased generally by 3.5%, also with effect from the first Monday in April 2018.
51. Significant levels of future surpluses are forecast by the end of the HRA business plan however these need to continue to be viewed with caution as they are in no way guaranteed. The business plan is based on a raft of assumptions on future spend and income levels which if varied can have a significant effect on available resources. In addition, the self-financing settlement could be re-opened at some point in the future. There is therefore a risk of over-reliance on future potential headroom which could throw the HRA business plan out of balance.
52. The graphical representation of balances in Appendix F shows that whilst the HRA is projected to be in surplus in the short to medium term the position remains finely balanced. As a result, any demand for additional expenditure or reduction in assumed income levels will need to continue to be mitigated elsewhere within the HRA business plan to maintain ongoing viability.

MARK MAIDMENT
Director of Resources

BRIAN REILLY
Director of Housing and Regeneration

The Town Hall
Wandsworth
SW18 2PU

9th January 2018

Background Papers

The following papers were used in the preparation of this report:

1. The Council's budget book publication 2017/18
2. A Guide to Social Rent Reforms in the Local Authority Sector 2003
3. The Government's Guidance on Rents for Social Housing 2014

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the relevant Committee Secretary (Thayyiba Shaah -Tel 020 8871 6039, e-mail: tshaah@wandsworth.gov.uk) can supply a copy if required.

Housing Revenue Account - Approved Capital Programme

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
MAJOR REFURBISHMENT OF ESTATES	8,357	39,109	19,949	2,060
RE-LIFTING	1,376	3,613	2,356	607
RE-WIRING	1,770	952	520	-
HEATING IMPROVEMENTS	3,053	3,843	112	-
HEATING REPAIRS	2,608	2,799	177	-
SPECIAL REPAIRS	1,366	2,272	5	-
SHELTERED HOUSING	380	1,491	1,704	34
ADAPTATIONS FOR DISABLED	1,550	1,550	-	-
ENTRYCALL	200	209	224	-
TOTAL REPAIRS AND IMPROVEMENTS	20,660	55,838	25,047	2,701
ENVIRONMENTAL & ESTATE IMPROVEMENTS	1,594	922	110	-
HIDDEN HOMES & SITE DEVELOPMENTS	12,567	22,593	6,442	1,336
REGENERATION PROJECTS	29,604	59,842	10,265	1,632
TOTAL ENVIRONMENTAL, NEW BUILD & REGENERATION	43,765	83,357	16,817	2,968
PURCHASE OF PROPERTIES	26,021	100	-	-
HOUSE PURCHASE GRANTS	3,522	2,900	-	-
HOUSING MANAGEMENT REPLACEMENT SYSTEM	710	690	-	-
TOTAL HOUSING REVENUE ACCOUNT	94,678	142,885	41,864	5,669

Housing Revenue Account - Proposed Additions to the Capital Programme

	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>
MAJOR REFURBISHMENT OF ESTATES					
Alton Estate (Roehampton)					
C Blocks					
Durford Crescent 3,5,8 Horndean Close 5,6,8,14 Norley Vale 12-14					
Wanborough Drive 1,5,7					
Roof renewal	-		52	-	-
F Blocks					
Binley House, Charcot House, Dunbridge House, Denmead House, Winchfield House					
Window renewal	-	-	200	2,400	400
Ashburton Chartfield (East Putney)					
Westleigh Avenue					
Roof renewal	-	-	20	39	-
Bedgebury Gardens (West Hill)					
Bedgebury Gardens 8-9					
Roof and window renewal	-	-	19	56	-
Fernlea Road Estate (Balham)					
Ethelbert Street 2-18, Fernlea Road 65, 67					
Roof renewal	-	-	90	581	17
Hibbert Street Estate (Latchmere)					
Sheridan House & York Road 251-265					
Roof and window renewal	-	-	160	347	27
Longstaff Estate (East Putney)					
Luscombe House					
Roof renewal	-	-	52	40	-
Putney Vale (Roehampton)					
Stroud Crescent 34-80,82-128,130-176					
Roof renewal	-	-	43	461	15
Queensmere West & North (West Hill)					
Blincoe Close 1-29, 2-24, 26-44, 31-45 Murfett Close 1-23, 2-48					
Sawkins Close 1-43, 2-20					
Roof renewal	-	-	89	578	20
Kitchens and Bathrooms Programme					
Phase 7 - Boroughwide					
Kitchens & Bathrooms Programme - Replacement of obsolete boilers only					
	-	1,; 30	137	-	-
Phase 8 - Latchmere, Putney Vale, Ranelagh					
Kitchens & Bathrooms Programme - Replacement of obsolete boilers only					
	-	1,; 30	137	-	-
Phase 10 - Totterdown Fields 2nd phase, Totteridge House					
	-	-	2,688	2,688	-
Phase 11 - Arndale Estates 1st phase (Southfields)					
Albon House, Edwyn House and Knowles House					
	-	-	1,345	1,345	-
Boroughwide					
Replacement of communal fire doors phase 1					
	-	;	731	56	-
External Decs conversions to window renewal					
	-	-	1,000	-	-
Fire Safety Works					
	-	10,; 00	860	600	126
TOTAL MAJOR REFURBISHMENT OF ESTATES	-	13,; 27	7,623	9,191	605

Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges

	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>
<u>RELIFTING</u>					
Aboyne Estate (Earlsfield) Deeside Road, Strathdon Drive	-	-	87	712	20
Arndale Estate (Southfields) Albon House, Edwyn House, Knowles House Phase 1	-	-	113	978	67
Carnie Lodge (Bedford)	-	-	54	75	-
Convent Estate (Fairfield) Francis Snary Lodge	-	-	54	75	-
Maysoule Road (Latchmere) Holmleigh Court	-	-	54	75	-
Orchard Estate (West Hill) Andrew Reed House	-	-	59	245	-
Wendlesworth (Fairfield) 2 blocks from: Domelton, Bembridge, Binstead, Bowyer Phase 1	-	-	137	1,186	81
Yew Tree Lodge (Furzedown)	-	-	54	75	-
TOTAL RELIFTING	-	-	612	3,421	168
<u>REWIRING</u>					
Block emergency lighting phase 1	-	-	960	1,440	-
Individual Rewires	-	-	275	-	-
TOTAL REWIRING	-	-	1,235	1,440	-
<u>HEATING IMPROVEMENTS</u>					
Eastern Area (Battersea) Phase 2 - Replacement of obsolete boilers	-	-	2,332	72	-
Individual installations	-	-	360	-	-
TOTAL HEATING IMPROVEMENTS	-	-	2,692	72	-

Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges

	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>
<u>HEATING REPAIRS</u>					
Lennox Estate (Roehampton)					
Dowdeswell Close 6-40, Rockingham Close 13-27 Replacement of communal heating system	-	-	158	186	-
Boroughwide					
Replacement of building energy management systems	-	-	228	266	-
Battersea Park Estate (Latchmere)					
Atkinson House, Berry House, Dresden House MacDonald House, Walden House Installation of dry rises	-	-	70	114	-
Colson Way Estate (Furzedown)					
Replacement of communal extract fans	-	-	75	-	-
Fitzhugh Estate (Wandsworth Common)					
Cold water booster replacement	-	-	90	60	-
TOTAL HEATING REPAIRS	-	-	621	626	-
<u>SPECIAL REPAIRS</u>					
Acquired Properties					
Roofs, decoration, damp proofing	-	-	600	-	-
Boroughwide water tank renewal					
	-	250	-	-	-
Extensions/conversions future schemes					
	-	500	-	-	-
Provision for urgent schemes					
	-	500	-	-	-
Condition Survey					
	-	165	-	-	-
TOTAL SPECIAL REPAIRS	-	1,415	600	-	-
<u>SHELTERED HOUSING</u>					
Althorpe Grove Estate (St Mary's Park)					
Althorpe Mews, Battersea Church Road, Sunbury Lane, Kitchen renewal	-	-	66	190	7
Maysoule Road (Latchmere)					
Holmleigh Court Window renewal	-	-	46	79	-
TOTAL SHELTERED HOUSING	-	-	112	269	7
<u>ADAPTATIONS FOR THE DISABLED</u>					
Conversion of vacant properties					
	-	-	850	-	-
Future years provision					
	-	-	700	-	-
TOTAL ADAPTATIONS FOR THE DISABLED	-	-	1,550	-	-

Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges

	<u>2017/18</u> £ '000	<u>2018/19</u> £ '000	<u>2019/20</u> £ '000	<u>2020/21</u> £ '000	<u>2021/22</u> £ '000
<u>ENTRYCALL & CCTV</u>					
Ethelburga Estate (St Mary's Park)					
Ethelburga Tower Replacement of door entry system	-	-	13	21	-
Galleons Estate (West Hill)					
Beaumont Road 20-32	-	-	3	4	-
William Willison Estate (West Hill)					
Castlecombe Drive 33-61, 146-174, 176-204, 206-334 Stapleford Close 1-34, 35-66 Replacement of door entry system	-	-	45	77	-
Boroughwide					
CCTV Upgrade	-	1,100	-	-	-
TOTAL ENTRYCALL & CCTV	-	1,100	61	102	-
<u>ENVIRONMENTAL & ESTATE IMPROVEMENTS</u>					
Future Playground Refurbishment	-	-	100	-	-
TOTAL ENVIRONMENTAL & ESTATE IMPROVEMENTS	-	-	100	-	-
<u>HIDDEN HOMES & SITE DEVELOPMENTS</u>					
Nightingale Square (Nightingale)					
Modular Build	115	1,200	47	-	-
Whitlock Drive 145-147 (West Hill)					
Self & Custom Build Housing Site Development	44	400	19	-	-
Feasibility Studies	-	2,450	-	-	-
TOTAL HIDDEN HOMES & SITE DEVELOPMENTS	159	4,050	66	-	-
<u>REGENERATION PROJECTS</u>					
Regeneration Project Costs	-	-	1,160	-	-
Winstanley / York Road Estate Scheme					
Buy Backs Phase 2	-	-	16,000	-	-
Reprovision of Community Facilities	-	7,000	-	-	-
Roehampton Scheme					
Buy Backs Phase 1	-	26,000	-	-	-
Dilton Gardens - Reprovision of Community Facilities	10	1,840	-	-	-
Roehampton Parish Hall - Office Development	10	935	-	-	-
TOTAL REGENERATION PROJECTS	20	35,775	17,160	-	-
PURCHASE OF PROPERTIES	-	400	500	-	-
HOUSE PURCHASE GRANTS	-	200	3,100	-	-
TOTAL ADDITIONS	179	56,567	36,032	15,121	780

Housing Revenue Account - Revised Capital Programme

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
	<u>£ '000</u>				
MAJOR REFURBISHMENT OF ESTATES	8,357	52,736	27,572	11,251	605
RE-LIFTING	1,376	3,613	2,968	4,028	168
RE-WIRING	1,770	952	1,755	1,440	-
HEATING IMPROVEMENTS	3,053	3,843	2,804	72	-
HEATING REPAIRS	2,608	2,799	798	626	-
SPECIAL REPAIRS	1,366	3,687	605	-	-
SHELTERED HOUSING	380	1,491	1,816	303	7
ADAPTATIONS FOR DISABLED	1,550	1,550	1,550	-	-
ENTRYCALL & CCTV	200	1,309	285	102	-
TOTAL REPAIRS AND IMPROVEMENTS	20,660	71,980	40,153	17,822	780
ENVIRONMENTAL & ESTATE IMPROVEMENTS	1,594	922	210	-	-
HIDDEN HOMES & SITE DEVELOPMENTS	12,726	26,643	6,508	1,336	-
REGENERATION PROJECTS	29,624	95,617	27,425	1,632	-
TOTAL ENVIRONMENTAL, NEW BUILD & REGENERATION	43,944	123,182	34,143	2,968	-
PURCHASE OF PROPERTIES	26,021	500	500	-	-
HOUSE PURCHASE GRANTS	3,522	3,100	3,100	-	-
HOUSING MANAGEMENT SYSTEM REPLACEMENT	710	690	-	-	-
TOTAL HOUSING REVENUE ACCOUNT	94,857	199,452	77,896	20,790	780

	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>
<u>MAJOR REFURBISHMENT OF ESTATES</u>					
Alton (Roehampton)					
Chilcombe House, Crondall House, Farnborough House, Kimpton House, Rushmere House Phase 2 Window renewal	1,883	55	-	-	-
Brockbridge House, Egbury House, Finchdean House, Holmsley House, Hurstbourne House, Lyndhurst House, Overton House, Redenham House, Wheatley House, Woodcott House Phase 3 Partial window renewal	300	1,163	60	-	-
C Blocks Durford Crescent 3,5,8 Horndean Close 5,6,8,14 Norley Vale 12-14 Wanborough Drive 1,5,7 Roof renewal	-	130	52	-	-
F Blocks Binley House, Charcot House, Dunbridge House, Denmead House, Winchfield House Window renewal	-	-	200	2,400	400
Arndale Estate (Southfields)					
Eliot & Wentworth Renewal of suspended ceilings to communal areas	142	9	-	-	-
Sudbury House Replacement of over-cladding system	100	2,500	400	-	-
Ashburton Chartfield (East Putney)					
Westleigh Avenue Roof renewal	-	-	20	39	-
Ashburton South Estate (West Putney)					
Carslake Road 1-99, 109-167, 169-177, 2-80, 82-110 Innes Gardens 1-22, 23-52, 53-64, 65-94, 95-116, 117-156 Phase 2 Roof renewal	25	1,142	80	-	-
Cortis Road 6-20, 22-88, 90-184, 186-244, 246-274, 280-308 Pullman Gardens 13-27 Phase 3 Roof renewal	11	949	24	-	-
Tildesley Road All blocks window renewal excluding 89-201 All blocks roof renewal excluding 102-164, 2-100 Phase 4 Window & roof renewal	828	-	-	-	-
Bedford Hill 206, FA-FD (Bedford)					
Roof renewal, brickwork repairs, window overhaul	-	76	4	-	-
Bedgebury Gardens (West Hill)					
Bedgebury Gardens 8-9 Roof and window renewal	-	-	19	56	-
Clarence Lane (Roehampton)					
Roof covering renewal All blocks excluding 269-299	147	625	17	-	-
Colson Way Estate (Furzedown)					
Aldrington Road 57-79 odd Roof renewal	71	3	-	-	-
Eisenham Street 36-50, 172-178, 169-183 (Southfields)					
Roof renewal / External Decs conversion to window renewal	20	509	10	-	-
Ethelburga Estate (St Mary's Park)					
Maskelyne Close 1-42, 43-72, Rosenau Road 30-76 Watford Close 1-69, 2-52, 7&9 Ethelburga Street, 66 Searles Close Phase 1 Roof renewal	650	80	-	-	-
Henty Close, Heron House, Parkgate Road 20-38, Searles Close 1-42, 43-60, Worfield Street 40-56 Phase 2 Roof renewal	50	1,370	44	-	-

Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
	<u>£ '000</u>				
Community clubroom Window & roof renewal	216	13	-	-	-
Falcon Estate (Latchmere) Communal walkway reconstruction	300	47	-	-	-
Fernlea Road Estate (Balham) Ethelbert Street 2-18, Fernlea Road 65, 67 Roof renewal	-	-	90	581	17
Harwood Court (West Putney) Roof renewal	-	87	563	16	-
Hanson Close 4,7,40,12-23C,24-35C (Balham) External Decs conversion to window renewal	205	-	-	-	-
Hibbert Street Estate (Latchmere) Sheridan House & York Road 251-265 Roof and window renewal	-	-	160	347	27
Latchmere Estate (Latchmere) Burns Road, Matthews Street, Joubert Street, Odger Street & Sheepcote Lane Freedom Street, Reform Street c6487 Window renewal	30	3,000	558	-	-
Longstaff Estate (East Putney) Luscombe House Roof renewal	-	-	52	40	-
Nightingale Square (Nightingale) Sprinkler System	200	11	-	-	-
Patmore Estate (Queenstown) Allan House, Beames House, Billington House, Fowler House Gresley House, Hookham Court, Jenkins House, McConnell House, Trevithick House, Wainwright House Phase 1 Roof renewal	50	1,550	71	-	-
Brady House, Crampton House, Cudworth House, Kirtley House, Mansell House, Marsh House, Marley House, Mills House Phase 2 Roof renewal	6	1,902	64	-	-
Ashcroft House, Banister House, Beattie House, Bonior House, Drury House, Locke House, Morgan House, Statham House, Strudel House, Woods House Phase 3 Roof renewal	-	200	1,860	78	-
Cowrie House (St Mary's Park) Roof Renewal	-	13	81	2	-
Putney Vale Estate (Roehampton) Frenchman Drive, Stroud Crescent Partial brick removal and replacement	10	545	36	-	-
Stroud Crescent 34-80,82-128,130-176 Roof renewal	-	-	43	461	15
Queensmere West & North (West Hill) Blincoe Close 1-29, 2-24, 26-44, 31-45 Murfett Close 1-23, 2-48 Sawkins Close 1-43, 2-20 Roof renewal	-	-	89	578	20
Rollo Estate (Queenstown) Alfred Court, Newton Court, Raven Court, Rawson Court, Rollo Court, Bank Court (Doddington East) Roof renewal	-	-	-	669	-
Rowditch Lane 1-84 (Latchmere) Window renewal	-	46	300	9	-
Shoreham Close (Fairfield) Roof renewal	200	53	-	-	-

Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
	<u>£ '000</u>				
Southlands Estate (St Mary's Park)					
Gaitskell Court, McKiernan Court, Winders Road 51-101 Odd					
Roof renewal	-	105	681	20	-
Spencer Park South (Wandsworth Common)					
Boundary wall	-	15	31	-	-
St James Grove (Latchmere)					
Castlemaine					
Replacement of over-cladding system	100	2,500	400	-	-
Surrey Lane Est (St Mary's Park)					
Phase 3/4 Window renewal & Roof renewal to Gardiner House	806	-	-	-	-
Wimbledon Park Estate (West Hill)					
Window renewal	95	-	-	-	-
Kitchen and Bathrooms Programme					
Phase 5 - Carey Gardens Estate (Queenstown)	33	-	-	-	-
Phase 6 - Battersea Park Estate (Latchmere)	1,149	100	-	-	-
Phase 7 - Boroughwide	20	4,296	302	-	-
Phase 8 - Latchmere Estate, Putney Vale Estate, Ranelagh Estate	20	4,105	337	-	-
Phase 9 - Kersfield Road, Orchard Estate, Southmead Estate, Totterdown	-	500	2,500	1,266	-
Phase 10 - Totterdown Fields 2nd phase, Totteridge House	-	-	2,688	2,688	-
Phase 11 - Arndale Estates 1st phase (Southfields) Albon House, Edwyn House and Knowles House	-	-	1,345	1,345	-
Boroughwide					
Installation of sprinkler systems to high rise blocks	200	12,000	11,800	-	-
Replacement of communal fire doors phase 1	-	337	731	56	-
External Decs conversion to window renewal	490	2,000	1,000	-	-
Fire Safety Works	-	10,700	860	600	126
TOTAL MAJOR REFURBISHMENT	8,357	52,736	27,572	11,251	605

Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges

	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>
<u>RE-LIFTING</u>					
Aboyne Estate (Earlsfield) Deeside Road, Strathdon Drive	-	-	87	712	20
Aldrington South Estate (Furzedown) Grierson House, Shenstone House	236	-	-	-	-
Argyle (Esher) (West Hill) Easher Gardens 1-105	-	78	673	231	-
Argyle (Glen Albyn) (West Hill) Glen Albyn Road 1-200	-	94	813	376	-
Argyle (Smithwood) (West Hill) Smithwood Close 25-63, Weydown Close 13-37, 62-86	-	127	133	-	-
Argyle (Winterfold) (West Hill) Winterfold Close 1-22, 94-118	-	64	200	-	-
Arndale Estate (Southfields) Albon House, Edwyn House, Knowles House Phase 1	-	-	113	978	67
Ashburton South Estate (West Putney) Carslake Rd 109-167, Cortis Road 280-308, 246-274 Cortis Road 22-244	9 502	- -	- -	- -	- -
Carnie Lodge (Bedford)	-	-	54	75	-
Colson Way (Furzedown) Chambers House, Fordyce House, Langton House, Percy House, Walmsley House, Oldfield House (Infill)	50	644	44	-	-
Convent Estate (Fairfield) Francis Snary Lodge	-	-	54	75	-
Doddington Estate (Queenstown) Connor Court, Park Court, Turpin House	20	719	10	-	-
Ethelburga Estate (St Mary's Park) Ethelburga Street, Henty Close, Watford Close	-	66	292	-	-
Fairfield Court (Fairfield)	-	48	66	-	-
Eastwood Estate (West Putney) Andrew House, Cromwell House	2	-	-	-	-
Ethelburga Estate (St Mary's Park) Ethelburga Tower Phase 1	9	-	-	-	-
Maysoule Road (Latchmere) Holmeigh Court	-	-	54	75	-
Nimrod Road 243, F1-21 (Furzedown)	16	-	-	-	-
Orchard Estate (West Hill) Andrew Reed House	-	-	59	245	-
Southlands Estate (St Mary's Park) Gaitskell Court	116	-	-	-	-
Southmead Estate (West Hill) Lifts serving 5 blocks	7	-	-	-	-
Streatham Park Estate (Furzedown) Busby House, Boyce Houses	274	5	-	-	-
Surrey Lane (St Mary's Park) Compton House, Cranmer House, Gardiner House, Macey House, Musgrave Court, Whitgift House	76	1,602	90	-	-
Totteridge House (St Mary's Park)	49	-	-	-	-

Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
	<u>£ '000</u>				
Wendlesworth (Fairfield)					
2 blocks from: Domelton, Bembridge, Binstead, Bowyer Phase 1	-	-	137	1,186	81
Wilditch Estate (Latchmere)					
Weybridge Point	10	166	35	-	-
Yew Tree Lodge (Furzedown)					
	-	-	54	75	-
TOTAL RE-LIFTING	1,376	3,613	2,968	4,028	168

Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges

	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>
<u>RE-WIRING</u>					
Ashburton Chartfield (East Putney)					
All tenanted units					
Individual rewires	12	203	5	-	-
Bellamy House (Tooting)					
individual rewires & communals	84	5	-	-	-
Carey Gardens (Queenstown)					
Phase 1 Individual rewires and distribution boards	225	-	-	-	-
Phase 2 Individual rewires and distribution boards	178	4	-	-	-
Copeland House (Tooting)					
Individual rewires, lateral mains and distribution boards	-	74	111	-	-
Gowrie Road 11-33 (Shaftesbury)					
Individual rewires and lateral mains	-	12	18	-	-
Hazelhurst Estate (Tooting)					
Individual rewires and distribution boards	-	142	214	-	-
Henry Prince Estate (Earlsfield)					
Lateral mains, distribution boards and individual rewires	430	-	-	-	-
Newlands Estate (Bedford)					
Individual rewires and laterals mains	-	76	114	-	-
Spencer Park Estate (Wandsworth Common)					
Lateral mains	1	-	-	-	-
William Willison Estate (West Hill)					
Castlecombe Drive					
Phase 1 Rising mains, laterals & rewires	186	-	-	-	-
William Willison Estate (West Hill)					
Keevil Drive					
Phase 2 lateral mains, distribution boards, communal lighting and individual rewires	412	5	-	-	-
Wynter Street Estate (Latchmere)					
Renewal of distribution boards	-	36	55	-	-
Boroughwide					
Smoke detector replacement	7	-	-	-	-
Block emergency lighting phase 1	-	-	960	1,440	-
Allenswood, Ambleside, Ericsson Close, Fernwood, Jenkins House, Marmion House, Selbourne, Tildesley Road 2-100, Tildesley Road 102-164, Upper Richmond Road 125					
Lightning protection system	1	122	3	-	-
Individual Rewires	234	273	275	-	-
TOTAL REWIRING	1,770	952	1,755	1,440	-

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
	<u>£ '000</u>				
<u>HEATING IMPROVEMENTS</u>					
Kersfield Road (East Putney)					
Installation of individual systems at Littlecombe Close	17	-	-	-	-
Patmore Estate (Queenstown)					
Replacement of obsolete boilers & updating heating controls	881	25	-	-	-
Central Area (Wandsworth, Balham, Tooting)					
Phase 2 - Replacement of obsolete boilers	1,684	100	-	-	-
Eastern Area (Battersea)					
Replacement of obsolete boilers	23	-	-	-	-
Phase 2 - Replacement of obsolete boilers	-	-	2,332	72	-
Western Area (Putney & Roehampton)					
Replacement of obsolete boilers	98	-	-	-	-
Phase 2 - Replacement of obsolete boilers	-	3,358	112	-	-
Boroughwide					
Individual installations	350	360	360	-	-
TOTAL HEATING IMPROVEMENTS	3,053	3,843	2,804	72	-

Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges

	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>
<u>HEATING REPAIRS</u>					
Alton Estate (Roehampton)					
Foxcombe Road Replacement of communal heating system	616	33	-	-	-
Ryefield Path, Timsbury Walk & Highcross Way Phase 2 Replacement of communal heating system	-	813	19	-	-
Arndale Estate (Southfields)					
Sudbury House Replacement of communal heating system	998	143	-	-	-
Hepplestone Close (West Putney)					
Hepplestone Close 1-14, 20-25, 27-32 Replacement of existing communal pipework	304	18	-	-	-
Lennox Estate (Roehampton)					
Dowdeswell Close 6-40, Rockingham Close 13-27 Replacement of communal heating system	-	-	158	186	-
Nightingale Square (Nightingale)					
Replacement of communal heating system	-	589	13	-	-
Sclater Close Estate (West Putney)					
Grosse Way 1-34 Replacement of communal heating system	74	-	-	-	-
Smallwood North (Tooting)					
Smallwood Road 4-152 Replacement of communal heating system	-	322	7	-	-
Stockhurst Close (Thamesfield)					
Stockhurst Close 1-39 Replacement of communal heating system	274	7	-	-	-
Arndale Estate (Southfields)					
Cold water booster replacement	-	147	3	-	-
Battersea Park Estate (Latchmere)					
Atkinson House, Berry House, Dresden House MacDonald House, Walden House Installation of dry rises	-	-	70	114	-
Surrey Lane Estate (St Mary's Park)					
Compton House, Cranmer House, Gardiner House, Macey House, Whitgift House Cold water booster replacement	142	27	-	-	-
Colson Way Estate (Furzedown)					
Replacement of communal extract fans	-	-	75	-	-
Doddington Estate (Queenstown)					
Arthur Court, Bolton Court, Conner Court, Cromwell House, Falkner Court, Kennard House, Landseer House, Lucas Court, Palmerston House, Park Court, Russell Court, St George House, Turpin House, Voltaire Court, Youngs Court Replacement of communal extract fans	200	500	35	-	-
Fitzhugh Estate (Wandsworth Common)					
Cold water booster replacement	-	-	90	60	-
Goulden House (St Mary's Park)					
Replacement of communal extract fans	-	200	100	-	-
Boroughwide					
Replacement of building energy management systems	-	-	228	266	-
TOTAL HEATING REPAIRS	2,608	2,799	798	626	-

	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>
<u>SPECIAL REPAIRS</u>					
Acquired Properties					
Roofs, decoration, damp proofing	250	600	600	-	-
Alton Estate (Roehampton)					
Binley House, Charcot House, Denmead House, Dunbridge House, Winchfield House Window feasibility study	35	-	-	-	-
21-35 Fontley Way Lighting improvements	5	-	-	-	-
Chelverton Court (Thamesfield)					
Communal lighting upgrade	20	-	-	-	-
Glenthorpe Estate (West Putney)					
1-18, 36-71 Glenthorpe Fire alarm system upgrade	50	-	-	-	-
Orchard Estate (West Hill)					
Andrew Reed House Roof renewal	35	78	-	-	-
Wayford Street Estate (Latchmere)					
Cold bridging	8	-	-	-	-
Winstanley Estate (Latchmere)					
Clark Lawrence Court, Shaw Court Cold water booster replacement	66	10	-	-	-
16 Yukon Road (Balham)					
Structural works	29	-	-	-	-
Boroughwide					
Extension/conversion 33 Dawnay Road, 60 Devereux Road, 36 Longstaff Crescent 8 Horndean Close, 220 Huntingfield Road, 23 Newnes Path 18, 27 Pleasance Road, 55, 57, 100 Swinbourne Road	858	55	-	-	-
Extensions/Conversions future schemes	-	845	-	-	-
LED street & pathway lighting	-	740	-	-	-
Provision for future years	-	709	-	-	-
Stock Condition Survey	-	165	-	-	-
Water tank renewal	10	485	5	-	-
TOTAL SPECIAL REPAIRS	1,366	3,687	605	-	-

Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges

	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>
<u>SHELTERED HOUSING</u>					
Althorpe Grove Estate (St Mary's Park)					
Althorpe Mews, Battersea Church Road, Sunbury Lane, Kitchen renewal	-	-	66	190	7
Hepplestone Close (West Putney)					
1-14, 20-25, 27-32 Hepplestone Close Roof renewal and installation of photovoltaic panels	80	220	28	-	-
Maysoule Road (Latchmere)					
Holmleigh Court Window renewal	-	-	46	79	-
Wendlesworth Estate (Fairfield)					
Kirton Lodge Refurbishment	-	176	1,143	34	-
Boroughwide					
Abyssinia Close, Yew Tree Lodge, Doris Emerton Court, Glenthorpe, Holmleigh Court, Phase 6 Installation of overhead showers	300	800	28	-	-
Boyd Court, Cortis Road 285-311 and 317-365 Cortis Terrace 1-16, James Searles Lodge Westleigh Avenue 63-125 and 135-165 Phase 7 Installation of overhead showers	-	295	505	-	-
TOTAL SHELTERED HOUSING	380	1,491	1,816	303	7

	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>
<u>ADAPTATIONS FOR THE DISABLED</u>					
Conversion of Vacant Properties	850	850	850	-	-
Future Years Provision	700	700	700	-	-
TOTAL ADAPTATIONS FOR THE DISABLED	1,550	1,550	1,550	-	-

Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges

	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>
<u>ENTRYCALL & CCTV</u>					
Ackroydon Estate (West Hill)					
Ashtead Court, Montfort Place, Princes Way Installation of door entry system	-	68	6	-	-
Alton Estate (Roehampton)					
Bramley House Replacement of door entry system	3	-	-	-	-
Battersea Park Estate (Latchmere)					
Replacement of door entry system	197	5	-	-	-
Doland Court (Graveney)					
Replacement of door entry system	-	8	1	-	-
Ethelburga Estate (St Mary's Park)					
Ethelburga Tower Replacement of door entry system	-	-	13	21	-
Galleons Estate (West Hill)					
Beaumont Road 20-32	-	-	3	4	-
Holgate Avenue (Latchmere)					
Replacement of door entry system	-	43	73	-	-
Wendlesworth Estate (Fairfield)					
Replacement of door entry system	-	85	144	-	-
William Willison Estate (West Hill)					
Castlecombe Drive 33-61, 146-174, 176-204, 206-334 Stapleford Close 1-34, 35-66 Replacement of door entry system	-	-	45	77	-
Boroughwide					
CCTV Upgrade	-	1,100	-	-	-
TOTAL ENTRYCALL & CCTV	200	1,309	285	102	-

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
	<u>£ '000</u>				
<u>ENVIRONMENTAL & ESTATE IMPROVEMENTS</u>					
Ashburton South Estate (West Putney)					
Environmental Improvements	100	72	-	-	-
Balham Hill Estate East & West (Balham)					
Environmental Improvements	90	-	-	-	-
Battersea High Street (St Mary's Park)					
Environmental Improvements	328	200	-	-	-
Bellamy House (Tooting)					
Environmental Improvements	242	100	-	-	-
Carey Gardens (Queenstown)					
Environmental Improvements	100	56	-	-	-
Fitzhugh Estate (Wandsworth Common)					
Environmental Improvements	300	234	-	-	-
Powrie House (St Mary's Park)					
Environmental Improvements	27	-	-	-	-
Putney Vale Estate (Roehampton)					
Environmental Improvements	38	-	-	-	-
Waylands Road Estate (Latchmere)					
Environmental Improvements	239	100	-	-	-
Boroughwide					
Future Playground Refurbishment	100	100	100	-	-
Environmental Improvements	30	60	110	-	-
TOTAL ENVIRONMENTAL & ESTATE IMPROVEMENTS	1,594	922	210	-	-

Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
	<u>£ '000</u>				
<u>HIDDEN HOMES</u>					
Ashburton Estate (West Putney)	350	18	-	-	-
<u>SITE DEVELOPMENTS</u>					
1-8 Arnal Crescent (West Hill)	20	895	-	-	-
37-53 Arnal Crescent (West Hill)	49	1,000	131	-	-
Aldrington South (Furzedown)	178	858	40	-	-
Arnal Crescent/Bell Drive (West Hill)	50	350	69	-	-
Beaumont Road/Whitlock Drive (West Hill)	50	1,968	1,016	200	-
Deeley Road/Tidbury Road/Thessaly Road (Queenstown)	6,500	3,894	240	-	-
Fordyce House (Furzedown)	-	1,690	46	-	-
Gaskarth Road (Balham)	521	550	-	-	-
Kersfield Estate (East Putney)	420	3,834	4,647	1,136	-
Limpsfield Avenue (West Hill)	278	-	-	-	-
Nightingale Square (Nightingale) - Modular Build	115	1,200	47	-	-
Nutwell Street (Graveney)	572	16	-	-	-
Rayners Road/Carlton Drive (East Putney)	-	200	49	-	-
Rowditch Lane (Latchmere)	1,283	140	-	-	-
Streatham Park (Furzedown)	200	905	40	-	-
Stag House (Roehampton)	1,096	6,275	164	-	-
Whitlock Drive 145-147 (West Hill) - Self & Custom Build Housing	44	400	19	-	-
Other Schemes/Feasibilities	1,000	2,450	-	-	-
TOTAL HIDDEN HOMES & SITE DEVELOPMENTS	12,726	26,643	6,508	1,336	-

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
	<u>£ '000</u>				
<u>REGENERATION PROJECTS</u>					
Feasibility Studies	37	-	-	-	-
Procurement of Specialist Services	3,380	-	-	-	-
Project Team Costs	1,660	1,160	1,160	-	-
Site Assembly Buybacks	15,960	-	-	-	-
ROEHAMPTON SCHEME					
Buybacks Phase 1	-	26,000	-	-	-
Dilton Gardens - Reprovision of Community Facilities	10	1,840	-	-	-
Roehampton Parish Hall - Office Development	10	935	-	-	-
Bessborough Road (Roehampton)					
Satellite Site Development	720	2,666	1,262	108	-
WINSTANLEY & YORK ROAD ESTATE SCHEME					
Buybacks Phase 1	-	22,500	-	-	-
Buybacks Phase 2	-	-	16,000	-	-
Reprovision of Community Facilities	-	7,000	-	-	-
Gideon Road (Shaftesbury)					
Satellite Site Development	942	4,491	132	-	-
Lavender Hill (Shaftesbury)					
Satellite Site Development	419	979	31	-	-
Shuttleworth Road (St Mary's Park)					
Satellite Site Development	5,692	18,786	1,868	1,113	-
Tyneham Close (Shaftesbury)					
Satellite Site Development	594	2,099	62	-	-
York Road (Latchmere)					
Penge House & Inkster House - Refurbishment	200	7,161	6,910	411	-
TOTAL REGENERATION PROJECTS	29,624	95,617	27,425	1,632	-

Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
	<u>£ '000</u>				
<u>PURCHASE OF PROPERTIES</u>					
Auction Replacement Acquisitions	16,290	-	-	-	-
Temporary Accommodation	8,978	-	-	-	-
Other Purchases	753	500	500	-	-
TOTAL PURCHASE OF PROPERTIES	26,021	500	500	-	-

HOUSING REVENUE ACCOUNT NON-RESIDENTIAL CHARGES

Table 1 – Garages (per week)

	<u>Current Charge</u>	<u>Proposed Charge</u>
	£	£
Band A+	28.35	29.35
Band A	25.65	26.55
Band B	15.25	15.80
Band C	10.95	11.35
Band D	8.15	8.45
Water Rate	0.49	TBC

Table 2 – Other Property (per week)

	<u>Current Charge</u>	<u>Proposed Charge</u>
	£	£
Store shed - Band A	3.05	3.15
Store shed - Band B	2.35	2.45
Store shed - Band C	1.55	1.60
Motorcycle sheds	6.30	6.50
Parking Lots/Other non-domestic sites	8.35	8.65
Parking lots at Andrew Reed House	5.90	6.10
Cycle lockers	1.55	1.60

Table 3 – Other Charges

	<u>Current Charge</u>	<u>Proposed Charge</u>
	£	£
Replacement door entry fob	17.75	18.35
Replacement resident's parking permit	18.55	19.20
Replacement or additional sets of keys	Cost plus 18.55	Cost plus 19.20
Pre-assignment enquiries	161.50	167.00

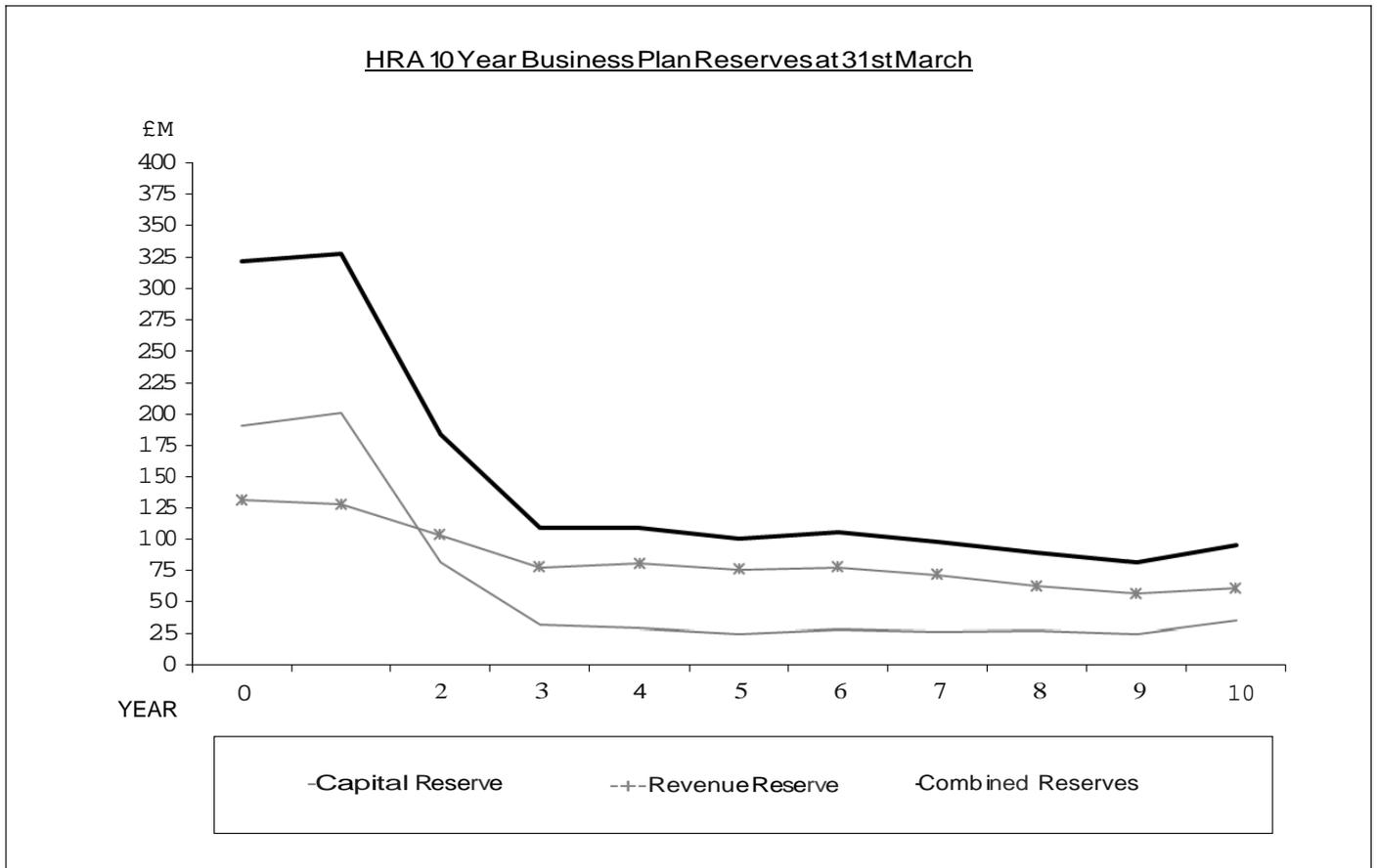
All charges are exclusive of VAT, which needs to be added where applicable. The revised charges are based on the proposed increase, rounded to the nearest 5 pence.

Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges

APPENDIX E

COUNCIL HOUSING BUDGET FRAMEWORK

	Original Budget 2017/18 £'000	Revised Budget 2017/18 £'000	Budget 2018/19 £'000	Budget 2019/20 £'000	Budget 2020/21 £'000
<u>EXPENDITURE</u>					
REVENUE					
Supervision, Management & Maintenance					
Repairs & Maintenance	24,807	26,607	25,430	26,056	26,694
General Management	28,937	28,801	29,319	29,836	32,199
Special Services	14,399	15,196	14,846	15,261	15,684
Capital Financing Costs	54,131	52,831	72,312	68,558	40,204
Other Expenses	3,048	1,594	2,529	2,859	3,009
Depreciation (Contribution to Capital)	24,501	20,989	21,514	22,115	22,727
TOTAL REVENUE EXPENDITURE	(149,823)	(146,018)	(165,950)	(164,685)	(140,517)
CAPITAL					
Repairs and Improvements	33,503	20,660	71,980	40,153	17,822
Environmental, New Build & Regeneration	112,688	43,944	123,182	34,143	2,968
Purchase of Properties	4,742	26,021	500	500	-
House Purchase Grants	2,900	3,522	3,100	3,100	-
Housing Management System Replacement	690	710	690	-	-
TOTAL CAPITAL EXPENDITURE	(154,523)	(94,857)	(199,452)	(77,896)	(20,790)
	304,346	240,875	365,402	242,581	161,307
<u>INCOME</u>					
REVENUE					
Gross Rents – Dwellings	110,803	111,371	110,517	108,936	112,821
Gross Rents – Non-Dwellings	4,067	4,067	4,223	4,329	4,437
Leaseholder Service Charges	14,349	13,030	13,369	13,650	13,935
Other Income	12,530	14,104	13,393	12,225	12,092
TOTAL REVENUE INCOME	(141,749)	(142,572)	(141,502)	(139,140)	(143,285)
CAPITAL					
Contribution from Revenue (Depreciation)	24,501	20,989	21,514	22,115	22,727
Capital Receipts	28,882	33,448	16,564	3,399	1,433
Capital Grants & Reimbursements	23,258	5,692	18,786	1,868	1,113
Leaseholder Major Works Charges	6,680	5,261	13,985	9,060	9,482
Borrowing	65,058	39,641	36,316	5,598	1,010
TOTAL CAPITAL INCOME	(148,379)	(105,031)	(107,165)	(42,040)	(35,765)
	290,128	247,603	248,667	181,180	179,050
Total reserves at beginning of year	311,941	321,873	328,601	211,866	150,465
Surplus / (Deficit) in year	(14,218)	6,728	(116,735)	(61,401)	17,743
Total reserves at end of year	297,723	328,601	211,866	150,465	168,208



WANDSWORTH BOROUGH COUNCIL

JOINT PENSIONS COMMITTEE – 8TH MARCH 2018

Report by the Director of Resources on the Pension Fund Revenue Budget 2017-2021

SUMMARY

This report summarises Pension Fund operating income and expenditure in 2017/18 compared to the budget approved in March 2017. The Fund's operating cash surplus for 2017-18, excluding increases in investment values, is now estimated as £0.4 million compared to a budgeted amount of £8.4million deficit.

From 1st October 2016, all assets and liabilities of the pension fund maintained by Richmond Council became the assets and liabilities of the pension fund maintained by Wandsworth Council. Accordingly, the budgets and projections from 2017/18 onward are based upon the merged fund.

The report proposes noting the estimated outturn for 2017/18, approving the merged fund budget for 2018/19 and noting the projected budget of the merged fund for 2019/20 and 2020/21.

RECOMMENDATIONS

1. The Joint Pensions Committee is recommended to:
 - (a) note the estimated outturn on the Pension Fund Revenue Budget for 2017/18;
 - (b) approve the Pension Fund Budget for 2018/19; and
 - (c) note the projected budget for 2019/20 and 2020/21.

INTRODUCTION

2. The estimated outturn for 2017/18, proposed budget for 2018/19 and projected budget for 2019/20 and 2020/21 are shown below:

Pension Fund Budget

	<u>2017/18</u> Original	<u>2017/18</u> Estimated Outturn	<u>2017/18</u> Variation	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	%	£'000	Forecasts £'000	£'000
Contributions						
Contributions Receivable						
Employees	11,965	13,934	16	14,200	14,500	14,800
Employers Normal	36,003	41,802	16	42,600	43,500	44,400
Employers Additional	1,597	2,764	73	1,500	1,500	1,500
Transfer In	2,070	7,909	282	2,100*	2,100	2,100
Benefits Payable						
Pensions	-61,117	-61,200	0	-62,400	-65,500	-68,800
Lump Sum Benefits						
Retirement Benefits	-11,091	-13,327	20	-11,000	-11,600	-12,200
Death Benefits	-1,310	-2,650	102	-1,300	-1,300	-1,300
Transfers Out	-5,317	-6,692	26	-5,300	-5,300	-5,300
Establishment	-900	-900	0	-900	-900	-900
Net Additions/Withdrawals from Dealing with Members						
	-28,100	-18,360	-35	-20,500	-23,000	-25,700
Returns on Investments						
Investment Income	24,563	24,500	0	25,700	27,000	28,400
Investment Management Expenses	-4,807	-5,430	20	-5,700	-6,000	-6,300
Custody	-58	-60	3	-30	-30	-30
Legal & Consultancy	-299	-225	-25	-200	-200	-200
Total	-8,437	425	-105	-730	-2,230	-3,830

* This figure excludes the transfer of Windsor and Maidenhead employees to Achieving for Children and two bulk transfer out as the date of the bulk transfers are uncertain.

- The key element of the above forecast is the net additions from dealings with members which represents the amount required from the investment side of the fund to meet the cash flow deficit, whether in the form of income remitted (as opposed to re-invested) or redemptions requested from managers. The balance of these may vary in the near term due to both the restructuring of portfolios into the London Collective Investment Vehicle (CIV) and the ability to redeem funds from portfolios that are not due to be retained in the longer term. The overall fund surplus (or deficit) at year end will be impacted by realised gains / losses which are not estimated.

BUDGET COMMENTARY

4. The deficit requirement in 2017/18 is now forecast to be lower than originally estimated principally due to the following factors:
 - (a) Transfers in have been significantly higher than estimated (in any given year this is very difficult to forecast with accuracy).
 - (b) Contribution income has remained higher than was estimated (i.e. there has not been the reduction anticipated relative to the previous year). This may be due to an under-estimate of the deficit contributions to be paid by Richmond and some of its former scheduled and admitted employers and also the fact that in some cases, post reductions arising from the SSA may not have reduced actual contributions in payment e.g. if they related to vacancies or interim staff.
 - (c) In future years the existing level of contribution income is being maintained for budgetary purposes (thereby reducing the expected deficit relative to the previous forecast).
 - (d) On the expenditure side retirement grants, death benefits and transfers out have all exceeded their respective estimates (again the one-off nature of these makes variance an inherent likelihood).

FUTURE PROSPECTS

5. The Pension Fund is continuing to mature with increasing withdrawals from dealings with members and consequently, increasing amounts of investment income required from fund managers to meet benefit payments (without the need to redeem investments intended to be held long term). The fund is looking to orient its future investment approach to meet these additional income requirements.

The Town Hall
Wandsworth
SW18 2PU

M. MAIDMENT
Director of Resources

28th February 2018

Background Papers:

No background papers were used in the preparation of this report.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the Democratic Services officer (Emma Calvert - 020 8871 6038; email: Emma.Calvert@richmondandwandsworth.gov.uk) can supply it if required.

(Paper No. 18-103)

If you have questions about this booklet,
please call the Assistant Director of Resources
(Financial Management) on (020) 8871 5370 or
email corporatefinance@wandsworth.gov.uk

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(for example, large print) please phone
(020) 8871 8081