

COUNCIL BUDGETS

2022-2023



WANDSWORTH BOROUGH COUNCIL – BUDGET BOOK 2022/23

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Section 1

Council Tax Report and Technical Appendices

Analysis of Service Budgets

PAPER NO: **22-68 REVISED**

WANDSWORTH BOROUGH COUNCIL

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY OVERVIEW AND
SCRUTINY COMMITTEE – 23RD FEBRUARY 2022

EXECUTIVE – 28TH FEBRUARY 2022

Report by the Director of Resources on the Council Tax Requirement and Council
Tax for 2022/23

SUMMARY

The Cabinet Member's recommendation indicates a Council Tax Requirement and total tax amounts for 2022/23 as shown in bold below which represents **an overall 1% reduction in Wandsworth's share of council tax**. The GLA increase for the year is 8.8%.

The recommended budget framework (Appendix F) then implies the average Band D tax amounts increasing as shown in italics below. These future sums are before any further reductions in expenditure or use of balances and reserves.

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	£m	£m	£m	£m
Council Tax Requirement	65.553	65.834	86.149	98.736
Average Band D Tax amount:	£	£	£	£
Council	481.78	476.96	<i>620.54</i>	<i>707.14</i>
Greater London Authority	363.66	395.59	<i>423.49</i>	<i>451.94</i>
Total	845.44	872.55	<i>1,044.03</i>	<i>1,159.08</i>
Total for majority of Borough	839.11	866.05	<i>1,037.41</i>	<i>1,152.33</i>
Total for Conservators' area	870.11	898.19	<i>1,070.36</i>	<i>1,186.10</i>

GLOSSARY

GLA	-	Greater London Authority
NHB	-	New Homes Bonus
NNDR	-	National Non-Domestic Rate
RSG	-	Revenue Support Grant
SFA	-	Settlement Funding Assessment
W&PCC	-	Wimbledon and Putney Commons' Conservators

RECOMMENDATIONS

1. The Finance, Resources and Climate Sustainability Overview and Scrutiny Committee are recommended to support the recommendations of the Cabinet Member for Finance, Resources and Climate Sustainability, 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, Resources and Climate Sustainability recommends the Executive as follows:
 - (a) to approve the General Fund budget variations and further spending requirements shown in paragraphs 7 and in Appendix A;
 - (b) to endorse the proposals for reserves as described in paragraphs 23, 24 and 25 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 2022/23 so determined which represents an overall 1% reduction in the Council's share of council tax;
 - (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 2022/23 nor the council tax band D forecast for the next two years rise by more than a further £48.90 (paragraph 44);
 - (e) to agree that, should it be necessary following the meeting of the Greater London Authority (GLA) on 24th February 2022, 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 9th March 2022.

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 2022/23 approved in January in Paper No. 22-18 to include the latest estimates of expenditure and notified levies and precepts. It then considers reserves, including the need for a general reserve appropriate to meet contingencies, and reviews the financial

reserves appropriate for specific purposes. The calculation of the council tax requirement follows, with the calculation of the Council's share of council tax and discussion around the risks of the requirement for a council tax referendum. Paragraph 36 sets out the requirements of the Greater London Authority. The Cabinet Member for Finance, Resources and Climate Sustainability then comments on proposed council tax levels and the results for taxpayers in 2022/23 are set out in paragraph 37 and the recommended revenue budget framework is discussed in paragraph 44.

COUNCIL NET REVENUE EXPENDITURE

Service Revenue Budgets

5. In January 2022 the Executive approved an aggregate budget for 2022/23 of £200.189m at November 2021 prices (Paper No. 22-18). Since then, a number of other adjustments have been accommodated, including changes as notified by bodies empowered to make levies or charges upon the Council, small changes in specific grants (including some additional funding included within the final local government finance settlement) and revised treasury estimates reflecting the recent improvement in investment returns. Budget variations approved by the Executive in this cycle, with the support of the relevant Overview and Scrutiny Committee, are detailed in [Appendix A](#).
6. The allowance recommended for inflation from November 2021 prices through to 2022/23 outturn is £14.438m. Whilst the UK has experienced very low inflation rates over the last few years, the generally used Consumer Price Index reached 5.4% in December 2021, compared to 0.6% a year earlier, and so this allowance is higher than previous years. This necessarily includes two years' worth of salary inflation (as the current year's pay award has yet to be finalised) and energy price increases, alongside other changes. Cumulative increases for 2023/24 and 2024/25 of £24.4m and £34.5m respectively are also recommended.

Council's Revenue Expenditure

7. Subject to approval of the revenue budget variations, the Council's net expenditure for 2022/23 through to 2024/25 is as follows:

	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	£m	£m	£m
Budgets as per Paper No. 22-18	200.189	197.169	198.909
Budget variations (Appendix A)	0.416	0.106	-0.070
Other adjustments (paragraph 5)	-2.011	-2.036	-2.036
Provision for inflation (paragraph 6)	14.438	24.440	34.463
COVID contingency (paragraph 16)	2.000		
Revised committee budgets	215.032	219.679	231.266
New Homes Bonus	-4.764		
Non-Service Specific Grants	-23.794	-14.580	-14.580

Improved Better Care Fund	-16.984	-16.984	-16.984
Council Net Expenditure	169.490	188.115	199.702

New Homes Bonus

8. The New Homes Bonus (NHB) was introduced in 2011 and initially provided 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, since 2017/18, and again for this year the funding has been redirected and NHB payments have been reduced accordingly. The Council is expected to receive NHB funding of £4.764m in 2022/23 (down from £7.898m in 2021/22). Given the uncertainty around the updates to funding formulas, allocations beyond 2022/23 have been assumed to be nil.

Social Care Funding

9. The Government continues to provide funding to assist with the pressures within social care via the Improved Better Care Fund. The Council's allocation of £16.984m in 2021/22 is higher than the £16.486m received in 2021/22.
10. In addition, the Government confirmed the continuation of the social care grant, providing funding of £16.634m in 2022/23, up from the £12.516m received in 2021/22. This funding is expected to assist with spending pressures within both children's and adults' social care.

Services Grant 2022/23

11. A new one off "Services Grant 2022/23" of £5.095m has been introduced. This grant is to cover "vital services, including social care" and includes funding for local government costs for the increase in employer National Insurance contributions (estimated cost £0.85m in the General Fund). The grant is unringfenced and will be excluded from any proposed baseline for transitional support to the new national Fair Funding Review funding distribution proposals (again delayed until at least 2023), and so is best considered as one-off funding.

General Funding Pressures

12. As detailed in Paper No. 22-18, significant additional pressures are anticipated in the coming year in homelessness and adult social care and additional budget provision has already been made as a result. However these budgets will need to be continually reviewed in year to ensure base budgets continue to be set at a realistic level. Whilst some additional non-ringfenced grant funding has been received in 2022/23 to assist with service pressures such as these, the Council continues to bear the risk that cost pressures are ongoing whilst some elements of the compensating additional funding are not guaranteed in future years.
13. 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. The Local Government Finance Settlement for 2022/23 confirmed that local authorities could again raise this precept, with the limit set at 1% for Wandsworth.

14. Whilst Directors will continue to drive forward with their planned service efficiencies and transformation programmes, these will also need to be kept under constant review to ensure delivery of these programmes.

Impact of COVID-19

15. The 2021/22 budget includes necessary expenditure in relation to the COVID-19 pandemic and a number of COVID related ringfenced and non-specific grants and compensation. It is expected that total COVID-19 related costs in the current year will exceed £20m and will be covered in full by specific grants and contributions. However given the continually developing situation and the lack of confirmed funding in the future, future spend may exceed available COVID-19 resources. All additional spend and lost income continues to be monitored closely and any shortfall will need to be met from the Council's reserves.
16. Going forward, the budget for 2022/23 includes estimates of the continuing impact the pandemic may have on service demands including, where appropriate, the clearing of any backlogs or slow recovery to pre-pandemic levels of demand for services. In addition, a £2m contingency is being held in case the Council incurs additional COVID-19 related costs/lost income that are not covered by additional Government funding. It is anticipated that some behavioural changes will continue, with leisure and events related income slow to recover (possibly not recovering to pre-pandemic levels).

LOCAL GOVERNMENT FINANCE SETTLEMENT

17. 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).
18. From 2018/19 until 2020/21 all London boroughs voluntarily participated in a London Business Rates Pool pilot (Paper No. 20-38 refers) in preparation for a potential mandatory scheme to be introduced as part of the Government's planned reform of the business rates system. With some guarantees given around the level of funding in the pool, overall the pilot was of financial benefit to London, albeit at a reducing rate over its three years of operation. As in 2021/22 current modelling, which reflects the uncertainty and challenges for businesses brought about by the pandemic, suggests that pooling in 2022/23 will not offer the financial benefits it has during the years of operation. Current modelling therefore continues to be based on no pooling across London. Estimated business rates income in 2021/22 includes £2.1m receipts relating to the Nine Elms "Designated Area".

19. As a result, the Council's income modelling for 2022/23 includes RSG (£24.307m) and business rates top-up grant (£36.989m) as per the final finance settlement allocations. Retained business rates in 2022/23 plus all other adjustments in year (including receipt of section 31 grants in relation to business rate reliefs and assumed income loss due to a reduction in both the baseline and collection rate as a result of the pandemic) are estimated to be £41.705m. Total assumed income is therefore £103.001m in 2022/23.
20. At this stage an assumption has been made of no further decrease in Government funding beyond this level, notwithstanding the Government's commitment to a "Fair Funding Review" of local authority baseline funding allocations. At this stage it seems more likely that, if the review continued on its current path, this would present a risk for Wandsworth, rather than an opportunity, particularly as the Government continues to pursue its "levelling up" agenda.

GENERAL FUND REVENUE RESERVES

21. 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 and the Council must also 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.
22. 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 £13.5m. The range of uncertainties in the next financial year is indicated by the items shown in Appendix B.
23. Special reserves are those appropriate for meeting future expenditure in performing the Council's functions. The reserves, their purpose and the expected change in their balances under existing policies, including the proposals in this report, are shown in Appendix C.
24. The final 2020/21 outturn report left the general reserve with a balance of £14.362m (of which £13.5m is the agreed contingency level) so that £0.862m could be used to fund 2021/22 expenditure. This, along with other planned movement in reserves, will then be used to fund the Council's net expenditure.

<u>Use of Balances and Reserves</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	£m	£m	£m	£m
Council's Net Expenditure	167.464	169.490	188.115	199.702
Net Contribution to Reserves *	1.240	0.727	0.035	0.035
Use of General Fund Working Balance	-0.862			
Net Expenditure after Use of Balances and Reserves	167.843	170.217	188.150	199.737

* *this excludes any use of or contribution to reserves which may be needed at year end to fund the net cost of COVID-19 in 2021/22*

25. Overall, there is a net contribution to reserves anticipated at the end of 2021/22 due largely to the budgeted transfer to the Financial Resilience Reserve. For 2022/23 there is some planned use of reserves (totalling £0.329m) but, overall, a net contribution to reserves, largely driven by a £1.056m contribution to the Financial Resilience Reserve due to revised business rates estimates and higher than expected one-off Government grants received in 2022/23 which, as detailed in paragraphs 11-12, are not anticipated to continue into future years.

CALCULATION OF COUNCIL TAX AMOUNTS

Collection Fund

26. 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.
27. With regard to the council tax element, it is estimated that the Collection Fund will have a surplus of £2.438m at 31st March 2022. Of this amount £1.381m will be credited to the Council's General Fund in 2022/23. The remainder is passed to the GLA.
28. Local business rates due are also credited to the Collection Fund and are shared between the Council (30%), the GLA (37%) and the Government (33%). In order to mitigate the impacts of COVID-19 on businesses, the Government granted 100% business rate relief for the first three months of the year, and 66% relief for the remainder of the year for the retail, hospitality, leisure and nursery sectors. As a result, the level of business rates billed during the year has been lower than expected, leaving an estimated £45.2m deficit (the Council's element is £12.8m) on the Collection Fund at 31st March 2022. Accounting rules relating to the Collection Fund mean this deficit has to be recovered in 2022/23. In order to finance this deficit, the Government has provided additional section 31 grant in the current year. This will be transferred into the Business Rates Volatility Reserve at year end and in turn the reserve will be used in 2022/23 to cover the Collection Fund deficit.

Wandsworth Council Tax Requirement

29. After taking account of business rates and central Government support and the use

of balances and reserves detailed in paragraph 21, the amount that this Council needs to raise from council tax for its own purposes is as follows:

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	£m	£m	£m	£m
Net Expenditure after use of balances and reserves	167.843	170.217	188.150	199.737
Collection Fund Surplus	-0.564	-1.381		
	<hr/> 167.279	<hr/> 168.835	<hr/> 188.150	<hr/> 199.737
Less:				
Retained Business Rates	-41.155	-41.705	-40.705	-39.705
Business Rates Top-Up	-36.989	-36.989	-36.989	-36.989
Revenue Support Grant	-23.582	-24.307	-24.307	-24.307
	<hr/> -101.726	<hr/> -103.001	<hr/> -102.001	<hr/> -101.001
Wandsworth Council Tax Requirement	65.553	65.834	86.149	98.736

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

Council Tax Base

31. The council tax bases are calculated annually by the Director of Resources under authority delegated by the Council at its meeting on 4th February 2004. These have now been determined as 138,028 for the Borough as a whole, and 27,908 for the Wimbledon and Putney Commons Conservators' (W&PCC) area. The figures for 2021/22 were 136,064 and 27,789. Growth of 800 properties per annum has been assumed for future years and the tax base figures incorporate the effect of Local Council Tax Support on the tax base.

Wimbledon and Putney Commons Conservators

32. 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 2022/23 this levy amounts to £897,052, an increase of £35,675 (4.1%) on the levy of £861,377 for 2021/22. As a special expense it must be charged only to taxpayers within the Conservators' area, who will therefore have tax amounts £32.14 (£31.00 in 2021/22) higher than elsewhere in the Borough at band D.
33. The Council has to calculate first an average band D tax element (dividing the tax needs shown in paragraph 29 by the 138,028 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
	£	£	£
2022/23	476.96	470.46	502.60
2021/22	481.78	475.44	506.44

34. 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

35. The Government has confirmed the council tax referendum thresholds for 2022/23 and that an increase in the relevant amount of council tax that is considered to be excessive is 2% or more. However, councils with adult social care responsibilities will also be able to increase council tax further as detailed in paragraph 13.

Greater London Authority

36. The Mayor of London has issued a consultation document on the GLA budget requirement and precepts which shows the total GLA precept increasing by £31.93 (8.8%) from £363.66 to £395.59 for 2022/23. The GLA is due to consider its final budget on 24th February 2022 i.e. after the meeting of the Finance, Resources and Climate Sustainability Overview and Scrutiny Committee but before the Executive. 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 9th March 2022 when considering the council tax requirement.

COUNCIL TAX AMOUNTS

37. Combining this Council's tax amount with that of the GLA produces total band D amounts as follows for 2022/23:

	Average	Majority	Conservators'
	£	£	Area
	£	£	£
Wandsworth Council	476.96	470.46	502.60
Greater London Authority	395.59	395.59	395.59
	872.55	866.05	898.19

38. 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 £803 which is expected to remain as the lowest average bill in the country.

COMMENTS OF THE CABINET MEMBER FOR FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

39. The past two years have been exceptional for the Council, not just in terms of meeting the wide-ranging needs of the borough's residents and businesses, but also on its finances. Looking ahead, future spend levels are increasingly difficult to predict, particularly as pressure on homelessness and adult social care budgets continue and high inflation creates additional uncertainty.
40. In light of the continuing pressures on adult social care services and the Government's continuing expectation that, via the precept, council tax is raised specifically for this purpose, I recommend that the maximum adult social care precept increase of 1% is levied in the coming year.
41. However, we must continue to balance this overall pressure on Council budgets with recognition of the impact the pandemic is continuing to have on some of our residents and the rising cost of living.
42. Overall reserve balances increased by £23m at the end of 2020/21 largely due to COVID-19 as the Council's focus necessarily shifted during the year. As reserve levels are therefore currently higher than previously budgeted for, on balance I consider it appropriate to reduce the Council's share of the general council tax for the coming year by 2%.
43. Residents will therefore benefit from an overall 1% reduction in our share of the council tax.

FUTURE YEARS' BUDGET FRAMEWORK

44. 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 £621 in 2023/24 and £707 in 2024/25. These represent increases of 30.1% and 14.0% respectively, compared with the preceding year, before further action and/or use of reserves. With the GLA increases, as published in the draft GLA budget, the total average band D amount would rise to £1,044 in 2023/24 and £1,159 in 2024/25. Further efficiencies are likely to be required to constrain Council tax increases in future years. 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 £6.75m (50% of that set aside for contingencies) in 2022/23, nor the council tax band D forecast for the next two years rise by more than a further £48.90.
45. The detailed budget by Overview and Scrutiny Committee for 2021/22 to 2024/25 (based on budgets approved in Paper No. 22-18 as amended for those budget variations shown in Appendix A and amendments in paragraph 5) is available in the Members' Online Library and will be published as part of the Council's Budget Book.

46. Taking all of the above matters into account, it is recommended that for 2022/23 the Council's general element of the council tax is reduced by 2% and, in light of continuing pressure on adult social care services, an adult social care precept of 1% is levied. Overall, the Council's share of council tax will therefore be **reduced by 1%**. Each 1% of council tax income foregone equates to a loss of council tax income of £0.66m per annum ongoing. Compared to the maximum increase allowed of 2.99%, a 1% reduction erodes the base by £2.66m per annum, ongoing.
47. If Government referendum criteria require increases of no more than 2% and the adult social care precept continues at 1%, 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 £28.1m 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 September 2022. Whilst the Council has reserves identified to meet some of these pressures, these cannot be used indefinitely and, as in previous years, the Council will need to identify efficiencies and other sources of income to help meet the ongoing budget shortfall.

CONSULTATION

48. The Council has a statutory duty to consult with business ratepayers' representatives. A copy of Paper No. 22-18, the report by the Director of Resources on the Council's budget plans for 2022/23 and future years, was placed on the Economic Development Office business home page on the Council's website. Written comments have been invited by 11th February in order to be considered by the Executive.

EQUALITY IMPACT AND NEEDS ANALYSIS

49. 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.

SUPPORTING THE WANDSWORTH ENVIRONMENT AND SUSTAINABILITY STRATEGY (WESS)

50. Whilst this report has no direct impact, the Council's resources will continue to be utilised as necessary to support the WESS via specific service delivery and further investment, where appropriate.

The Town Hall
Wandsworth
SW18 2PU

FENELLA MERRY
Director of Resources

25th February 2022

Background Papers

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

1. The Council's Budget Book 2021/22
2. Budget variations approved by the Executive in this financial year
3. Service committees' budget variation requests in this cycle
4. Final Local Government 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 Committee Secretary can supply it if required.

APPENDIX A

CONCURRENT GENERAL FUND REVENUE BUDGET VARIATIONS

	<u>2021/22</u> £'000	<u>2022/23</u> £'000	<u>2023/24</u> £'000	<u>2024/25</u> £'000
<u>STRATEGIC PLANNING & TRANSPORTATION OSC</u>				
Revision to Charges (Paper No. 22-81)	-	-9	-9	-9
<u>ADULT CARE AND HEALTH OSC</u>				
Revision to Charges (Paper No. 22-37)	-	-61	-61	-61
<u>FINANCE, RESOURCES & CLIMATE SUSTAINABILITY</u>				
Climate Change staffing (Paper No. 22-62)	+44	+176	+176	-
Platinum Jubilee Grants (Paper No. 22-64)		+25		
High Street Recovery (Paper No. 22-66)		+285		
TOTAL GENERAL FUND BUDGET VARIATIONS	+44	+416	+106	-70

**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) Impact of the COVID-19 pandemic on demand for Council services and potential impact on the delivery of planned transformation programmes.
- (j) Shortfalls in capital receipts, adding to the net interest borne by the General Fund.
- (k) Cost of a local disaster not covered by Government grant under the Bellwin Scheme.
- (l) Transferred responsibilities from health authorities to local authorities.
- (m) Reduction in income streams due to the continuing economic difficulties.
- (n) Potential increase in costs arising from Welfare Reform implementation.
- (o) Differences in levy or charge from that estimated before formal notice issued by levying bodies.

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 2021 £'000	Budgeted Change 2021/22 £'000	Balance 1st April 2022 £'000	Budgeted Change 2022/23 £'000	Balance 1st April 2023 £'000
Renewals Fund					
Net Use - Revenue		-440		-490	
Net Use – Capital *				-776	
Increase in Fund		475		475	
	26,336	35	26,371	-791	25,580
<p>This fund is for “loans” to services with unusually large requirements for building refurbishment, energy conservation schemes, computer software and vehicle and plant replacements. It is also used for planned expenditure relating to IT hardware and software. Capital usage in 2022/23 relates to building related capital expenditure, as reported in the capital report elsewhere on this agenda.</p>					
Finite Services Fund	1,410	0	1,410	0	1,410
<p>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.</p>					
Specific Grant Reserve	1,000	0	1,000	0	1,000
<p>This reserve is for potential over-estimates or losses of specific General Fund Government grants.</p>					
Service Transformation Reserve	11,684	-1,770	9,914	-314	9,600
<p>This reserve was established to meet the short-term costs of service restructuring including redundancy. As agreed in Paper No. 21-277, some funding is being drawn from this reserve for the Wandsworth Town Hall Masterplan.</p>					
Insurance Reserve	7,053	0	7,053	0	7,053
<p>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.</p>					

	Balance 1st April 2021 £'000	Budgeted Change 2021/22 £'000	Balance 1st April 2022 £'000	Budgeted Change 2022/23 £'000	Balance 1st April 2023 £'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	7,227	0	7,227	0	7,227
<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 *	32,567	-10,794	21,773	-12,544	9,229
<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. Its use therefore sits outside of the General Fund. In 2020/21 the Government granted 100% business rate relief to many businesses impacted by COVID-19 and compensated the Council in full for lost income. The accounting requirements of the Collection Fund mean this income, received in 2020/21, will be transferred into this reserve at year end and used to offset deficits in the Collection Fund which need to be accounted for in the following three years.</p>					
Financial Resilience Reserve	81,052	2,975	84,027	1,056	85,083
<p>This reserve was established in 2014/15 in recognition of the substantial pressures on budgets and diminishing Government support. Any net cost of COVID-19 on the Council in 2021/22 will need to be met from this reserve.</p>					
COVID Grant Reserve *	3,725	-3,725	0	0	0
<p>This reserve was established in 2019/20 to recognise general financial support received from the Government at the very start of the pandemic. The balance on the reserve represents unspent COVID-19 grants which were received in 2019/20 to 2020/21 and carried forward into 2021/22. This will be used to part fund the costs associated with COVID-19.</p>					

	Balance 1st April 2021 £'000	Budgeted Change 2021/22 £'000	Balance 1st April 2022 £'000	Budgeted Change 2022/23 £'000	Balance 1st April 2023 £'000
Other Balances	7,750	0	7,750	0	7,750
TOTAL REVENUE RESERVES AVAILABLE FOR COUNCIL TAX PURPOSES (all except * above)	186,936	1,240	188,176	727	188,127

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 2022/23**

	<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;	869,655	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>883,155</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;	761,027	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;	43,521	

- | | | | |
|-----|--|--------|---|
| (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. | 12,773 | 2 |

SUB-TOTAL	<u>817,321</u>	
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DIFFERENCE (Council Tax Requirement)	<u>65,834</u>	
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<u>Note 1</u>	<u>Expenditure</u> £'000	<u>Income</u> £'000
Gross Expenditure/Income	860,847	705,795
Central Government Funding & Localised Business Rates		61,296
Less internal recharges	-5,630	-5,630
Plus inflation to end of 2022/23	14,438	0
Less credit from Collection Fund shown separately		-435
	<u>869,655</u>	<u>761,027</u>

<u>Note 2</u>	£'000
General reserves available (paragraph 16)	13,500
Add drawings from special reserves (<u>Appendix C</u>)	-727
	<u>12,773</u>

FORM OF COUNCIL RESOLUTION

- (a) That the revised revenue estimates for the year 2021/22 referred to in Paper No. 22-18 as adjusted and the revenue estimates for 2022/23 as summarised in this report be approved;
- (b) That the details of the council tax requirement for the year 2022/23, as set out in Appendix D of this paper, be approved;
- (c) That it be noted that the following amounts for the year 2022/23 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) 138,028 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) 27,908 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 2022/23 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:
- (i) £883,155,415 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A of the Act;
 - (ii) £817,321,350 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;
 - (iii) £65,834,065 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) £476.96 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) £897,052.00 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) £470.46 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) £502.60 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	335.08	313.64
B	390.91	365.91
C	446.76	418.19
D	502.60	470.46
E	614.30	575.01
F	725.98	679.55
G	837.67	784.10
H	1,005.21	940.92

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 2022/23 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	263.73
B	307.68
C	351.64
D	395.59
E	483.50
F	571.41
G	659.32
H	791.18

(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 2021/22 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	598.80	577.37
B	698.59	673.59
C	798.40	769.83
D	898.19	866.05
E	1,097.80	1,058.51
F	1,297.39	1,250.96
G	1,496.99	1,443.42
H	1,796.39	1,732.10

GENERAL REVENUE BUDGET FRAMEWORK

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	£m	£m	£m	£m
Original Budget	206.471	206.471	206.471	206.471
Inflation to Nov 2021 Prices	0.979	4.520	4.520	4.520
Developments	3.393	-12.397	-15.751	-14.188
Revised Committee Budgets	210.843	198.594	195.240	196.803
Inflation	2.300	14.438	24.440	34.463
COVID Contingency	3.460	2.000		
New Homes Bonus	-7.898	-4.764	0.000	0.000
Non-Service Specific Grants	-13.622	-23.794	-14.580	-14.580
COVID Government Grant	-11.133			
Improved Better Care Fund	-16.486	-16.984	-16.984	-16.984
Total	167.464	169.490	188.115	199.702
Planned Contribution to Reserves	0.378	0.727	0.035	0.035
Budget Requirement	167.843	170.217	188.150	199.737
Less:				
Collection Fund Surplus	-0.564	-1.381		
Retained Business Rates	-41.155	-41.705	-40.705	-39.705
Business Rates "Top-up"	-36.989	-36.989	-36.989	-36.989
Revenue Support Grant	-23.582	-24.307	-24.307	-24.307
Council Tax Requirement	65.553	65.834	86.065	98.652
Band D Council Tax	£	£	£	£
Wandsworth Council	481.78	476.96	620.54	707.14
Greater London Authority	363.66	395.59	423.49	451.94
Total	845.44	872.55	1,044.03	1,159.08
Increase in Wandsworth Council Tax		-1.00%	30.1%	14.0%
Budget reductions or use of reserves needed in future to maintain Wandsworth's council tax increases within 2.99%			17.953	28.097

SSA EQUALITY IMPACT AND NEEDS ANALYSIS

Directorate	Resources
Service Area	Financial Management
Service/policy/function being assessed	Council Tax setting
Which borough (s) does the service/policy apply to	Wandsworth
Staff involved	Fenella Merry, Katherine Burston, Jonathan Ross
Date approved by Directorate Equality Group (if applicable)	n/a
Date approved by Policy and Review Manager All EINAs must be signed off by the Policy and Review Manager	25th February 2022
Date submitted to Directors' Board	n/a

SUMMARY

Please summarise the key findings of the EINA.

The Council is obliged to set a balanced budget and commensurate Council Tax level in accordance with the Local Government Finance Act 1992.

For 2022/23, the key features of the proposed budget are a 1% reduction in the Wandsworth element of the Council Tax which comprises:

- a 2% reduction in the Wandsworth element of the Council Tax,
- a 1% increase in the precept (as allowed by Government) in support of Adult Social Care services

Separately, and outside of the Council's control, there will an 8.8% increase in the GLA element of the Council Tax, leading to an overall increase of 3.2% for average band D, or £27.11 per year.

The Government's Spending Review announced that local authorities responsible for adult social care would be given additional 1% flexibility on their current council tax referendum threshold to be used entirely for social care.

The council tax generated from the proposed 1% increase in the precept will generate additional income of £0.7 million to be attributed to adult social care. This "precept" also has to be shown on the face of council tax bills and in the "information supplied with the demand notice".

Taking the precept will have a positive impact on users of adult social care in Wandsworth. The Council has used the maximum allowed increase for the precept for 2022/23, which is less than the limit set nationally in previous years. Support for vulnerable adults will be maintained and service users will see no change.

The impact on all council tax payers will be 1% reduction as the Wandsworth element of the council tax will reduce by 2%.

- EINAs will be undertaken on any changes to services which result from the setting of this year's Budget. These will be reported to the relevant OSC when changes are proposed.

1. Background

Briefly describe the service/policy or function:

The recommendation in the report is: -

- to recommend the Council to give effect to the council tax requirement and council tax amounts for 2022/23 as follows:

	Average	Majority	Conservators' Area
	£	£	£
Wandsworth Council	476.96	470.46	502.60
Greater London Authority	395.59	395.59	395.59
	<hr/>	<hr/>	<hr/>
	872.55	866.05	898.19

2. Analysis of need and impact

PART 1 – CHANGES TO WANDSWORTH’S SHARE OF THE OVERALL COUNCIL TAX CHARGE

The overall 1% reduction in the Council’s share of the Band D Council Tax on average for residents of the borough would result in a cash reduction of £4.98 per year for the majority of those required to pay the full charge. Due to an increase in the W&PCC levy those properties in the Commons part of the borough will see a cash reduction of £3.84 in their charge for the year, excluding the GLA increase. The overall average 1% reduction in the Wandsworth element of the Council Tax stems from the Government’s offer to allow councils local discretion on Council Tax, provided that increases are not excessive, as set by central government, including that some additional amounts in support of Adult Social Care support some of its most vulnerable residents.

Group 1 - Those liable to pay full Council Tax

For the majority of Wandsworth residents, the Council believes that the proposed reduction will have a positive impact. Wandsworth is known as an affluent borough with high levels of employment (84.7% economically active residents (as at September 2021), although there are currently 9,195 out of work benefit claimants as a result of the pandemic, trends remain low (universal credit and Job Seekers allowance - data as at January 2022

Group 2 - Those eligible for some form of discount or exemption (other than Council Tax Support)

Single Person Discount is the main discount allowed amounting to just under 44,400 properties. The Council has no equalities monitoring information about this group. In addition, there are 211 properties where a banding reduction has been awarded in respect of a disability. Again, the Council holds no additional equalities information on this group. The impact on those in receipt of discounts is as per Group 1 but the effect of the reduction would be proportionately less.

For example, a Band D taxpayer in the majority of the borough who is eligible for a single person discount would be subject to a reduction of £3.74 per year (£0.07 per week) rather than £4.98 per year (£0.10 per week).

Group 3 – Those with no Council Tax liability

The proportion of Council Tax liability on which Council Tax Reduction is calculated for working age claimants is 70% although some households are protected from the 30% minimum contribution based on their circumstances. This is the same as for 2021/22. The number of dwellings that are

long term vacant (more than 6 months) is 278 and of these 108 are attracting a council tax premium for being vacant for more than 2 years. The effect on this group is neutral.

PART 2 – USE OF THE ADULT SOCIAL CARE PRECEPT

Protected group	Findings	
Age	Age band	% of population (GLA Data 2020)
	0 to 4	6.5
	5 to 9	5.5
	10 to 14	4.9
	15 to 19	4.1
	20 to 24	6.2
	25 to 29	12.5
	30 to 34	12.5
	35 to 39	10.6
	40 to 44	7.6
	45 to 49	6.2
	50 to 54	5.5
	55 to 59	4.6
	60 to 64	3.5
	65 to 69	2.8
	70 to 74	2.5
	75 to 79	1.7
	80 to 84	1.4
85 and over	1.2	
	Adult Services support significantly more older residents than the borough average.	
Disability	<p>Census data 2011: Households containing a person with a long term health problem or disability – Total 20.7%.</p> <p>Profile of Adult Social Care Service Users: The majority of service users have physical disabilities or physical frailty as their main area of difficulty. In 2020/21, 844 had a mental health condition as their main difficulty and 869 a learning disability (all ages).</p>	
Sex	<p>GLA data 2020: 51.9% of residents are female.</p> <p>Profile of Adult Social Care Service Users: 55.0% are female</p> <p>Adult Services support significantly more female residents than the borough average.</p>	
Gender reassignment	Data not collected via the Census.	
Marriage and civil partnership	Data not collected via the Census.	
Pregnancy and maternity	Data not collected via the Census.	

Race/ethnicity	<p>GLA data 2020: 29.9% of residents are from Black, Asian and minority ethnic communities</p> <p>Profile of Adult Social Care Service Users: 43.2% of service users were from Black, Asian and minority ethnic communities. The largest proportion come from the Black or Black British community.</p>																																	
Religion and belief, including non belief	<p>Census data for all population of Wandsworth:</p> <table border="1"> <thead> <tr> <th>Religion</th> <th>No.</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Christian</td> <td>162,590</td> <td>53.0</td> </tr> <tr> <td>Buddhist</td> <td>2,574</td> <td>0.8</td> </tr> <tr> <td>Hindu</td> <td>6,496</td> <td>2.1</td> </tr> <tr> <td>Jewish</td> <td>1,617</td> <td>0.5</td> </tr> <tr> <td>Muslim (Islam)</td> <td>24,746</td> <td>8.1</td> </tr> <tr> <td>Sikh</td> <td>832</td> <td>0.3</td> </tr> <tr> <td>Other religion</td> <td>1,283</td> <td>0.4</td> </tr> <tr> <td>No religion</td> <td>82,740</td> <td>27.0</td> </tr> <tr> <td>Religion not stated</td> <td>24,117</td> <td>7.9</td> </tr> <tr> <td>Total</td> <td>306,995</td> <td>100</td> </tr> </tbody> </table> <p>Data on adult social care clients is not available by this protected characteristic</p>	Religion	No.	%	Christian	162,590	53.0	Buddhist	2,574	0.8	Hindu	6,496	2.1	Jewish	1,617	0.5	Muslim (Islam)	24,746	8.1	Sikh	832	0.3	Other religion	1,283	0.4	No religion	82,740	27.0	Religion not stated	24,117	7.9	Total	306,995	100
Religion	No.	%																																
Christian	162,590	53.0																																
Buddhist	2,574	0.8																																
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No religion	82,740	27.0																																
Religion not stated	24,117	7.9																																
Total	306,995	100																																
Sexual orientation	Data not collected via the Census.																																	
Across groups i.e older LGBT service users or Black, Asian and ethnic diverse young men	Data not collected via the Census.																																	

Data gaps

Data gap(s)	How will this be addressed?
n/a	n/a

3. Impact

Protected group	Positive	Negative
Age	As 59.4% of Adult Social Care service users are aged 65 and over - taking the precept will have a positive impact in that it will ensure these vulnerable residents continue to receive support. The majority of council tax payers will also see a cash reduction of £4.98 per year on their council tax bill. This council tax decision has no direct impact on service provision or levels of service being delivered.	None
Disability	As the majority of Adult Social Care service users have physical disabilities or physical frailty as their main area of difficulty taking the precept will have a positive impact in that it will ensure these vulnerable residents continue to receive support. The majority of council tax payers will also see a cash reduction of £4.98 per year on their council tax bill. This council tax decision has no direct impact on service provision or levels of service being delivered.	None
Sex	As 55.0% of Adult Social Care service users are female taking the precept will have a positive impact in that it will ensure that vulnerable female residents continue to receive support. The	None

	majority of council tax payers will also see a cash reduction of £4.98 per year on their council tax bill. This council tax decision has no direct impact on service provision or levels of service being delivered.	
Gender reassignment	Taking the precept will support gender reassignment service users of Adult Social Care and ensure they continue to receive support. The majority of council tax payers will also see a cash reduction of £4.98 per year on their council tax bill. This council tax decision has no direct impact on service provision or levels of service being delivered.	None
Marriage and civil partnership	Taking the precept will support service users of Adult Social Care regardless of their relationship status and will ensure they continue to receive support. The majority of council tax payers will also see a cash reduction of £4.98 per year on their council tax bill. This council tax decision has no direct impact on service provision or levels of service being delivered.	None
Pregnancy and maternity	Taking the precept will support service users of Adult Social Care regardless of whether they are pregnant or have recently given birth and will ensure they continue to receive support. The majority of council tax payers will also see a cash reduction of £4.98 per year on their council tax bill. This council tax decision has no direct impact on service provision or levels of service being delivered.	None
Race/ethnicity	Taking the precept will support service users of Adult Social Care from Black, Asian and minority ethnic backgrounds and ensure they continue to receive support. The majority of council tax payers will also see a cash reduction of £4.98 per year on their council tax bill. This council tax decision has no direct impact on service provision or levels of service being delivered.	None
Religion and belief, including non belief	Taking the precept will support service users of Adult Social Care and ensure vulnerable residents, regardless of their faith or belief, continue to receive support. The majority of council tax payers will also see a cash reduction of £4.98 per year on their council tax bill. This council tax decision has no direct impact on service provision or levels of service being delivered.	None
Sexual orientation	Taking the precept will support service users of Adult Social Care and ensure vulnerable residents, regardless of their sexual orientation, continue to receive support. The majority of council tax payers will also see a cash reduction of £4.98 per year on their council tax bill This council tax decision has no direct impact on service provision or levels of service being delivered.	None

4. Actions

Action	Lead Officer	Deadline
Individual ENIAs are undertaken alongside any decision to change or reduce a service as a result of budget changes	Individual officers reporting	As changes are implemented

5. Consultation

Statutory consultation on the Council's service expenditure and council tax setting has been undertaken with business ratepayers' representatives.
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ANALYSIS OF SERVICE BUDGETS 2022/23

£'000	ADULT CARE & HEALTH SERVICES	COMMUNITY SERVICES & OPEN SPACES	EDUCATION & CHILDREN'S SERVICES	FINANCE RESOURCES & CLIMATE SUSTAINABILITY	HOUSING & REGENERATION	STRATEGIC PLANNING & TRANSPORTATION	GENERAL FUND TOTAL	DEDICATED SCHOOLS BUDGET	HOUSING REVENUE ACCOUNT	TOTAL
EXPENDITURE										
Salaries	17,484	2,903	44,312	7,349	5,872	3,971	81,891	144,976	18,870	245,736
Premises	70	4,922	749	737	799	1,083	8,360	0	49,084	57,444
Use of Transport	1,161	109	4,858	52	23	19	6,222	0	293	6,515
Supplies and Services				0						
- Funding to Voluntary Bodies		116		799	33		948		-	948
- Other	3,955	1,026	6,658	5,251	1,861	3,888	22,639	39,197	6,757	68,593
Third Party Payments										
- Precepts, Levies and Charges		16,231	1,519	1,167	-	325	19,242		-	19,242
- Other	93,357	17,737	26,596	4,812	35,123	7,182	184,808	617	5,711	191,135
Transfer Payments	11,233		1,448	148,101	1,058	8,550	170,389	2,125	223	172,737
Support Services Recharges	6,967	3,230	6,666	12,423	900	2,914	33,100		7,830	40,930
Depreciation and Impairment	70	2,786	3,803	-15,891	-	7,730	-1,502		24,484	22,982
Capital Financing Charges	-	-	-	-	-	-	-		32,585	32,585
TOTAL	134,296	49,060	96,607	164,801	45,669	35,662	526,096	186,914	145,837	858,847

ANALYSIS OF SERVICE BUDGETS 2022/23 (Continued)

£'000	ADULT CARE & HEALTH SERVICES	COMMUNITY SERVICES & OPEN SPACES	EDUCATION & CHILDREN'S SERVICES	FINANCE RESOURCES & CLIMATE SUSTAINABILITY	HOUSING & REGENERATION	STRATEGIC PLANNING & TRANSPORTATION	GENERAL FUND TOTAL	DEDICATED SCHOOLS BUDGET	HOUSING REVENUE ACCOUNT	TOTAL
INCOME										
Government Grants	38,389		12,849	145,232	4,530		201,000	173,304	-	374,303
Other Grants & Contributions	2,126	637	1,841	248	875	596	6,323		-	6,323
Customer & Client Receipts	15,122	9,549	1,340	13,795	24,783	45,017	109,606	13,611	147,798	271,015
Interest				4,924	20		4,944		5,271	10,215
Recharge Income		298	475	6	379	76	1,233	-	-	1,233
Internal Charges				1,875	2,268	253	4,397		-	4,397
Contribution from Reserves					-		-		-7,232	-7,232
TOTAL	55,637	10,484	16,505	166,079	32,855	45,942	327,502	186,914	145,837	660,254
NET EXPENDITURE	78,659	38,576	80,103	-1,278	12,814	-10,280	198,593	-	-	198,594
New Homes Bonus Funding							-4,764			
Social Care Support Grant							-16,634			
Market Sustainability and Fair Cost of Care							-876			
Improved Better Care Fund							-16,984			
2022/23 Services Grant							-5,095			
Lower Tier Services Grant							-1,188			
General Fund inflation from November 2021 to end of 2022/23							14,438			
COVID Contingency							2,000			
Net Committee Budgets							169,490			

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Section 2

Revenue Budgets by Service

GENERAL REVENUE SUMMARY

SUMMARY BY COMMITTEE

<u>COMMITTEE</u>	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Adult Care and Health	78,109,800	78,659,000	75,189,000	75,189,000
Community Services and Open Spaces	39,983,100	38,576,600	38,274,900	38,241,000
Education and Childrens Services	82,504,300	80,102,600	80,084,600	80,084,600
Finance and Corporate Resources	2,395,900	(1,278,000)	(2,696,800)	(2,978,700)
Housing and Regeneration	11,098,200	12,813,700	12,813,700	12,813,700
Strategic Planning and Transportation	(3,248,100)	(10,279,900)	(8,425,600)	(6,546,400)
Overall Committee Total	<u>210,843,200</u>	<u>198,594,000</u>	<u>195,239,800</u>	<u>196,803,200</u>

<u>Variation Analysis</u>	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
2021/22 ORIGINAL BUDGET	206,470,900	206,470,900	206,470,900	206,470,900
Inflation	978,600	4,576,200	4,576,200	4,576,200
Changes in Government Grants	(3,490,000)	(3,093,000)	(3,093,000)	(3,093,000)
Other Government or Outside Body Changes	(3,500)	(2,971,500)	(545,200)	1,334,000
Demand Led Growth	2,299,200	9,391,100	5,987,500	5,887,500
Efficiency Savings	(1,195,700)	(4,754,700)	(4,936,400)	(4,970,300)
Investment Priorities	5,501,600	(1,543,400)	(2,638,600)	(2,820,500)
Other Growth & Savings	(223,500)	(9,983,900)	(11,083,900)	(11,083,900)
Budget Transfers	505,600	502,300	502,300	502,300
NET EXPENDITURE	<u>210,843,200</u>	<u>198,594,000</u>	<u>195,239,800</u>	<u>196,803,200</u>

GENERAL REVENUE SUMMARY

SUBJECTIVE ANALYSIS

	<u>2021/22</u> <u>Revised</u> <u>£</u>	<u>2022/23</u> <u>Budget</u> <u>£</u>	<u>2023/24</u> <u>Budget</u> <u>£</u>	<u>2024/25</u> <u>Budget</u> <u>£</u>
<u>Expenditure</u>				
Employees	83,609,500	81,890,500	81,407,700	81,125,800
Premises	8,919,950	8,359,950	8,359,950	8,359,950
Transport	6,271,600	6,221,000	6,221,000	6,221,000
Supplies & Services	30,470,050	23,585,950	22,529,950	22,529,950
Third Party Payments	199,885,250	204,049,550	202,852,850	204,732,050
Transfer Payments	177,898,150	170,388,850	170,388,850	170,388,850
Support Service Recharges	33,385,400	33,100,900	33,100,900	33,100,900
Depreciation & Impairment	(1,502,100)	(1,502,100)	(1,502,100)	(1,502,100)
TOTAL EXPENDITURE	538,937,800	526,094,600	523,359,100	524,956,400
<u>Income</u>				
Government Grants	(207,639,500)	(200,999,500)	(200,999,500)	(200,999,500)
Other Grants & Contributions	(6,558,900)	(6,322,700)	(6,322,700)	(6,322,700)
Customer & Client Receipts	(102,000,800)	(109,605,800)	(110,224,500)	(110,258,400)
Interest	(6,249,400)	(4,943,500)	(4,943,500)	(4,943,500)
Recharge Income	(1,239,200)	(1,232,200)	(1,232,200)	(1,232,200)
Internal charges	(4,406,800)	(4,396,900)	(4,396,900)	(4,396,900)
Schools Income	0	0	0	0
TOTAL INCOME	(328,094,600)	(327,500,600)	(328,119,300)	(328,153,200)
NET EXPENDITURE	<u>210,843,200</u>	<u>198,594,000</u>	<u>195,239,800</u>	<u>196,803,200</u>

ADULT CARE AND HEALTH

SUMMARY BY SERVICE AREA

<u>SERVICE</u>	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Adult Service Operations	82,628,100	84,401,600	80,928,600	80,928,600
Commissioning and Quality Standards	17,227,600	17,476,900	17,476,900	17,476,900
Business Resources	3,749,500	2,859,300	2,844,300	2,844,300
Public Health	(25,495,400)	(26,078,800)	(26,060,800)	(26,060,800)
Total Adult Care and Health	78,109,800	78,659,000	75,189,000	75,189,000

<u>Variation Analysis</u>	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
2021/22 ORIGINAL BUDGET	78,953,100	78,953,100	78,953,100	78,953,100
Inflation	(121,800)	1,517,600	1,517,600	1,517,600
Changes in Government Grants	(1,610,700)	(2,414,400)	(2,414,400)	(2,414,400)
Other Government or Outside Body Changes	0	110,800	110,800	110,800
Demand Led Growth	0	3,300,000	0	0
Efficiency Savings	(18,700)	(545,600)	(545,600)	(545,600)
Investment Priorities	913,000	(2,673,000)	(2,861,000)	(2,861,000)
Other Growth and Savings	179,500	179,500	179,500	179,500
Income Generation	0	(61,000)	(61,000)	(61,000)
Budget Transfers	(184,600)	292,000	310,000	310,000
NET EXPENDITURE	78,109,800	78,659,000	75,189,000	75,189,000

ADULT CARE AND HEALTH

SUBJECTIVE ANALYSIS

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
<u>Expenditure</u>				
Employees	17,606,600	17,484,000	17,296,000	17,296,000
Premises	69,500	69,500	69,500	69,500
Transport	1,248,500	1,160,600	1,160,600	1,160,600
Supplies & Services	4,846,000	3,954,600	3,972,600	3,972,600
Third Party Payments	91,209,500	93,356,700	90,056,700	90,056,700
Transfer Payments	11,230,300	11,233,400	11,233,400	11,233,400
Support Service Recharges	6,901,800	6,967,300	6,967,300	6,967,300
Depreciation & Impairment	70,000	70,000	70,000	70,000
TOTAL EXPENDITURE	133,182,200	134,296,100	130,826,100	130,826,100
<u>Income</u>				
Government Grants	(37,585,500)	(38,389,200)	(38,389,200)	(38,389,200)
Other Grants & Contributions	(2,125,800)	(2,125,800)	(2,125,800)	(2,125,800)
Customer & Client Receipts	(15,361,100)	(15,122,100)	(15,122,100)	(15,122,100)
TOTAL INCOME	(55,072,400)	(55,637,100)	(55,637,100)	(55,637,100)
NET EXPENDITURE	78,109,800	78,659,000	75,189,000	75,189,000

ADULT CARE AND HEALTH

ADULT SERVICE OPERATIONS

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Adult Service Operations Teams	13,627,700	13,685,500	13,512,500	13,512,500
Early Help & Enablement Services	981,300	981,300	981,300	981,300
Services for Adults with Learning Disabilities	38,102,900	37,277,600	37,277,600	37,277,600
Services for Adults with Mental Health Needs	7,763,600	9,036,700	7,536,700	7,536,700
Services for Older People, Sensory & Physical Disabilities	22,152,600	23,420,500	21,620,500	21,620,500
	82,628,100	84,401,600	80,928,600	80,928,600

Variation Analysis	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
2021/22 ORIGINAL BUDGET	82,439,000	82,439,000	82,439,000	82,439,000
Inflation	(121,800)	1,055,300	1,055,300	1,055,300
Other Government or Outside Body Changes				
- National Insurance Uplift	0	62,600	62,600	62,600
Demand Led Growth				
- Additional Cost Pressure due to Hospital Discharges	0	1,800,000	0	0
- Additional Pressure on Mental Health Services	0	1,500,000	0	0
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	(6,000)	(206,400)	(206,400)	(206,400)
Investment Priorities				
- 20-256 (Sept 20) "Transforming the Future" Programme	0	(2,526,000)	(2,699,000)	(2,699,000)
Other Growth and Savings				
- Social Care in Prisons Grant - Expenditure	200	200	200	200
Income Generation				
- 22-37 (Feb 22) Review of Charges	0	(61,000)	(61,000)	(61,000)
Budget Transfers	316,900	338,100	338,100	338,100
NET EXPENDITURE	82,628,100	84,401,600	80,928,600	80,928,600

ADULT CARE AND HEALTH

COMMISSIONING & QUALITY STANDARDS

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Adult Public Health Services	9,328,100	9,371,900	9,371,900	9,371,900
Advocacy, Supported Employment & Other Minor Services	471,900	472,500	472,500	472,500
Commissioning Teams	1,022,800	932,700	932,700	932,700
Prevention & Wellbeing Services	5,486,500	5,856,900	5,856,900	5,856,900
Professional Standards & Safeguarding	918,300	842,900	842,900	842,900
	17,227,600	17,476,900	17,476,900	17,476,900

Variation Analysis	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
2021/22 ORIGINAL BUDGET	17,960,300	17,960,300	17,960,300	17,960,300
Inflation	0	372,300	372,300	372,300
Other Government or Outside Body Changes				
- National Insurance Uplift	0	12,200	12,200	12,200
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	(1,500)	(259,000)	(259,000)	(259,000)
Investment Priorities				
- 20-256 (Sept 20) "Transforming the Future" Programme	0	(81,000)	(81,000)	(81,000)
Other Growth and Savings				
- Sexual Health Contract Efficiencies	(500,000)	(500,000)	(500,000)	(500,000)
Budget Transfers	(231,200)	(27,900)	(27,900)	(27,900)
NET EXPENDITURE	17,227,600	17,476,900	17,476,900	17,476,900

ADULT CARE AND HEALTH

BUSINESS RESOURCES

	<u>2021/22</u> <u>Revised</u> <u>£</u>	<u>2022/23</u> <u>Budget</u> <u>£</u>	<u>2023/24</u> <u>Budget</u> <u>£</u>	<u>2024/25</u> <u>Budget</u> <u>£</u>
Business Resources	3,749,500	2,859,300	2,844,300	2,844,300
	3,749,500	2,859,300	2,844,300	2,844,300

	<u>2021/22</u> <u>Revised</u> <u>£</u>	<u>2022/23</u> <u>Budget</u> <u>£</u>	<u>2023/24</u> <u>Budget</u> <u>£</u>	<u>2024/25</u> <u>Budget</u> <u>£</u>
Variation Analysis				
2021/22 ORIGINAL BUDGET	2,905,400	2,905,400	2,905,400	2,905,400
Inflation	0	33,900	33,900	33,900
Changes in Government Grants				
- Better Care Fund (CCG Re-alignment)	(397,400)	(397,400)	(397,400)	(397,400)
- Better Care Fund 2021/22	(381,900)	(381,900)	(381,900)	(381,900)
Other Government or Outside Body Changes				
- National Insurance Uplift	0	28,300	28,300	28,300
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	(8,700)	(42,100)	(42,100)	(42,100)
Investment Priorities				
- 20-256 (Sept 20) "Transforming the Future" Programme	913,000	(66,000)	(81,000)	(81,000)
Other Growth and Savings				
- Better Care Fund (CCG Re-alignment) - Expenditure	397,400	397,400	397,400	397,400
- Better Care Fund 2021/22 - Expenditure	381,900	381,900	381,900	381,900
Budget Transfers	(60,200)	(200)	(200)	(200)
NET EXPENDITURE	3,749,500	2,859,300	2,844,300	2,844,300

ADULT CARE AND HEALTH

PUBLIC HEALTH

	<u>2021/22</u> <u>Revised</u> <u>£</u>	<u>2022/23</u> <u>Budget</u> <u>£</u>	<u>2023/24</u> <u>Budget</u> <u>£</u>	<u>2024/25</u> <u>Budget</u> <u>£</u>
Children 0-5	67,000	67,000	85,000	85,000
Health Protection	23,700	23,700	23,700	23,700
NHS Health Checks	192,900	385,000	385,000	385,000
Obesity	25,300	25,300	25,300	25,300
Other Public Health	2,006,900	2,014,600	2,014,600	2,014,600
Physical Activity	35,000	35,000	35,000	35,000
Sexual Health	545,800	566,300	566,300	566,300
Smoking & Tobacco	216,300	216,300	216,300	216,300
Public Health Grant	(28,608,300)	(29,412,000)	(29,412,000)	(29,412,000)
	(25,495,400)	(26,078,800)	(26,060,800)	(26,060,800)

	<u>2021/22</u> <u>Revised</u> <u>£</u>	<u>2022/23</u> <u>Budget</u> <u>£</u>	<u>2023/24</u> <u>Budget</u> <u>£</u>	<u>2024/25</u> <u>Budget</u> <u>£</u>
Variation Analysis				
2021/22 ORIGINAL BUDGET	(24,351,600)	(24,351,600)	(24,351,600)	(24,351,600)
Inflation	0	56,100	56,100	56,100
Changes in Government Grants				
- Public Health Grant Income	(831,200)	(1,634,900)	(1,634,900)	(1,634,900)
Other Government or Outside Body Changes				
- National Insurance Uplift	0	7,700	7,700	7,700
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	(2,500)	(38,100)	(38,100)	(38,100)
Other Growth and Savings				
- Smoking Cessation Contract Efficiencies	(100,000)	(100,000)	(100,000)	(100,000)
Budget Transfers	(210,100)	(18,000)	0	0
NET EXPENDITURE	(25,495,400)	(26,078,800)	(26,060,800)	(26,060,800)

COMMUNITY SERVICES AND OPEN SPACES

SUMMARY BY SERVICE AREA

<u>SERVICE</u>	<u>2021/22</u> <u>Revised</u> <u>£</u>	<u>2022/23</u> <u>Budget</u> <u>£</u>	<u>2023/24</u> <u>Budget</u> <u>£</u>	<u>2024/25</u> <u>Budget</u> <u>£</u>
Arts Service	459,000	861,000	861,000	861,000
Contracts and Leisure	39,260,400	37,446,600	37,144,900	37,111,000
Highways Operations and Streetscene	263,700	269,000	269,000	269,000
Total Community Services and Open Spaces	39,983,100	38,576,600	38,274,900	38,241,000

Variation Analysis	<u>2021/22</u> <u>Revised</u> <u>£</u>	<u>2022/23</u> <u>Budget</u> <u>£</u>	<u>2023/24</u> <u>Budget</u> <u>£</u>	<u>2024/25</u> <u>Budget</u> <u>£</u>
2021/22 ORIGINAL BUDGET	38,551,300	38,551,300	38,551,300	38,551,300
Inflation	306,200	880,500	880,500	880,500
Changes in Government Grants	0	0	0	0
Other Government or Outside Body Changes	(5,300)	48,600	48,600	48,600
Demand Led Growth	62,500	62,500	62,500	62,500
Efficiency Savings	0	(615,000)	(796,700)	(830,600)
Investment Priorities	408,000	100,000	0	0
Other Growth and Savings	0	(1,111,700)	(1,131,700)	(1,131,700)
Budget Transfers	660,400	660,400	660,400	660,400
NET EXPENDITURE	39,983,100	38,576,600	38,274,900	38,241,000

COMMUNITY SERVICES AND OPEN SPACES

SUBJECTIVE ANALYSIS

	<u>2021/22</u> <u>Revised</u> <u>£</u>	<u>2022/23</u> <u>Budget</u> <u>£</u>	<u>2023/24</u> <u>Budget</u> <u>£</u>	<u>2024/25</u> <u>Budget</u> <u>£</u>
<u>Expenditure</u>				
Employees	2,886,000	2,902,900	2,902,900	2,902,900
Premises	4,857,500	4,921,900	4,921,900	4,921,900
Transport	109,000	109,000	109,000	109,000
Supplies & Services	1,449,400	1,141,400	1,041,400	1,041,400
Third Party Payments	33,663,300	33,968,300	33,948,300	33,948,300
Support Service Recharges	3,226,600	3,230,300	3,230,300	3,230,300
Depreciation & Impairment	2,785,900	2,785,900	2,785,900	2,785,900
TOTAL EXPENDITURE	48,977,700	49,059,700	48,939,700	48,939,700
<u>Income</u>				
Other Grants & Contributions	(636,700)	(636,700)	(636,700)	(636,700)
Customer & Client Receipts	(8,060,200)	(9,548,700)	(9,730,400)	(9,764,300)
Recharge Income	(297,700)	(297,700)	(297,700)	(297,700)
TOTAL INCOME	(8,994,600)	(10,483,100)	(10,664,800)	(10,698,700)
TOTAL NET EXPENDITURE	39,983,100	38,576,600	38,274,900	38,241,000

COMMUNITY SERVICES AND OPEN SPACES

ARTS SERVICE

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Arts Service	459,000	861,000	861,000	861,000
	459,000	861,000	861,000	861,000
Variation Analysis				
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
2021/22 ORIGINAL BUDGET	451,000	451,000	451,000	451,000
Inflation	0	7,100	7,100	7,100
Other Government or Outside Body Changes				
- National Insurance Uplift	0	900	900	900
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	0	(7,100)	(7,100)	(7,100)
Investment Priorities				
-21-197 (July 21) Schools Photography Competition	8,000	0	0	0
Budget Transfers	0	409,100	409,100	409,100
NET EXPENDITURE	459,000	861,000	861,000	861,000

COMMUNITY SERVICES AND OPEN SPACES

CONTRACTS AND LEISURE

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Leisure, Culture & Bereavement	3,311,800	3,383,100	3,383,100	3,383,100
Libraries	4,611,600	4,612,200	4,612,200	4,612,200
Registrars	146,300	84,700	84,700	84,700
Leisure and Culture Services	5,935,400	3,953,100	3,671,400	3,637,500
Street Cleansing	4,360,300	4,361,300	4,361,300	4,361,300
Waste Collection & Recycling	5,926,800	5,765,000	5,745,000	5,745,000
Waste Disposal inc Levy	14,968,200	15,287,200	15,287,200	15,287,200
	39,260,400	37,446,600	37,144,900	37,111,000

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Variation Analysis				
2021/22 ORIGINAL BUDGET	37,836,600	37,836,600	37,836,600	37,836,600
Inflation	306,200	843,700	843,700	843,700
Investment Priorities				
- Public Realm Investment	400,000	100,000	0	0
Other Government or Outside Body Changes				
- Western Riverside Waste Authority Levy		28,000	28,000	28,000
- North East Surrey Crematorium Board	(5,300)	0	0	0
- National Insurance Uplift	0	12,300	12,300	12,300
Demand Led Growth				
- Waste Contract Increase for New Properties	62,500	62,500	62,500	62,500
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	0	(261,100)	(261,100)	(261,100)
- Leisure and Culture Contract	0	(317,100)	(498,800)	(532,700)
Other Growth and Savings				
- 21-355 (Nov) Review of Charges	0	(74,600)	(74,600)	(74,600)
- Recovery of Leisure Contract Income	0	(1,000,000)	(1,000,000)	(1,000,000)
- Waste Projects	0	(35,000)	(55,000)	(55,000)
Budget Transfers	660,400	251,300	251,300	251,300
NET EXPENDITURE	39,260,400	37,446,600	37,144,900	37,111,000

COMMUNITY SERVICES AND OPEN SPACES

HIGHWAYS OPERATIONS AND STREETSCENE

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Inspection & Enforcement	194,300	199,400	199,400	199,400
Network Management	(451,500)	(451,300)	(451,300)	(451,300)
Tree Root Provision	367,700	367,700	367,700	367,700
Winter Maintenance	153,200	153,200	153,200	153,200
	263,700	269,000	269,000	269,000

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Variation Analysis				
2021/22 ORIGINAL BUDGET	263,700	263,700	263,700	263,700
Inflation	0	29,700	29,700	29,700
Other Government or Outside Body Changes				
- National Insurance Uplift	0	7,400	7,400	7,400
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	0	(29,700)	(29,700)	(29,700)
Other Growth and Savings				
- 21-355 (Nov) Review of Charges	0	(2,100)	(2,100)	(2,100)
NET EXPENDITURE	263,700	269,000	269,000	269,000

EDUCATION AND CHILDRENS SERVICES

SUMMARY BY SERVICE AREA

<u>SERVICE</u>	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Business Resources	16,054,750	15,842,850	15,842,850	15,842,850
Children and Families	43,836,700	41,575,800	41,575,800	41,575,800
Early Help	15,532,700	15,593,100	15,575,100	15,575,100
Education Standards and Inclusion	7,080,150	7,090,850	7,090,850	7,090,850
Total Education and Childrens Services	82,504,300	80,102,600	80,084,600	80,084,600

<u>Variation Analysis</u>	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
2021/22 ORIGINAL BUDGET	81,647,100	81,647,100	81,647,100	81,647,100
Inflation	345,200	968,100	968,100	968,100
Changes in Government Grants	(947,000)	(700,000)	(700,000)	(700,000)
Other Government or Outside Body Changes	0	399,000	399,000	399,000
Demand Led Growth	0	(55,000)	(55,000)	(55,000)
Efficiency Savings	(21,900)	(589,300)	(589,300)	(589,300)
Other Growth and Savings	963,600	(1,607,900)	(1,607,900)	(1,607,900)
Budget Transfers	517,300	40,600	22,600	22,600
NET EXPENDITURE	82,504,300	80,102,600	80,084,600	80,084,600

EDUCATION AND CHILDRENS SERVICES

SUBJECTIVE ANALYSIS

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
<u>Expenditure</u>				
Employees	45,846,800	44,311,500	44,311,500	44,311,500
Premises	1,213,850	748,750	748,750	748,750
Transport	4,820,400	4,857,700	4,857,700	4,857,700
Supplies & Services	5,690,550	6,657,550	6,657,550	6,657,550
Third Party Payments	29,306,350	28,115,350	28,097,350	28,097,350
Transfer Payments	1,450,550	1,447,650	1,447,650	1,447,650
Support Service Recharges	6,666,600	6,666,000	6,666,000	6,666,000
Depreciation & Impairment	3,802,800	3,802,800	3,802,800	3,802,800
TOTAL EXPENDITURE	98,797,900	96,607,300	96,589,300	96,589,300
<u>Income</u>				
Government Grants	(12,997,500)	(12,848,800)	(12,848,800)	(12,848,800)
Other Grants & Contributions	(1,841,300)	(1,841,300)	(1,841,300)	(1,841,300)
Customer & Client Receipts	(980,100)	(1,339,900)	(1,339,900)	(1,339,900)
Recharge Income	(474,700)	(474,700)	(474,700)	(474,700)
TOTAL INCOME	(16,293,600)	(16,504,700)	(16,504,700)	(16,504,700)
NET EXPENDITURE	82,504,300	80,102,600	80,084,600	80,084,600

EDUCATION AND CHILDRENS SERVICES

BUSINESS RESOURCES

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Directorate & Business Resources	10,783,650	10,524,350	10,524,350	10,524,350
SEN Travel Assistance	4,764,600	4,808,000	4,808,000	4,808,000
School Support	506,500	510,500	510,500	510,500
	16,054,750	15,842,850	15,842,850	15,842,850

Variation Analysis	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
2021/22 ORIGINAL BUDGET	12,441,200	12,441,200	12,441,200	12,441,200
Inflation	89,300	230,700	230,700	230,700
Other Government or Outside Body Changes				
- National Insurance Uplift	0	65,400	65,400	65,400
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	(200)	(98,600)	(98,600)	(98,600)
Other Growth and Savings				
- Budget Recovery Savings	0	(300,000)	(300,000)	(300,000)
Budget Transfers	3,524,450	3,504,150	3,504,150	3,504,150
NET EXPENDITURE	16,054,750	15,842,850	15,842,850	15,842,850

EDUCATION AND CHILDRENS SERVICES

CHILDREN AND FAMILIES

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Children in Need Teams	4,915,150	4,954,250	4,954,250	4,954,250
Children Looked After Teams	6,888,200	6,918,700	6,918,700	6,918,700
External Care Placements	14,191,700	13,154,100	13,154,100	13,154,100
Family & Community Services	6,964,000	6,945,900	6,945,900	6,945,900
Family Centres & Contact Service	2,321,800	1,179,400	1,179,400	1,179,400
Edge of Care and Intensive Intervention	600	1,200	1,200	1,200
Adoption, Fostering & Permanency	1,472,000	1,484,600	1,484,600	1,484,600
Special Education Needs Disability & Psych Service	2,081,450	1,888,550	1,888,550	1,888,550
Safeguarding Standards	1,313,400	1,324,500	1,324,500	1,324,500
Social Care Academy	1,209,300	1,218,200	1,218,200	1,218,200
Youth Offending Team	806,600	818,000	818,000	818,000
Specialist Services for Families	1,672,500	1,688,400	1,688,400	1,688,400
	43,836,700	41,575,800	41,575,800	41,575,800

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Variation Analysis				
2021/22 ORIGINAL BUDGET	46,566,850	46,566,850	46,566,850	46,566,850
Inflation	248,100	521,400	521,400	521,400
Changes in Government Grants				
- Family Safeguarding Programme	(700,000)	(700,000)	(700,000)	(700,000)
- Violence Reduction Unit (Manhood Academy Grant)	(17,000)	0	0	0
- Secure Remand Grant	(230,000)	0	0	0
Other Government or Outside Body Changes				
- National Insurance Uplift	0	210,800	210,800	210,800
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	(20,300)	(284,400)	(284,400)	(284,400)
Other Growth and Savings				
- Budget Recovery Plan	0	(2,200,000)	(2,200,000)	(2,200,000)
- Family Safeguarding - Expenditure Programme	700,000	700,000	700,000	700,000
- Violence Reduction Unit (Manhood Academy) - Expenditure	17,000	0	0	0
- Secure Remand Grant - Expenditure	230,000	0	0	0
- Backdated Rent - Future First	16,600	0	0	0
Budget Transfers	(2,974,550)	(3,238,850)	(3,238,850)	(3,238,850)
NET EXPENDITURE	43,836,700	41,575,800	41,575,800	41,575,800

EDUCATION AND CHILDRENS SERVICES

EARLY HELP

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Afterschool & Holiday Play Centres	45,700	48,100	48,100	48,100
Youth Services	3,029,000	3,152,800	3,152,800	3,152,800
Children's Centres	1,835,400	1,851,500	1,851,500	1,851,500
Youth Offending Team	0	0	0	0
Early Years Central & Management Costs	8,473,400	8,377,000	8,359,000	8,359,000
Early Years - Dedicated Schools Grant	6,000	8,100	8,100	8,100
Innovation & Impact Service	914,700	923,300	923,300	923,300
Early Years - Special Educational Needs and Disability	1,228,500	1,232,300	1,232,300	1,232,300
	15,532,700	15,593,100	15,575,100	15,575,100

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Variation Analysis				
2021/22 ORIGINAL BUDGET	15,897,000	15,897,000	15,897,000	15,897,000
Inflation	7,800	162,500	162,500	162,500
Other Government or Outside Body Changes				
- National Insurance Uplift	0	57,100	57,100	57,100
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	(1,000)	(152,400)	(152,400)	(152,400)
Other Growth and Savings				
- Children's Public Health - Agenda for Change	0	192,100	192,100	192,100
Budget Transfers	(371,100)	(563,200)	(581,200)	(581,200)
NET EXPENDITURE	15,532,700	15,593,100	15,575,100	15,575,100

EDUCATION STANDARDS AND INCLUSION

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Overheads	0	0	0	0
School Participation & Improvement	1,723,600	1,690,200	1,690,200	1,690,200
Lifelong Learning	(22,200)	(9,600)	(9,600)	(9,600)
Pupil Services	68,200	72,500	72,500	72,500
Psychology Service	820,350	830,450	830,450	830,450
Special Education Needs & Disability Services	1,009,300	1,026,400	1,026,400	1,026,400
Schools Depreciation	3,480,900	3,480,900	3,480,900	3,480,900
	7,080,150	7,090,850	7,090,850	7,090,850

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Variation Analysis				
2021/22 ORIGINAL BUDGET	6,742,050	6,742,050	6,742,050	6,742,050
Inflation	0	53,500	53,500	53,500
Other Government or Outside Body Changes				
- National Insurance Uplift	0	65,700	65,700	65,700
Demand Led Growth				
- 20-202 (Jul 20) Recovery Plan	0	(55,000)	(55,000)	(55,000)
Efficiency Savings				
-Income, Contract and Departmental Efficiencies	(400)	(53,900)	(53,900)	(53,900)
Budget Transfers	338,500	338,500	338,500	338,500
NET EXPENDITURE	7,080,150	7,090,850	7,090,850	7,090,850

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

SUMMARY BY SERVICE AREA

<u>SERVICE</u>	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
General Services - Chief Executive's and Other	2,483,600	2,132,200	2,099,200	1,923,000
General Services - Resources	(10,178,100)	(11,510,600)	(11,993,800)	(11,999,500)
Revenue Services	6,109,100	6,137,800	6,137,800	6,137,800
Property Services	(2,090,100)	(3,548,200)	(3,962,200)	(3,962,200)
Economic Development	2,199,100	1,840,700	1,352,100	1,252,100
Environmental Services and Regulatory Services	3,872,300	3,670,100	3,670,100	3,670,100
Total Finance and Corporate Resources	2,395,900	(1,278,000)	(2,696,800)	(2,978,700)

<u>Variation Analysis</u>	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
2021/22 ORIGINAL BUDGET	340,000	340,000	340,000	340,000
Inflation	311,900	762,300	762,300	762,300
Changes in Government Grants	21,400	21,400	21,400	21,400
Other Government or Outside Body Changes	0	201,600	201,600	201,600
Demand Led Growth	0	203,600	100,000	0
Efficiency Savings	(15,900)	(907,300)	(907,300)	(907,300)
Investment Priorities	2,415,100	1,029,600	222,400	40,500
Other Growth and Savings	(65,600)	(2,318,200)	(2,826,200)	(2,826,200)
Budget Transfers	(611,000)	(611,000)	(611,000)	(611,000)
NET EXPENDITURE	2,395,900	(1,278,000)	(2,696,800)	(2,978,700)

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

SUBJECTIVE ANALYSIS

	<u>2021/22</u> <u>Revised</u> <u>£</u>	<u>2022/23</u> <u>Budget</u> <u>£</u>	<u>2023/24</u> <u>Budget</u> <u>£</u>	<u>2024/25</u> <u>Budget</u> <u>£</u>
<u>Expenditure</u>				
Employees	7,183,900	7,348,800	7,054,000	6,772,100
Premises	863,800	737,400	737,400	737,400
Transport	52,200	52,200	52,200	52,200
Supplies & Services	11,136,900	6,050,500	5,211,500	5,211,500
Third Party Payments	6,040,000	5,979,000	5,694,000	5,694,000
Transfer Payments	151,801,500	148,100,600	148,100,600	148,100,600
Support Service Recharges	12,783,000	12,423,000	12,423,000	12,423,000
Depreciation & Impairment	(15,890,600)	(15,890,600)	(15,890,600)	(15,890,600)
TOTAL EXPENDITURE	173,970,700	164,800,900	163,382,100	163,100,200
<u>Income</u>				
Government Grants	(149,229,900)	(145,231,500)	(145,231,500)	(145,231,500)
Other Grants & Contributions	(247,900)	(247,900)	(247,900)	(247,900)
Customer & Client Receipts	(13,947,800)	(13,795,300)	(13,795,300)	(13,795,300)
Interest	(6,229,400)	(4,923,500)	(4,923,500)	(4,923,500)
Recharge Income	(14,600)	(5,600)	(5,600)	(5,600)
Internal charges	(1,905,200)	(1,875,100)	(1,875,100)	(1,875,100)
TOTAL INCOME	(171,574,800)	(166,078,900)	(166,078,900)	(166,078,900)
NET EXPENDITURE	2,395,900	(1,278,000)	(2,696,800)	(2,978,700)

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

General Services - Chief Executive and Other

	<u>2021/22</u> <u>Revised</u>	<u>2022/23</u> <u>Budget</u>	<u>2023/24</u> <u>Budget</u>	<u>2024/25</u> <u>Budget</u>
	£	£	£	£
Corporate Initiatives	350,800	288,000	288,000	288,000
Community and Partnerships	1,459,400	1,412,700	1,387,700	1,387,700
Climate Change	402,200	216,400	208,400	32,200
Emergency Planning	231,400	232,200	232,200	232,200
Land Charges	(18,700)	(17,100)	(17,100)	(17,100)
Workspace Programme	58,500	0	0	0
	2,483,600	2,132,200	2,099,200	1,923,000

	<u>2021/22</u> <u>Revised</u>	<u>2022/23</u> <u>Budget</u>	<u>2023/24</u> <u>Budget</u>	<u>2024/25</u> <u>Budget</u>
	£	£	£	£
Variation Analysis				
2021/22 ORIGINAL BUDGET	1,907,900	1,907,900	1,907,900	1,907,900
Inflation	15,200	39,500	39,500	39,500
Other Government or Outside Body Changes				
- National Insurance Uplift	0	3,800	3,800	3,800
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	0	(24,300)	(24,300)	(24,300)
Investment Priorities				
- 21-190 (July 21) Voluntary Contributions Scheme	32,000	27,000	27,000	27,000
- 21-197 (July 21) Climate Change Projects	236,000	0	0	0
- 21-197 (July 21) Wandsworth Grants Fund	50,600	0	0	0
- 21-197 (July 21) SSA Implementation and Other Carry Forwards	66,500	0	0	0
- EU Settlement Scheme	24,000	0	0	0
- 21-185 (July 21) Kickstart Programme	38,000	0	0	0
- 22-62 (Feb 22) WESS Climate Change	44,100	176,200	176,200	0
- 22-64 (Feb 22) Platinum Jubilee Grants	0	25,000	0	0
Other Growth and Savings				
- Removal of One-off Items from Base	0	(95,300)	(103,300)	(103,300)
Budget Transfers	69,300	72,400	72,400	72,400

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

GENERAL SERVICES - RESOURCES

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Registration of Electors	700,100	1,102,800	702,800	702,800
General Services Finance	(231,900)	(1,837,200)	(1,837,200)	(1,837,200)
Apprenticeship Levy	419,200	419,200	419,200	419,200
Capital Financing Account	(16,238,900)	(16,238,900)	(16,238,900)	(16,238,900)
Corporate Management Costs	5,173,400	5,043,500	4,960,300	4,954,600
	(10,178,100)	(11,510,600)	(11,993,800)	(11,999,500)

Variation Analysis	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
2021/22 ORIGINAL BUDGET	(9,451,800)	(9,451,800)	(9,451,800)	(9,451,800)
Inflation	181,800	348,900	348,900	348,900
Other Government or Outside Body Changes				
- National Insurance Uplift	0	139,200	139,200	139,200
Efficiency Savings				
- Democratic Services	0	(90,000)	(90,000)	(90,000)
- 20-380 (Nov 20) IT Investment Strategy	0	(177,000)	(177,000)	(177,000)
- Income, Contract and Departmental Efficiencies	(7,500)	(379,900)	(379,900)	(379,900)
Investment Priorities				
- 21-197 (July 21) Fraud Service - Partnership Agreement	44,000	0	0	0
- 21-197 (July 21) Hybrid Working	52,700	0	0	0
- 21-189 (July 21) Data and Analytics Strategy	85,400	102,400	19,200	13,500
Other Growth and Savings				
- Brexit Costs (Grant Funded)	34,400	0	0	0
- Interest on Investments		(1,339,100)	(1,339,100)	(1,339,100)
- Local Election Costs	0	400,000	0	0
Budget Transfers				
- Realignment of Depreciation Budgets	(1,117,100)	(1,063,300)	(1,063,300)	(1,063,300)
NET EXPENDITURE	(10,178,100)	(11,510,600)	(11,993,800)	(11,999,500)

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

REVENUE SERVICES

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Council Tax & NNDR Collection	1,113,500	1,120,600	1,120,600	1,120,600
Housing & Council Tax Benefits	4,995,600	5,017,200	5,017,200	5,017,200
	6,109,100	6,137,800	6,137,800	6,137,800

Variation Analysis	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
2021/22 ORIGINAL BUDGET	6,079,600	6,079,600	6,079,600	6,079,600
Inflation	12,200	92,400	92,400	92,400
Changes in Government Grants				
- Local Council Tax Support Admin Grant	21,400	21,400	21,400	21,400
Other Government or Outside Body Changes				
- National Insurance Uplift	0	28,700	28,700	28,700
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	(4,100)	(84,300)	(84,300)	(84,300)
Budget Transfers	0	0	0	0
NET EXPENDITURE	6,109,100	6,137,800	6,137,800	6,137,800

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

PROPERTY SERVICES

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Commercial Properties	(5,294,100)	(5,363,400)	(5,363,400)	(5,363,400)
Energy Management Schemes	120,000	100,000	0	0
Operational Properties	2,801,000	1,517,200	1,203,200	1,203,200
Properties Pending Disposal	283,000	198,000	198,000	198,000
	(2,090,100)	(3,548,200)	(3,962,200)	(3,962,200)

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Variation Analysis				
2021/22 ORIGINAL BUDGET	(3,397,100)	(3,397,100)	(3,397,100)	(3,397,100)
Inflation	102,100	204,200	204,200	204,200
Other Government or Outside Body Changes				
- National Insurance Uplift	0	13,200	13,200	13,200
Demand Led Growth				
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	(3,100)	(49,500)	(49,500)	(49,500)
Investment Priorities				
- 21-197 (July 21) Outturn slippage - Workspace Strategy	223,000	0	0	0
- 21-197 (July 21) Outturn slippage - WESS	25,000	0	0	0
- 21-197 (July 21) Outturn - Property Disposal Consultancy	85,000	0	0	0
- 21-277 (Oct 21) - Town Hall Masterplan	673,000	314,000	0	0
- 21-278 (Oct 21) - Decarbonisation Strategy	0	100,000	0	0
Other Growth and Savings				
- Commercial Income - New Sites	(100,000)	(175,000)	(175,000)	(175,000)
- 20-210 (July 20) - Workspace Strategy (remove from base budget)	0	(765,000)	(765,000)	(765,000)
- 21-61 (Feb 21) - WESS (remove from base budget)	0	(95,000)	(95,000)	(95,000)
Budget Transfers	302,000	302,000	302,000	302,000
NET EXPENDITURE	(2,090,100)	(3,548,200)	(3,962,200)	(3,962,200)

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

Economic Development

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Economic Development	1,119,300	475,500	402,400	302,400
Town Centres	1,079,800	1,365,200	949,700	949,700
	2,199,100	1,840,700	1,352,100	1,252,100

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Variation Analysis				
2021/22 ORIGINAL BUDGET	1,467,100	1,467,100	1,467,100	1,467,100
Inflation	0	21,700	21,700	21,700
Other Government or Outside Body Changes				
- National Insurance Uplift	0	13,700	13,700	13,700
Demand Led Growth				
- 21-65 (Feb 21) High Street and Business Recovery	0	203,600	100,000	0
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	(1,200)	(47,800)	(47,800)	(47,800)
Investment Priorities				
- 21-197 (July 21) Business Recovery	155,000	0	0	0
- 21-197 (July 21) Town Centre Management	199,800	0	0	0
- 21-197 (July 21) Work Match Construction Programme	136,000	0	0	0
- 21-197 (July 21) Putney High Street Fund	75,000	0	0	0
- 21-185 (July 21) Employment and Skills Strategy	170,000	0	0	0
- 22-66 (Feb 22) High Street Recovery	0	285,000	0	0
Other Growth and Savings				
- 20-202 (July 20) Growth Recovery Plan	0	(100,000)	(200,000)	(200,000)
Budget Transfers	(2,600)	(2,600)	(2,600)	(2,600)
NET EXPENDITURE	2,199,100	1,840,700	1,352,100	1,252,100

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

ENVIRONMENTAL SERVICES AND REGULATORY SERVICES

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Community Safety	709,500	655,600	655,600	655,600
Coroners' Court and Mortuary	721,600	721,600	721,600	721,600
Regulatory Services	2,441,200	2,292,900	2,292,900	2,292,900
	3,872,300	3,670,100	3,670,100	3,670,100

Variation Analysis	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
2021/22 ORIGINAL BUDGET	3,734,300	3,734,300	3,734,300	3,734,300
Inflation	600	55,600	55,600	55,600
Other Government or Outside Body Changes				
- National Insurance Uplift	0	3,000	3,000	3,000
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	0	(54,500)	(54,500)	(54,500)
Other Growth and Savings				
- 21-61 (Feb 21) Wandsworth Environment and Sustainability Strategy Action Plan (Removal from Base)	0	(148,800)	(148,800)	(148,800)
Budget Transfers	137,400	80,500	80,500	80,500
NET EXPENDITURE	3,872,300	3,670,100	3,670,100	3,670,100

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

SUMMARY BY SERVICE AREA

CENTRAL SUPPORT

<u>SERVICE</u>	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Central Services - Resources Directorate	19,073,300	18,979,400	18,663,400	18,601,400
Central Services - Chief Executive's Group	4,261,600	4,186,800	4,186,800	4,186,800
Property Services Support Functions	8,558,800	8,627,100	8,627,100	8,627,100
	31,893,700	31,793,300	31,477,300	31,415,300

<u>Variation Analysis</u>	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
2021/22 ORIGINAL BUDGET	32,849,050	32,849,050	32,849,050	32,849,050
Inflation	189,000	452,900	452,900	452,900
Other Government or Outside Body Changes	0	164,700	164,700	164,700
Efficiency Savings	(10,300)	(488,000)	(804,000)	(866,000)
Investment Priorities	182,100	102,400	102,400	102,400
Other Growth and Savings	34,400	0	0	0
Budget Transfers	(1,350,550)	(1,287,750)	(1,287,750)	(1,287,750)
NET EXPENDITURE	31,893,700	31,793,300	31,477,300	31,415,300

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

SUBJECTIVE ANALYSIS

CENTRAL SUPPORT

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
<u>Expenditure</u>				
Employees	21,753,700	21,923,800	21,723,800	21,723,800
Premises	6,077,100	6,130,300	6,130,300	6,130,300
Transport	128,000	128,000	128,000	128,000
Supplies & Services	7,325,000	7,051,300	6,935,300	6,873,300
Third Party Payments	1,450,600	1,450,600	1,450,600	1,450,600
Depreciation & Impairment	1,499,600	1,499,600	1,499,600	1,499,600
TOTAL EXPENDITURE	38,234,000	38,183,600	37,867,600	37,805,600
<u>Income</u>				
Government Grants	(170,300)	(170,300)	(170,300)	(170,300)
Other Grants & Contributions	(1,538,400)	(1,538,400)	(1,538,400)	(1,538,400)
Customer & Client Receipts	(3,511,900)	(3,561,900)	(3,561,900)	(3,561,900)
Internal charges	(1,119,700)	(1,119,700)	(1,119,700)	(1,119,700)
TOTAL INCOME	(6,340,300)	(6,390,300)	(6,390,300)	(6,390,300)
TOTAL NET EXPENDITURE	31,893,700	31,793,300	31,477,300	31,415,300

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

CENTRAL SERVICES - RESOURCES DIRECTORATE

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Corporate Services	12,028,900	11,882,800	11,566,800	11,504,800
Resources Directorate and General Services	810,600	878,500	878,500	878,500
Financial Management	2,472,900	2,484,800	2,484,800	2,484,800
Financial Services	1,896,900	1,855,900	1,855,900	1,855,900
Revenues Services	1,864,000	1,877,400	1,877,400	1,877,400
	19,073,300	18,979,400	18,663,400	18,601,400

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Variation Analysis				
2021/22 ORIGINAL BUDGET	18,168,600	18,168,600	18,168,600	18,168,600
Inflation	46,500	172,500	172,500	172,500
Other Government or Outside Body Changes				
- National Insurance Uplift	0	117,000	117,000	117,000
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	(6,100)	(132,100)	(132,100)	(132,100)
- 20-380 (Nov 20) IT Investment Strategy	0	(177,000)	(493,000)	(555,000)
Investment Priorities				
- 21-197 (July 21) Hybrid Working and Shared Fraud Services	96,700	0	0	0
NET EXPENDITURE	19,073,300	18,979,400	18,663,400	18,601,400

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

CENTRAL SERVICES - CHIEF EXECUTIVE'S GROUP

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Complaints, Consultations and FOI Team	362,300	329,500	329,500	329,500
Communications and Corporate Design	248,900	252,900	252,900	252,900
Member Services	2,028,700	1,955,300	1,955,300	1,955,300
Policy, Performance and Analysis	512,600	533,300	533,300	533,300
Chief Executive, Support and Trainees	1,109,100	1,115,800	1,115,800	1,115,800
	4,261,600	4,186,800	4,186,800	4,186,800

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Variation Analysis				
2021/22 ORIGINAL BUDGET	6,403,850	6,403,850	6,403,850	6,403,850
Inflation	40,600	97,500	97,500	97,500
Changes in Government Grants				
- National Insurance Uplift	0	32,600	32,600	32,600
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	(1,100)	(58,000)	(58,000)	(58,000)
- Democratic Services		(90,000)	(90,000)	(90,000)
Investment Priorities				
- 21-189 (2021) Data and Analytics Strategy	85,400	102,400	102,400	102,400
Other Growth and Savings	34,400	0	0	0
Budget Transfers	(2,301,550)	(2,301,550)	(2,301,550)	(2,301,550)
NET EXPENDITURE	4,261,600	4,186,800	4,186,800	4,186,800

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

PROPERTY SERVICES

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Borough Valuers	588,500	593,000	593,000	593,000
Building Costs	4,294,800	4,348,000	4,348,000	4,348,000
Schools and Building Capital	346,500	347,400	347,400	347,400
Facilities Management	3,329,000	3,338,700	3,338,700	3,338,700
	8,558,800	8,627,100	8,627,100	8,627,100

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Variation Analysis				
2021/22 ORIGINAL BUDGET	8,276,600	8,276,600	8,276,600	8,276,600
Inflation	101,900	182,900	182,900	182,900
Other Government or Outside Body Changes				
- National Insurance Uplift	0	15,100	15,100	15,100
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	(3,100)	(30,900)	(30,900)	(30,900)
Budget Transfers	183,400	183,400	183,400	183,400
NET EXPENDITURE	8,558,800	8,627,100	8,627,100	8,627,100

HOUSING AND REGENERATION

SUMMARY BY SERVICE AREA

<u>SERVICE</u>	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Housing Management and Service Strategy	398,200	403,000	403,000	403,000
Housing Services	10,217,000	11,927,700	11,927,700	11,927,700
Private Sector Housing	483,000	483,000	483,000	483,000
Total Housing and Regeneration	11,098,200	12,813,700	12,813,700	12,813,700

<u>Variation Analysis</u>	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
2021/22 ORIGINAL BUDGET	9,728,200	9,728,200	9,728,200	9,728,200
Inflation	2,000	32,200	32,200	32,200
Changes in Government Grants	(936,700)	0	0	0
Other Government or Outside Body Changes	1,800	15,700	15,700	15,700
Demand Led Growth	2,236,700	3,000,000	3,000,000	3,000,000
Efficiency Savings	(8,100)	(36,700)	(36,700)	(36,700)
Budget Transfers	74,300	74,300	74,300	74,300
NET EXPENDITURE	11,098,200	12,813,700	12,813,700	12,813,700

HOUSING AND REGENERATION

SUBJECTIVE ANALYSIS

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
<u>Expenditure</u>				
Employees	5,831,900	5,872,300	5,872,300	5,872,300
Premises	797,400	799,000	799,000	799,000
Transport	23,000	23,000	23,000	23,000
Supplies & Services	1,721,000	1,894,100	1,894,100	1,894,100
Third Party Payments	31,355,600	35,123,200	35,123,200	35,123,200
Transfer Payments	1,079,000	1,057,500	1,057,500	1,057,500
Support Service Recharges	899,900	899,900	899,900	899,900
TOTAL EXPENDITURE	41,707,800	45,669,000	45,669,000	45,669,000
<u>Income</u>				
Government Grants	(5,466,700)	(4,530,000)	(4,530,000)	(4,530,000)
Other Grants & Contributions	(871,900)	(875,400)	(875,400)	(875,400)
Customer & Client Receipts	(21,626,100)	(24,782,800)	(24,782,800)	(24,782,800)
Interest	(20,000)	(20,000)	(20,000)	(20,000)
Recharge Income	(376,700)	(378,700)	(378,700)	(378,700)
Internal charges	(2,248,200)	(2,268,400)	(2,268,400)	(2,268,400)
TOTAL INCOME	(30,609,600)	(32,855,300)	(32,855,300)	(32,855,300)
TOTAL NET EXPENDITURE	11,098,200	12,813,700	12,813,700	12,813,700

HOUSING AND REGENERATION

HOUSING MANAGEMENT AND SERVICE STRATEGY

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Affordable Housing and Service Strategy	(25,000)	(25,000)	(25,000)	(25,000)
Animal Welfare	40,900	40,900	40,900	40,900
Graffiti Removal	223,600	224,000	224,000	224,000
House Purchase and Leaseholder Advances	(24,400)	(24,400)	(24,400)	(24,400)
Travellers Site	(11,900)	(11,000)	(11,000)	(11,000)
Warden Services, Watch and Telecare	195,000	198,500	198,500	198,500
	398,200	403,000	403,000	403,000

Variation Analysis	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
2021/22 ORIGINAL BUDGET	184,300	184,300	184,300	184,300
Inflation	900	10,000	10,000	10,000
Other Government or Outside Body Changes				
- National Insurance Uplift	0	4,000	4,000	4,000
- Ex-LRB Mortgages Surplus Distribution	1,800	1,800	1,800	1,800
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	(500)	(8,800)	(8,800)	(8,800)
Budget Transfers	211,700	211,700	211,700	211,700
NET EXPENDITURE	398,200	403,000	403,000	403,000

HOUSING AND REGENERATION

HOUSING SERVICES

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Individuals with No Recourse to Public Funds	458,400	458,400	458,400	458,400
Direct Homelessness Costs	6,448,200	8,170,500	8,170,500	8,170,500
Homelessness Prevention Schemes	1,073,800	1,052,300	1,052,300	1,052,300
Housing Services Administration	2,236,600	2,246,500	2,246,500	2,246,500
	10,217,000	11,927,700	11,927,700	11,927,700

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Variation Analysis				
2021/22 ORIGINAL BUDGET	8,919,000	8,919,000	8,919,000	8,919,000
Inflation	1,100	16,300	16,300	16,300
Changes in Government Grants				
- 22-05 (Jan 22) - Additional Homelessness Prevention grant	(936,700)	0	0	0
Other Government or Outside Body Changes				
- National Insurance Uplift	0	9,900	9,900	9,900
Demand Led Growth				
- 22-05 (Jan 22) - Temporary Accommodation Pressures	2,236,700	3,000,000	3,000,000	3,000,000
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	(3,100)	(17,500)	(17,500)	(17,500)
Budget Transfers	0	0	0	0
NET EXPENDITURE	10,217,000	11,927,700	11,927,700	11,927,700

HOUSING AND REGENERATION

PRIVATE SECTOR HOUSING

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Home Improvement Agency	0	0	0	0
Private Sector Housing	483,000	483,000	483,000	483,000
	483,000	483,000	483,000	483,000

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Variation Analysis				
2021/22 ORIGINAL BUDGET	624,900	624,900	624,900	624,900
Inflation	0	5,900	5,900	5,900
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	(4,500)	(10,400)	(10,400)	(10,400)
Budget Transfers	(137,400)	(137,400)	(137,400)	(137,400)
NET EXPENDITURE	483,000	483,000	483,000	483,000

STRATEGIC PLANNING AND TRANSPORTATION

SUMMARY BY SERVICE AREA

<u>SERVICE</u>	<u>2021/22</u> <u>Revised</u> <u>£</u>	<u>2022/23</u> <u>Budget</u> <u>£</u>	<u>2023/24</u> <u>Budget</u> <u>£</u>	<u>2024/25</u> <u>Budget</u> <u>£</u>
Management and Support	319,600	325,200	325,200	325,200
Planning and Transport	1,284,700	1,149,400	1,027,400	1,027,400
Traffic and Engineering	(4,852,400)	(11,754,500)	(9,778,200)	(7,899,000)
Total Strategic Planning and Transportation	(3,248,100)	(10,279,900)	(8,425,600)	(6,546,400)

<u>Variation Analysis</u>	<u>2021/22</u> <u>Revised</u> <u>£</u>	<u>2022/23</u> <u>Budget</u> <u>£</u>	<u>2023/24</u> <u>Budget</u> <u>£</u>	<u>2024/25</u> <u>Budget</u> <u>£</u>
2021/22 ORIGINAL BUDGET	(2,748,800)	(2,748,800)	(2,748,800)	(2,748,800)
Inflation	135,100	410,600	410,600	410,600
Other Government or Outside Body Changes	0	(3,747,200)	(1,320,900)	558,300
Efficiency Savings	(1,131,100)	(2,175,900)	(2,175,900)	(2,175,900)
Investment Priorities	558,500	0	0	0
Other Growth and Savings	(111,000)	(2,064,600)	(2,636,600)	(2,636,600)
Budget Transfers	49,200	46,000	46,000	46,000
NET EXPENDITURE	(3,248,100)	(10,279,900)	(8,425,600)	(6,546,400)

STRATEGIC PLANNING AND TRANSPORTATION

SUBJECTIVE ANALYSIS

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
<u>Expenditure</u>				
Employees	3,941,200	3,971,000	3,971,000	3,971,000
Premises	1,080,800	1,083,400	1,083,400	1,083,400
Transport	18,500	18,500	18,500	18,500
Supplies & Services	4,715,600	3,887,800	3,752,800	3,752,800
Third Party Payments	7,211,400	7,507,000	9,933,300	11,812,500
Transfer Payments	12,336,800	8,549,700	8,549,700	8,549,700
Support Service Recharges	2,907,500	2,914,400	2,914,400	2,914,400
Depreciation & Impairment	7,729,800	7,729,800	7,729,800	7,729,800
TOTAL EXPENDITURE	39,941,600	35,661,600	37,952,900	39,832,100
<u>Income</u>				
Other Grants & Contributions	(835,300)	(595,600)	(595,600)	(595,600)
Customer & Client Receipts	(42,025,500)	(45,017,000)	(45,454,000)	(45,454,000)
Recharge Income	(75,500)	(75,500)	(75,500)	(75,500)
Internal charges	(253,400)	(253,400)	(253,400)	(253,400)
TOTAL INCOME	(43,189,700)	(45,941,500)	(46,378,500)	(46,378,500)
TOTAL NET EXPENDITURE	(3,248,100)	(10,279,900)	(8,425,600)	(6,546,400)

STRATEGIC PLANNING AND TRANSPORTATION

ECS MANAGEMENT AND SUPPORT

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Precepts and Levies	319,600	325,200	325,200	325,200
	319,600	325,200	325,200	325,200

	<u>2021/22</u> <u>Revised</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £	<u>2024/25</u> <u>Budget</u> £
Variation Analysis				
2021/22 ORIGINAL BUDGET	140,500	140,500	140,500	140,500
Inflation	10,100	11,300	11,300	11,300
Other Government or Outside Body Changes				
- Environment Agency Levy	0	(800)	(800)	(800)
Efficiency Savings				
- Income, Contract and Departmental Efficiencies		5,200	5,200	5,200
Budget Transfers	169,000	169,000	169,000	169,000
NET EXPENDITURE	319,600	325,200	325,200	325,200

STRATEGIC PLANNING AND TRANSPORTATION

PLANNING AND TRANSPORT

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Building Control	299,500	306,300	306,300	306,300
Development Management	(631,400)	(659,000)	(659,000)	(659,000)
Information & Business Support	162,700	164,100	164,100	164,100
Policy & Design	1,198,300	1,109,000	1,024,000	1,024,000
Transport Strategy	255,600	229,000	192,000	192,000
	1,284,700	1,149,400	1,027,400	1,027,400

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Variation Analysis				
2021/22 ORIGINAL BUDGET	1,233,900	1,233,900	1,233,900	1,233,900
Inflation	0	61,700	61,700	61,700
Other Government or Outside Body Changes				
- National Insurance Uplift	0	25,800	25,800	25,800
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	0	(61,700)	(61,700)	(61,700)
- 22-81 (Feb 2022) Fees & Charges		(9,100)	(9,100)	(9,100)
Investment Priorities				
- 21-197 (July 21) Review Permitted Development Rules	43,500	0	0	0
Other Growth and Savings				
- SO83(a) SPT213 Electric Charging Points	0	-13,200	-50,200	-50,200
- 21-034 (Feb 21) Removal of short term Wandle Delta SPD	0	-30,500	-30,500	-30,500
- 20-335 (Nov 20) Removal of short term Conservation & Urban Design Review	0	0	-85,000	-85,000
- SO83(a) SPT 198 EV Charge Points Liberty Charge		-10,800	-10,800	-10,800
Budget Transfers	7,300	7,300	7,300	7,300
NET EXPENDITURE	1,284,700	1,149,400	1,027,400	1,027,400

STRATEGIC PLANNING AND TRANSPORTATION

TRAFFIC AND ENGINEERING

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
CCTV	234,800	235,600	235,600	235,600
Concessionary Fares	12,450,700	8,664,500	11,090,800	12,970,000
Engineering - Parking & Traffic	702,300	703,400	703,400	703,400
Engineering - Highways	2,876,600	2,421,900	2,421,900	2,421,900
Engineering - Road Safety	8,598,000	8,627,600	8,627,600	8,627,600
Parking Administration	2,590,500	2,557,400	2,557,400	2,557,400
Parking including Contract Management	(32,305,300)	(34,964,900)	(35,414,900)	(35,414,900)
	(4,852,400)	(11,754,500)	(9,778,200)	(7,899,000)

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Variation Analysis				
2021/22 ORIGINAL BUDGET	(4,123,200)	(4,123,200)	(4,123,200)	(4,123,200)
Inflation	125,000	337,600	337,600	337,600
Other Government or Outside Body Changes				
- Concessionary Fares	0	(3,787,100)	(1,360,800)	518,400
- National Insurance Uplift	0	14,900	14,900	14,900
Efficiency Savings				
- S083(a) SPT176 Pay By Phone Parking	(518,000)	(691,000)	(691,000)	(691,000)
- SO83(a) SPT213 Electric Charging Points	(612,000)	(1,264,000)	(1,264,000)	(1,264,000)
- Income, Contract and Departmental Efficiencies	(1,100)	(164,400)	(164,400)	(164,400)
- 20-335 (Nov 20) Removal of short term Conservation	40,000	0	0	0
- SO83(a) SPT 198 EV Charge Points Liberty Charge	475,000	0	0	0
Other Growth and Savings				
- Recovery of Parking Income (Covid-19)	0	(1,000,000)	(1,000,000)	(1,000,000)
- CCTV Maintenance	(25,000)	(25,000)	(25,000)	(25,000)
- Traffic Enforcement - Moving Contraventions	0	(800,000)	(1,200,000)	(1,200,000)
- SO83(a) SPT201 Parking Contract Extension	(86,000)	(172,000)	(172,000)	(172,000)
- Acoustic Cameras	0	50,000	0	0
Budget Transfers	(127,100)	(130,300)	(130,300)	(130,300)
NET EXPENDITURE	(4,852,400)	(11,754,500)	(9,778,200)	(7,899,000)

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Section 3
Capital Programme

WANDSWORTH BOROUGH COUNCIL

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY OVERVIEW AND SCRUTINY
COMMITTEE – 23RD FEBRUARY 2022

EXECUTIVE – 28TH FEBRUARY 2022

Report by the Director of Resources on proposed additions to the General Fund
Capital Programme

SUMMARY

This is the annual General Fund capital bids report.

It is proposed to add capital schemes costing £26.4 million gross to the capital programme in 2021/22, 2022/23 and future years, including £2.2 million being met by grants and contributions, £14.9 million being met by Section 106 contributions and the Community Infrastructure Levy, £8.4 million met by capital receipts and £0.9 million met by the Renewals Fund Reserve.

These additions include establishing a Town Centre Investment Fund, other significant public realm improvements, investment in leisure centres and open spaces and highways and footways works across the borough.

The net Council-financed additions would result in £58,000 loss of investment income, equivalent to £0.42 Council Tax at Band D. A new budget framework for the General Fund Capital Programme is therefore recommended for adoption by the Council.

GLOSSARY

CIL	Community Infrastructure Levy
DfE	Department for Education
DIFS	Development Infrastructure Funding Study
GLA	Greater London Authority
HRA	Housing Revenue Account
NCIL	Neighbourhood Community Infrastructure Levy

PWLB	Public Works Loan Board
S106	Section 106 receipts
SCIL	Strategic Community Infrastructure Levy
TfL	Transport for London
VNEB	Vauxhall Nine Elms Opportunity Area
WESS	Wandsworth Environment and Sustainability Strategy

RECOMMENDATIONS

1. The Finance, Resources and Climate Sustainability Overview and Scrutiny Committee are recommended to support the recommendations in paragraph 2. If they approve any views, comments or recommendations on the report, these will be submitted to the Executive or the appropriate regulatory and other committees for their consideration.
2. The Executive is recommended to:
 - (a) approve the additions to the General Fund Capital Programme and revenue effects as set out in Appendix A to this report;
 - (b) recommend the Council to adopt the capital programme summarised in paragraph 31, and shown in full in Appendix B, and the capital resources statement shown in paragraph 32; and
 - (c) to approve the Council's Capital Strategy for 2022/23 as set out in Appendix C.

INTRODUCTION

3. On 13th October 2021, on the recommendation of the Executive (Paper No. 21-281), the Council adopted the General Fund Capital Programme and its financing for the years 2021/22 to 2025/26. The Executive instructed all Directors to put forward any proposed additions for consideration in this cycle of meetings. This paper updates the previous review in the light of latest information on potential finance and of the additional spending now proposed.

CURRENT APPROVED PROGRAMME

4. The table below shows the current approved capital programme totalling £223.9 million and its financing, before the additions and other changes subject to approval in this report:

Current capital programme

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<u>Committee</u>				
Adult Care & Health	803	150	0	0
Community Services & Open Spaces	5,104	4,916	0	0
Education & Children's Services	16,978	7,563	11,202	0
Finance, Resources & Climate Sustainability	14,502	19,810	9,880	0
Housing & Regeneration (non-HRA)	2,923	2,840	2,300	800
Strategic Planning & Transportation	29,813	57,989	31,119	5,835
	69,493	93,268	54,501	6,635
<u>Financed By</u>				
Grants & Contributions	18,427	7,328	1,400	400
S106 / SCIL	24,698	31,249	16,190	580
Nine Elms CIL Funding	9,128	34,245	31,722	2,055
Capital Receipts	17,240	20,446	5,189	3,600
	69,493	93,268	54,501	6,635

FINANCING THE GENERAL FUND CAPITAL PROGRAMME

5. The potential sources of finance for the Council's capital expenditure are: -
- grants and other contributions earmarked for particular schemes or services, and obtained only on condition that a corresponding addition is made to the programme;
 - Government capital grants not earmarked for particular schemes or services;
 - Strategic Community Infrastructure Levy (SCIL), Neighbourhood Community Infrastructure Levy (NCIL) and Section 106 payments;
 - usable capital receipts and reserves (currently invested and generating revenue income);
 - contributions from Council revenue accounts; and
 - borrowing.

6. Using earmarked resources to finance capital spend has no financial cost to the Council as these resources are only to be used for this purpose. These are therefore the first source of finance for any qualifying schemes. Some resources are given for a specific project (e.g. TfL grant which is bid for using a list of proposed schemes) and some have a wider restriction (e.g. CIL receipts, a Section 106 agreement may refer to provision of educational services rather than naming a school or ward) which gives the Council some scope to allocate them to finance priority schemes.
7. The use of non-earmarked grants/contributions or the Council's own receipts and reserves does have an opportunity cost, as they can only be used once. This cost is calculated as the loss of the interest that would have been received had this money been invested per the Council's Treasury Strategy.
8. If no other funding is available and borrowing (either internal or external) is taken, then the Council will need to repay the cost of this borrowing which is a charge to revenue. In addition to paying interest charges on any debt it must also create a General Fund revenue "minimum revenue provision" (MRP) budget to contribute to paying down this debt. This is similar in concept to paying off the capital on a mortgage.

Grants and Reimbursements

9. The revised capital programme shows grants and reimbursements expected to support the programme over future years totalling £206.9 million. The most significant of these are Section 106 and CIL contributions totalling £171.9 million. The table in [Appendix B](#) identifies significant grants and reimbursements associated with programmed capital schemes and summarises the proposed financing of the revised capital programme.

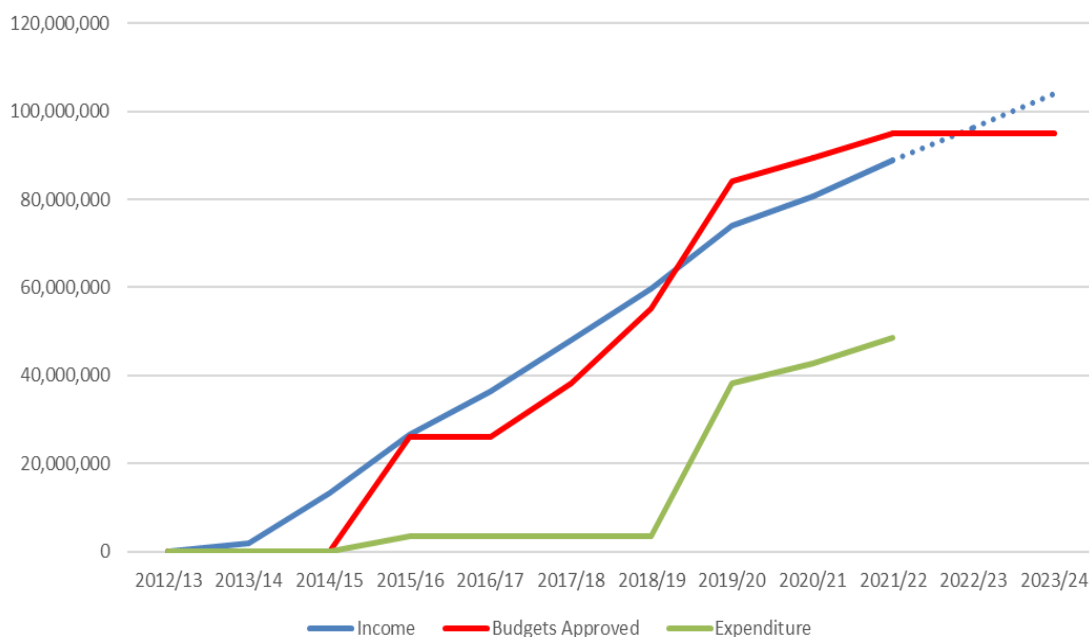
Community Infrastructure Levy

10. 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, at least 15% of all receipts must be earmarked for use in the local area (Neighbourhood CIL or NCIL) from where they are received. The arrangements for this in Wandsworth are implemented through the Wandsworth Local Fund. After a further deduction of an amount set aside for administration, capped at a maximum of 5%, outstanding CIL income is treated as general resources to fund general infrastructure works throughout the Borough, not ringfenced to the area of development. CIL income arising within the Vauxhall Nine Elms Opportunity

(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 Opportunity Area.

11. The use of SCIL receipts must fall within the CIL Regulations' definition of allowable expenditure and CIL spend must support the provision of infrastructure to support growth in the borough. As part of its Local Plan submission the Council must set out its approach to its prioritisation of SCIL use. The Planning Inspector will then consider how this relates to the provision of infrastructure as set out in the Council's Infrastructure Delivery Plan, and whether the delivery of that plan is achievable.
12. The actual level of SCIL receipts are affected by many varying factors outside the Council's control (such as general market conditions, the timing and phasing of developments and any subsequent revisions to planning applications). The Executive has already made decisions to commit SCIL to some schemes with planned expenditure in excess of receipts held but significant additional sums will be due to the Council in future years. The table in [Appendix D](#) lists SCIL receipts to date, those schemes to be funded and spend to date. The following graph summarises the position:

Wandsworth Strategic CIL Income, Budgets Approved
and Expenditure Incurred as at 31st Dec 2021



13. The figures reflected above include the proposed use of an estimated £1 million per annum of SCIL receipts for the years 2019/20 to 2023/24 to fund revenue maintenance costs which fall within the CIL Regulations' definition of allowable expenditure. The actual value of SCIL applied to fund infrastructure maintenance costs in 2020/21 was calculated to be £906,378. Future SCIL receipts can be applied towards the costs of infrastructure maintenance from 2024/25, subject to further SCIL being received.

14. By the end of quarter three 2021/22, the gross amount of SCIL received was £88.902 million. Expenditure to date funded by SCIL is £48.854 million and future commitments already made to schemes approved to be funded by SCIL is a further £45.878 million. To date, therefore, £94.732 million of spend/commitments have been made against actual receipts of £88.902 million resulting in a potential overcommitment of £5.830 million. In cash terms, however, there are £40.047 million of unspent receipts currently available, with the progress of some projects being dependent on factors outside of the Council's control.

15. The forecast for receipts in future years to year end 2023/24 of £15 million is based on payment demand notices that have been issued to developers and where estimated due dates for payments are known, with a broader assumption of receipts made in later years. Whilst this forecast is prudent, receipts are not guaranteed as actual levels are affected by many varying factors which are outside the Council's control such as general market

conditions, the timing and phasing of developments and any subsequent revisions to planning applications. SCIL receipts for future years beyond 2023/24, whilst expected, have not been forecast in the table and graph above. Estimates suggest that these could continue at around £7.5 million per year. There is a risk that future receipts could be lower than estimated, which would directly impact on the funding resources available to deliver any further new schemes. In addition, the Government plans to review how developer contributions (through s106 and CIL) currently work. Given the uncertainty over the level and timing of future SCIL receipts, careful consideration needs to be given to approving SCIL funded schemes to ensure funds are only spent once sufficient resources have actually been received.

16. There is therefore forecast to be £9.17 million of SCIL available up to the end of 2023/24 that could be allocated to fund infrastructure schemes, including to meet the Council's climate change priorities. These figures are before any approvals included within this paper. As cashflows for both SCIL receipts and SCIL-funded schemes develop and more accurate spend profiles are available, future capital update reports will provide updates on the forecast SCIL balance available for allocating to specific schemes.

Realisation of Investments

17. 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 Treasury Management Strategy for 2022/23 shows expected total investments in excess of £625 million at 31st March 2022. The Council's total cash invested at the end of December 2021 was £735 million. These balances relate almost entirely to current liabilities and to General Fund and Housing Revenue Account (HRA) reserves for contingencies and specific purposes. The only investments available specifically for financing the general capital programme are those arising from General Fund capital receipts and an element of the Renewals Fund.
18. 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 22 include mainly estimates relating to sales of General Fund sites already identified as surplus, amounting to £51.3 million over the next five years. These figures include estimates of further receipts due largely from Northcote Library and the Atheldene redevelopment. In general, future receipts are estimated to be at much lower levels than have been received in recent years. Limited HRA receipts are anticipated to become available for General Fund use and £1.5 million per year is included for these from 2022/23.
19. In addition to funding capital expenditure, capital receipts could also be used for revenue spend under the Government's "flexible use of capital receipts"

initiative reported to this committee in Paper No. 21-281. This could contribute to alleviating the pressure on revenue resources but would however reduce the availability of resources for capital spending. So far the Director of Resources has not used this option, nevertheless this remains a potentially useful flexibility and could contribute to alleviating some of the pressure on revenue resources.

20. The Council's General Fund capital framework was revised in January 2015 (Paper No. 15-25) to require an available resources limit, whereby a minimum level of capital receipts to be retained was set annually. The Council's General Fund capital framework was amended in February 2021 (Paper No. 21-64) to remove this to enable the Council to expend capital receipts in full and minimise the potential need to borrow.
21. The table below compares the estimated capital resources with the capital expenditure to be financed before the inclusion of the new bids proposed in this report:

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>
	£'000	£'000	£'000	£'000	£'000
Usable Capital Resources at start of year	23,405	27,489	3,682	18,173	16,253
Add: Grants and reimbursements	48,223	89,140	49,382	3,035	-
Add: New capital receipts	18,033	1,680	19,680	1,680	10,180
Less: Capital expenditure (incl. slippage)	(62,172)	(114,627)	(54,571)	(6,635)	-
Usable Capital Resources at end of year	27,489	3,682	18,173	16,253	26,433

22. Based on the latest forecast of the level of resources available, additions to the capital programme funded by capital receipts over the next four years totalling £26.4 million can theoretically be afforded.

Borrowing

23. Over many years the Council has benefited from a steady flow of capital receipts as asset use has been reviewed/rationalised. As a result the Council is in the very unusual position of having so far avoided the need to borrow to fund General Fund capital investment.
24. The Council may need to consider borrowing to fund future General Fund capital expenditure that it wishes to pursue, unless other sources and/or external funding are identified. Any 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.

25. If borrowing is taken, then the Council will need to pay interest (charged to revenue) and create a General Fund revenue “minimum revenue provision” (MRP) budget to contribute to paying down this debt. This is similar in concept to paying off the capital on a mortgage. In total, for every £1 million of capital expenditure funded by external borrowing, there will be an ongoing revenue cost in the region of £53,700 per annum at forecast borrowing costs (equivalent to an increase in Band D council tax of £0.39).
26. It should also set prudential indicators and monitor these through the Council’s treasury management strategy to ensure its overall level of borrowing remains financially sustainable.

Contributions from Revenue Accounts

27. Contributions directly from Council revenue accounts are rarely available for the General Capital Programme because of the impact on council tax.
28. The Renewals Fund is a General Fund revenue reserve with a current balance of £26.3 million. Its balance has built up over time in order to fund (largely irregular) spend such as building refurbishment, computer hardware and vehicle and plant equipment. This reserve can therefore be considered as a source of funding for future capital expenditure in order to maintain capital receipts and avoid borrowing and the additional revenue cost that incurs. It is therefore proposed to use the Renewals Fund to fund those schemes relating to the Council’s buildings which are not eligible for other funding sources (e.g. grant, SCIL) and would otherwise need to be funded by capital receipts (or borrowing if capital receipts were unavailable).

ADDITIONS TO THE CAPITAL PROGRAMME

29. Due to the current financial circumstances and the overall pressures on council tax in the next few years, the process that was adopted in 2013 in respect of additions to the capital programme has again been used. The general assumptions in relation to the funding of new capital schemes are as follows:
 - (a) schools expenditure for repairs and new places (both primary and secondary) will normally be limited to that funded from either Government grant or from directly linked site sales. If other grant funding is received, a list of prioritised schemes will be presented to the Education and Children’s Services Overview and Scrutiny Committee with a recommendation to approve additions to the capital programme at that time;
 - (b) for non-housing and non school-related Council operational property, schemes will be restricted to those that are either critical to keeping a

property in use, are required for health and safety reasons, will provide future revenue savings or will facilitate the Council's regeneration schemes. Schemes that are critical to keeping a property in use have been selected based upon the current condition information and maintenance forecast. These schemes are required to mitigate any health and safety issues (such as fire alarm replacement or electrical rewiring) or involve boiler/heating equipment at the end of its useful life. All schemes progressed will be conditional on retention of the properties for Council use beyond 2022.

- (c) routine bids for Empty Properties Grants and Disabled Facilities Grants totalling £2.2 million are included in Appendix A and are funded from grant or other contributions and so have no impact on available General Fund capital receipts;
 - (d) highways and other related schemes bids include £6.7 million capital investment in carriageways and footways across the Borough over the whole of the capital framework period; and
 - (e) schemes to be funded from Section 106 contributions or Community Infrastructure Levy (CIL) will be assessed on their merits and, whilst these may initially be predicated on assumed levels of receipts, any successful bids will ultimately need to take account of actual resources available.
30. Following consultation with Cabinet Members, additions to the General Fund capital programme have been included, taking account of the resulting revenue costs. Gross additions of £26.4 million, are included, with £14.9 million met by CIL and Section 106 receipts, £2.2 million from grants and contributions, £8.4 million from capital receipts and £0.9 million from the Renewals Fund reserve. The additions of £26.4 million now recommended are shown in Appendix A to this report and are summarised as follows:

Capital Bids Summary**Capital Costs**

	2021/22	2022/23	2023/24	Future Years	Full Year Revenue Effect
	£000	£000	£000	£000	£000
<u>Committee</u>					
Adult Care & Health	0	708	0	0	0
Community Services & Open Spaces	0	3,191	384	0	0
Education & Children's Services	0	226	150	300	4
Finance, Resources & Climate Sustainability	368	4,267	2,585	0	26
Housing & Regeneration (non-HRA)	0	1,052	0	800	0
Strategic Planning & Transportation	0	7,671	1,124	3,610	27
	368	17,115	4,243	4,710	58

Financed By

					<u>Total</u>
Grants & Contributions	0	1,790	0	400	2,190
S106 / SCIL	0	13,012	1,488	400	14,900
Capital Receipts	331	1,537	2,670	3,910	8,448
Renewals Fund	37	776	85	0	898
	368	17,115	4,243	4,710	26,436

REVISED CAPITAL PROGRAMME

31. The programme approved in Paper No. 21-281 has been amended to reflect virements and budget variations subsequently, and budget variations for expenditure requested in this committee cycle. Virements include £1 million of schemes which have been financed from the WESS fund, the drawdown summary of which can be seen in Appendix B. Cashflows have been revised to latest estimates, where appropriate.

The amended capital programme, together with the additions, is shown in full in Appendix B (including future years). Total capital expenditure and revenue effects are shown in the following table:

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>
	£000	£000	£000	£000	£000
Programme as per Paper No. 21-281:	69,493	93,268	54,501	6,635	0
Approved additions to the programme:	7,506	7,195	70	0	0
New bids to be approved in this report:	368	17,115	4,243	160	4,550
Approved programme:	77,367	117,578	58,814	6,795	4,550
Revision of cashflows:	(14,701)	14,701	0	0	0
Reductions:	(126)	(537)	0	0	0
Revised programme following review of schemes:	62,540	131,742	58,814	6,795	4,550
	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>Future</u>	<u>Revenue</u>
	£000	£000	£000	<u>Years</u>	<u>Full Year</u>
<u>Financed By</u>				£000	<u>Effect</u>
Grants & Contributions	14,101	18,750	1,400	800	
S106 / NCIL	12,209	14,757	4,310	800	
SCIL	12,860	36,115	13,438	180	
Nine Elms Funding	9,053	34,320	31,722	2,055	
Capital Receipts	14,280	27,024	7,859	7,510	383
Renewals Fund	37	776	85	0	
	62,540	131,742	58,814	11,345	

32. The table below compares the estimated capital resources with the capital expenditure to be financed, based on the revised programme including the new capital bids summarised in paragraph 30:

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>
	£'000	£'000	£'000	£'000	£'000
Usable Capital Resources at start of year	23,405	27,158	1,814	13,635	11,555
Add: Grants and reimbursements	48,260	104,718	50,955	3,035	800
Add: New capital receipts	18,033	1,680	19,680	1,680	10,180
Less: Capital expenditure	(62,540)	(131,742)	(58,814)	(6,795)	(4,550)
Usable Capital Resources at end of year	27,158	1,814	13,635	11,555	17,985

33. Based on the revised programme, the £23 million usable resources at the start of 2021/22 are expected to be almost fully expended in full in the short term, but are set to recover as a result of receipts which, due to the nature of the particular schemes, materialise later in the framework period. Officers will continue to refine spend and slippage assumptions, continuing to maximise the use of other funding sources (CIL, s106, grants, Renewals Fund etc) where appropriate.

REVENUE EFFECTS

34. Capital payments financed by grant have no revenue effect provided that the timing of the grant receipt is matched to the spend. Payments financed by the realisation of investments entail loss of interest on those investments.
35. The revenue effects of the revised General Fund capital programme are shown in the table in paragraph 31, with a full year impact of £383,000 equivalent to £2.78 Band D council tax and will be included as part of the 2022/23 Council Tax setting. This includes the revenue effects of the additions now proposed and shown in paragraph 30, amounting to £58,000 in a full year (equivalent to £0.42 Band D Council Tax).

FUTURE BIDS AND THE CAPITAL PIPELINE

36. It is important to consider potential future demands when deciding how much new spend is considered affordable as there are some potentially large items of capital spend in the pipeline. On current estimates the availability of capital receipts to fund future bids is extremely limited and inevitably there will need to be an increasing reliance on other forms of funding such as SCIL, the use of reserves and a need to borrow. All future bids will be subject to further due

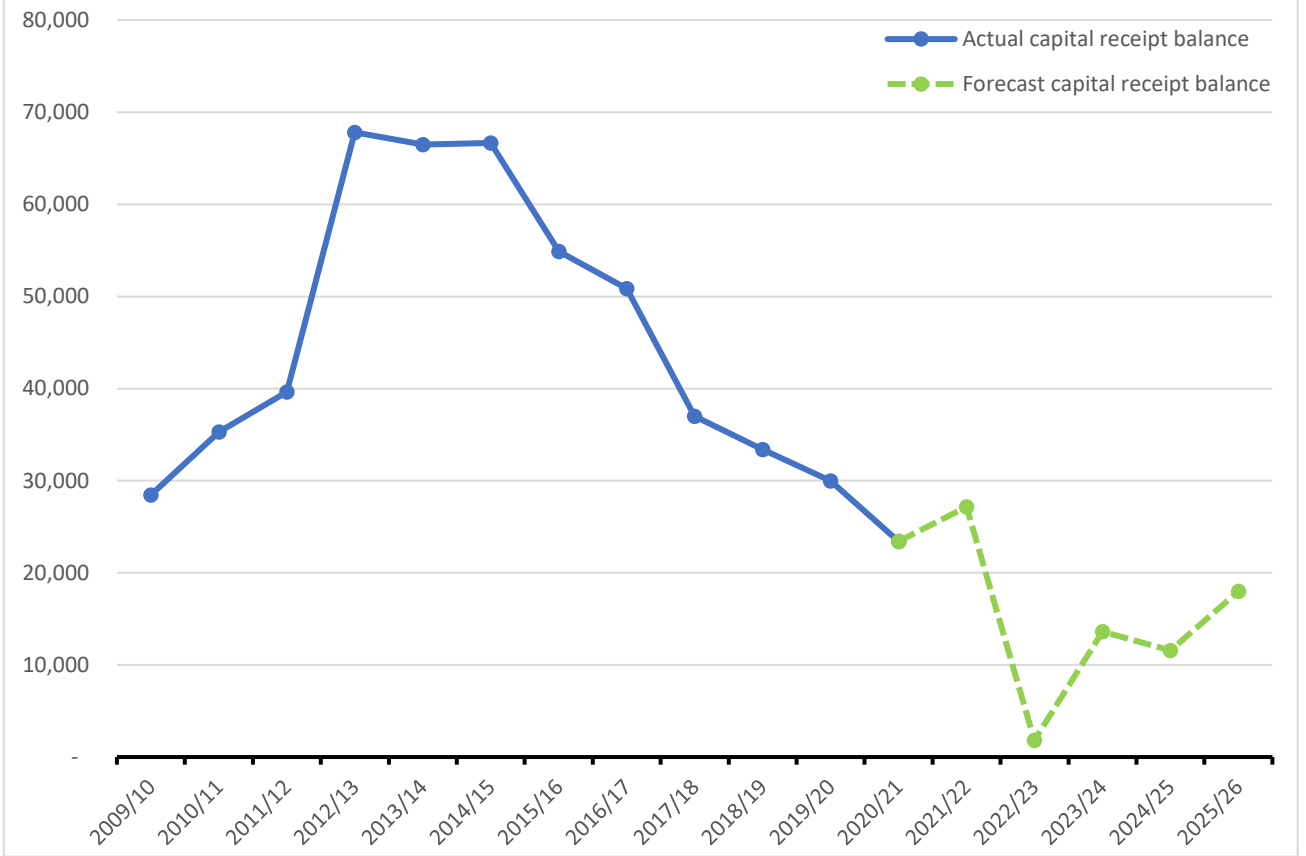
diligence and confirmation of positive business cases, suitable pay back periods and any available funding streams.

37. It is important to consider potential future demands when deciding how much new spend is considered affordable as there are some potentially large items of capital spend in the pipeline. On current estimates the availability of capital receipts to fund future bids is extremely limited and inevitably there will need to be an increasing reliance on other forms of funding such as SCIL, the use of reserves and a need to borrow. All future bids will be subject to further due diligence and confirmation of positive business cases, suitable pay back periods and any available funding streams.
38. Any future capital schemes that emerge as part of service remodelling and deliver ongoing revenue savings tend to come forward for approval as and when, but such schemes will still need to be reviewed in detail before going through the approval process.
39. In addition, the Council introduced the Beacon Libraries Programme in February 2021 (Paper No. 21-29) with a subsequent update in Paper No. 21-372 in December. Wandsworth Town, Northcote and Putney library improvements are progressing well. The interior design for Wandsworth Town has been developed and features a new conference and meeting facility, exhibition space and a new children's library. Following a competitive tender, the start on site is estimated to be April with completion in August 2022. Completion of Northcote Library is expected to be early 2023 and designs for the interior space at Putney are expected mid February. Once these projects are completed, other libraries in the borough will be considered for which further potential capital investment may be required.
40. Further consideration will also need to be given to any potential capital investment linked to the proposed leisure strategy and any other investment priorities identified such as the Wandsworth Town Hall WorkSpace Strategy and in particular how any such investment might be funded.

GENERAL CAPITAL PROGRAMME FRAMEWORK

41. The table in paragraph 32 updates the general capital budget framework to take account of the latest forecast of spending, grants and receipts. It also includes reference to the financial years 2022/23, 2023/24, 2024/25 and 2025/26. To serve as the new framework, it needs to be adopted as such at a meeting of the full Council.
42. The current capital framework was approved by the Finance and Corporate Resources OSC in Paper No. 15-25 and approved by the Executive on 28th January 2015. The timescale of the capital framework was amended from three to five years and the available resources limit was also amended so that annually the Council may commit to capital expenditure in a similar way to within the HRA whereby a minimum level of capital receipts has to be retained.
43. However, Paper No. 21-64 reported to the Finance, Resources and Climate Sustainability OSC in February 2021 recommended that this limit be removed to enable the Council to expend capital receipts in full and minimise the potential need to borrow. This was approved by the Executive on 22nd February 2021.
44. The Council must balance the flexibility given by retaining capital resources against the cost of borrowing, whether internally from cash surpluses or externally in a formal debt instrument. The cost of borrowing will continue to be considered when approving additional spend which does not have external financing (such as earmarked grant or contributions) identified from the outset.
45. The graph below shows how capital receipts have steadily reduced since 2010 as the scale of Council investment has outstripped the reducing number of capital receipt opportunities that have become available. Based on the revised capital programme shown in this report and current estimates of capital resources, it projects receipt balances to almost deplete by the end of 2022/23, before recovering to an estimated £18 million by the end of the capital framework period.
46. Without borrowing, assuming no further external funding is forthcoming, there will need to be a much-reduced capital programme in subsequent years or a run down of reserve balances. In addition, further work will be done to improve the planning of expenditure over the period to minimise borrowing where deemed appropriate.

General capital receipts available for use



APPROVALS UNDER DELEGATED AUTHORITY

47. Members are reminded that the Council's Constitution now allows for some capital schemes to be added to the approved capital programme by the Director of Resources under delegated authority in the following limited circumstances:
- a. Where schemes are fully funded by ringfenced specific funding, unless the proposed scheme is subject to public consultation (in which case consultation under SO83(A) is required); and
 - b. For schemes up to £100,000 subject to a maximum total spend and within defined parameters around the types of schemes being approved as decided by the Council each year.
48. It is proposed that a maximum total spend of £0.5 million for non-ringfenced schemes be set for 2022/23. It is worth noting that only one scheme not funded by grant or other ring-fenced funding totalling £34,000 was added to the approved capital programme via this route during 2017/18, and £45,000 in 2018/19.

The Town Hall
Wandsworth
SW18 2PU

FENELLA MERRY
Director of Resources

15th February 2022

Appendices

- Appendix A – Proposed Additions to General Fund Capital Programme (new bids)
- Appendix B – Summary of revised five year capital programme
- Appendix C – Capital Strategy 2022/23
- Appendix D – Strategic CIL Receipts, Projects Committed to and Expenditure Incurred

Background papers

There are no background papers to 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 can supply it if required.

Appendix A to Paper No. 22-70**Proposed Additions to General Fund Capital Programme****Capital bids summary**

	Capital costs				Revenue Effects
	2021/22 £'000	2022/23 £'000	2023/24 £'000	Future Years £'000	Full Year £'000
Committee					
Adult Care & Health Services	-	708	-	-	-
Community Services & Open Spaces	-	3,191	384	-	-
Education & Children's Services	-	226	150	300	4
Finance, Resources & Climate Sustainability	368	4,267	2,585	-	26
Housing & Regeneration (non-HRA)	-	1,052	-	800	-
Strategic Planning & Transportation	-	7,671	1,124	3,610	27
TOTAL	368	17,115	4,243	4,710	58

Financed By

	2021/22 £'000	2022/23 £'000	2023/24 £'000	Future Years £'000	Total £'000	
Grants & Contributions	-	-	1,790	-	400	2,190
S106 / SCIL	-	-	13,012	1,488	400	14,900
Capital Receipts	-	331	1,537	2,670	3,910	8,448
Renewals Fund	-	37	776	85	-	898
	-	368	17,115	4,243	4,710	26,436

Appendix A to Paper No. 22-70

Proposed Additions to General Fund Capital Programme

		Funded by	Capital costs				Revenue Effects
			2021/22 £'000	2022/23 £'000	2023/24 £'000	Future Years £'000	Full Year £'000
Adult Care & Health Services							
Adaptations for Disabled	Grant	-	330	-	-	-	
Better at Home Improvement Scheme	Grant	-	90	-	-	-	
Occupational Therapist DFG	Grant	-	288	-	-	-	
Total Adult Care & Health Services		-	708	-	-	-	
Community Services & Open Spaces							
			2021/22 £'000	2022/23 £'000	2023/24 £'000	Future Years £'000	Full Year £'000
Balham & Wandle Leisure Centres - Replacement/refurbishment of Air Handling systems	SCIL	-	156	-	-	-	
Battersea Sports Centre - New 7 a-side 3G area	SCIL	-	87	-	-	-	
Latchmere Leisure Centre - Roof Structure Repairs	SCIL	-	176	-	-	-	
Leisure Centres - Replacement/refurbishment of Air Handling systems	SCIL	-	-	-	-	-	
Leisure Centres - Replacement/refurbishment of dampers & works to associated fixtures/fittings within ventilation systems	SCIL	-	98	-	-	-	
Leisure Centres - Replacement/refurbishment of Pool Filtration vessels at various leisure centres	SCIL	-	179	-	-	-	
Leisure Centres - Swimming pool improvements	SCIL	-	396	-	-	-	
Tooting Common Lakeside playground refurbishment	SCIL	-	-	384	-	-	
Wandsworth Cemetery Burial Space Extension	SCIL	-	301	-	-	-	
Putney Vale Cemetery Burial Space Extension	SCIL	-	268	-	-	-	
Balham Library - Roofing Works	SCIL	-	130	-	-	-	
Grass Playing Pitch Drainage	SCIL	-	1,400	-	-	-	
Total Community Services & Open Spaces		-	3,191	384	-	-	
Education & Children's Services							
			2021/22 £'000	2022/23 £'000	2023/24 £'000	Future Years £'000	Full Year £'000
Conversion/Extension Foster Carers' Properties	Receipts & Grant	-	157	150	300	4	
School Admissions System	Receipts	-	69	-	-	0	
Total Education & Children's Services		-	226	150	300	4	
Finance, Resources & Climate Sustainability							
			2021/22 £'000	2022/23 £'000	2023/24 £'000	Future Years £'000	Full Year £'000
Town Centre Investment Fund	SCIL & Receipts	-	2,500	2,500	-	17	
Corporate Buildings - works to ensure Health and Safety & regulatory compliance	Renewals Fund	-	500	-	-	-	
Minimum Energy Efficiency rating compliance work	Renewals Fund	-	276	85	-	-	
Webcasting Upgrade	Renewals Fund	37	-	-	-	-	
Coroner's Court refurbishment	Receipts	331	991	-	-	9	
Total Finance & Corporate Resources		368	4,267	2,585	-	26	
Housing & Regeneration							
			2021/22 £'000	2022/23 £'000	2023/24 £'000	Future Years £'000	Full Year £'000
Disabled Facilities Grants	Grant	-	1,052	-	-	-	
Empty Properties Grant	S106	-	-	-	400	-	
Loans to Leaseholders	Leaseholder receipts	-	-	-	400	-	
Total Housing & Regeneration		-	1,052	-	800	-	

	Funded by	Capital costs				Revenue Effects
		2021/22 £'000	2022/23 £'000	2023/24 £'000	Future Years £'000	Full Year £'000
<u>Strategic Planning & Transportation</u>						
Battersea High Street - Improvements for Businesses & Market Traders	SCIL	-	60	-	-	-
Blocked Gullies & ongoing renewal to improve condition	Receipts	-	-	-	100	1
Boroughwide - Essential repairs to roads & paths across parks, open spaces and cemeteries in the borough	SCIL	-	100	104	-	-
Culvert Road Traffic Signal Junction Improvements	SCIL	-	150	-	-	-
Capitalised Repairs: - Footways	Receipts	-	-	-	1,000	7
Capitalised Repairs: -Carriageways	Receipts	-	-	-	2,500	17
Heaver Estate & Traffic Reduction Measures	SCIL	-	150	-	-	-
Lower Richmond Road Safety Corridor Review	SCIL	-	50	250	-	-
Mitcham Lane Safety & Corridor Improvements	SCIL	-	250	250	-	-
Northcote Road & Abyssinia Close improvements	S106 & SCIL	-	2,481	-	-	-
Old York Road improvements	SCIL	-	1,430	500	-	-
Pedestrian Crossings - at 10 locations borough wide	SCIL	-	400	-	-	-
Refurbishment of East Putney railway bridges	SCIL	-	400	-	-	-
Refresh of Road Signage	Receipts	-	100	-	-	1
Remote monitoring of gullies	Receipts	-	130	-	-	1
Speed Indicator Devices (20mph)	Receipts	-	100	-	-	1
Southfields Public Realm Upgrade	SCIL	-	1,000	-	-	-
Signal controlled pedestrian crossings	SCIL	-	200	-	-	-
Specialised Street Lighting Columns	Receipts	-	20	20	10	0
Wandsworth Town Station - Access for all	SCIL & S106	-	650	-	-	-
Total Strategic Planning & Transportation		-	7,671	1,124	3,610	27

Appendix B to Paper No. 22-70

Proposed Additions to General Fund Capital Programme

Revised five year capital programme

REVISED PROGRAMME					Revenue
2021/22	2022/23	2023/24	Future Years	Total	Full Year
£'000	£'000	£'000	£'000	£'000	£'000
Committee					
Adult Care & Health Services	803	858	-	1,661	2
Community Services & Open Spaces	4,835	12,467	454	17,756	33
Education & Children's Services	11,910	15,033	11,352	38,595	0
Finance, Resources & Climate Sustainability	9,446	29,245	12,415	51,106	192
Housing & Regeneration (non-HRA)	2,173	4,642	2,300	10,715	0
Strategic Planning & Transportation	33,373	69,497	32,293	144,608	156
TOTAL GENERAL FUND CAPITAL PROGRAMME	62,540	131,742	58,814	264,441	383

Use of Capital Resources

Grants & Contributions	14,101	18,750	1,400	800	35,051
S106 & NCIL	12,209	14,757	4,310	800	32,076
SCIL	12,860	36,115	13,438	180	62,593
Nine Elms CIL	9,053	34,320	31,722	2,055	77,150
Renewals Fund	37	776	85	-	898
Capital Receipts	14,280	27,024	7,859	7,510	56,673
TOTAL USE OF CAPITAL RESOURCES	62,540	131,742	58,814	11,345	264,441

Proposed Additions to General Fund Capital Programme

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY OVERVIEW AND SCRUTINY COMMITTEE

February 2022

Use of Capital Resources

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>Future</u>	<u>Total</u>
	£'000	£'000	£'000	Years	£'000
				£'000	
<u>Adult Care & Health Services</u>					
NCIL	0	0	0	0	0
Disabled Facilities Grant	708	708	0	0	1,416
S106	0	0	0	0	0
Capital Receipts	95	150	0	0	245
	803	858	0	0	1,661
<u>Community Services and Open Spaces</u>					
NCIL	1,383	354	0	0	1,737
SCIL	2,087	6,958	454	0	9,499
S106	390	707	0	0	1,097
Transport for London	0	0	0	0	0
Other Grants and Reimbursements	132	486	0	0	618
Capital Receipts	843	3,962	0	0	4,805
	4,835	12,467	454	0	17,756
<u>Education and Children's Services</u>					
NCIL	0	0	0	0	0
SCIL	68	0	0	0	68
Nine Elms CIL	5,219	272	8,852	0	14,343
S106	0	0	1,350	0	1,350
Basic Need/LA Maintenance	5,349	4,782	0	0	10,131
High Needs Provision	150	4,687	0	0	4,837
Schools Devolved Formula Capital grant	300	1,145	0	0	1,445
Special Provision Fund grant	250	1,725	1,000	0	2,975
Other Grants and Reimbursements	12	0	0	0	12
Disabled Facilities Grant	0	30	0	0	30
School Contributions	510	1,817	0	0	2,327
Revenue Financing	0	0	0	0	0
Capital Receipts	52	575	150	300	1,077
	11,910	15,033	11,352	300	38,595
<u>Finance, Resources & Climate Sustainability</u>					
NCIL	365	86	0	0	451
SCIL	0	2,837	1,450	0	4,287
Nine Elms CIL	362	5,377	6,791	0	12,530
S106	339	830	0	0	1,169
GLA Strategic Investment Pot (SIP)	150	1,150	0	0	1,300
Green Homes Grant	1,058	0	0	0	1,058
DLUHC Levelling Up Fund	800	0	0	0	800
Government grant for RCA expansion	578	0	0	0	578
Public Sector Decarbonisation Grant	168	0	0	0	168
Renewals Fund	37	776	85	0	898
Capital Receipts	5,589	18,189	4,089	0	27,867
	9,446	29,245	12,415	0	51,106
<u>Housing and Regeneration</u>					
Disabled Facilities Grant	913	1,802	0	0	2,715
S106	860	2,440	1,900	800	6,000
Other Grants and Reimbursements	400	400	400	800	2,000
	2,173	4,642	2,300	1,600	10,715
<u>Strategic Planning & Transportation</u>					
NCIL	1,730	1,561	0	0	3,291
SCIL	9,280	26,320	11,534	180	47,314
SCIL - Public Realm Investment Fund	1,425	0	0	0	1,425
Nine Elms CIL	3,472	28,671	16,079	2,055	50,277
S106	7,142	8,779	1,060	0	16,981
Transport for London	1,813	0	0	0	1,813
OZEV Grant	300	0	0	0	300
GULCS Grant	264	0	0	0	264
OLEV Grant	246	0	0	0	246
Other Grants and Reimbursements	0	18	0	0	18
Capital Receipts	7,701	4,148	3,620	7,210	22,679
	33,373	69,497	32,293	9,445	144,608
TOTAL USE OF CAPITAL RESOURCES	62,540	131,742	58,814	11,345	264,441
Grants and Contributions					
	14,101	18,750	1,400	800	35,051
NCIL	3,478	2,001	0	0	5,479
SCIL	12,860	36,115	13,438	180	62,593
Nine Elms CIL	9,053	34,320	31,722	2,055	77,150
S106	8,731	12,756	4,310	800	26,597
Renewals Fund	37	776	85	0	898
Capital Receipts	14,280	27,024	7,859	7,510	56,673
TOTAL	62,540	131,742	58,814	11,345	264,441

SUMMARY OF GENERAL FUND CAPITAL PROGRAMME 2021/22 - 2025/26

	REVISED PROGRAMME			
	2021/22 £000	2022/23 £000	2023/24 £000	Future Years £000
ADULT CARE & HEALTH SERVICES				
Adult Care & Health	803	858	0	0
	803	858	0	0
COMMUNITY SERVICES & OPEN SPACES				
Leisure and Sports Services	1,944	4,096	0	0
Libraries and Heritage	140	4,801	70	0
Public Halls/Community Centres	0	47	0	0
Parks and Open Spaces	1,117	2,525	384	0
Neighbourhood CIL Schemes	1,383	429	0	0
Cemetries and Crematoria	251	569	0	0
	4,835	12,467	454	0
EDUCATION & CHILDREN'S SERVICES				
Other Children's Services	120	536	150	300
Other Primary Schemes	1,286	3,592	0	0
Secondary Education	3,610	776	0	0
Special Schools	633	2,131	1,000	0
Additional Places	5,799	2,097	10,202	0
High Needs Capital Provision	150	4,687	0	0
Other Education Funded Schemes	312	1,214	0	0
	11,910	15,033	11,352	300
FINANCE, RESOURCES & CLIMATE SUSTAINABILITY				
Economic Development	481	4,641	2,500	0
General Finance & Corporate Services	2,901	265	1,450	0
IT Services	373	459	0	0
Operational Buildings	1,965	3,934	85	0
Property Services	3,050	14,569	1,589	0
Schemes in the Nine Elms Regeneration Area	676	5,377	6,791	0
	9,446	29,245	12,415	0
HOUSING & REGENERATION				
Disabled Facilities Grants	913	1,802	0	0
Empty Properties Grant	400	400	400	800
Loans to Leaseholders	400	400	400	800
Other Housing Schemes	460	2,040	1,500	0
	2,173	4,642	2,300	1,600
STRATEGIC PLANNING AND TRANSPORTATION				
CCTV Schemes	1,024	115	0	0
Planning services	50	160	0	0
Highways Schemes	17,818	14,346	5,134	7,380
Vauxhall and Nine Elms opportunity area	9,972	32,446	16,079	2,055
S106 schemes	542	16,659	11,060	0
Traffic and Engineering	3,967	5,753	20	10
S278 Schemes	0	18	0	0
	33,373	69,497	32,293	9,445
TOTAL GENERAL FUND CAPITAL PROGRAMME	62,540	131,742	58,814	11,345

Scheme	Ward	Funded by	REVISED PROGRAMME				Total Cost of Scheme
			2021/22	2022/23	2023/24	Future Years	
			£'000	£'000	£'000	£'000	£'000
ADULT CARE & HEALTH SERVICES							
Adaptations for Disabled	Boroughwide	Grant	330	330	0	0	660
Better at Home Improvement Scheme	Boroughwide	Grant	90	90	0	0	180
Gwynneth Morgan Day Centre Refurbishment	Fairfield	Receipts	95	150	0	0	245
Occupational Therapist DFG	Boroughwide	Grant	288	288	0	0	576
TOTAL ADULT CARE & HEALTH SERVICES			803	858	0	0	1,661
COMMUNITY SERVICES & OPEN SPACES							
LEISURE CENTRES AND SPORTS SERVICES							
Latchmere Leisure Centre - Replacement of significantly leaning overflow car park boundary wall	Latchmere	Receipts	3	65	0	0	68
Tooting Bec Lido Pavilion	Bedford	Grant	103	0	0	0	103
Tooting Lido - Poolside Surface Refurbishment	Bedford	Receipts	49	0	0	0	49
Tooting Bec - Structural Stabilisation & Filter House Replacement	Bedford	SCIL	489	0	0	0	489
Tooting Bec Lido - Amelioration works to the electric sub-station	Bedford	SCIL	329	0	0	0	329
Renewal of Tooting Bec athletics track	Furzedown	SCIL	0	527	0	0	527
Tooting Bec Lido - replacement pipework and liner	Bedford	SCIL	0	2,085	0	0	2,085
Tooting Bec Lido - Health & Safety Repairs (tidy up and relay pool drain surround)	Bedford	SCIL	0	50	0	0	50
Tooting Leisure Centre - Replacement of Failed Pool Basin Tiling	Tooting	Receipts	35	41	0	0	76
All Leisure Centres - Latchmere, Balham, Tooting Leisure, Wandle, Roehampton Leisure Centre - Renewal of roof coverings	Boroughwide	SCIL	136	0	0	0	136
Wandle Recreation Centre - Replacement of Netting and Fences for the Artificial Pitches and Patch Repairs	Roehampton	SCIL	167	3	0	0	170
Battersea Park - Expand Fountain toilets	Southfields	SCIL	0	99	0	0	99
Latchmere Leisure Centre Boundary Wall Repairs	Queenstown	SCIL	90	0	0	0	90
Falcon Park Community Sports Centre - Additional safeguarding, security and facility management items installations	Latchmere	Receipts	0	53	0	0	53
Leisure Centre Entrance Security upgrade	Latchmere	SCIL	32	0	0	0	32
Leisure Centres - Swimming pool improvements	Boroughwide	SCIL	511	0	0	0	511
Leisure Centres - Replacement/refurbishment of Pool Filtration vessels at various leisure centres	Boroughwide	SCIL	0	396	0	0	396
Balham & Wandle Leisure Centres - Replacement/refurbishment of Air Handling systems	Boroughwide	SCIL	0	179	0	0	179
Leisure Centres - Replacement/refurbishment of dampers & works to associated fixtures/fittings within ventilation systems	Boroughwide	SCIL	0	156	0	0	156
Battersea Sports Centre - New 7 a-side 3G area	Boroughwide	SCIL	0	98	0	0	98
Latchmere Leisure Centre - Roof Structure Repairs	Latchmere	SCIL	0	87	0	0	87
WESS Latchmere Leisure Centre - LED Lighting installation	Latchmere	SCIL	0	176	0	0	176
	Latchmere	SCIL	0	81	0	0	81
TOTAL LEISURE CENTRES AND SPORTS SERVICES			1,944	4,096	0	0	6,040
PUBLIC HALLS & COMMUNITY CENTRES							
Civic Suite - Renewal of Roof Covering	Fairfield	Receipts	0	47	0	0	47
TOTAL PUBLIC HALLS & COMMUNITY CENTRES			0	47	0	0	47
PARKS & OPEN SPACES							
Battersea Park - River Wall	Queenstown	Receipts	25	102	0	0	127
Battersea Park - Improvements funded from Formula E	Queenstown	Receipts	50	177	0	0	227
Battersea Park - Restoration of pedestrian gate access	Queenstown	S106	44	0	0	0	44
Huguenot Burial Ground - 39-41 East Hill	Fairfield	S106	129	0	0	0	129
King George's Park	Southfields	S106	150	48	0	0	198
St Mary's Church Boundary Wall - Essential Repairs	St Mary's Park	S106	0	15	0	0	15
Resurfacing of Footpaths	Boroughwide	Receipts	299	0	0	0	299
Refurbishment and Replacement of Boundary Railings	Boroughwide	Receipts	20	0	0	0	20
Battersea Park - LED lighting	Queenstown	SCIL	333	39	0	0	372
Wandsworth Park Access improvement	Thamesfield	S106	37	0	0	0	37
Garratt Park S106 Court & Gym Improvement works	Earlsfield	S106	0	250	0	0	250
Grass Playing Pitch Drainage	Boroughwide	SCIL	0	1,400	0	0	1,400
Tooting Common Lakeside playground refurbishment	Bedford	SCIL	0	0	384	0	384
Harroway Gardens redesign and landscape	St Mary's Park	S106	30	394	0	0	424
Replacement of Parks Police Service vehicles	Boroughwide	Receipts	0	100	0	0	100
TOTAL PARKS & OPEN SPACES			1,117	2,525	384	0	4,026
CEMETERIES & CREMATORIA							
Putney Vale Crematorium - replacement of cremators	Roehampton	Receipts	251	0	0	0	251
Putney Vale Cemetery Burial Space Extension	Roehampton	SCIL	0	268	0	0	268
Wandsworth Cemetery Burial Space Extension	Wandsworth Common	SCIL	0	301	0	0	301
TOTAL CEMETERIES & CREMATORIA			251	569	0	0	820
LIBRARIES & HERITAGE							
Balham Library - Boiler Replacement	Balham	Receipts	53	0	0	0	53
Balham Library - Roofing Works	Balham	SCIL	0	130	0	0	130
Battersea Library - Public Toilets	Shaftesbury	Receipts	40	0	0	0	40
Battersea Library - Boiler Replacement	Shaftesbury	Receipts	18	0	0	0	18
WESS Earlsfield Library - Replacement of Heating Plant, Pipework & Radiators	Earlsfield	SCIL	0	149	0	0	149
WESS Southfields Library - Replacement of Heating Plant	West Hill	SCIL	0	232	0	0	232
Wandsworth Town Library Fit-Out (Fairfield)	Fairfield	Receipts	0	3,302	0	0	3,302
Beacon Libraries Scheme - Putney Library	Thamesfield	Grant & SCIL	29	988	70	0	1,087
TOTAL LIBRARIES & HERITAGE			140	4,801	70	0	5,011
NEIGHBOURHOOD CIL SCHEMES							
Battersea Arts Centre	Shaftesbury	NCIL	4	0	0	0	4
Battersea Park - Playground Improvements	Queenstown	NCIL	280	0	0	0	280
Fred Wells Garden refurbishment	St Mary's Park	NCIL	70	0	0	0	70
Garratt Park playground refurbishments and replacement of equipment	Earlsfield	NCIL	30	0	0	0	30
Riverwalk Improvements and Riverside Lighting - Vicarage Gardens	St Mary's Park	Receipts	0	75	0	0	75

Scheme	Ward	Funded by	REVISED PROGRAMME				Total Cost of Scheme £'000
			2021/22	2022/23	2023/24	Future Years	
			£'000	£'000	£'000	£'000	
Tours passage alleyway - streetscape & lighting improvements	Latchmere	NCIL	162	0	0	0	162
Wandsworth Common ballpen - upgrade	Northcote	NCIL	25	0	0	0	25
Windmill Gardens - playspace	Wandsworth Common	NCIL	202	0	0	0	202
Battersea Park Trim Trail	Queenstown	NCIL	61	0	0	0	61
Shillington Park Playground & Outdoor Gym Improvements	Latchmere	NCIL	45	150	0	0	195
St Mary's Cemetery & St Mark's Wandsworth Common	Northcote	NCIL	113	0	0	0	113
Wandsworth Park Playground & Grassland Improvements	Thamesfield	NCIL	220	20	0	0	240
Putney Vale Allotment Path Improvements	Roehampton	NCIL	30	156	0	0	186
NCIL - Pleasance Play area	West Putney	NCIL	141	28	0	0	169
TOTAL NEIGHBOURHOOD CIL SCHEMES			1,383	429	0	0	1,812
TOTAL COMMUNITY SERVICES & OPEN SPACES			4,835	12,467	454	0	17,756
STRATEGIC PLANNING & TRANSPORT							
PLANNING SERVICES							
Hosted Web Based Planning and Related Services IT System	Other	Receipts	50	160	0	0	210
TOTAL PLANNING SERVICES			50	160	0	0	210
CCTV SCHEMES							
Mobile CCTV to combat flytipping	Boroughwide	Receipts	0	15	0	0	15
CCTV Westfield House (S106)	Southfields	S106	100	0	0	0	100
Wandsworth CCTV Network Digital Upgrade	Boroughwide	SCIL & Receipts	924	0	0	0	924
Speed Indicator Devices (20mph)	Boroughwide	Receipts	0	100	0	0	100
TOTAL CCTV SCHEMES			1,024	115	0	0	1,139
HIGHWAY SERVICES							
Blocked Gullies & ongoing renewal to improve condition	Boroughwide	Receipts	225	100	100	200	625
Capitalised Repairs - Footways	Boroughwide	Receipts	1,260	1,000	1,000	2,000	5,260
Capitalised Repairs - Carriageways	Boroughwide	Receipts	3,147	2,500	2,500	5,000	13,147
Additional Footway/Carriageway Works	Boroughwide	Receipts	2,100	0	0	0	2,100
Local Improvement Plan 2021/22	Boroughwide	Grant	342	0	0	0	342
Signs & Poster Boards - Boroughwide	Boroughwide	Receipts	150	0	0	0	150
Street Trees	Boroughwide	Receipts	22	0	0	0	22
Boroughwide - Tree Works	Boroughwide	SCIL	75	425	0	0	500
Putney High Street Public Realm & Environment Improvements	Thamesfield	SCIL	52	812	0	0	864
Putney High Street Public Realm & Environment Improvements (Phase 2)	Thamesfield	SCIL	255	0	0	0	255
Upper Richmond Road and Putney Stations	Thamesfield	SCIL	0	2,000	0	0	2,000
Cycle Parking at Railway Stations	Boroughwide	SCIL	100	400	0	0	500
Refurbishment of East Putney railway bridges	East Putney	SCIL	0	400	0	0	400
WESS Cycle Parking On Street	Boroughwide	SCIL	70	0	0	0	70
WESS School cycle parking	Boroughwide	SCIL	45	0	0	0	45
WESS E-cargo bike sustainable freight scheme	Boroughwide	SCIL	48	0	0	0	48
WESS E-cargo bike sustainable freight grants	Boroughwide	SCIL	12	0	0	0	12
WESS School Streets	Boroughwide	SCIL	165	28	0	0	193
WESS Wandsworth Bridge (cycle resurfacing)	St Mary's Park	SCIL	50	0	0	0	50
WESS Bike hangars	Boroughwide	SCIL	150	288	0	0	438
TFL Bike Hangars	Boroughwide	Grant	47	0	0	0	47
St Johns Hill Bridge Refurbishment	Northcote	SCIL	435	0	0	0	435
Wandsworth Bridge Corrosion Protection	St Mary's Park	SCIL	4,590	905	0	0	5,495
Flood Alleviation Works - SUDS	Boroughwide	SCIL	250	367	300	0	917
One way streets conversion to two way cycling	Boroughwide	SCIL	120	115	80	180	495
Trewint Street Bridge adoption and improvement	Earlsfield	SCIL	70	1,493	0	0	1,563
Wandsworth Bridge / Bridge end road	Fairfield	SCIL	0	550	0	0	550
Old York Road redesign	Fairfield	SCIL	70	0	0	0	70
Old York Road improvements	Fairfield	SCIL	0	1,430	500	0	1,930
TFL Old York Road	Fairfield	Grant	81	0	0	0	81
WESS Putney High St area Cycle improvements	Thamesfield	SCIL	0	100	50	0	150
Boroughwide - Essential repairs to roads & paths across parks, open spaces and cemeteries in the borough	Boroughwide	SCIL	0	100	104	0	204
TFL School Streets	Boroughwide	Grant	62	0	0	0	62
TFL Garratt Lane (Earlsfield)	Earlsfield	Grant	117	0	0	0	117
TFL PRN Garratt Lane	Earlsfield	Grant	200	0	0	0	200
TFL Queenstown Road	Queenstown	Grant	183	0	0	0	183
Lower Richmond Road Safety Corridor Review	Thamesfield	SCIL	0	50	250	0	300
Mitcham Lane Safety & Corridor Improvements	Furzedown	SCIL	0	250	250	0	500
Road Safety - Enforcement Measures	Boroughwide	SCIL	500	0	0	0	500
Road Safety - Pedestrian Crossings	Boroughwide	SCIL	375	0	0	0	375
Signal controlled pedestrian crossings	Boroughwide	SCIL	0	200	0	0	200
Remote monitoring of gullies	Boroughwide	Receipts	0	130	0	0	130
Pedestrian Crossings - at 10 locations borough wide	Boroughwide	SCIL	0	400	0	0	400
TOTAL HIGHWAY SERVICES			15,368	14,043	5,134	7,380	41,925
SCHEMES FUNDED BY SECTION 106 OR CIL IN THE VAUXHALL AND NINE ELMS OPPORTUNITY AREA							
Riverwalk	Queenstown	Nine Elms CIL	996	750	0	0	1,746
Increased Bus Capacity and Pump Priming New Services	Queenstown	Nine Elms CIL	0	5,010	0	0	5,010
Improvement to Battersea Park Station	Queenstown	Nine Elms CIL & S106	5,273	9,593	0	0	14,866
Nine Elms Highways, Pedestrian and Public Realm	Queenstown	Nine Elms CIL & S106	1,000	14,168	4,955	2,055	22,178
Queenstown Road Corridor Scheme (Nine Elms Element)	Queenstown	Nine Elms CIL	74	1,075	750	0	1,899
Queenstown Road footways and cycle facilities	Queenstown	Nine Elms CIL	0	350	0	0	350
Key Gateways	Queenstown	Nine Elms CIL	979	1,500	0	0	2,479
Thessaly Road	Queenstown	Nine Elms CIL	1,650	0	0	0	1,650
Nine Elms Park	Queenstown	Nine Elms CIL	0	0	10,374	0	10,374
TOTAL SCHEMES FUNDED BY SECTION 106 OR CIL IN THE VAUXHALL AND NINE ELMS OPPORTUNITY AREA			9,972	32,446	16,079	2,055	60,552

Scheme	Ward	Funded by	REVISED PROGRAMME				Total Cost of Scheme
			2021/22	2022/23	2023/24	Future Years	
			£'000	£'000	£'000	£'000	£'000
SECTION 106 AGREEMENTS UNDER THE TOWN & COUNTRY PLANNING ACT 1990 OTHER SCHEMES							
ASDA Clapham Junction	Shaftesbury	S106	0	81	0	0	81
Upper Richmond Road 77-83	East Putney	S106	76	0	388	0	464
Upper Richmond Road 84-88	East Putney	S106	100	0	672	0	772
Wandsworth One Way System	Fairfield	S106 & CIL	150	15,928	10,000	0	26,078
Wandsworth Town Station 2nd Entrance	Fairfield	S106	216	0	0	0	216
Wandsworth Town Station - Access for all	Fairfield	SCIL & S106	0	650	0	0	650
TOTAL SECTION 106 AGREEMENTS UNDER THE TOWN & COUNTRY PLANNING ACT 1990 OTHER SCHEMES			542	16,659	11,060	0	28,261
OTHER HIGHWAYS SCHEMES							
Electric Charging points - SCIL	Boroughwide	SCIL	196	0	0	0	196
WESS - Electric Vehicle Charge Points	Boroughwide	SCIL	203	150	0	0	353
Electric Charging points - OLEV grant	Boroughwide	Grant	1,099	0	0	0	1,099
Low emission Highways Maintenance fleet vehicles	Boroughwide	SCIL	952	153	0	0	1,105
TOTAL OTHER HIGHWAYS SCHEMES			2,450	303	0	0	2,753
TOTAL HIGHWAYS SCHEMES			29,406	63,726	32,273	9,435	134,840
TRAFFIC AND ENGINEERING							
Bedford Hill Public Realm and Road Safety	Balham	NCIL & Receipts	700	208	0	0	908
Battersea High Street Public Realm - phase 2	St Mary's Park	NCIL	195	0	0	0	195
Battersea Church Road traffic calming	St Mary's Park	NCIL	176	0	0	0	176
Heaver Estate & Traffic Reduction Measures	Latchmere	SCIL	0	150	0	0	150
Culvert Road Traffic Signal Junction Improvements	Latchmere	SCIL	0	150	0	0	150
Dover House Road Parade - Streetscape Enhancements	West Putney	NCIL	13	0	0	0	13
Elmbourne Road Improvements	Bedford	Receipts	39	23	0	0	62
Heathbrook Youth Centre / Elays Network Scheme	Queenstown	NCIL	49	0	0	0	49
Lavender Gardens Access Path	Shaftesbury	NCIL	5	0	0	0	5
Bridge Lighting Projects	Boroughwide	SCIL	550	0	0	0	550
Ornamental Heritage & Riverside Ltg - Battersea	St Mary's Park	NCIL	28	69	0	0	97
Ornamental Heritage & Riverside Ltg - Wandsworth	Fairfield	NCIL	38	0	0	0	38
Putney Bridge Floodlighting	Thamesfield	Receipts	6	0	0	0	6
Putney High Street Improvements	Thamesfield	NCIL	253	0	0	0	253
Putney Park Lane improvements	West Putney	NCIL	35	102	0	0	137
Putney Wharf Church & Brewhouse Lane	Thamesfield	SCIL & Receipts	257	0	0	0	257
Refresh of Road Signage	Boroughwide	Receipts	0	100	0	0	100
River Promenade Works	Boroughwide	SCIL	500	0	0	0	500
Southfields Public Realm Upgrade	Southfields	NCIL, SCIL, S106 & Grant	384	1,515	0	0	1,899
Wandle Valley Park - Improved Gateways	Earlsfield	NCIL	123	0	0	0	123
Wandsworth Bridge floodlighting	St Mary's Park	NCIL	315	100	0	0	415
West Putney Area Through Traffic Study	West Putney	NCIL	101	0	0	0	101
B305 Corridor study – Lombard Rd, Vicarage Crescent and Westbridge Rd	St Mary's Park	NCIL	0	100	0	0	100
Northcote Road & Abyssinia Close improvements	Northcote	SCIL/S106	0	2,481	0	0	2,481
Northcote Road pedestrianisation	Northcote	NCIL	200	150	0	0	350
Battersea High Street - Improvements for Businesses & Market Traders	St Mary's Park	SCIL	0	60	0	0	60
Culvert Road Rail Bridge underpass	Latchmere	NCIL	0	150	0	0	150
St John's Road enhancement and improvement to public realm	Northcote	NCIL	0	175	0	0	175
Lower Richmond Road crossing upgrade	Thamesfield	NCIL	0	30	0	0	30
Feasibility and implementation for controlled crossing – Southcroft Road and Mitcham Lane	Furzedown	NCIL	0	150	0	0	150
Bellevue Road traffic improvements	Nightingale	NCIL	0	20	0	0	20
Specialised Street Lighting Columns	Boroughwide	Receipts	0	20	20	10	50
TOTAL TRAFFIC AND ENGINEERING			3,967	5,753	20	10	9,750
Osiers Road S278	Thamesfield	S278	0	18	0	0	18
TOTAL STRATEGIC PLANNING & TRANSPORT			33,373	69,497	32,293	9,445	144,608

Scheme	Ward	Funded by	REVISED PROGRAMME				Total Cost of Scheme
			2021/22	2022/23	2023/24	Future Years	
			£'000	£'000	£'000	£'000	
EDUCATION & CHILDREN'S SERVICES							
PRIMARY EDUCATION							
Expansion							
Brandlehow Primary School (Additional 0.5FE)	Thamesfield	Grant	100	181	0	0	281
Oasis Academy Putney School (New Build)	Thamesfield	Grant	40	59	0	0	99
Floreat/Atheldene - Primary School (New Build)	Earlsfield	Grant	40	73	0	0	113
Heathmere Primary School (Dining Hall Facilities)	Roehampton	Contribution	400	1,512	0	0	1,912
St George's Primary School Expansion	Queenstown	S106	0	0	1,350	0	1,350
Primary School (Nine Elms)	Queenstown	Nine Elms CIL	5,219	272	8,852	0	14,343
			5,799	2,097	10,202	0	18,098
Planned Maintenance							
Allfarthing Primary School - Boiler Repairs	Fairfield	Grant & Contribution	2	0	0	0	2
Alderbrook Primary School - Internal Damp Works	Balham	Grant & Contribution	1	0	0	0	1
Alderbrook Primary School Roof Replacement	Balham	Grant	1	0	0	0	1
Broadwater Primary - Window replacement/defects	Tooting	Grant & Contribution	25	10	0	0	35
Broadwater Primary School - Phase 1 Windows Replacement	Tooting	Grant & Contribution	0	92	0	0	92
Earlsfield Primary School - Boiler Plant Renewal	Earlsfield	Grant & Contribution	0	148	0	0	148
Falconbrook Primary School Replacement Electrical Distribution	Latchmere	Grant	3	0	0	0	3
Fircroft Primary School - Toilets	Tooting	Grant	6	0	0	0	6
Falconbrook Primary School - Asbestos removal works	Latchmere	Grant & Contribution	0	41	0	0	41
Granard Primary School - Lighting and Fire Alarm Phase 1 works	West Putney	Grant & Contribution	0	397	0	0	397
Heathmere Primary School - Replace Mesh Fence	Roehampton	Grant	4	0	0	0	4
Heathmere Primary School - Roof/Guttering & Window Replacement	Roehampton	Grant	10	0	0	0	10
Heathmere Primary - Replacement Electrics/Alarm/CCTV	Roehampton	Grant & Contribution	30	605	0	0	635
Honeywell Infant/Junior School - Damp Remedial Work	Northcote	Grant & Contribution	0	92	0	0	92
Honeywell Schools - Reception relocation	Northcote	Grant & Contribution	20	186	0	0	206
Hillbrook Primary School - Windows and Doors replacement Phase 1	Tooting	Grant & Contribution	0	148	0	0	148
John Burns Primary School - Replacement Light Fittings	Shaftesbury	Grant & Contribution	25	0	0	0	25
Paddock Primary School - Boiler Replacement phase 2	West Putney	Grant & Contribution	0	284	0	0	284
Shaftesbury Park Primary School - Boiler Replacement phase 1	Shaftesbury	Grant & Contribution	0	210	0	0	210
Shaftesbury Primary - Window replace/repair & Rewiring	Shaftesbury	Grant & Contribution	270	93	0	0	363
Sellincourt Primary School - External Window Works Phase 1	Graveney	Grant & Contribution	0	154	0	0	154
Sellincourt Primary - Pupil & Staff Toilets	Graveney	Grant & Contribution	250	44	0	0	294
Sheringdale Primary School - Phase 2 Window Replacement	Southfields	Grant & Contribution	220	9	0	0	229
Smallwood Primary School - Repair floor of intake cupboard	Tooting	Grant & Contribution	10	0	0	0	10
West Hill - School/Childrens Centre Entrance	Southfields	Grant & Contribution	39	0	0	0	39
Conditions Survey	Boroughwide	Grant	60	20	0	0	80
Design Development	Boroughwide	Grant	30	30	0	0	60
Unallocated Schools planned maintenance	Boroughwide	Grant	194	879	0	0	1,073
Programme Contingency	Boroughwide	Grant	36	100	0	0	136
Urgent Health & Safety Works	Boroughwide	Grant	50	50	0	0	100
			1,286	3,592	0	0	4,878
TOTAL PRIMARY EDUCATION			7,085	5,689	10,202	0	22,976
SECONDARY EDUCATION							
Expansion							
Ark Putney Academy (Former Elliott School) (Additional 2FE with 6th form)	West Putney	Grant & CIL	10	26	0	0	36
Chestnut Grove Academy (Additional 1FE)	Nightingale	Grant	1,630	81	0	0	1,711
St. Cecilia's Church of England School (Additional 1FE)	West Hill	Grant	1,400	101	0	0	1,501
Ashcroft Academy (Additional 1FE)	East Putney	Grant	10	0	0	0	10
			3,050	208	0	0	3,258
Planned Maintenance							
Ernest Bevin College - Roof Hall Replacement Phase 1	Wandsworth Common	Grant & Contribution	10	0	0	0	10
Ernest Bevin College - Roof Covering & Boiler works	Wandsworth Common	Grant & Contribution	550	100	0	0	650
Ernest Bevin College - Main building cladding	Wandsworth Common	Grant & Contribution	0	170	0	0	170
Ernest Bevin College - Cold Water Tanks	Wandsworth Common	Grant & Contribution	0	80	0	0	80
Ernest Bevin College - Science Block Ventilation	Wandsworth Common	Grant & Contribution	0	81	0	0	81
Paddock Secondary School - Safeguarding, Perimeter secured playspac	Roehampton	Grant & Contribution	0	137	0	0	137
			560	568	0	0	1,128
TOTAL SECONDARY EDUCATION			3,610	776	0	0	4,386
SPECIAL SCHOOLS							
Expansion							
Paddock School Expansion	Roehampton	Grant	250	1,725	1,000	0	2,975
			250	1,725	1,000	0	2,975
Planned Maintenance/Other							
Paddock School Replacement Boilers/Pipework & Radiators	Roehampton	Grant	10	29	0	0	39
Oak Lodge Special School Boilers and Pipework	Nightingale	Contribution	5	35	0	0	40
Paddock Primary School Roofing	West Putney	Grant & Contribution	8	0	0	0	8
Paddock Primary - Reception & Roof	West Putney	Grant & Contribution	30	244	0	0	274
Paddock Secondary School - Boiler works	West Putney	Grant & Contribution	190	27	0	0	217
Oakdene - Internal Refurbishment and Remodelling	Graveney	Grant	140	71	0	0	211
			383	406	0	0	789
TOTAL SPECIAL SCHOOLS/OTHER			633	2,131	1,000	0	3,764

Scheme	Ward	Funded by	REVISED PROGRAMME				Total Cost of Scheme £'000
			2021/22	2022/23	2023/24	Future Years	
			£'000	£'000	£'000	£'000	
HIGH NEEDS CAPITAL PROVISION							
High Needs Provision - unallocated	Boroughwide	Grant	0	690	0	0	690
Ark Putney Academy lift installation	West Putney	Grant	5	195	0	0	200
Burntwood Secondary Academy new resource base	Earlsfield	Grant	5	95	0	0	100
Granard Primary new resource base	West Putney	Grant	5	295	0	0	300
Greenmead Special toilet and hoist (ASD needs)	West Hill	Grant	59	0	0	0	59
Oak Lodge Special adaptations (SLCN needs)	Nightingale	Grant	23	1,977	0	0	2,000
Paddock Special School expansion	West Putney	Grant	0	700	0	0	700
Riversdale Primary extend resource base	Southfields	Grant	12	0	0	0	12
Southmead Primary extend resource base	West Hill	Grant	26	0	0	0	26
St John Bosco College - extend Devereux base	St Mary's Park	Grant	5	295	0	0	300
St John Bosco College - extend Savio base	St Mary's Park	Grant	5	45	0	0	50
Swaffield Primary new resource base	Wandsworth Common	Grant	5	395	0	0	400
TOTAL HIGH NEEDS CAPITAL PROVISION			150	4,687	0	0	4,837
OTHER EDUCATION FUNDED SCHEMES							
Schools Devolved Capital	Boroughwide	Grant	300	1,145	0	0	1,445
Healthy Pupils	Boroughwide	Grant	12	0	0	0	12
School Admissions System	Boroughwide	Receipts	0	69	0	0	69
TOTAL OTHER EDUCATION FUNDED SCHEMES			312	1,214	0	0	1,526
TOTAL EDUCATION			11,790	14,497	11,202	0	37,489
OTHER CHILDREN'S SERVICES							
Conversion/Extension Foster Carers' Properties	Boroughwide	Receipts	2	258	150	300	710
Various Retention Payments	Boroughwide	Receipts	50	278	0	0	328
Lady Allen Playground: fencing, renovation and security	Northcote	SCIL	68	0	0	0	68
TOTAL OTHER CHILDREN'S SERVICES			120	536	150	300	1,106
TOTAL EDUCATION & CHILDREN'S SERVICES			11,910	15,033	11,352	300	38,595

FINANCE, RESOURCES & CLIMATE SUSTAINABILITY

OPERATIONAL BUILDINGS							
Emergency Plant and Equipment In Core Buildings	Boroughwide	Receipts	553	440	0	0	993
Operational Property Plant Renewal	Boroughwide	Receipts	476	420	0	0	896
Statutory Compliance Remedial Works Core Buildings	Boroughwide	Receipts	674	650	0	0	1,324
Cyclical Roof and Fabric Replacement/Repairs	Boroughwide	Receipts	49	430	0	0	479
SSA wide, Replace access control system hardware and software	Other	Receipts	20	230	0	0	250
Public Sector Decarbonisation	Boroughwide	Grant	168	0	0	0	168
Decarbonisation Projects	Boroughwide	S106 and SCIL	25	988	0	0	1,013
Corporate Buildings - works to ensure Health and Safety & regulatory compliance	Boroughwide	Renewals Fund	0	500	0	0	500
Minimum Energy Efficiency rating compliance work	Boroughwide	Renewals Fund	0	276	85	0	361
TOTAL OPERATIONAL BUILDINGS			1,965	3,934	85	0	5,984
IT SERVICES							
ICT Infrastructure	Other	Receipts	336	459	0	0	795
Webcasting Upgrade	Other	Renewals Fund	37	0	0	0	37
TOTAL IT SERVICES			373	459	0	0	832
PROPERTY SERVICES							
Acquisition of Atheldene and Surrounding Sites	Earlsfield	Receipts	250	4,623	0	0	4,873
Northcote Library & associated site	Northcote	Receipts	2,800	9,946	1,589	0	14,335
TOTAL PROPERTY SERVICES			3,050	14,569	1,589	0	19,208
SCHEMES IN THE NINE ELMS REGENERATION AREA							
Utilities	Queenstown	Nine Elms CIL	212	40	240	0	492
Health Facilities	Queenstown	Nine Elms CIL	0	5,337	6,551	0	11,888
BPS 106 Sports and Playspace Improvements	Queenstown	S106 & Nine Elms CIL	422	0	0	0	422
ANPR Nine Elms	Queenstown	S106	42	0	0	0	42
TOTAL SCHEMES IN THE NINE ELMS REGENERATION AREA			676	5,377	6,791	0	12,844
ECONOMIC DEVELOPMENT							
South London Innovation Corridor	Boroughwide	Grant	150	1,150	0	0	1,300
Coroner's Court refurbishment	Out of borough	SCIL/receipts	331	991	0	0	1,322
Town Centre Investment Fund	Boroughwide	NCIL	0	2,500	2,500	0	5,000
TOTAL ECONOMIC DEVELOPMENT			481	4,641	2,500	0	7,622

Scheme	Ward	Funded by	REVISED PROGRAMME				Total Cost of Scheme £'000
			2021/22 £'000	2022/23 £'000	2023/24 £'000	Future Years £'000	
GENERAL FINANCE & CORPORATE SERVICES							
Loans to Other Bodies	Boroughwide	Receipts	100	0	0	0	100
Royal College of Art expansion	St Mary's Park	Grant	578	0	0	0	578
£5m Emerging environmental strategy fund	Boroughwide	SCIL	0	179	1,450	0	1,629
Wandsworth Carbon Neutral CREW	Boroughwide	NCIL	12	0	0	0	12
Green Homes Grant	Boroughwide	Grant	1,058	0	0	0	1,058
Wandsworth Local Fund Bikehangars	Boroughwide	NCIL	150	0	0	0	150
Wandsworth Local Fund Living Pillars	Boroughwide	NCIL	40	0	0	0	40
Wandsworth Local Fund Linden Lodge Playground	West Hill	NCIL	20	0	0	0	20
Wandsworth Local Fund Coronation Gardens	Queenstown	NCIL	143	0	0	0	143
World Heart Beat Music Education Centre	Queenstown	Grant	800	0	0	0	800
Green Wall - Shaftesbury Park Primary School	Shaftesbury	NCIL	0	22	0	0	22
Green Walls – Fircroft Primary School and Ernest Bevin College	Tooting	NCIL	0	48	0	0	48
Positively Putney – living pillars	Thamesfield	NCIL	0	16	0	0	16
TOTAL GENERAL FINANCE & CORPORATE SERVICES			2,901	265	1,450	0	4,616
TOTAL FINANCE, RESOURCES & CLIMATE SUSTAINABILITY			9,446	29,245	12,415	0	51,106
HOUSING & REGENERATION							
Disabled Facilities Grants	Boroughwide	Grant	913	1,802	0	0	2,715
Empty Properties Grant	Boroughwide	S106	400	400	400	800	2,000
Loans to Leaseholders	Boroughwide	Receipts	400	400	400	800	2,000
Other Housing Schemes							
Wandsworth Affordable Housing Programme	Boroughwide	S106	460	2,040	1,500	0	4,000
TOTAL HOUSING & REGENERATION			2,173	4,642	2,300	1,600	10,715
TOTAL GENERAL FUND CAPITAL PROGRAMME			62,540	131,742	58,814	11,345	264,441

Wandsworth Environment and Sustainability Strategy (WESS) fund

	2021/22 £'000	2022/23 £'000	2023/24 £'000	Future Years £'000	Total £'000
<u>Existing WESS schemes</u>					
WESS Wandsworth Bridge (cycle resurfacing)	50	-	-	-	50
WESS Electric Vehicle Charge Points	203	-	-	-	203
WESS Bike hangars	150	-	-	-	150
WESS Cycle Parking On Street	70	-	-	-	70
WESS School Streets	165	28	-	-	193
WESS School cycle parking	45	-	-	-	45
WESS E-cargo bike sustainable freight scheme	48	-	-	-	48
WESS E-cargo bike sustainable freight grants	12	-	-	-	12
Decarbonisation projects	424	589	-	-	1,013
	1,167	617	-	-	1,784
<u>Proposed drawdown of WESS</u>					
WESS Bike hangars	-	288	-	-	288
WESS Electric Vehicle Charge Points	-	150	-	-	150
WESS Earlsfield Library - Replacement of Heating Plant, Pipework & Radiators	-	149	-	-	149
WESS Latchmere Leisure Centre - LED Lighting installation	-	81	-	-	81
WESS Putney High St area Cycle improvements	-	100	50	-	150
WESS Southfields Library - Replacement of Heating Plant	-	232	-	-	232
	-	1,000	50	-	1,050
Unallocated capital budget	-	179	1,450	-	1,629
Total Capital WESS budget	1,167	1,796	1,500	-	4,463
WESS revenue schemes	-	537	-	-	537
Total Wandsworth Environment and Sustainability Strategy (WESS) fund	1,167	2,333	1,500	-	5,000

WANDSWORTH BOROUGH COUNCIL
THE COUNCIL'S CAPITAL STRATEGY 2022/23

1. This capital strategy is in response to CIPFA's Prudential Code and Treasury Management Code and sets out the long-term context within which capital expenditure, borrowing and investment decisions are made. It is to be approved by full Council. The overall aim of the framework is to demonstrate that such decisions properly take account of stewardship, prudence, value for money, sustainability, proportionality and affordability.
2. The Prudential Code issued by CIPFA in 2017 was revised and published on 20th December 2021. Due to late publication of both the Treasury Management Code and the Prudential Code, CIPFA has communicated a soft implementation of both these Codes, therefore full implementation is not mandatory until 2023/24. The amendments to both Codes largely still relate to commercial investments such as purchase of investment properties, investments in subsidiaries or investments for service objectives including regeneration. The wording changes within the Prudential Code 2021 have been incorporated into this 2022/23 capital strategy and areas such as production of prudential indicators will be created in 2022/23 for full implementation from 2023/24.

3. **Capital Expenditure – General Fund Capital Programme**

Overview of Governance Process

- 3.1 The General Fund (non-HRA) capital programme is one of the Council's four financial frameworks, as detailed in the Council's Medium Term Financial Strategy. It is based upon the approved capital schemes, Treasury Management Strategy, Asset Management strategy, capital resources projections and an annual process for prioritising additions which recognises cost in use and sustainability issues
- 3.2 It contains currently approved spending and assesses commitments in the context of reserves and resources anticipated in the medium-term outlook.
- 3.3 Monitoring of capital expenditure is embedded throughout the organisation with project managers working with finance teams to update their cost estimates and budgets. These reports are regularly reviewed by the Council's management team, and monitoring reported to Committees periodically.

3.4 Capital budgets are reviewed and reported annually to Full Council. Budgets are reviewed and updated throughout the year, with additional capital budgets approved where appropriate. These projects are prioritised based on their ability to meet strategic priorities, ensure continued service delivery, reduce annual revenue costs and protect Council income. All bids are reviewed by senior officer working groups and lead Council Members before being presented for consideration and approval at Full Council.

General assumptions are as follows:

- a) expenditure for repairs and new pupil places will normally be limited to that funded from either Government grant or from directly linked site sales.
- b) For non-housing and non-school related Council operational property, schemes are restricted to those that will either provide future revenue savings, are essential to deliver the Council's priorities (including in relation to climate change mitigation), are critical to keeping a property in use, or will facilitate the Council's regeneration schemes. Schemes that are critical to keeping a property in use are selected based upon the current condition information and maintenance forecast.
- c) Schemes to be funded from Section 106 or Community Infrastructure Levy (CIL) are assessed on their merits and the actual resources available and any restrictions within specific development agreements on the funding's use.
- d) Highways type schemes and other areas where there is a regular annual budget are considered in the light of available resources including possible grant contributions.

3.5 It is important to consider potential future demands when deciding how much new spend is considered affordable as there are some potentially large items of capital spend in the pipeline. Any future capital schemes that emerge as part of service remodelling and deliver ongoing revenue savings tend to come forward for approval as and when, but such schemes will still need to be reviewed in detail before going through the approval process.

3.6 Capital spend and the availability of resources to finance that spend are monitored by the Director of Resources on a monthly basis.

- 3.7 The General Fund capital programme considers the programme and available resources for the current year and four subsequent years. 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
- 3.8 The potential sources of finance for the General Fund capital programme are:
- a) *Grants* – either earmarked for specific schemes or services, or available for any scheme. There is no revenue effect, provided that the receipt of grant is not significantly delayed.
 - b) *CIL and Section 106 receipts* – can be used to finance capital infrastructure works. There is no revenue effect.
 - c) *Revenue and Renewals Fund* – other than specific schemes from the Renewals Fund this is rarely used because of the impact upon council tax.
 - d) *Capital Receipts* freely available to the General Fund – these are used where resources from the above three categories are not available. There is a loss of investment interest associated with their use. The Council has an active policy of rationalising and disposing of under-utilised assets and has used the proceeds extensively over time to support the capital programme. The framework takes account of the forecast availability of capital receipts in determining the size of the capital programme that is affordable. There is also the possibility of capital receipts being used for revenue spend in limited circumstances under the Government's "flexible use of receipts" initiative. This could contribute to alleviating the pressure on revenue resources but would reduce the availability of resources for capital spending.
 - e) *Borrowing* – this is currently not used other than in the limited circumstances of internal borrowing for a school spend-to-save scheme. However, the potential to generate new capital receipts has diminished over time to the point now where capital receipts are at a relatively low level. Whilst the current forecast is for these to be topped up again in future years, this is reliant on market sales, the timing and value of which are particularly uncertain at this time. The Council will therefore need to consider borrowing to fund future General Fund capital expenditure unless other sources and/or external funding are identified. If borrowing is taken, then the Council will need to pay interest (charged to revenue) and create a "minimum revenue provision (MRP) budget to contribute to paying down this debt.

- 3.9 The table below compares the current estimated capital resources with the capital payments to be financed and shows a reduction in the available usable capital receipts over the five year period, with £18 million expected to be available at the end of the five years

Table: Capital Resources Statement	2021/22	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000
Usable Capital Resources at start of year	23,405	27,158	1,814	13,635	11,555
Add: Grants and reimbursements	48,260	104,718	50,955	3,035	800
Add: New capital receipts	18,033	1,680	19,680	1,680	10,180
Less: Capital expenditure (after slippage)	(62,540)	(131,742)	(58,814)	(6,795)	(4,550)
Usable Capital Resources at end of year	27,158	1,814	13,635	11,555	17,985

4. **Capital Expenditure – Housing Revenue Account (HRA) Capital Programme**

Overview of Governance Process

- 4.1 The HRA Budget Framework is another of the Council's four financial frameworks as detailed in the Council's Medium Term Financial Strategy. It is based upon the 30-year HRA business plan that models the cycles of work necessary to maintain the housing stock to decent homes standard. The framework plots both projected capital and revenue resources. It is generally reset annually in January by the Executive, monitored throughout the year by the Director of Resources and the Overview and Scrutiny Committee, and reviewed again in September by the Executive. When considering decisions on rents for the Council's housing stock, regard is given to the overriding objective of keeping the HRA business plan in balance. It is also the subject of specific risk management reports by the Assistant Director of Resources (Revenues).
- 4.2 The HRA business plan is also the basis for the four-year budget framework that sets parameters within which the Executive may commit HRA resources (both capital and revenue) under the Council's Constitution.
- 4.3 The HRA capital programme element of the business plan follows a similar approach to the General Fund capital programme in that the cash flows for existing approved schemes are reviewed in September by the Executive and capital additions are generally approved in January. Schemes can be approved and added to the programme during other committee cycles subject to approval of budget variations.

- 4.4 In addition to the four-year budget framework of spend and resources the HRA capital programme considers estimated spend and affordable resources over the 30-years of the Business Plan.
- 4.5 The potential sources of finance for the HRA capital programme are in some cases similar to those for the General Fund programme but with other notable differences: -
- a) *Grants and reimbursements* – Section 106 grants (specifically for Affordable Housing), other capital grants and reimbursements, in particular from leaseholders.
 - b) *Right to Buy capital receipts* – the residual receipts from Right to Buy sales that are retained by the Council, as per the agreement with the Government, to be used for one-for-one replacement build.
 - c) *Non-RTB capital receipts* – receipts arising from disposals of HRA sites or from vacant property sales not subject to Right to Buy pooling arrangements.
 - d) *Borrowing* – it is currently assumed that borrowing will begin to be required from 2022/23 to support the Council’s ambitions for estate regeneration and new housing development. HRA borrowing, whether internal or external, increases HRA debt. HRA debt in Wandsworth is currently £201 million largely as a result of the HRA subsidy buy-out in 2012. It is anticipated that there will need to be a significant increase in HRA borrowing over the next 5-10 years with the current estimate that over £500 million of additional borrowing will be required.
 - e) *Major Repairs Reserve* – this is used where resources from the above four categories are not available. Any amount used must be affordable within the 30-year business plan.
- 4.6 The overriding aim of the HRA capital programme is to maintain an investment level consistent with that assumed in the stock condition survey in order to keep, as a minimum standard, the housing stock decent. The risk of changes to the assumptions used in the business plan and the effect on reserves are considered.

- 4.7 The following table shows the estimated HRA capital spend and the financing of that expenditure as in the currently approved framework.

Programme Area	2021/22	2022/23	2023/24	2024/25	Total
	£000s	£000s	£000s	£000s	£000s
Total Expenditure	112,437	188,169	149,924	175,330	625,860
Financed By:					
Capital Receipts	16,000	10,000	1,000	1,000	28,000
Right to Buy 1-4-1 Receipts	570	1,311	942	-	2,823
S106 Receipts	5,098	50	450	-	5,598
Capital Grant	7,668	3,400	7,010	700	18,778
Leaseholder Major Works Charges	4,100	4,311	4,223	4,599	17,233
Borrowing	1,330	68,059	109,757	142,352	321,498
Contribution to (-) / from (+) Major Repairs Reserve	+77,671	+101,038	+26,542	+26,679	+231,930
Total Financing	112,437	188,169	149,924	175,330	625,860

5. **Investments**

- 5.1 The underlying objectives of the Council's Investment Policy are security of the capital sums invested and liquidity to ensure the funds invested are available for expenditure when needed. Once proper levels of security and liquidity are determined, it is then reasonable to consider what yield can be obtained consistent with these priorities. The Council's Investment activities are conducted in a manner that regards the successful identification, monitoring and control of risk as of prime importance and accordingly the analysis and reporting includes a substantial focus on the risk implications.

Treasury Management Investments

- 5.2 These are investments that arise from the Council's cash flows and ultimately represent balances which need to be invested until the cash is required for use in the course of business.
- 5.3 The Council's policy on Treasury Management Investments is submitted to the Finance, Resources and Climate Sustainability Overview and Scrutiny Committee, the Executive and approved by the full Council. The overall arrangements and strategy for the ensuing financial year are reviewed and approved in the Treasury Policy Statement at this committee (as Appendix A), an Annual Report after the end of the financial year and a mid-year review report in November or December. From time to time the Director of Resources may submit additional reports recommending changes in Policy for approval if circumstances require.

- 5.4 The Council's Treasury Management Practices (TMPs) are in accordance with the Treasury Management Code issued by CIPFA in 2002, which was revised in 2011, 2017, and recently in late December 2021. Due to the late publication of the Code, CIPFA is advising a soft implementation until 2023/24. As prescribed in the new Code the Director of Resources will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Director of Resources will also ensure that those engaged in treasury management follow the policies and procedures set out. The present arrangements are documented and monitored by the responsible officer in effective day to day management of the treasury management function. Treasury Management activities and issues are reviewed monthly by a meeting within the Resources Directorate, attended by the Director of Resources and day to day Treasury Management activities are handled by the Financial Management Division of the Resources Directorate. Treasury Management staff attend training courses and seminars to ensure they maintain sufficient knowledge as prescribed by the Code in order to keep up to date with current developments.
- 5.5 Treasury Management advisers are appointed at least once within the lifetime of each Council to carry out an independent review of the Council's Treasury Management activities. The next lifetime review is due in January 2025.
- 5.6 The Council's detailed investment policy is contained within the Treasury Policy Statement as Appendix A. Its overriding purpose is the control of risk. It specifies the types of investments that may be used and the limits of their use. These limits relate to the maximum time period for each investment type and to the maximum amount that may be held at any one time. The choice of limits is governed by the requirement to safeguard the security of the Council's portfolio and to spread risk through suitable diversification. The Council uses credit rating information from the three main credit rating agencies (Fitch, Moody's and Standard and Poor's) and this data is supplemented by other available information where appropriate. The limits also consider liquidity requirements and finally the yield that may be obtained.
- 5.7 The Council held investments of £735 million at the end of December 2021 and the average rate of return for 2021/22 as at end of December is 0.69% (excluding investment property). The Council is budgeting to begin 2022/23 with investments in excess of £625 million and the estimated movements for the following two years based upon current cash flows show that investments are likely to reduce as the HRA Regeneration schemes progress and other balances fall.

Investments that are not part of Treasury Management Activity

- 5.8 The Council may invest in other financial assets and property primarily for financial return that are not part of Treasury Management activity. These activities are subject to similar assessments of risk as for Treasury Management investments. They are approved as part of the capital programme as described in Sections 2 or 3 of this Capital Strategy.

- 5.9 Investment Property. The Council's Corporate Asset Strategy was approved by the Executive in November 2015. One of its aims was to identify opportunities to generate General Fund revenue income by acquiring commercial property in strategic locations and in some cases transferring surplus operational properties to the investment portfolio. Legal advice confirmed that it is legal for the Council to invest in property in or out of the Borough; in particular Section 12 of the Local Government Act 2003 enables the Council to invest "for the purposes of the prudent management of its financial affairs".
- 5.10 All asset strategy schemes are part of the Council's rigorous value for money appraisals and require Executive approval in the same way as other Council capital spending proposals. Any budget for acquisition of investment properties is only added to the General Fund capital programme after consideration of affordability in the light of the available capital resources. All schemes are financed by capital receipts generally available to support the capital programme in the usual way. No borrowing has been taken up to facilitate such investments.
- 5.11 Suitable properties for purchase by the Council are selected after going through robust procedures to assess the security of the investment in the short, medium and longer term, that the risk of not achieving satisfactory rental returns is minimised and that there are the best prospects of future rental and capital growth. The Council's budget for property purchases limits acquisitions to small retail, office or industrial units that are easy to let and does not allow for investment in large industrial parks or shopping centres.
- 5.12 The Council's valuers are supported through the acquisition process by specialist property investment surveyors and legal advisers. The Council may contact agents in the market to help identify potential investment properties for sale as these are not frequently widely marketed, or commission its specialist property advisers to undertake a search for specific suitable properties. The adviser undertakes negotiations with the vendor for the acquisition subject to approval by officers. A set of assessment criteria are used in evaluating the suitability of properties. These criteria are assessed against weighting factors ranging from Excellent to Unacceptable, and are as follows: -
- a) Location
 - b) Tenancy strength/strength of covenant
 - c) Length of tenure
 - d) Occupier's lease length
 - e) Repairing terms/obligations
 - f) Lot size (value of the investment)
- 5.13 If a property is considered to meet the Council's investment criteria, the Council commissions a Property Investment Surveyor (not the same one used to identify the property) to provide a market report on the property. This report

will include commentary on the credit worthiness of the tenant, an opinion of value and a recommendation in respect of the provisionally agreed acquisition price. This is undertaken in accordance with the Royal Institute of Chartered Surveyors Red Book.

- 5.14 Prior to acquiring any properties, officers also undertake a further due diligence exercise including reviewing the leases, commissioning a building survey and report, a mechanical and electrical survey, a valuation report, and ensuring that there is an Energy Performance Certificate in place with a rating of at least D, but this has been revised to B due to changing regulations. Solicitors also undertake legal due diligence with a further review of the leases, the planning position and a report on title, highlighting any potential title defects.
- 5.15 All investment properties are revalued annually at fair value as part of the Council's preparation of final accounts and audit process. Consideration is given at the end of each financial year as to whether impairment of any properties is required.
- 5.16 Between 2014/15 and 2017/18, £30 million was added to the capital programme for the acquisition of investment properties. Eight properties were acquired under the policy during that period. The Sergeant Industrial Estate was subsequently acquired in 2019/20. The overall portfolio is due to generate revenue income of £2.1 million in 2021/22 and it is currently forecasted that this will rise to £2.2m in 2022/23. Due to the nature of these assets and tenants the coronavirus pandemic has not had a major impact on the performance of the portfolio although arrears continue to be monitored closely. The scale of this activity is considered to be proportionate in relation to the overall size of the capital programme and has all been financed from available resources with no borrowing. The revenue income earned is also considered to be proportionate in terms of the overall revenue budget of the authority and the authority is not over reliant on this source of income.
- 5.17 Loans supporting Service Outcomes. The Council may make loans to organisations such as Staff Mutuals, other Service Providers, Voluntary Organisations or start up loans to Wandsworth based Business Improvement Districts (BIDS). 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 with the exception of BIDS which is £1 million. If the loan is for cash flow or revenue purposes it is reported as part of the Council's treasury investments. Amounts invested are small and at the end of 2020/21 only £0.81 million was outstanding which is approximately 0.1% of average investments in 2021/22. A hypothetical £5 million loan amount would equate to 0.7% of average investments in 2021/22 therefore poses little risk for the Council and as result independent advice is not sought in addition to Director of Resources approval as set out in the Treasury Management Policy Statement presented to this committee (Appendix A, paragraph 3.2.4) Loans can also be made for capital purposes, and such loans are approved as part of the capital programme. The main element of this is loans to leaseholders to

allow them to pay their share of major works and at the end of 2020/21 there was £0.577 million outstanding.

6 Borrowing

- 6.1 **External Borrowing.** The Council's only external long-term borrowing is the Public Works Loan Board (PWLB) debt taken up for the HRA Subsidy Buy-Out in 2012. This is repayable in equal instalments of principal and is due to be fully repaid in 2025. The original loan was for £223 million and £52 million will be outstanding at the end of the financial year. The interest due is fully charged to the Council's HRA. The Council also offers deposit facilities to other bodies such as the North East Surrey Crematorium Board and the Western Riverside Waste Authority. At 31st December £5.7m was held for WRA and £0.6m for NESCB. The Council's General Fund has no external debt other than any amounts relating to these deposit facilities.
- 6.2 **Internal Borrowing.** This arises where capital expenditure is neither financed by those sources of finance other than borrowing described in paragraphs 2.7 and 3.5, nor matched by a corresponding increase in external borrowing. In recent years the Council has had substantial cash balances, and these have been used to support internal borrowing where required as it is cheaper than external borrowing. The HRA borrowed £210 million internally for the HRA subsidy buy-out in 2012 to supplement the £223 million external borrowing. This has been partially repaid and it is anticipated that £68 million will remain outstanding at the end of 2021/22. The HRA has also borrowed internally to support 70% of the spend for one-for-one replacement as detailed in 3.5 d). This borrowing is repaid in the year following its advance. The General Fund has not internally borrowed for many years other than for a school spend to save scheme as mentioned in 2.7 c). Cash balances for internal borrowing are only available to the extent that the Council has reserves that have not yet been required for their original purpose and the availability may well reduce over the next few years.
- 6.3 The following table shows current estimates of the Council's External and Internal Borrowing outstanding balances based upon the currently approved capital programme.

	<u>31 March</u> <u>2022</u> £000	<u>31 March</u> <u>2023</u> £000	<u>31 March</u> <u>2024</u> £000	<u>31 March</u> <u>2025</u> £000
Current External Borrowing	51,605	34,404	17,202	0
Estimated Internal Borrowing	100,856	89,320	76,018	66,516
	<u>152,461</u>	<u>123,724</u>	<u>93,220</u>	<u>66,516</u>

- 6.4 **Minimum Revenue Provision.** Regulations issued under the Local Government Act 2003 require local authorities to calculate an annual amount of minimum revenue provision (MRP) to be set aside from revenue for the repayment of debt that is “prudent”. The MRP should not take account of capital expenditure on HRA assets. The Council has an MRP to repay the internal borrowing by the Dedicated Schools Budget (DSB) for a spend- to-save scheme as referred to in 2.7c). This was originally to be repaid over nine years but has been extended for a further twelve years, will be fully charged to the DSB and will more than cover any minimum required under guidance. The annual statement on the Council’s MRP policy is contained within the Treasury Policy Statement and approved by full Council in February or March.
- 6.5 **Voluntary Revenue Provision.** Although the HRA is not required by regulation to provide an MRP, an equivalent amount has been prudently charged to the HRA on an annual basis as a voluntary revenue provision. For the HRA in Wandsworth the policy is to charge an annual amount to reflect both the actual repayment of the HRA’s external debt and the repayment of its internal borrowing over agreed time periods.
- 6.6 **Authorised and Operational Borrowing Limits.** Section 3 of Part 1 of the Local Government Act 2003 requires local authorities to set a borrowing limit and operational boundary each year. This is contained within the Treasury Policy Statement and approved by full Council in February or March each year. The limit was set at £120 million in February 2021 for 2021/22 and a limit of £150 million is proposed for 2022/23.

WANDSWORTH BOROUGH COUNCIL
STRATEGIC CIL RECEIPTS, PROJECTS COMMITTED TO AND EXPENDITURE
INCURRED

Strategic CIL Receipts, Projects Committed to and Expenditure Incurred

SCIL Receipts	£		
Total SCIL Receipts to 31 st December 2021	-88,901,825		
Projects to be funded by SCIL	SCIL Budget Committed £	Expenditure Incurred to date £	Net Remaining Budget £
All Leisure Centres - Renewal of Sports and Studio Hall flooring	139,000	2,837	136,163
Ark Putney Academy	3,325,000	3,326,140	-1,140
Battersea Park - Fountain Toilets Expansion	90,000	30,314	59,686
Battersea Park - LED Lighting Improvements	384,000	230,774	153,226
Beacon Libraries Programme – Putney Library	572,100	0	572,100
Bedford Hill Public Realm and Road Safety – Phase 2	781,000	178,721	602,279
Boroughwide - Tree Works	500,000	5,775	494,225
CCTV Network Digital Upgrade	1,000,000	712,289	287,711
Cremorne Footbridge	99,260	99,260	0
Cycle Parking at Railway Stations	500,000	0	500,000
Electric Vehicle Charging Points	500,000	304,269	195,731
Falcon Park Community Sports Centre Installations	40,000	28,063	11,937
Flood Alleviation Works – SUDS	1,000,000	318,671	681,329
Lady Allen Playground: Fencing, Renovation and Security	153,000	135,401	17,599
Balham Leisure Centre – Entrance Security Upgrade	39,000	0	39,000
Entrance Security upgrades = Access control costs for Leisure Centres	260,000	0	260,000
Putney Leisure Centre : - Pool Roof Renewals	42,000	0	42,000
Latchmere Leisure Centre – Entrance Security Upgrade	39,000	0	39,000
Roehampton Sports Facility – Entrance Security Upgrade	32,000	0	32,000
Tooting Bec Lido – Entrance Security Upgrade	24,000	0	24,000
Leisure Centre Entrance Security Upgrade	511,000	0	511,000
Low Emission Highways Maintenance Fleet	1,175,000	255,053	919,947

Nursery for St Michael's CE Primary School	135,000	135,000	0
One Way Streets - Conversion to Two Way for Cycling	500,000	38,852	461,148
Old York Road Public Realm Improvements	70,000	0	70,000
Public Realm Improvement Fund (PRIF)	1,425,000	0	1,425,000
Putney High Street - Public Realm & Environment Improvements	2,325,250	1,805,663	519,587
Putney Wharf (extended to Putney Square)	182,000	0	182,000
Roehampton Leisure Centre - Renewal of Roof Coverings	170,000	0	170,000
SCIL Infrastructure Maintenance (revenue)	5,000,000	1,802,677	3,197,323
St John Bosco College	500,000	500,000	0
St John Bosco School	620,000	620,000	0
St Johns Hill Refurbishment	450,000	408,634	41,366
Tooting Bec Athletics Track	527,000	0	527,000
Tooting Bec Lido	2,085,000	0	2,085,000
Trewint Street Bridge Improvements	1,591,000	41,431	1,549,569
Upper Richmond Road & Putney Stations	2,000,000	0	2,000,000
Wandle Recreation Centre - Artificial Pitch Repairs	102,000	2,909	99,091
Wandsworth Bridge / Bridge end road	550,000	0	550,000
Wandsworth Bridge Corrosion Protection	6,424,200	4,639,252	1,784,948
Wandsworth Environmental and Sustainability Strategy (WESS)	4,463,000	0	4,463,000
Wandsworth One Way System	21,611,000	0	21,611,000
Refinancing of Historic Infrastructure Expenditure	33,232,502	33,232,502	0
Total Approved SCIL Funded projects	94,732,312	48,854,487	45,877,825
Value of SCIL Receipts Over Committed to date	5,830,487		
Forecast of further CIL receipts by 31.3.2024	-15,000,000		
Forecast Value of SCIL Receipts Uncommitted by 31.3.2024	-9,169,513		
Cash Balance of SCIL Receipts unspent to date		-40,047,339	

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Section 4
Treasury Management

WANDSWORTH BOROUGH COUNCIL

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY OVERVIEW AND
SCRUTINY COMMITTEE – 23RD FEBRUARY 2022

EXECUTIVE – 28TH FEBRUARY 2022

COUNCIL – 9TH MARCH 2022

Report by the Director of Resources on the Council's Treasury Policy for 2022/23

SUMMARY

This report reviews the Treasury Management activities so far during 2021/22 and makes proposals for 2022/23 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.

Approval is now sought for an updated Treasury Policy Statement for 2022/23, including the determination of the Council's borrowing limit and operational boundary, and the minimum revenue provision policy for the financial year 2022/23.

Investments have increased during 2021/22 from £623 million to £735 million at the end of December 2021 and are expected to remain above £625 million at the end of March 2022. The average return on investments in 2020/21 was 1.04% and for 2021/22 this is expected to be between 0.65%-0.75% (0.69% as at 31st December 2021). Long term investments in pooled funds which decreased in capital value in 2019/20 and 2020/21 due to the Covid-19 pandemic have cumulatively continued to recover in capital value in 2021/22. The report includes proposals to increase the level of longer term investments allowed under the Policy.

External debt has reduced to £60 million at the end of December 2021 and will be £52 million at 31st March 2022 as the planned repayment of the HRA subsidy buy out debt continues.

GLOSSARY

BIDS	Business Improvement Districts
CCLA	Charities, Church of England, Local Authorities
CIPFA	Chartered Institute of Public Finance and Accountancy
DMADF	Debt Management Account Deposit Facility
DSB	Dedicated Schools Budget
HRA	Housing Revenue Account
DLUHC	Department for Levelling Up, Housing and Communities
MMFs	Money Market Funds

MRP	Minimum Revenue Provision
PWLB	Public Works Loan Board
GLA	Greater London Authority
IFRS	International Financial Reporting Standard

RECOMMENDATIONS

1. The Finance, Resources and Climate Sustainability 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 to recommend the Council -
 - (a) to authorise the Director of Resources to determine the Council's Treasury Policy Statement for 2022/23 based on 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 2022/23 an authorised borrowing limit and operational boundary of £150 million as shown in paragraph 33; and
 - (c) to approve, as recommended under Guidance issued under the Local Government Act 2003, a minimum revenue provision (MRP) for 2022/23 to repay internal borrowing by the Dedicated Schools Budget (DSB) over a period of twelve years, as shown in paragraphs 34 to 36.

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, which was revised in 2011, 2017, and recently in late December 2021. They also have regard to the Prudential Code issued by CIPFA in 2017 and considered by the Council based on Paper No. 04-129 in January 2004. A revised Prudential Code was published on 20th December 2021 and will be considered at this committee in February as part of the Capital Strategy 2022/23. Due to late publication of both the Treasury Management Code and the Prudential Code, CIPFA has communicated a soft implementation of both these Codes, therefore full implementation is not mandatory until 2023/24. The amendments to the Treasury Management Code and Prudential Code largely still 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 investment arrangements take due notice also to Investment Guidance issued under Section 15 of the Local Government Act 2003 by the Department for Levelling Up, Housing and Communities (DLUHC).
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 2021 (Paper No. 21-9) and a mid-year

review was more recently produced in Paper No. 21-369 in December 2021. The updated Statement for 2022/23 is attached as [Appendix A](#) to this report. Subsequent paragraphs comment on experience to date in 2021/22, and policy for 2022/23 and later years.

TREASURY MANAGEMENT EXPERIENCE IN 2021/22

ECONOMIC BACKGROUND

5. At the start of the financial year, the country was emerging from its third national lockdown alongside the continuing vaccination programme rollout. Some sectors, such as manufacturing and construction had already recovered most of the ground lost in 2020/21, while for other sectors such as hospitality, travel, high street retail and personal services, the challenges still lay ahead.
6. During the summer of 2021 the NHS tracking app contributed to a slowdown of the economy by notifying users they had been in close contact with someone who had tested positive for Covid-19 and needed to isolate. This left many workers staying at home and created disruptions in production and distribution.
7. Moving towards the end of 2021 and the start of 2022 activity increased again, and the recovery remains broadly on track. GDP growth finished 2021 at 7.5%, and is expected to finish under 5% in 2022, then approximately 2.1%, 1.3% and 1.6% until 2025. This means that the UK should regain pre-pandemic levels of activity in 2022. The experience since March 2020 suggests that successive waves of Covid-19 appear to have had less impact on GDP, and so far this has shown to be the case with the emergence of the Omicron variant.
8. Inflation remains above the 2% target at record highs due to the combined effect of: higher costs of materials; constraints on supply; stronger consumer demand as economies open; and energy prices, and it is expected to rise further and remains highly volatile month to month. Inflation finished 2021 above 5% and is expected to peak at around 7% in April 2022 which is much higher than previous predictions of 4% at the end of 2022. The new Omicron variant did pose downside risks to activity in early 2022, although the balance of its effects on demand and supply has been limited.
9. At the Bank of England Monetary Policy Committee meeting on 16th December 2021 the Committee voted 8-1 to increase the Bank Rate from 0.01% to 0.25%. This has been followed by another increase to 0.5% on 3rd February 2022 which was expected but had a less certain vote of 5-4. Economists are noting that the Bank Rate will likely rise now to 1.25% by August 2022 then 1.5% by mid-2023, so having a speedier recovery but not a materially higher end point (1.25% previously predicted for May 2023). The Committee voted unanimously for the Bank of England to begin to reduce the stock of UK government bond purchases, financed by the issuance of central bank reserves, by ceasing to reinvest maturing assets.

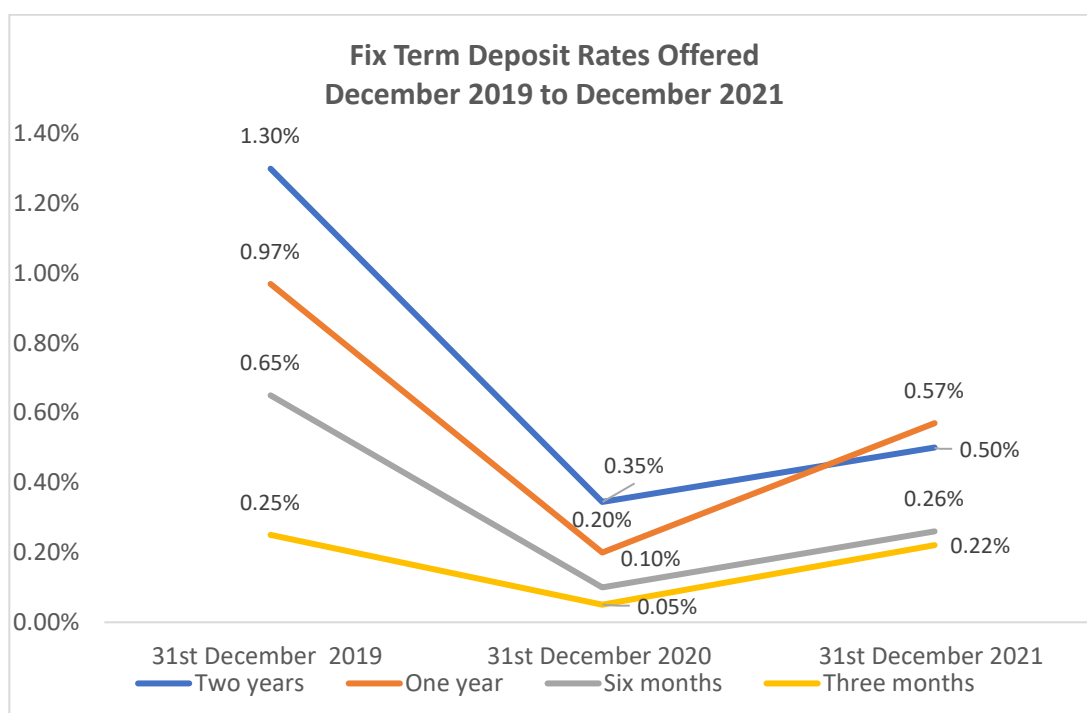
INVESTMENTS

10. The Council's investments have increased at 31st December 2021 to £735 million compared to £623 million at the start of the year. This figure is compared to £642 million at 31st December 2020 and the budgeted average for the year of £498 million. The increase is due to the Government continuing to pay grants in advance and in full, and a revised profile of capital spend. The current 2021/22 average daily investment position is £709 million which is increased from £682 million in the September mid-year review (Paper No. 21-389), and the £641 million 2020/21 average position as at 31st December 2020. The level of investment during the year has remained above the 1st April 2021 position of £628 million. The size and composition of the Council's investments at 31st March 2021 and 31st December 2021 is shown in [Appendix C](#).
11. The Council's overall average interest rate for investments is expected to be between 0.65% and 0.75% for 2021/22, and is currently 0.69% as at 31st December 2021. This is against a budgeted rate of 0.79%. This is also compared to 1.10% at 30th September 2020 and 1.04% at 31st March 2021. Even though markets are recovering and interest rates are increasing, if balances continue to go up the Council will still have to hold higher balances in lower yield funds, which will in turn reduce the overall % return for the year. The table below shows investments as at 31st December 2021. Short term deposits are specifically analysed in paragraphs 12 to 16 below and also in a graph at [Appendix B](#).

	31st December 2021		
	% of investment portfolio	£m	Average return
Fixed Term Deposits (over 1 year)	2.04%	15.00	0.72%
Fixed Term Deposits (less than 1 year)	56.20%	413.00	0.28%
MMFs (same day)	13.00%	95.50	0.03%
MMF (+1 day)	6.80%	49.94	0.04%
Mixed Asset Pooled Funds	7.00%	51.47	4.03%
Royal London Cash Plus Fund	1.36%	10.02	0.16%
CCLA	3.85%	28.27	3.66%
DMADF	3.13%	23.00	0.06%
NatWest Notice Fund	6.12%	45.00	0.06%
NatWest Reserve Account	0.50%	3.68	0.01%
Subtotal	100.00%	734.88	0.69%
Less amount invested on behalf of:			
- Western Riverside Waste Authority		-5.65	
- North East Surrey Crematorium Board		-0.63	
Total		728.60	

12. In 2020/21 the Council benefitted from relatively high rates earned by fixed term deposits with other local authorities which were made in 2018/19 and early

2019/20 and their term continuing during 2020/21. This is not the case for 2021/22 or 2022/23 as the majority of the higher rated fixed term deposits have expired during these years and haven't been matched. However, interest rates have started to increase due to a combination of: the Autumn Budget announcement; the Bank of England Bank Rate increases; and inflation increases. Although interest rates in December 2021 were still approximately half of those being offered pre-pandemic (except in the very short term under 3 months) they are improved from 31st December 2020. This is due to local authorities still holding high balances and not bidding for local authority lending, therefore the increased rates are largely from banks who have started to respond to the economic factors detailed above. The difference on rate percentages offered on fixed term deposits between December 2019 and December 2021 is shown in the below graph.



13. A higher proportion of investments are still being held in Money Market Funds (MMFs) due to reduced fixed term deposits being available. The Council holds a plus one day access MMF and the aim throughout 2021/22 has been to use this up to the limit allowed by the Treasury Management Strategy (£50m). This MMF derives a higher return than the alternative MMFs and also has a varying capital value which the Council can also redeem at one day's notice. The fund value as at 31st December 2021 is £49.94 million from an initial investment of £49.50 million. Whilst this has been the highest rated MMF throughout the year the rate is now trading at 0.27% which is considerably lower than 0.68% as at 31st March 2020 but higher than the 0.06% at 31st March 2021. This MMF will be closely monitored before year end as the capital value continues to be volatile day to day.

14. Same day access MMFs have an average rate of return to 31st December 2021 of 0.03% which is slightly higher than the budget set for 2021/22 at 0.02% but less than the position at 31st December 2020 of 0.14%. The Council has access to eight MMFs at £50 million each, none of which are still trading at 0%.

MMFs have reacted to the Bank Rate interest rate increases, however they are still trading at considerably lower than the pre pandemic levels. Currently the Council is holding £128 million between three MMFs between 0.21%-0.30% (the highest rated MMFs).

15. Since November 2021 the Government's Debt Management Account Deposit Facility (DMADF) has had fluctuating daily rates offered due to the combination of factors detailed in paragraph 12. Currently as a result of the second Bank rate increase the DMADF is offering rates from 0.30% overnight, to 0.79% for a 6 month deposit. Rates of this level have not been seen since before the pandemic. When rates are significantly higher than MMFs and liquidity allows the DMADF is being used alongside MMFs for varying durations. The DMADF, although currently offering a higher overnight rate to MMFs, does not accumulate and remain in place like MMFs therefore the higher rate is offset by higher transaction costs.
16. The Council's Bank (NatWest) 35 Day Notice Fund is being used consistently in 2021/22 and the account rate was 0.05% throughout the year until 24th January 2022 when this was increased to 0.2% as a reaction to the December 2021 Bank Rate increase. The Natwest Reserve Account which holds any small surpluses for the day remains at 0.01%.
17. Pooled funds including CCLA and Royal London have continued to recover in 2021/22. The Council's original investment of £85 million retracted to £78 million as at 31st March 2020 due to the effects of the Covid-19 pandemic. These funds' capital value recovered to £85.1 million as at 31st March 2021 and to £89.8 million as at 31st December 2021. All funds except Fidelity are above their individual original investment value as at 31st December 2021. Pooled funds have generated revenue returns of 3.48% so far this year (including CCLA and Royal London) which has resulted in £1.72 million being received for the period April-November 2021.
18. In addition to its treasury management activity, the Council has direct property investment, having purchased ten properties between 2015/16 and 2018/19 for financial return as part of a planned strategy taking into account location, strength of covenant, lot size, lettable, yield, etc. The aim was to generate ongoing income for the Council. The purchase of these properties was funded from Council resources and so does not present the same risk as those funded directly from borrowing, for which several councils have recently received adverse publicity. Officers continue to manage all properties and the relationship with the tenants with the aim of supporting businesses to trade. The rental income still remains steady in 2021/22.
19. A full report on the 2021/22 treasury management performance will be made to committee in July 2022, in accordance with the arrangements prescribed in the Policy Statement.

REVIEW OF LONGER TERM INVESTMENTS

20. Link Treasury Management Services have been contracted specifically to lead a Multi Asset Fund selection process for the Council for potential

implementation in 2022/23. The Council currently holds a cumulative £50m in three multi asset funds (Fidelity, JP Morgan and Artemis) and in December 2021 Link presented options for the Council to extend its use of such funds. Five fund managers were invited to present in December 2021 with Link and Council officers appraising those presentations shortly after. Further analysis was subsequently done of all funds and the Council's Treasury Policy Statement for 2022/23 (Appendix A) is proposed to be updated for extended use of such funds in 2022/23 and beyond. The changes are detailed in paragraph 29 (a) below and in Appendix A at paragraph 3.2.4 (b) (vi).

21. In order to ensure security and liquidity of the portfolio as a whole is considered in advance of yield, the proposed changes to the Treasury Policy Statement are designed to invest in these funds proportionately in line with the original investments made in August 2018 which, at that time, were under 10% of total investments and under 20% of lowest cash flow projection over three years (inclusive of the year of investment). Taking into account overall cash balances which are currently significantly higher than they were in 2018, it is proposed that the total investment percentage for Multi Asset Funds (i.e. including the existing investments) is amended to be no more than 15% of total investments and under 20% of the lowest cash flow projection over three years.
22. Under these ratios further investments up to £50 million can be made initially across funds selected. Whilst the overall end of year treasury balance as detailed in this report is expected to finish in excess of £625 million this is dependent on capital spend being paid as profiled (rather than largely being accrued at year end), and also other contingencies set aside being utilised. As a consequence, the year-end balance could finish higher which would further support the percentages detailed above (i.e. the lowest start of the year would still be within the boundaries stated above). Once the Treasury Policy Statement has been amended to allow this additional investment, the Director of Resources will finalise the final selection of funds and make the relevant investments under existing delegated authority and will update Members at the next available meeting of this Committee.
23. It is also proposed that the CCLA Property Fund limit (currently £25 million) is also updated for extended use in 2022/23 and beyond. The Council's current £25 million investment (currently valued at £28.3 million including capital growth) in CCLA has returned £0.7 million between April and December 2021 and is expected to return just under £1 million by year end. In addition, the capital value of the fund has also increased in the first 9 months of 2021/22 by £3.1 million. The necessary changes to the Treasury Policy Statement are detailed in paragraph 29 (b) below and in Appendix A at paragraph 3.2.4 (b) (i).
24. Internal analysis of the CCLA Property Fund yield and capital growth has been conducted and the proposed increase will follow the same ethos as the Multi Asset Fund in terms of investing in line with previous investment percentage boundaries. CCLA was first approved to be used in the Treasury Policy Statement of 2014/15 when the total CCLA Property Fund was £408 million and investments followed with £15 million placed over two investments in 2014, and a final two investments in 2015 after the Treasury Policy Statement counterparty limit was increased again in the 2015 mid-year review, bringing

the total investment to £25 million. In each of these investment dates the cumulative investment was under 5% of total investments and under 10% of lowest cash flow projection over three years (inclusive of the year of investment). The total CCLA Property Fund is £1,371 million at 31 December 2021 of which Wandsworth's share is £28.3 million. It is proposed an investment of up to £5 million is made initially and further investments of £5 million per £75 million increase in total investments is prudent to remain within these same ratio boundaries.

25. Ultimately the aim of these proposed amendments to the Treasury Policy Statement is to continue to protect the security and liquidity of the Council's investments whilst increasing the Council's overall return by recognising that average cash balances have continued to rise over the past few years and, whilst projected to reduce from their current historically high level, are predicted to continue at a sustained level in the short to medium term at least. Treasury budgets will be adjusted in due course to reflect this change in policy, once implemented.

DEBT

26. The size and composition of the Council's debt at 31st March 2021 and 31st December 2021 is shown in Appendix D. Gross debt has reduced from £78 million to £66 million reflecting repayments of Public Works Loans Board (PWL) debt. A further repayment will be made before the end of 2021/22. No new long-term borrowing has been undertaken, and none is expected for the remainder of the year.

REGULATIONS

27. The use of Money Market Funds by local authorities as non-capital expenditure is governed by regulation which refers to European legislation. The governance and wording of this regulation has been amended to take effect from the date the United Kingdom ceases to be a member of the European Union as The Money Market Funds (Amendment) (EU Exit) Regulations 2019 No. 394.
28. The International Financial Reporting Standards IFRS 9 on (measurement of) Financial Instruments was updated from 2018/19. This change would have meant that annual gains or losses arising from changes in fair value of pooled investments such as the CCLA Property Fund and the Multi-Asset Funds would be charged to revenue in the General Fund. However, after representations from local authorities, the Government introduced a mandatory statutory override commencing in 2018/19 for a period of five years requiring local authorities to reverse out all unrealised fair value movements from pooled investment funds. This means that the General Fund and Council Tax payers will continue to be protected from such valuation fluctuations until the end of 2022/23. Within the mid-year review of 2022/23 the multi asset and property funds will be analysed alongside regulation updates from Government and if necessary, the Council can begin to make provision by setting aside a sum within a reserve in 2023/24.

PROPOSED UPDATED TREASURY POLICY STATEMENT

29. The Covid-19 pandemic has resulted in falling interest rates alongside a surplus of cash available in the market. As a result the Council currently has high levels of balances invested at very low rates and this is expected to continue into the coming year albeit interest rates slightly improved. Bearing in mind projected cash balances over the short to medium term, which are predicted to drop but remain strong, it is therefore proposed that three changes are made to the Treasury Policy Statement for 2022/23 to increase flexibility and spread the risk on the investments held. This is:
- (a) The Council can currently place £20 million per fund up to an aggregate of £50 million in individual Corporate Bonds (grade BBB and above), Fixed Income Funds, Equity Funds, and Mixed Asset Funds (including Multi Asset Credit). It is proposed this is increased to £35 million per fund up to an aggregate of £100 million so the Council may invest further income in 2022/23 if it decides to do so and after undertaking specialist advice on any new fund selection and within percentage boundaries outlined. This change and boundaries are described in Appendix A at paragraph 3.2.4 (b) (vi).
 - (b) The Council can currently place up to £25 million in a Property Fund that is set up under a scheme approved by HM Treasury so that it does not count as capital expenditure. It is proposed this is increased to £50 million per fund (excluding any capital growth) so the Council may invest further income in 2022/23 if it decides to do so within percentage boundaries outlined. This change and boundaries are described in Appendix A at paragraph 3.2.4 (b) (i).
30. In addition, a change is proposed to the policy in relation to Joint Venture arrangements (such as at Winstanley/York Road) to specify a maximum investment/loans limit, either in cash or backed by property assets, up to a maximum of £50 million per investment/loan type and not exceeding an overall aggregate total of £125 million. This is based on latest estimates taking into account potential future property valuation increases. This change is described in Appendix A at paragraph 3.2.4 (iv).

TREASURY MANAGEMENT STRATEGY FOR 2022/23

31. The Strategy for 2022/23 considers the outlook for investment and debt levels for the period 2022/23 to 2024/25, taking into account estimates of major cash flow movements. These estimates are shown in the table in paragraph 4.1 in Appendix A.
32. The Council is projecting to begin the year with investments of £625 million or above. Repayments of £17.2 million of PWLB loans taken up for the Housing Revenue Account (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 as the HRA regeneration and development schemes progress and other balances fall.

33. Authorised Borrowing Limit and Operational Boundary for 2022/23 The Council has to set a borrowing limit and operational boundary for 2022/23 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 borrow without further reference back to Council. This limit was set at £120 million in February 2021, reflecting the existing long-term borrowing of £69 million at 1 April 2021, 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 and Western Riverside Waste Authority. Long-term borrowing is expected to be £52 million at 1st April 2022 and £82 million of long-term borrowing is currently planned for 2022/23 (largely relating to the Housing Revenue Account). A limit of £150 million is therefore proposed for the borrowing limit and operational boundary for 2022/23, reflecting the existing borrowing, and allowing for other possible requirements.
34. MRP Statement for 2022/23 Regulations issued under the Local Government Act 2003 require local authorities to calculate an annual amount of Minimum Revenue Provision (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.
35. For Wandsworth a “prudent” MRP was, until 2017/18, nil, reflecting the fact that the Council’s debt related to the Housing Revenue Account. However, in 2016/17 internal borrowing of £7 million took place to partially fund the scheme to develop Greenmead/Ronald Ross schools to be charged to the Dedicated Schools Budget (DSB).
36. It was proposed that the Council would have an MRP, commencing in 2017/18 and charged to the DSB, to repay any such internal borrowing, at the equivalent to the PWLB rate for nine years. From 2018/19 onwards, the repayment period has been extended to twelve years. This will still more than cover any minimum required under guidance for a “prudent” MRP.

CAPITAL STRATEGY

37. The requirement to produce an annual Capital Strategy was introduced in 2018 by amendments to CIPFA’s Prudential Code and remains within the 2021 update. The Prudential Code allows local authorities to set their own limits on borrowing as part of the freedoms and flexibilities introduced in the 2003 Local Government Act. This is achieved by setting limits to ensure that spending is affordable, prudent and sustainable. The addition of a Capital Strategy to this framework gives further context and direction to these decisions. The 2021 update to the Code also introduces the need for Prudential Indicators for all boroughs to further strengthen the testing of limits and boundaries. The 2021 Prudential Code was published on 20th December 2021 and will be considered at this committee in February as part of the Capital Strategy 2022/23. Due to late publication of the Prudential Code, CIPFA has communicated a soft

implementation, therefore full implementation is not mandatory until 2023/24 Investment property is still addressed via the CIPFA Prudential Property Investment guidance which specifically addresses the decision making process for investing in property.

38. The proposed Capital Strategy for 2022/23 will be reported to this Committee and the Executive in February for approval by full Council in March.

The Town Hall
Wandsworth
SW18 2PU

FENELLA MERRY
Director of Resources

15th February 2022

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 can supply a copy if required.

WANDSWORTH BOROUGH COUNCIL

TREASURY POLICY STATEMENT - FEBRUARY 2022

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:
- (a) 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;
 - (b) Funds held as cash and as bank balances and managed by officers of the Adult Social Services Care and Public Health and Children's Services Departments' Care Establishments for small items of expenditure and on behalf of residents;
 - (c) 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
 - (d) 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:
- (a) 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;

(b) 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:

(i) to raise, repay, renew and otherwise vary the terms of the loans; and

(ii) 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 her 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, Resources and Climate Sustainability 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, Resources and Climate Sustainability, 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 Debt Management Account Deposit Facility (DMADF).

2.4. The Director of Resources will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Director of Resources will also ensure that those engaged in treasury management follow the policies and procedures set out. The present arrangements are documented and monitored by the responsible officer in effective day to day management of the treasury management function.

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. This meeting discusses strategic decisions relating to items such as structure of investments and timing of long-term borrowing. The Director of Resources or, in her absence, the Assistant Director of Resources (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 the Council to carry out an independent review of the Council's Treasury Management activities. The next review is due in January 2025.

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 DMADF, directly with sterling AAA rated Money Market Funds (MMFs), or directly with sterling A rated Notice Funds at banks owned 20% or more by the UK Government (e.g. NatWest Group). Investments may also be placed directly with institutions where more attractive interest rates can be obtained than by investing through brokers. Where MMFs are used, the choice of fund shall be determined at the monthly Treasury Management meeting within the Resources Directorate, as described in paragraph 2.5 above. **At least 20% 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)				NatWest Group	£50m	

(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 banks owned 20% or more by the UK Government (e.g. NatWest Group). Included in this limit is any balance held in notice funds held with these institutions.

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 her absence, the Assistant Director. Any such temporary restrictions applied shall be reported to the next available meeting of the Finance, Resources and Climate Sustainability 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 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. Where MMFs are used this 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 an 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.
- (h) Short Dated Income Funds held at a bank which is 20% or more owned by the UK Government (e.g. NatWest Group) are exempt from the criteria in paragraphs 3.2.3 (e-g) but subject to the restriction in paragraph 3.2.2 (i).

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 ~~£500 350~~ 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 £100 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 £100 million limit in a) above.
 - (i) Up to ~~£50 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. Total investments in a Property Fund should not be greater than 5% of total investments, or greater than 10% of the lowest cash flow projection over 3 years (inclusive of the year of investment), when placed.
 - (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, development partner or vehicle set up for the purpose of regenerating the Council's housing estates. This may be in either cash or backed by property assets. Any such investment shall not exceed £50 million per bond issue and ~~£125 100~~ million in total.
- (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 ~~£100 50~~ million for around five years, subject to meeting the criteria that investments do 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. The total amount invested with any one manager shall not exceed ~~£35 20~~ million unless capital appreciation takes an initial investment over that value. Any new investment should not make the cumulative investments higher than 15% of total investments or 20% of the lowest cash flow projection over 3 years (inclusive of the year of investment) when placed.
- (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 2022/23

4.1. The following table considers the outlook for investment and debt levels for the period 2022/23 to 2024/25 considering estimates of major cash flow movements. The top half the table shows the Council's opening net investment position if borrowing was taken at the start of the year. The second part of the table shows overall investment outlook for the 31st March each year.

	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	£'m	£'m	£'m
Estimated investments 1st April	625.0	535.2	543.6
Estimated debt 1st April	-51.6	-34.4	-17.2
Estimated new general borrowing	-2.0	-1.9	-1.8
Estimated new HRA borrowing	-80.0	-161.0	-287.7
Deposit facilities for other bodies & funds	-8.2	-8.2	-8.2
Net investments/debt 1st April	483.2	329.7	228.7
Estimated investments 1st April	625.0	535.2	543.5
<u>Deduct</u>			
Capital payments - General	-118.2	-55.5	-6.8
Capital payments - HRA	-203.2	-149.9	-295.0
Net Movement in funds, reserves & provisions - General	-3.6	-19.0	-26.9
Net Movement in funds, reserves & provisions - HRA	34.7	29.09	24.5
<u>Add</u>			
New general borrowing receipts	2.1	0.0	0.0
New HRA borrowing receipts	80.0	85.0	135.0
Capital receipts	1.7	19.7	1.7
HRA capital receipts	19.1	36.2	133.3
Capital grants	85.8	49.3	3.8
Revenue provision for capital & credit liabilities	29.0	34.8	38.2
<u>In-year net cash movement before loans</u>	<u>-72.6</u>	<u>29.6</u>	<u>7.8</u>
Net investments/debt 31st March	410.6	359.3	236.5
<u>Estimated investments 31st March</u>	<u>535.2</u>	<u>543.6</u>	<u>525.9</u>
Estimated (existing) long-term debt 31st March	-34.4	-17.2	0
Deposit facilities for other bodies	-8.2	-8.2	-8.2
Repayment of existing debt	17.2	17.2	17.2
Repayment of new general borrowing	0.1	0.1	0.1
Repayment of new HRA borrowing	0.0	4.0	8.3
Change in use of deposit facilities	0.0	0.0	0.0

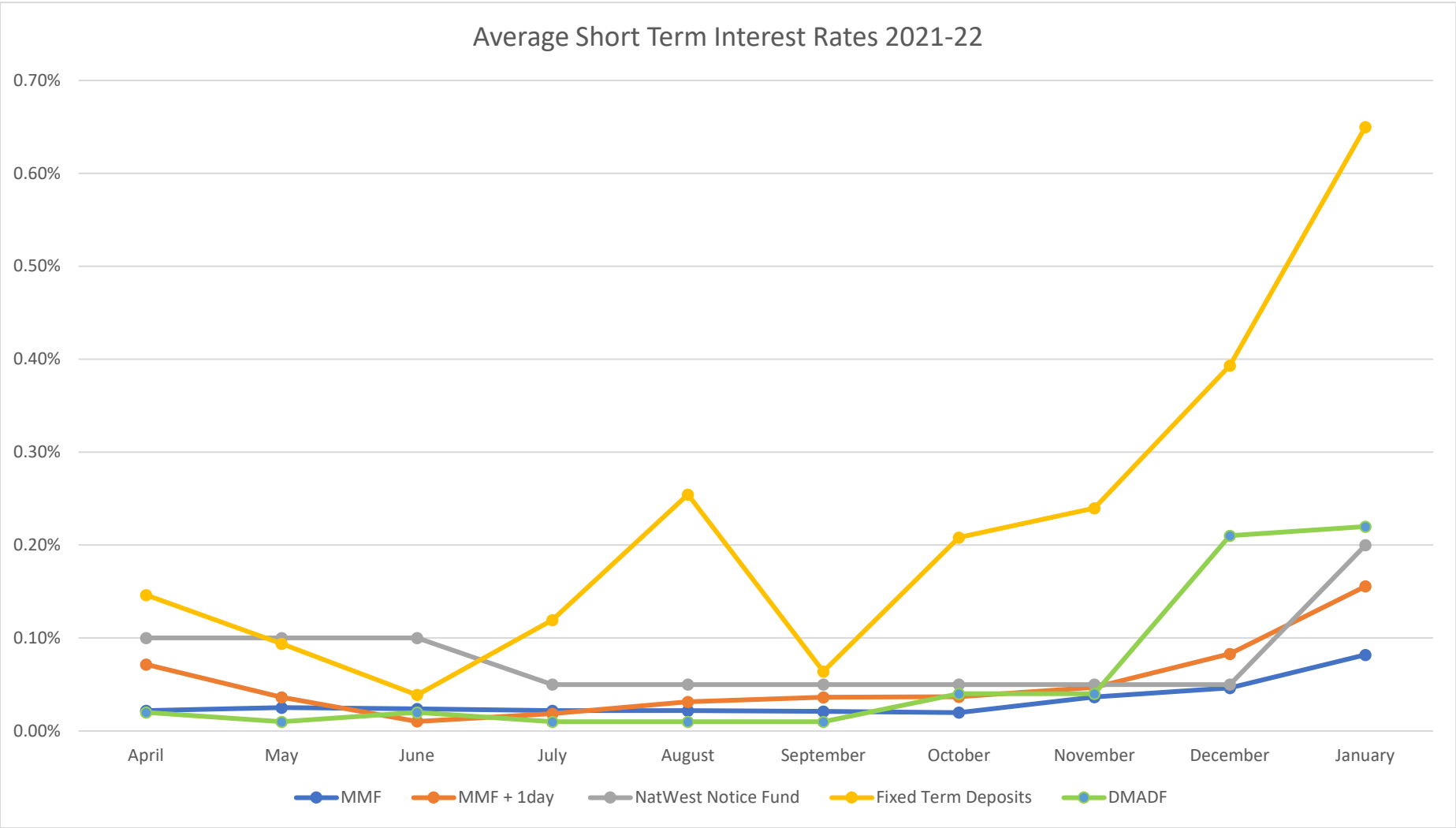
4.2. The Council is expected to begin the year with investments in excess of £625 million. Repayments of £17.2 million of new PWLB loans taken up for the HRA on 28th March 2012 fall due during the year. The estimated movements for the following two years based upon current cash flows show that investments are likely to fall as the HRA regeneration schemes progress and the level of other balances reduces but remain strong.

4.3. Authorised Borrowing Limit and Operational Boundary for 2021/22 The Council has to set a borrowing limit and operational boundary for 2022/23 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 borrow without further reference back to Council. This limit was set at £120 million in February 2021, reflecting the existing long-term borrowing of £69 million at 1 April 2021, 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 or Western Riverside Waste Authority. Long-term borrowing is expected to be £52 million at 1st April 2022 and £82 million of long-term borrowing is currently planned. A limit of £150 million is therefore proposed for the borrowing limit and operational boundary for 2022/23, reflecting the existing borrowing, and allowing for other possible requirements.

The Town Hall
Wandsworth
SW18 2PU

15th February 2022

Appendix B
Paper No. 22-69



	Value £m	Interest Rate	Fitch Ratings		
			Long Term	Short Term	Short Term Outlook
Bank					
Natwest Reserve Account	3.7	0.01%	A	F1	Not Negative
Natwest 35 Day Notice Fund	45.0	0.05%	A	F1	Not Negative
Money Market Funds					
Deutsche Sterling Platinum (CNAV)	50.0	0.05%	AAA		
Morgan Stanley Liquidity Fund (CNAV)	45.5	0.05%	AAA		
Federated Global Cash Plus (VNAV)	49.9	0.06%	AAA		
Fixed - Under 3 Months Remaining					
Australia and New Zealand Banking Group Ltd.	10.0	0.12%	A+	F1	Not Negative
Blackpool Council	10.0	0.25%	N/a		
City of Kingston upon Hull	20.0	0.45%	N/a		
DMO	25.0	0.06%	N/a		
DMO	10.0	0.04%	N/a		
Falkirk Council	10.0	0.25%	N/a		
Guildford Borough Council	5.0	20.00%	N/a		
Guildford Borough Council	5.0	0.12%	N/a		
Highland Council	5.0	0.25%	N/a		
Landesbank Hessen-Thuringen	10.0	0.20%	A+	F1+	Not Negative
Northumberland County Council	10.0	0.45%	N/a		
Rotherham Metropolitan Borough Council	10.0	0.45%	N/a		
SMBC International Bank Plc	10.0	0.23%	A	F1	Negative
South Somerset District Council	10.0	0.45%	N/a		
Toronto Dominion Bank	10.0	0.08%	AA-	F1+	Not Negative
Toronto Dominion Bank	10.0	0.07%	AA-	F1+	Not Negative
West Dunbartonshire Council	8.0	0.12%	N/a		
Wokingham Borough Council	8.0	0.40%	N/a		
Wokingham Borough Council	10.0	0.24%	N/a		
Fixed - 3 to 6 Months Remaining					
Bank of Montreal	5.0	0.10%	AA-	F1+	Negative
Cherwell District Council	5.0	0.45%	N/a		
DBS Bank Ltd.	10.0	0.26%	AA-	F1+	Not Negative
DBS Bank Ltd.	10.0	0.25%	AA-	F1+	Not Negative
DMO	10.0	0.21%	N/a		
First Abu Dhabi Bank	10.0	0.44%	AA-	F1+	Not Negative
First Abu Dhabi Bank	10.0	0.31%	AA-	F1+	Not Negative
First Abu Dhabi Bank	20.0	0.24%	AA-	F1+	Not Negative
First Abu Dhabi Bank	10.0	0.22%	AA-	F1+	Not Negative
Goldman Sachs International Bank	5.0	0.35%	A+	F1	Not Negative
London Borough of Southwark	10.0	0.15%	N/a		
Fixed - 6 Months to 1 Year Remaining					
Canadian Imperial Bank of Commerce	10.0	0.60%	AA-	F1+	Not Negative
DBS Bank Ltd.	10.0	0.60%	AA-	F1+	Not Negative
DBS Bank Ltd.	10.0	0.49%	AA-	F1+	Not Negative
DBS Bank Ltd.	10.0	0.46%	AA-	F1+	Not Negative
Goldman Sachs International Bank	5.0	0.39%	A+	F1	Not Negative
London Borough of Hillingdon	5.0	0.60%	N/a		
London Borough of Southwark	15.0	0.10%	N/a		
National Bank of Australia	10.0	0.31%	A+	F1	Not Negative
National Bank of Canada	10.0	0.60%	A+	F1	Not Negative
Santander UK Plc	5.0	0.57%	A+	F1	Not Negative
Santander UK Plc	5.0	0.27%	A+	F1	Not Negative
Toronto Dominion Bank	30.0	0.19%	AA-	F1+	Not Negative
Wokingham Borough Council	10.0	0.55%	N/a		
Fixed - Over 1 Year Remaining					
Colchester Borough council	5.0	0.40%	N/a		
Folkestone & Hythe DC	10.0	0.60%	N/a		

Longer Term Investments

CCLA Property Fund	28.3	3.48%	
Royal London Cash Plus Fund (VNAV)	10.0	0.15%	AAA

Multi Asset Income Funds

Artemis Monthly Distribution Fund (Class I Units)	15.6	3.60%	
Fidelity Multi Asset Income Fund (MAIIG)	19.9	4.39%	
JPM Multi-Asset Income Fund (Share Class X)	16.0	3.17%	
	51.5		

TOTAL INVESTMENTS 31 DECEMBER 2021

734.9

INVESTMENTS AT 31 MARCH 2021

<u>Bank</u>	Value £m	Interest Rate	Fitch Ratings		
			Long Term	Short Term	Short Term Outlook
Natwest Reserve Account	8.2	0.01%	A	F1	Negative
Money Market Funds					
Aberdeen Liquidity (CNAV)	50.0	0.01%	AAA		
Morgan Stanley Liquidity Fund (CNAV)	41.0	0.03%	AAA		
Federated Global Cash Plus (VNAV)	49.9	0.06%	AAA		
Fixed - Under 3 Months Remaining					
Cambridgeshire County Council	20.0	1.05%	N/a		
Cheshire East Council	5.0	0.10%	N/a		
Cornwall County Council	10.0	0.05%	N/a		
DBS Bank Ltd.	10.0	0.09%	AA-	F1+	Not Negative
DBS Bank Ltd.	10.0	0.07%	AA-	F1+	Not Negative
DMO	10.0	0.00%	N/a		
Dorset Council	10.0	0.50%	N/a		
Rotherham Metropolitan Borough Council	10.0	1.00%	N/a		
Rotherham Metropolitan Borough Council	10.0	0.40%	N/a		
Southampton City council	10.0	0.03%	N/a		
Stirling Council	3.0	0.07%	N/a		
Surrey County Council	10.0	0.15%	N/a		
West Dunbartonshire Council	10.0	0.95%	N/a		
West of England Combined Authority	10.0	0.10%	N/a		
Fixed - 3 to 6 Months Remaining					
Cambridgeshire County Council	5.0	0.55%	N/a		
Doncaster Metropolitan Borough Council	5.0	0.75%	N/a		
Goldman Sachs International Bank	5.0	0.21%	A+	F1	Negative
Lancashire County council	10.0	1.30%	N/a		
Surrey County Council	5.0	0.10%	N/a		
Fixed - 6 Months to 1 Year Remaining					
Barnsley Metropolitan County Council	5.0	1.40%	N/a		
Blackpool Council	10.0	0.25%	N/a		
Cherwell District Council	10.0	0.45%	N/a		
City of Kingston upon Hull	20.0	0.45%	N/a		
Falkirk Council	10.0	0.25%	N/a		
Guildford Borough Council	5.0	0.20%	N/a		
Guildford Borough Council	5.0	0.12%	N/a		
Highland Council	5.0	0.25%	N/a		
Lancashire County council	10.0	1.20%	N/a		
London Borough of Southwark	10.0	0.10%	N/a		
Northumberland County Council	10.0	0.45%	N/a		
Rotherham Metropolitan Borough Council	10.0	0.58%	N/a		
Rotherham Metropolitan Borough Council	20.0	0.45%	N/a		
South Ayrshire Council	5.0	0.45%	N/a		
South Somerset District Council	10.0	0.45%	N/a		
West Dunbartonshire Council	8.0	0.12%	N/a		
Wokingham Borough Council	8.0	0.40%	N/a		
Wokingham Borough Council	10.0	0.24%	N/a		
Wokingham Borough Council	10.0	0.22%	N/a		
Wokingham Borough Council	5.0	0.20%	N/a		

Fixed - Over 1 Year Remaining

Cherwell District Council	5.0	0.45%	N/a
Colchester Borough council	5.0	0.40%	N/a
Folkestone & Hythe DC	10.0	0.60%	N/a
London Borough of Hillingdon	5.0	0.60%	N/a
Wokingham Borough Council	10.0	0.55%	N/a

Longer Term Investments

CCLA Property Fund	25.2	4.63%	
Royal London Cash Plus Fund (VNAV)	10.0	0.46%	AAA
Multi Asset Income Funds			
Artemis Monthly Distribution Fund (Class I Units)	14.6	3.66%	
Fidelity Multi Asset Income Fund (MAIIG)	19.8	4.35%	
JPM Multi-Asset Income Fund (Share Class X)	15.5	3.28%	
	49.9		
TOTAL INVESTMENTS 31 MARCH 2021	623.2		

APPENDIX D
Paper No. 22-69

TOTAL DEBT

	Maturity Date	Rate of Interest	Balance 31/03/2021 % £'000	Balance 31/12/2021 £'000
<u>Long-Term Debt</u>				
Public Works Loan Board - Equal Instalments of Principal Loans	28/03/2025	1.69%	68,807	60,206
Total Long-Term Debt			<u>68,807</u>	<u>60,206</u>
<u>Deposit Facilities for other Bodies</u>				
North East Surrey Crematorium Board			1,035	625
Western Riverside Waste Authority			8,025	5,645
<u>TOTAL DEBT</u>			<u>77,867</u>	<u>66,476</u>

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Section 5
Housing Budgets

WANDSWORTH BOROUGH COUNCIL

HOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE –
20TH JANUARY 2022

EXECUTIVE – 31ST JANUARY 2022

COUNCIL – 2ND FEBRUARY 2022

Joint Report by the Director of Resources and the Director of Housing and Regeneration on the
Housing Revenue Account Budget (including Rents for Council Dwellings)

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 2021/22 to 2024/25.

The report first recommends additions to the existing Housing Revenue Account capital programme (as set out in summary in Appendix A) totalling £90.391 million as detailed in Appendix B to this report culminating in an overall programme amounting to £625.860 million over the framework period as shown in Appendix C before turning to proposals for revenue expenditure and income. Insofar as proposals for income are concerned, the Council has a duty to review Council housing rents.

Taking account of all relevant factors the Cabinet Member for Housing recommends that Council housing rents are frozen with effect from the first Monday in April 2022.

The Cabinet Member for Housing also proposes general increases in non-residential charges of 3.1% as set out in Appendix D, again to take effect from the first Monday in April 2022.

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 the next 10 years.

On the forecast parameters used, the business plan demonstrates that the Council continues to be in a position to finance future expenditure plans, including the two large-scale regeneration projects and the expanded Council-build development programme, and continues to maintain the Decent Homes standard on existing stock.

GLOSSARY

BRF	Borough Residents' Forum
CPI	Consumer Price Index
DHP	Discretionary Housing Payments
GLA	Greater London Authority
HRA	Housing Revenue Account
LHA	Local Housing Allowance
MHCLG	Ministry of Housing, Communities and Local Government
RPI	Retail Price Index

RECOMMENDATIONS

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 £90.391 million as set out in Appendix B to the report be approved and that accordingly the total capital programme over the Housing Revenue Account budget framework period totalling £625.860 million as set out in Appendix C to the report be adopted as the Housing Revenue Account approved capital programme;
 - (b) that the existing procurement governance arrangements in relation to the Housing Revenue Account capital programme continue to be approved;
 - (c) to approve that rent charges for all existing tenants in Council owned properties (both social rent and affordable rent) be frozen at existing levels from the first Monday in April 2022;
 - (d) to approve that for other properties dwelling rents (previously sold under Right to Part Buy, Equity Share and Social Homebuy options) be frozen at existing levels from the first Monday in April 2022;
 - (e) to note that tenants' service charges will continue to be set by the Director of Resources on a cost recovery basis, albeit with a general individual cap applied of 4.1% (September 2021 CPI + 1%) in line with national guidance, except in exceptional cases where costs have increased significantly due to exceptional inflationary increases for the specific charge or a change in service specification;
 - (f) to note that an over-riding restriction is maintained that all tenants with combined basic rent and service charges (the "rent envelope") in excess of an amount equivalent to 45% of the total welfare benefit cap (currently £199 per

week) have their rent envelope capped at its current level (by reducing basic rent where necessary to compensate for any increase in assessed service charges);

- (g) that the Director of Housing and Regeneration be authorised to serve notices upon tenants of Housing Revenue Account dwellings, advising of the rents and service charges to be applied from the first Monday in April 2022;
- (h) that the non-residential charges as set out in Appendix D to the report be approved with effect from the first Monday in April 2022;
- (i) that the estimates shown in Appendix E to the report for the Housing Revenue Account for the financial years 2021/22 to 2024/25 be adopted as the Housing Revenue Account budget framework, subject to any budget variations subsequently approved by the Executive within the overriding restriction that the Housing Revenue Account reserves shown for 31 March 2025 should not be forecast by the Director of Resources to reduce by more than £40 million; and,
- (j) that the Director of Resources be authorised to prepare the statutory Housing Revenue Account statement for 2022/23 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 2022/23, 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.
- 6. The requirement for monitoring, described in (b) above is delegated to the Director of Housing and Regeneration.

7. 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. The HRA budget framework is also made available online as part of this report.

HRA CAPITAL

HRA Estimates and Business Plan – proposals for capital expenditure

8. The HRA capital expenditure estimates have been based on the current cash flows for the capital programme adjusted for slippage as approved in the HRA Business Plan Update in September 2021 (Paper No. 21-246) and any budget virements and budget variations approved since as summarised in Appendix A to this report.
9. The Director of Resources and the Director of Housing and Regeneration propose additions totalling £90.391 million as summarised below and as set out in detail in Appendix B for consideration.

Programme Area	2021/22	2022/23	2023/24	2024/25	Total
	£000s	£000s	£000s	£000s	£000s
Repairs & Improvements	7	6,483	16,578	11,308	34,376
Estate Improvements	-	225	361	38	624
Site Developments	-	650	1,414	4,562	6,626
Regeneration	1,100	3,000	10,200	34,465	48,765
TOTAL	1,107	10,358	28,553	50,373	90,391

Repairs and Improvements

10. The HRA business plan includes funding for assumed levels of capital spend over the next 30 years based on a statistical survey of the Council’s housing stock condition. The stock condition survey undertaken in 2012 identified that on average £25 million (at 2012 prices) would need to be invested in the stock to maintain Council owned housing stock to the basic decency standard. This equated to an average expenditure of £1,465 per property per annum for the tenanted stock or £44,000 per property over the life of the 30-year business plan.
11. The current approved capital programme includes provision to update the stock condition survey baseline information and data. As part of this process it will allow the Council to consider any additional works that may need to be undertaken to meet any new decent homes requirements identified as a result of the Government’s Social Housing White Paper, any new health and safety requirements and to identify and cost energy efficiency works that might be undertaken to improve the energy efficiency of the Council’s existing council stock and to contribute towards carbon reduction initiatives and targets.
12. The new housing management system is also providing an opportunity to build a specific module that will hold stock condition and asset management data and track decent homes works more effectively.

13. The proposed capital 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 £34.376 million. The level of bids submitted is broadly in line with the expenditure requirements assumed in the HRA business plan when considering the resources made available in the previous years.
14. In total £21.015 million of the bids submitted relate to window and roof renewal schemes and the replacement of individual and communal boiler and heating systems. All of these bids will deliver, to some degree, improvements in energy efficiency and assist in meeting carbon reduction targets. A key factor in identifying works to improve energy efficiency will be identifying, through the stock condition survey, works with the maximum positive impact. The Council will maximise any available grant funding aimed at reducing carbon emissions from its residential stock.

Regeneration Schemes

15. Capital bids on the Winstanley/York Road and Alton regeneration schemes totalling £48.765 million are included for approval. These include bids for the investment/financing proposals elsewhere on this agenda (Paper No. 22-10), the Regeneration Team’s ongoing running costs and in relation to the possible use of consultants totalling £4.4 million.
16. Further bids relating to Acquisitions/Compulsory Purchase Order (CPO) costs on both schemes totalling £6.922 million are also recommended for approval based on a high level estimate of the acquisition profile. These bids establish a phased working fund available to complete the acquisition of predominantly residential properties required for the schemes in advance of any required CPO. Under CPO guidance, the Council is under an obligation to try and acquire properties by negotiation to ensure CPO is only used as a last resort and, for residential properties, to meet its offer to resident and non-resident owners.
17. Additionally bids totalling £2.443 million are proposed as ‘top-ups’ for the existing approved re-provision schemes at the satellite sites where existing approvals have proven insufficient due to inflationary pressures.
18. It should be noted that there is a fair degree of uncertainty on the likely cashflows for both schemes at present. Cash flows for both the Alton and Winstanley/York Road regeneration schemes will continually be reviewed and will be next updated as part of the September 2022 HRA business plan update when the future proposals and delivery timelines become more certain.

New Build and Site Developments

19. Capital bids totalling £6.626 million are proposed in relation to the 1,000 Homes Programme including a number of adjustments to existing approved budget levels. £4.092 million are proposed as ‘top-ups’ for the existing approved schemes where current estimates have increased due to inflationary pressures on materials and labour experienced in the national market. No new schemes are being brought forward for approval at this time as a significant number of schemes are in the early stages of development but future/potential pipeline schemes are continuing to be assessed for viability.

20. The expectation remains that overall the expanded programme will still be contained within the £80 million envelope previously approved. Based on the latest review of the consolidated position the net cost has increased due to inflation pressures but this increase can be offset by applying affordable housing grant which the Council has been successful in securing. This grant has been factored into the HRA business plan to maintain the net £80 million investment assumptions.

Other HRA Capital Bids

21. In addition to these bids the Director of Housing and Regeneration has included an Environmental Improvement bid of £624,000 for playgrounds, playground refurbishments and other smaller environmental improvement works.

Capital Summary

22. The resulting capital programme over the HRA budget framework period is shown in summary below with the full detail contained in [Appendix C](#). The total planned capital expenditure over the budget period 2021/22 – 2024/25 totals £625.860 million.

Programme Area	2021/22	2022/23	2023/24	2024/25	Total
	£000s	£000s	£000s	£000s	£000s
Repairs & Improvements	27,137	65,655	51,852	42,613	187,257
Estate Improvements	268	1,254	528	588	2,638
Site Developments	15,775	55,640	54,067	39,928	165,410
Regeneration	45,134	54,129	39,477	92,201	230,941
Purchase of Properties	18,500	7,491	-	-	25,991
House Purchase Grants	5,623	4,000	4,000	-	13,623
TOTAL	112,437	188,169	149,924	175,330	625,860

23. When considered in conjunction with revised cashflows for existing approved schemes and plans for future development, the capital bids being proposed in this report remain affordable within the HRA business plan. Resources have continued to be identified for new build development and regeneration without impacting on the resources available for repairs and improvements to existing stock.
24. With regards to the procurement of works and services in relation to the HRA capital bids and more generally across the HRA capital programme, details of the proposed procurement approach will continue to be considered by the officer-led Procurement Board on a scheme by scheme basis, so no further Housing and Regeneration Overview and Scrutiny Committee or Executive approvals will be necessary unless the Procurement Board agrees otherwise. Final contract awards will be made under the Council's SO83(a) procedure unless positive budget variations are necessary which will require Executive approval in the normal way.

HRA Estimates and Business Plan – proposals for capital income

25. On existing policies, the financing of the HRA capital programme comes from several sources as follows: -

- (a) Current government regulations allow any housing capital receipts resulting from land and property sales other than statutory Right to Buy sales to be retained by the Council. Current projections are that usable receipts of £16 million will be generated in 2021/22 which, based on current Council policy, includes income from the sale of vacant properties that is to be reinvested into future purchases for low cost rent housing. Based on receipts to date it is anticipated that there will be a further £15 million made available for reprovision in 2022/23 with actual figures confirmed and approved by the Housing and Regeneration Overview and Scrutiny Committee and the Executive as part of the annual review of resources report in June/July 2022. A further capital receipt of £9 million is anticipated to be paid in 2022/23 in relation to the replacement community facilities on the Winstanley/York Road regeneration scheme. In addition, the business plan generally assumes an ongoing level of capital receipts from the disposal of minor sites at around £1 million per year;
- (b) Capital receipts from Right to Buy sales are covered by a voluntary agreement between the Council and the then Ministry for Housing, Communities and Local Government (MHCLG) whereby retained receipts from Right to Buy sales over an assumed level must be utilised to fund no more than now 40% (previously 30%) of the replacement and development cost of reprovision of low cost social housing within now five years (previously three years) of receiving those receipts. The business plan assumes £0.570 million of capital receipts (known as Right to Buy one-for-one replacement receipts) are applied in 2021/22 and £1.311 million in 2022/23 to support the delivery of non-grant supported development schemes. The revised Retained Right to Buy receipts and the use for replacement supply guidance has also set a cap on the number of properties that can now be directly acquired, rather than developed, which will limit future use of the retained amounts from 2022/23 onwards which will be considered further and reported where necessary to a future committee;
- (c) As approved in the September 2015 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 therefore assumes that £5.598 million of the future regeneration reprovision cost of the development of Shuttleworth Road is met from section 106 affordable housing contributions;
- (d) Available grant funding. The HRA business plan includes future grant of £18.698 million from the Greater London Authority (GLA) in support of the various affordable housing delivery programmes. The total grant funding becoming available is estimated at £7.588 million in 2021/22 and £3.4 million in 2022/23 with the remainder becoming due in future years. Additionally the Council has been indicatively awarded further grant funding of which £16 million will be largely used to support the 1,000 Homes Programme based on current estimates. A further £80,000 of Green Homes Grant is assumed in 2021/22 in support of energy efficiency works in a small number of tenanted council houses;
- (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 major works contributions is £4.100 million in 2021/22 and £4.311 million in 2022/23;

- (f) Internal and External Borrowing. Short-term internal borrowing is utilised to fund the balance of expenditure on Right to Buy reversion schemes with longer term external borrowing likely to be taken on to fund the regeneration schemes and the expanded programme delivery. The assumption is that £1.330 million of new internal borrowing will be required in 2021/22 and £3.059 million in 2022/23 to support current ongoing reversion commitments. Over the 30-year business plan it is currently assumed that around £505 million of new external debt will be required with the majority of this over the next ten years. This first £65 million of this external borrowing is now forecast for 2022/23 based on current expenditure profiles; and
- (g) Contributions to or from the Major Repairs Reserve consisting of a revenue charge for depreciation, as defined by accounting regulations, that 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 £24.517 million in 2021/22 and £24.484 million in 2022/23 towards funding future capital works; and the HRA's capital and revenue reserves, which totalled £298.847 million at the beginning of 2021/22, insofar as these continue to remain available.

26. In summary, and based on the overall expenditure proposals and profiles, the HRA capital programme will require financing as follows: -

Programme Area	2021/22	2022/23	2023/24	2024/25	Total
	£000s	£000s	£000s	£000s	£000s
Total Expenditure	112,437	188,169	149,924	175,330	625,860
Financed By:					
(a) Capital Receipts	16,000	10,000	1,000	1,000	28,000
(b) Right to Buy 1-4-1 Receipts	570	1,311	942	-	2,823
(c) S106 Receipts	5,098	50	450	-	5,598
(d) Capital Grant	7,668	3,400	7,010	700	18,778
(e) Leaseholder Major Works Charges	4,100	4,311	4,223	4,599	17,233
(f) Borrowing	1,330	68,059	109,757	142,352	321,498
(g) Contribution to (-) / from (+) Major Repairs Reserve	+77,671	+101,038	+26,542	+26,679	+231,930
Total Financing	112,437	188,169	149,924	175,330	625,860

27. Based on the estimated levels of capital expenditure and the anticipated sources of capital financing the balance on the Major Repairs Reserve is expected to reduce from a current position of £160 million (opening balance 2021/22) to being fully exhausted by the end of 2022/23 when the first tranche of borrowing is expected to be required.

28. The position regarding the actual financing of capital expenditure will continue to be kept under review by the Director of Resources to ensure the most effective and prudent use of available resources which may include maximising the use of internal borrowing where possible and appropriate as an alternative to more expensive external debt finance.

HRA REVENUE

HRA Estimates and Business Plan – proposals for revenue expenditure

Supervision, Management & Maintenance Expenditure

29. The updated business plan allows for inflation in 2022/23 of 2.75% on salaries, 2.5% on general running costs and inflationary increases in line with CPI or other relevant index where those costs are linked to specific contracts. Where contract inflation is linked specifically to CPI this may cause short term budget pressures noting that the current level of inflation is 5.1% but is expected to be mitigated over the longer term due to the resilience that the current reserves level provides. The impact of the higher inflation rates will need to be kept under review.
30. The budgeted level of spend on the management and revenue maintenance of properties in 2022/23 is £3,478 per dwelling after adjusting for leasehold and tenants' service charges income. This average management and maintenance cost for 2022/23 includes all budget variations approved by the Executive in this year to date and other concurrent budget variations proposed in this cycle and budget adjustments within the development budget process. This includes the costs of the additional Energy Management staffing referenced elsewhere on this agenda (Paper No. 22-09).
31. 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.

Capital Financing Costs

32. 2012/13 saw an end to the national 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 payments it made into the national pot. 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").
33. 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 was extended and is currently estimated to be repaid by 2031/32.
34. 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 reprovion and other capital schemes where needed, borrowing is estimated to cost the HRA £2.943 million in interest and require principal loan repayments totalling £33.030 million during 2021/22 and £3.518 million in interest and £29.034 million for repayments in 2022/23. This has been incorporated within the business plan and budget framework.

35. As previously highlighted, significant levels of external borrowing are anticipated over the next ten years to support the Council's regeneration schemes and expanded delivery programme and are included in the current HRA business plan projections. The first tranche of new external borrowing is currently forecast to be required in 2022/23. Officers will need to consider the debt repayment profile of any new and existing debt in order to best meet the ongoing strategic aims and financial viability of the HRA business plan.

Other Expenses

36. Other expenses include provision for bad debts and other miscellaneous costs incurred in the HRA. The budget for 2021/22 has been set at £2.983 million in line with current estimates reducing marginally to £2.783 million in 2022/23.

HRA Estimates and Business Plan – proposals for revenue income

Tenants' Rents and Service Charges

37. The Council currently owns and manages around 17,100 residential tenanted properties in the HRA. The average dwelling basic rent paid by Council tenants in Wandsworth is currently £129.63 per week. In addition average service charges of £9.57 per week are raised, giving a total average "rent envelope" payable of £139.20 per week.
38. There are significant variations around this average ranging at the extremes from £48.40 to £366.51 per week. Current rent levels reflect relative size and location of a property plus the cumulative effect of historic annual protections on how much an individual tenant's rent could increase each year.
39. 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 £241.64 for a one bedroom property to £593.75 for 4 bedrooms or more, excluding service charges, depending on where the property is situated. Wandsworth's own rent levels are still therefore significantly below the market rate for equivalent properties available on the private rental market.

The Total Welfare Benefit Cap and Impact of Welfare Reform on Housing Benefit Claimants

40. With reference to the Council's own rent charges, all of these charges are eligible for Housing Benefit where appropriate. However, due to various welfare reform changes implemented over the last several years, significant numbers of tenants now receive Universal Credit, rather than Housing Benefit, meaning there is often no direct link between rent charges and the receipt of benefits.

41. 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 was considered that such costs should be no more than 45% of the benefit cap. Accordingly, the Council's rent policy applicable at that time restricted those rents above £225 per week.
42. The Welfare Reform and Work Act 2016 (the 2016 Act) reduced the benefit cap further to £23,000 per annum for existing claimants in London from December 2016. 45% of this equates to a total rent and service charge level of £199 per week to be considerable affordable. The Council currently has around 970 tenants charged weekly rent and service charges higher than £199 per week.
43. 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 to make rent decisions without affecting those on benefits who might have been deemed unable to pay any 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.
44. The Council's current Discretionary Housing Payments (DHP) policy awards DHP, on receipt of an application, to those households with children affected by the benefit cap where the eligible rent is in excess of 45% of the households capped benefit income. There are currently 519 (589 last year) Council tenants affected who have had their housing benefit reduced as a result of under occupation, of which 22 (25 last year) are currently receiving a DHP to top up their benefit. The total welfare benefit cap affects 36 (54 last year) Council tenants, of which 5 (7 last year) are receiving a DHP to help cover their rent charge. It should be noted that the award of a DHP is not anticipated to be a permanent solution for those residents affected by the benefit cap and is reviewed on a case by case basis in line with current policy.
45. Where necessary the Council will continue to use its ability to recycle HRA resources into funding DHP to protect those 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 2021/22 at this time. The Direction is generally applied for early in the respective financial year.

The Government's Direction on Rent Setting from April 2020

46. From April 2020, the Government brought all registered social housing providers (including local housing authority landlords) under the remit of the Regulator of Social Housing which sets the Rent Standard for such providers to follow. The Rent Standard applies from 2020/21 onwards for a period of five years and stipulates the requirements with regards to social rents.
47. The Rent Standard replaced the provisions within the 2016 Act which 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). This rent reduction was mandatory whereas the Government's previous directions to stock holding councils on rent setting were all based on guidance only. As a result the Rent Standard

outlined a new statutory framework within which local authorities must act when making their annual rent decision.

The Council's Policy for HRA Tenants

48. In response to the Rent Standard, the Council agreed a revised rent policy in March 2021 (Paper No. 21-42) which aligns with the national policy whilst clarifying a few areas that still allow local discretion including the inclusion of a local rent cap.
49. It should be noted that the Council has continued to maintain its own local policy of an additional local "freeze" on rent increases for all properties charged total rents (i.e. including tenants' service charges) in excess of £199 per week, linked to an equivalent of 45% of the total welfare benefit cap (this is implemented by reducing basic rent where necessary to compensate for any increase in assessed service charges). It is recommended that this overarching restriction will be retained notwithstanding the proposals outlined in the following paragraphs.

Rent Proposals for 2022/23

50. In developing the following proposals consideration has been given to the impact of both the relatively high level of inflation (compared to recent years) and also the impact that the COVID-19 pandemic has had, and is continuing to have, on household finances. In response, the Council has been able to draw on many years of prudent financial management and current surplus balances within the HRA to provide tenants with stable costs for the coming year.
51. The recommendations for 2022/23, proposed in consultation with the Cabinet Member for Housing and Regeneration, are outlined in the following paragraphs.
52. The national rent policy links any social rent and affordable rent property rent increases to the September CPI inflation rate and allows maximum rent increases each year of CPI + 1% for those tenancies not otherwise subject to other limitations as outlined in the policy. The September CPI was 3.1%, which therefore equates to a maximum allowable increase of 4.1% from April 2022.
53. Modelling suggests that implementation of the maximum increase in line with the policy would result in an average rent increase of 3.35% or £3.99 per week (excluding service charges) which would result in an increase in rental income to the Council of £3.47 million per year.
54. When considering decisions on rent levels/increases it is important to note that, under current statutory regulation, any decision not to maximise rental income in one year is ongoing and cumulative and there is currently no scope to implement higher rent increases in future years to recover income foregone where lower than CPI + 1% increases are approved.
55. That said, when considering the current levels of reserves in the HRA and the impact recent events will have had and will continue to have on household finances it is proposed to implement a rent freeze from April 2022 for both Social Rent properties and Affordable Rent properties.

56. This will be a direct financial benefit to up to 17,100 tenants that would have otherwise faced an average rent increase from April 2022 of £3.99 per week should the maximum rent increase permissible have been applied.
57. The national Rent Standard and Council policy also addresses the approach to the rent setting for new tenancies. These will continue to be set in line with the national Rent Standard at “formula rent” + 5% which may be higher or lower than the rent paid by existing tenants.
58. In addition to Council Social and Affordable rent property charges, there is a need to review the rents for a small number of other properties where rent is charged under shared ownership arrangements. These are properties sold under the Right to Part Buy, Equity Share and Social Homebuy options. There are no specific rules within the national policy guidance regarding the rents charged in relation to these properties, but usual practice has been for the Council to apply an increase (or decrease) consistent with that adopted for the wider stock. It is recommended that this is repeated in 2022/23 and therefore it is proposed to implement a rent freeze from April 2022 for Right to Part Buy, Equity Share and Social Homebuy property rents.

Overall Financial Summary (All Properties)

59. As stated above, implementing a rent freeze would mean no change to the existing rents for current tenants. This would forego rent income of up to £3.47 million based on the maximum increase possible under the existing rent policy.
60. As there is currently no scope to implement higher rent increases in future years to recover income foregone where lower than CPI + 1% increases are approved, it should be noted that the impact of a rent freeze on the business plan, compared to the maximum increases allowed (i.e. 4.1%), equates to £47 million over 10 years.
61. Based on current estimates it is considered that the proposed rent freeze can be absorbed within the existing HRA business plan and is therefore considered affordable whilst still allowing investment in the priority areas such as maintaining and improving existing stock, estate regeneration and the delivery of new affordable housing.

Tenants’ Service Charges

62. In addition to basic rent, the majority of tenants currently pay a service charge. Whilst basic 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.
63. 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. All the service charges unpooled to date are eligible for housing benefit on the same basis as housing rents. Since 2016/17 service

charges have been calculated, in line with all other local authorities and housing associations, on an actual cost basis and represent a real variable cost to tenants separate to their core rent charge.

64. 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	13,778	£2.86	£0.12	£14.14
Garden Maintenance	14,632	£0.65	£0.03	£4.08
Block Cleaning	13,067	£2.63	£0.03	£18.19
Communal Electricity	13,627	£1.41	£0.02	£19.09
Paladins	12,911	£0.37	£0.01	£1.33
Aerials	11,539	£0.10	£0.01	£1.57
Entrycall	11,374	£0.37	£0.01	£4.04
Average		£7.36		
Sheltered Wardens	1,075	£25.70	£22.76	£25.89
Overall Average		£9.16		

65. 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.
66. 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 charges, 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, although the Council reserves the right to also implement larger increases in particularly volatile areas like energy costs.
67. Where there is a new or extended service being introduced, authorities are expected to consult appropriately with tenants before introducing new or extended services and associated charges. There are currently no proposals to introduce any new service charges for 2022/23.
68. Tenants will continue to receive charges only for the particular services they receive, to be fully covered by housing benefit where tenants are eligible. Where tenants have been moved onto Universal Credit, protection is still provided as the service charges are included within the capped limit above which Council policy allows a tenant to be eligible for DHP if other criteria are met.

69. The estimate for tenants' service charge income falls under the Other Income heading within the HRA framework. The estimated level of income is £7.158 million in 2021/22 and £7.380 million in 2022/23.

Leaseholder Service Charge Income

70. As set out within the respective leases, leaseholders are required to contribute their relative share of repairs and maintenance as part of the annual service charge billing process. The estimated level of leaseholder revenue service charge contributions is £14.619 million in 2021/22 which is based on the bills raised to date in 2021/22 and an estimate of those still to be billed, and £15.297 million in 2022/23.

Other Income

71. Other Income covers a range of other income sources to the HRA, including tenants' service charge income and interest earned on HRA balances as well as other miscellaneous income streams.
72. The HRA's balances are invested on a pooled arrangement as part of the Council's overall investment strategy to obtain the best possible return. The current rate of interest is estimated at 0.65% for 2021/22 and 0.75% in 2022/23 reflecting the prolonged period of historically low interest rates and current uncertainty in the economy. The estimated level of investment income is £4.310 million in 2021/22 but increases to £5.270 million in 2022/23. The increase in 2022/23 reflects the anticipated additional interest generated as a result of the Joint Venture investment/financing proposals as set out elsewhere on this agenda (Paper No. 22-10).

HRA NON-RESIDENTIAL CHARGES

73. The current policy on the setting of non-residential charges for garages, parking lots and storsheds was approved by the Executive in 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. Following that decision, revised charges were implemented from October 2002 and have been further reviewed each year since, generally as part of the January Committee cycle, with the most recent review in 2021 (Paper No. 21-42).
74. The average "take-up" of lettable garages has marginally improved at 86% when compared to the level at the time of the previous review (85%), which demonstrates a continued high demand for sites. Current income generated from occupied properties is around £2.1 million per annum. As part of the general review of the Council's assets and identification of sites as part of the Council's Affordable Housing development programme, some garages are earmarked for decommissioning in coming years.
75. Given no evidence of declining demand for sites, it is proposed that charges for all garages be increased by a minimum of 3.1% (based on September CPI) in line with general approach for Council charges increases. The current and proposed new weekly net rent price banding for garages are shown Appendix D, Table 1.
76. 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 3.1%. 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 2022.

77. 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 2022, these prices also be increased by an average 3.1% for replacement permits, keys and door entry fobs and pre-assignment income as set out in Appendix D, Table 3.
78. The total estimated increase in budgeted income arising from the proposed non-residential charges is £110,000 in 2022/23 and subsequent years and has been incorporated within the HRA budget framework presented as part of this report for approval.

CONSULTATION

79. Within the tenancy conditions the Council has undertaken to consult before seeking to change rent and other charges. Consultation will be undertaken through the Borough Residents' Forum (BRF) meeting on the 12 January 2022. Any feedback from the BRF will be considered at the Housing and Regeneration Overview and Scrutiny Committee meeting.
80. The Council is required to notify tenants of variations of rent and other charges. The Council will need to serve a notice of variation at least 28 days before any variation takes effect. It is therefore recommended that the Director of Housing and Regeneration be authorised to serve notices upon tenants of HRA dwellings, advising that any changes in rents and service charges will be applied from the first Monday in April 2022.

HRA BUDGET FRAMEWORK

81. The HRA business plan and budget framework is approved 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 controlling parameter was set at a level of £40 million (Paper No. 17-9).
82. The HRA business plan and budget framework reported to this Committee and the Executive in September 2021 (Paper No. 21-246) 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 concurrent budget variations being recommended for approval this cycle. Appendix E to this report sets out the HRA budget framework that reflects the proposals in this report covering the period to 31 March 2025, before which time predicted HRA reserves must not be reduced by more than £40 million from the presently predicted £173.316 million.

83. If at any point within the financial year the level of HRA reserves are predicted to fall below this minimum level the HRA framework would require revision and approval by full Council.
84. 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 graphical representation takes into account the latest estimates of revenue spend and capital expenditure in line with the stock condition survey and assumes that all self-financing existing debt is repaid by 2031/32.
85. In previous years the reserve position also used to be demonstrated over a longer 30-year business planning period but in view of the sensitive nature of the long term assumptions underpinning the business plan, the assumptions on which it is based and the external factors that can and do influence the position significantly, projected surpluses needed be viewed with caution and could therefore not be relied on. The total reserves position projected over a shorter term (over 10 years) should therefore be a more accurate representation, and generally more reliable.
86. Total reserves start at £299 million and generally reduce throughout the extended repayment term of the self-financing borrowing and the regeneration and development programme to a combined low of approximately £175 million and increase again to an estimated £200 million by the end of the 10 year period. This graph therefore confirms that, based on the recommendations contained within this report, the HRA business plan continues to remain viable whilst highlighting that further expenditure growth (of both capital and revenue nature) needs to continue to be tightly controlled to ensure ongoing viability. It should however be noted that the HRA business plan has no financial provision for future fire safety measures and carbon reduction initiatives beyond those already approved within existing budgets and therefore these could emerge to be significant future pressures.
87. The 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 projected surpluses 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.
88. 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

89. As referenced in paragraph 51, the Cabinet Member for Housing has been consulted and, taking all matters into account, considers a rent freeze for tenants to be appropriate under the current economic circumstances noting that this has only been possible due to many years of prudent financial management of the Council’s housing stock that has enabled HRA reserve balances to be built up.

90. The Cabinet Member also supports the approach to ensuring that service charges applied to estates, blocks and dwellings are fully transparent and reflect the cost of services provided.
91. Furthermore, the Cabinet Member considers that the proposed increases in non-residential charges as set out in [Appendix D](#) to this report are appropriate.
92. Finally, the Cabinet Member proposes that the Council should be recommended to adopt the revised HRA budget framework as detailed in [Appendix E](#).

CONCLUSION

93. Taking into account the previously approved HRA business plan update it is now recommended that tenants have their rents frozen at the current levels with effect from the first Monday in April 2022. It is also recommended that non-residential charges are increased generally by 3.1%, also with effect from the first Monday in April 2022.
94. The report proposes £90.391 million of new HRA capital bids which, when added to the existing approved programme, creates an overall capital commitment of £625.860 million over the framework period, demonstrating the Council's ongoing commitment to keeping existing stock at decent levels and to invest in the delivery of new affordable housing through both the estate regeneration schemes and the expanded development programme.
95. Significant levels of future surpluses are still 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 and there are likely to be additional funding pressures in future years not yet included in the business plan projections.
96. The business plan continues to be based on a raft of assumptions on future spend and income levels which if varied could 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 projected surpluses which could throw the HRA business plan out of balance in the short-term.
97. The graphical representation of balances in [Appendix E](#) 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 assessed and possibly mitigated elsewhere within the HRA business plan to maintain and ensure ongoing viability.

FENELLA MERRY
Director of Resources

BRIAN REILLY
Director of Housing and Regeneration

The Town Hall
Wandsworth
SW18 2PU

11th January 2022

Background Papers

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

1. The Council's budget book publication - 2021/22
2. ODPM - A Guide to Social Rent Reforms in the Local Authority Sector - Feb 2003
3. DCLG - The Government's Guidance on Rents for Social Housing – May 2014
4. Secretary of State - The Direction on the Rent Standard – Feb 2019
5. MHCLG - Policy statement on rents for social housing – Feb 2019
6. The Council's Revised Rent Policy – Paper No. 21-42 (Appendix D) – Feb 2021

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: thayyiba.shaah@richmondandwandsworth.gov.uk) can supply a copy if required.

Housing Revenue Account - Approved Capital Programme & Virements

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
MAJOR REFURBISHMENT OF ESTATES	14,347	36,543	25,117	25,852
RE-LIFTING	1,038	5,823	4,187	1,307
RE-WIRING	1,291	3,110	203	3,503
HEATING IMPROVEMENTS	1,563	1,908	597	-
HEATING REPAIRS	1,013	4,912	3,869	643
SPECIAL REPAIRS	4,137	1,873	-	-
SHELTERED HOUSING	505	2,742	771	-
ADAPTATIONS FOR DISABLED	1,550	1,550	-	-
ENTRYCALL & CCTV	1,686	711	530	-
TOTAL REPAIRS AND IMPROVEMENTS	27,130	59,172	35,274	31,305
ENVIRONMENTAL & ESTATE IMPROVEMENTS	268	1,029	167	550
SITE DEVELOPMENTS & EXPANDED PROGRAMME	15,775	54,990	52,653	35,366
REGENERATION PROJECTS	44,034	51,129	29,277	57,736
TOTAL ENVIRONMENTAL, NEW BUILD & REGENERATION	60,077	107,148	82,097	93,652
PURCHASE OF PROPERTIES	18,500	7,491	-	-
HOUSE PURCHASE GRANTS	5,623	4,000	4,000	-
TOTAL HOUSING REVENUE ACCOUNT	111,330	177,811	121,371	124,957

Housing Revenue Account - Proposed Additions to the Capital Programme

	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>	<u>2024/25</u> <u>£ '000</u>
<u>MAJOR REFURBISHMENT OF ESTATES</u>				
Ashburton South Estate (West Putney)				
Tildesley Road 323-387				
Podium deck car park renewal	-	-	280	155
Balham Hill Estate East & West (Balham)				
All blocks				
Roof and window renewal	-	900	1,620	-
Battersea High Street Estate (St Mary's Park)				
Coles Court, Meecham Court, Morgan Court, Pritchard Court				
Roof renewal	-	-	200	473
Bevill Allen Close (Graveney)				
All blocks				
Roof renewal	-	-	250	440
Doddington Estate (Queenstown)				
Conner Court, Park Court, Turpin House				
Phase 1 roof renewal	-	-	250	1,249
Ethelburga Estate (St Mary's Park)				
Ethelburga Street, Ethelburga Tower, Henty Close, Watford Close				
Removal of Spandrel panels	-	-	400	509
Fairfield Court (Fairfield) *				
Roof renewal	-	95	66	-
Fairfield Drive (Fairfield)				
Window renewal	-	750	381	-
Faylands Estate (Furzedown)				
Garrick House, Levett House, Marchmont House, Ryland House, Shelburne House				
Phase 1 roof renewal	-	-	200	349
Gravenel Gardens (Graveney)				
Gravenel Gardens 1-6, 7-12, 13-48, Jordan Lodge 1-6				
Roof renewal	-	316	136	-
Henry Prince Estate (Earlsfield)				
St John's Dr 1-8, 25-32, 57-64, 89-96, Wandle Way 1-16, 17-32, 33-48, 49-56, 57-72, 73-80,81-96, 97-104, 105-120,				
Roof renewal	-	-	960	2,241
Manville Road 30-38C (Bedford)				
Window renewal	-	-	50	38
Newlands Estate (Bedford) *				
Barringer Square 22-164 Even, 7-109 Odd, Tooting Bec Road 174-212 Even Treherne Court 1-35 Cons, 40-55 Cons				
Roof and cladding renewal	-	-	550	618
Streatham Park Estate (Furzedown)				
Boyce House 1-28cons,1A, 29-49cons Busby House 1-26cons, 27-47cons				
Roof renewal	-	-	300	555

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Wilditch Estate (Latchmere)				
Culvert Rd 50-56e, 58 1-22cons, 60-66e				
Culvert Rd 68-78e, 80 f1-11, 82-90e,				
Culvert Rd 92-126e, 92a-92b				
Sheepcote Lane 54-88e 54a-54b				
Window renewals	-	-	400	596
William Willison Estate (West Hill)				
Mere Close, Potterne Close				
Phase 3 window renewal	-	-	400	719
Kitchens and Bathrooms				
Phase 13 - Alton E Blocks 1-6,17-23				
Allenford House, Bramley House, Chilcombe House, Crondall House,				
Farnborough House, Kimpton House, Penwood House,				
Rushmere House, Somborne House, Shalden House,				
Swaythling House, Tatchbury House, Warnford House	-	870	174	-
Fire safety systems to sheltered & short term lets Phase 3	-	500	3,000	500
External decorations conversion to window renewal	-	-	1,000	-
Contingencies	-	1,000	1,000	1,000
TOTAL MAJOR REFURBISHMENT OF ESTATES	<u>-</u>	<u>4,431</u>	<u>11,617</u>	<u>9,442</u>
<u>RELIFTING</u>				
Ashburton South Estate (West Putney)				
Tildesley Road				
Phase 1	-	-	131	227
Hayward Gardens				
Phase 2	-	-	388	773
Badric Court (St Mary's Park)	-	-	115	396
Hibbert St (Latchmere)				
Sheridan House	-	-	54	74
Melody Road 128-162 (Wandsworth Common)	-	-	51	89
TOTAL RELIFTING	<u>-</u>	<u>-</u>	<u>739</u>	<u>1,559</u>
<u>REWIRING</u>				
Totterdown Fields Estate (Graveney)				
Derinton Road/Blakenham Road Clubroom,				
Fire alarm system upgrade	7	60	-	-
Boroughwide				
Individual Rewires	-	-	500	-
TOTAL REWIRING	<u>7</u>	<u>60</u>	<u>500</u>	<u>-</u>
<u>HEATING IMPROVEMENTS</u>				
Totteridge House (St Mary's Park)				
Radiator replacement	-	120	-	-
Boroughwide				
Individual Installations	-	-	360	-
TOTAL HEATING IMPROVEMENTS	<u>-</u>	<u>120</u>	<u>360</u>	<u>-</u>

	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>	<u>2024/25</u> <u>£ '000</u>
<u>HEATING REPAIRS</u>				
Convent Estate (Fairfield) *				
Francis Snary Lodge 1-31				
Replacement of communal heating system	-	126	-	-
Lennox Estate (Roehampton) *				
Burke Close 28-54				
Replacement of communal heating system	-	126	-	-
Nursery Close Estate (East Putney) *				
Nursery Close 31-49				
Replacement of communal heating system	-	126	-	-
Boroughwide				
Water tank renewal phase 5	-	338	170	-
Water tank renewal phase 6	-	-	160	130
TOTAL HEATING REPAIRS	-	716	330	130
<u>SPECIAL REPAIRS</u>				
Acquired Properties				
Roofs, decoration, damp proofing	-	-	300	-
Extensions/conversions future schemes				
	-	700	-	-
Provision for urgent schemes				
	-	-	1,000	-
TOTAL SPECIAL REPAIRS	-	700	1,300	-
<u>SHELTERED HOUSING</u>				
St Margaret's Court (West Putney)				
Roof renewal	-	-	28	49
Fire Alarm Systems Phase 3				
Cluster 3				
Boyd Court, Cortis Road, Cortis Terrace, Westleigh Avenue	-	148	-	-
Fire Alarm Systems Phase 4				
Cluster 6				
Arabella Drive, Burke Close, Dowdeswell Close 6-16				
Ludovick Walk (3,4,6,7, 10-14, 36-41)				
Cluster 7				
Carey Gardens	-	181	-	-
TOTAL SHELTERED HOUSING	-	329	28	49
<u>ADAPTATIONS FOR THE DISABLED</u>				
Conversion of vacant properties	-	-	850	-
Future years provision	-	-	700	-
TOTAL ADAPTATIONS FOR THE DISABLED	-	-	1,550	-

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>ENTRYCALL & CCTV</u>				
Chatham Road West Estate (Northcote)				
Staplehurst Court , Teyham Court				
Replacement of door entry system	-	-	12	23
Colson Way Estate (Furzedown)				
Fordyce House				
Replacement of door entry system	-	-	4	7
Doddington Estate (Queenstown)				
Connor Court, Turpin House				
Replacement of door entry system	-	-	30	45
Goulden House (St Mary's Park) *				
Replacement of door entry system	-	127	68	-
Somerset Estate (St Mary's Park)				
Sparkford House, Selworthy House				
Replacement of door entry system	-	-	40	53
TOTAL ENTRYCALL & CCTV	-	127	154	128
<u>ENVIRONMENTAL & ESTATE IMPROVEMENTS</u>				
Alton Estate (Roehampton)				
Minstead Gardens (Sheltered Accommodation)				
Environmental Improvements	-	96	117	-
Doddington Estate (Queenstown)				
Playground refurbishment	-	129	55	-
Ryde Vale Estate (Bedford)				
Renew Road Surfaces	-	-	89	38
Future playground refurbishment	-	-	100	-
TOTAL ENVIRONMENTAL & ESTATE IMPROVEMENTS	-	225	361	38
<u>SITE DEVELOPMENTS & EXPANDED PROGRAMME</u>				
Beaumont Road/Whitlock Drive (West Hill) *	-	-	530	-
Badric Court (St Mary's Park) *	-	-	-	230
Battersea Church Road (St Mary's Park) *	-	-	-	870
Putney Vale (Roehampton & Putney Heath) *	-	-	-	350
Randall Close (St Mary's Park) *	-	-	-	2,112
Other Schemes / Feasibilities & Contingencies	-	650	884	1,000
TOTAL SITE DEVELOPMENTS & EXPANDED PROGRAMME	-	650	1,414	4,562

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>REGENERATION PROJECTS</u>				
Regeneration Project Costs	-	-	2,000	2,000
ROEHAMPTON SCHEME				
Phase 1 - Acquisitions	-	-	-	3,570
Procurement of Specialist Services	-	-	100	100
WINSTANLEY & YORK ROAD ESTATE SCHEME				
Equity Loan to Joint Venture	-	3,000	8,000	24,000
In Phase Acquisitions	-	-	-	3,352
Procurement of Specialist Services	-	-	100	100
Lavender Hill (Shaftesbury) *				
Satellite Site Development	-	-	-	643
Shuttleworth Road (St Mary's Park) *				
Satellite Site Development	1,100	-	-	-
Tyneham Close (Shaftesbury) *				
Satellite Site Development	-	-	-	700
TOTAL REGENERATION PROJECTS	1,100	3,000	10,200	34,465
TOTAL ADDITIONS	1,107	10,358	28,553	50,373

Bids with a * indicates a top-up to an existing specific scheme

Housing Revenue Account - Revised Capital Programme

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
MAJOR REFURBISHMENT OF ESTATES	14,347	40,974	36,734	35,294
RE-LIFTING	1,038	5,823	4,926	2,866
RE-WIRING	1,298	3,170	703	3,503
HEATING IMPROVEMENTS	1,563	2,028	957	-
HEATING REPAIRS	1,013	5,628	4,199	773
SPECIAL REPAIRS	4,137	2,573	1,300	-
SHELTERED HOUSING	505	3,071	799	49
ADAPTATIONS FOR DISABLED	1,550	1,550	1,550	-
ENTRYCALL & CCTV	1,686	838	684	128
TOTAL REPAIRS AND IMPROVEMENTS	27,137	65,655	51,852	42,613
ENVIRONMENTAL & ESTATE IMPROVEMENTS	268	1,254	528	588
SITE DEVELOPMENTS & EXPANDED PROGRAMME	15,775	55,640	54,067	39,928
REGENERATION PROJECTS	45,134	54,129	39,477	92,201
TOTAL ENVIRONMENTAL, NEW BUILD & REGENERATION	61,177	111,023	94,072	132,717
PURCHASE OF PROPERTIES	18,500	7,491	-	-
HOUSE PURCHASE GRANTS	5,623	4,000	4,000	-
TOTAL HOUSING REVENUE ACCOUNT	112,437	188,169	149,924	175,330

	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>	<u>2024/25</u> <u>£ '000</u>
<u>MAJOR REFURBISHMENT OF ESTATES</u>				
Alton Estate (Roehampton)				
C Block Norley Vale 1-31 Remove and replace external staircase	47	-	-	-
E Blocks				
Chilcombe House, Crondall House, Farnborough House, Kimpton House, Rushmere House Phase 2 Window renewal	13	-	-	-
Farnborough House, Kimpton House, Rushmere House, Somborne House Garage refurbishment	-	27	107	-
F Blocks				
Binley House, Charcot House, Denmead House, Dunbridge House, Winchfield House Window renewal	20	4,590	1,750	400
Antrim House (Shaftesbury)				
Roof renewal	-	20	78	-
Argyle Esher Estate (West Hill)				
Bisley House Roof renewal	-	21	186	-
Arndale Estate (Southfields)				
Front Entrance Hall Improvements	535	15	-	-
Ashburton Chartfield Estate (East Putney)				
Westleigh Avenue 34 flats A-H Roof renewal	-	45	-	-
Ashburton South Estate (West Putney)				
Tildesley Road 323-387 Podium deck car park renewal	-	-	280	155
Ashcombe Court & Elmstead Court (East Putney)				
External decorations conversion to window renewal	255	6	-	-
Auckland Estate (Northcote)				
External decorations conversion to window renewal	5	495	116	-
Augustus Road 7-9 (West Hill)				
Window renewal and associated repairs	80	8	-	-
Balham Hill Estate East & West (Balham)				
All blocks Roof and window renewal	-	900	1,620	-
Battersea High Street Estate (St Mary's Park)				
Coles Court, Meecham Court, Morgan Court, Pritchard Court Roof renewal	-	-	200	473
Bedgebury Gardens (West Hill)				
Bedgebury Gardens 8-9 Roof and window renewal	50	69	-	-
Bevill Allen Close (Graveney)				
All blocks Roof renewal	-	-	250	440
Carey Gardens Estate (Queenstown)				
Estate wide roof renewals	200	1,417	669	-

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Doddington Estate (Queenstown) Conner Court, Park Court, Turpin House Phase 1 roof renewal	-	-	250	1,249
Elsenham Street 36-50, 172-178, 169-183 (Southfields) Roof and window renewal	14	-	-	-
Ethelburga Estate (St Mary's Park) Ethelburga Tower Phase 3 Roof renewals	-	-	40	106
Ethelburga Street, Ethelburga Tower, Henty Close, Watford Close Removal of Spandrel panels	-	-	400	509
Fairfield Court (Fairfield) External decorations conversion to window renewal	2	467	86	-
Fairfield Drive (Fairfield) Window renewal	-	750	381	-
Faylands Estate (Furzedown) Garrick House, Levett House, Marchmont House, Ryland House, Shelburne House Phase 1 roof renewal	-	-	200	349
Felsham Road (Thamesfield) Greville House, Felsham Road, Henry Jackson House, John Keall House Roof renewal	5	440	15	-
Fernlea Road Estate (Balham) Ethelbert Street 2-18, Fernlea Road 65, 67 Roof renewal	205	-	-	-
George Wyver Close (West Hill) Beaumont Road 34-62e, 64-92e External decorations conversion to window renewal	27	400	-	-
Gravenel Gardens (Graveney) Gravenel Gardens 1-6, 7-12, 13-48, Jordan Lodge 1-6 Roof renewal	-	316	136	-
Harwood Court (West Putney) Roof renewal	9	-	-	-
Henry Prince Estate (Earlsfield) St Johns Drive 1a, 9-24, 33-40, 41-56, 64-72, 73-88 Roof renewal	-	135	1,215	-
St John's Drive 1-8, 25-32, 57-64, 89-96, Wandle Way 1-16, 17-32, 33-48, 49-56, 57-72, 73-80, 81-96, 97-104, 105-120, Roof renewal	-	-	960	2,241
Herlwyn Gardens 19-22, 17, 23 & 24 (Tooting) Roof renewal	-	31	123	-
Hollies Way Estate (Balham) Cladding Replacement	400	600	139	-
Larpent Avenue 33 (West Putney) Roof and window renewal	25	58	-	-
Latchmere Estate (Latchmere) Burns Road, Matthews Street, Joubert Street, Odger Street, Sheepcote Lane Freedom Street, Reform Street Window renewal	21	4,000	580	-

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Lennox Estate (Roehampton) Arabella Drive 7-17, 19-29, 31-53,55-77,79-89 2-76, 80-102, 106-128, 130-186, 188-244 Phase 1 Roof renewal	252	951	30	-
Ludovick Walk 2-10, 11-35, 36-66 Phase 2 Roof renewal	-	49	416	25
Manville Road 30-38C (Bedford) Window renewal	-	-	50	38
McCarthy Court Estate (St Mary's Park) McCarthy Court 1-42, 43-78 Roof renewal	8	552	18	-
Melrose Court (East Putney) Roof and window renewal	5	200	10	-
Newlands Estate (Bedford) Barringer Square 22-164e, 7-109o, Tooting Bec Road 174-212e Treherne Court 1-35 Cons, 40-55 Cons Roof renewal	-	353	1,538	689
Patmore Estate (Queenstown) Ashcroft House, Banister House, Drury House, Locke House, Morgan House, Statham House, Strudel House, Woods House Phase 4 Roof renewal	1,423	377	-	-
Putney Hill 39 F1-20 (East Putney) External decorations conversion to window renewal	-	225	6	-
Putney Vale Estate (Roehampton) Stroud Crescent 34-80,82-128,130-176 Roof renewal	10	721	20	-
Queensmere Estate (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	14	-	-	-
All tenanted houses Roof renewal	452	12	-	-
Ranelagh Estate (Thamesfield) Hewett House, Lancaster House, Pearson House Roof renewal	10	262	161	-
Rollo Estate (Queenstown) Alfreda Court, Newtown Court, Ravenet Court, Rawson Court, Rollo Court Roof renewals	-	178	921	35
Bank Court Roof renewal	2	183	15	-
Salcott Rd 1-15 (Northcote) External decorations conversion to window renewal	100	13	-	-
Seymour Road 32-34 (East Putney) Roof renewal	6	110	42	-
Shoreham Close Estate (Fairfield) Roof renewal	9	-	-	-
Southlands Estate (St Mary's Park) Gaitskill Court, McKiernan Court, Winders Rd 51-101o Roof renewals	-	657	170	-

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Southmead Estate (West Hill)				
Westhouse Close 1-16, 17-28, 29-36				
Southmead Road 2-12				
Roof renewal	5	321	26	-
Augustus Road 63, 67, 73, Beaumont Road 1-47, Princes Way 43,45,53				
Southmead Road 14-60, 62-108,, Urmston Drive 2-48, 50-96				
Phase 2 Roof renewal	-	200	1,042	93
St James Grove Estate (Latchmere)				
Castlemaine				
Replacement of over-cladding system	17	-	-	-
Remedial Works to hidden homes at Castlemaine Flats A-D	100	-	-	-
Upper Richmond Road 328 F1-2 (Thamesfield)				
Roof renewal	2	68	-	-
Streatham Park Estate (Furzedown)				
Boyce House 1-28cons,1A, 29-49cons				
Busby House 1-26cons, 27-47cons				
Roof renewal	-	-	300	555
Upper Richmond Road 125 F1-43 (East Putney)				
External decorations conversion to window renewal Inc flooring	-	200	275	-
Wandsworth Common West Side 40 (Wandsworth Common)				
Window renewal	75	2	-	-
Wendelsworth Estate (Fairfield)				
Bembridge House, Binstead House, Bowyer House, Culver Court,				
Domelton House, Linstone Court, Vectis Court				
Window renewal	-	315	1,961	145
Wilditch Estate (Latchmere)				
Culvert Rd 50-56e, 58 1-22cons, 60-66e				
Culvert Rd 68-78e, 80 f1-11, 82-90e,				
Culvert Rd 92-126e, 92a-92b				
Sheepcote Lane 54-88e 54a-54b				
Window renewals	-	-	400	596
William Willison Estate (West Hill)				
Stoford Cl 1-76, Beaumont Rd 49-111, Southmead Rd				
Phase 1 Window renewal/external decorations	200	1,020	53	-
Beaumont Road 177, Castlecombe Drive 1,5,11,23 & 31, 33-81, 2-234,				
Littlecote Close 2,9,18,20 & 22 Stourhead Close 6				
Phase 2 Window renewal	-	500	500	545
Mere Close, Potterne Close				
Phase 3 window renewal	-	-	400	719
Wimbledon Park Estate (West Hill)				
Replacement of tenant front entrance doors	142	24	-	-
York Road Estate (Latchmere)				
Chesterton Houses, Inkster House, Penge House				
Window refurbishment	294	-	-	-

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Kitchen and Bathrooms Programme				
Phase 9 - Kersfield Road, Orchard Estate, Southmead Estate, Totterdown Fields	2,000	3,071	130	-
Phase 10 - Totterdown Fields 2nd phase, Totteridge House	4,399	397	-	-
Phase 11 - Arndale Estates 1st phase, Albon House, Edwyn House and Knowles House	196	1,800	587	-
Phase 11A - Arndale Estates 2nd phase, Southlands East	4	16	2,455	300
Phase 12 - Balham Hill East & West, Aldrington North & South, Edgecombe Hall	66	1,700	1,834	-
Phase 13 - Alton E Blocks 1-6,17-23 Allenford House, Bramley House, Chilcombe House, Crandall House, Farnborough House, Kimpton House, Penwood House, Rushmere House, Somborne House, Shalden House, Swaythling House, Tatchbury House, Warnford House	100	4,287	874	-
Phase 14 - Doddington East	144	1,539	149	-
Phase 15 - Hazelhurst and Holborn Estates	36	1,450	1,052	-
Phase 16 - Doddington West	-	490	2,986	293
Phase 17 - Badric Court	-	147	792	89
Boroughwide				
Installation of fire safety systems to high rise blocks	-	-	498	23,500
Fire safety systems to sheltered & short term lets Phase 1	1,980	519	-	-
Fire safety systems to sheltered & short term lets Phase 2	184	1,400	1,042	-
Fire safety systems to sheltered & short term lets Phase 3	-	700	4,200	750
External decorations conversion to window renewal	199	155	1,000	-
Contingencies	-	1,000	1,000	1,000
TOTAL MAJOR REFURBISHMENT	14,347	40,974	36,734	35,294

	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>	<u>2024/25</u> <u>£ '000</u>
<u>RE-LIFTING</u>				
Aboyne Estate (Earlsfield) Deeside Road, Strathdon Drive	50	800	64	-
Alton Estate (Roehampton) Blendworth Point	-	120	120	-
Anne Kerr Court (East Putney)	-	42	38	-
Argyle (Glen Albyn) (West Hill) Chobham Gardens 1-36, 37-65, 66-95	-	-	63	796
Argyle (Limpsfield) (West Hill) Greenfield House, Oakman House	2	871	20	-
Arndale Estate (Southfields) Albon House, Edwyn House, Knowles House Phase 1	50	858	20	-
Sudbury House Phase 2	-	200	400	30
Ashburton South Estate (West Putney) Tildesley Road Phase 1	-	-	131	227
Hayward Gardens Phase 2	-	-	388	773
Badric Court (St Mary's Park)	-	-	115	396
Carnie Lodge (Bedford)	36	-	-	-
Convent Estate (Fairfield) Francis Snary Lodge	93	-	-	-
East Hill Estate (Latchmere) Dungeness House, Filey House, Lerwick House	-	100	122	-
Edgecome Hall Estate (West Hill) Edgecombe House	130	144	-	-
William Harvey House	-	110	197	-
Fitzhugh Estate (Wandsworth Common) Gernigan House, Morville House, St Quentin House, Skipsea House, Woodhall House	-	174	967	-
Goulden House (St Mary's Park)	-	308	8	-
Harwood Court (West Putney)	-	73	143	-
Hibbert St (Latchmere) Sheridan House	-	-	54	74
Kersfield Road Estate (East Putney) Classinghall House, Lusher House	-	-	66	138
Lochinvar Estate (Balham) Caistor House, Ivanhoe House, Rokeby House	-	302	75	-
Lurline Gardens Estate (Queenstown) All Saints Court 1-38 cons	-	10	170	19
Maysoule Road Estate (Latchmere) Holmleigh Court	99	3	-	-
Melody Road 128-162 (Wandsworth Common)	-	-	51	89

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Orchard Estate (West Hill) Andrew Reed House	8	300	20	-
Rollo Estate (Queenstown) Newtown Court, Rollo Court	2	295	7	-
St Johns Avenue 2 (East Putney)	-	99	7	-
Sutherland Grove Estate (East Putney) Strathan Close 40-71	-	-	66	138
The Platt Estate (Thamesfield) Phelps House	-	-	57	156
Wendelsworth Estate (Fairfield) Domelton House, Bowyer House Phase 1	17	300	69	-
Bembridge House, Binstead House Phase 2	-	44	1,085	30
Winstanley Estate (Latchmere) Weekley Square, Carmicheal Close, Fenner Square, Holliday Square, John Parker Square, Thomas Baines Road Phase 1	-	214	403	-
Yew Tree Lodge (Furzedown)	101	6	-	-
Boroughwide Installation of lift monitoring equipment	450	450	-	-
TOTAL RE-LIFTING	<u>1,038</u>	<u>5,823</u>	<u>4,926</u>	<u>2,866</u>

	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>	<u>2024/25</u> <u>£ '000</u>
<u>RE-WIRING</u>				
Ashburton Chartfield Estate (East Putney)				
Dulcie House, Halford House, Humphrey House Inglis House, Jellicoe House, Kinnaird House, Mildmay House, Mullens House, Stanhope House, Waldegrave House, Westleigh Avenue 34, Wharnclyffe House, Whitehead House, Whitnell Court Individual rewires	32	-	-	-
Copeland House (Tooting)				
Individual rewires & distribution boards, landlord lighting	20	154	-	-
Doddington Estate (Queenstown)				
Park Court Communal rewire and lighting replacement	5	73	-	-
Gowrie Road 11-33 (Shaftesbury)				
Individual rewires and lateral mains	20	8	-	-
Hazelhurst Estate (Tooting)				
Individual rewires and distribution boards	300	112	-	-
Newlands Estate (Bedford)				
Individual rewires and distribution boards	298	-	-	-
Totterdown Fields Estate (Graveney)				
Derinton Road/Blakenham Road Clubroom, Fire alarm system upgrade	7	60	-	-
Wimbledon Park Estate (West Hill)				
All blocks Full rewire excluding lateral mains	8	276	23	-
Wynter Street Estate (Latchmere)				
Renewal of distribution boards	127	3	-	-
Boroughwide				
Block emergency lighting phase 1	56	2,209	46	-
Block emergency lighting phase 2	-	-	134	1,050
Block emergency lighting phase 3	-	-	-	1,468
Block emergency lighting phase 4	-	-	-	985
Allenswood, Ambleside, Ericcson Close, Fernwood, Jenkins House, Marmion House, Selbourne, Tildesley Road 2-100, Tildesley Road 102-164, Upper Richmond Road 125 Lightning protection system	98	-	-	-
Individual rewires	327	275	500	-
TOTAL REWIRING	<u>1,298</u>	<u>3,170</u>	<u>703</u>	<u>3,503</u>

	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>	<u>2024/25</u> <u>£ '000</u>
<u>HEATING IMPROVEMENTS</u>				
Alton Estate (Roehampton)				
Replacement of obsolete boilers	1,200	587	45	-
Central Area - Wandsworth, Balham, Tooting				
Phase 2 - Replacement of obsolete boilers	3	-	-	-
Totteridge House (St Mary's Park)				
Radiator replacement	-	120	-	-
Boroughwide				
Heating system upgrades	-	961	552	-
Individual Installations	360	360	360	-
TOTAL HEATING IMPROVEMENTS	<u>1,563</u>	<u>2,028</u>	<u>957</u>	<u>-</u>

	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>	<u>2024/25</u> <u>£ '000</u>
<u>HEATING REPAIRS</u>				
Convent Estate (Fairfield)				
Francis Snary Lodge 1-31 Replacement of communal heating system	95	226	-	-
Fitzhugh Estate (Wandsworth Common)				
Replacement of communal heating system	-	25	1,636	143
George Wyver Close (West Hill)				
Beaumont Road 34-62e, 64-92e Replacement of communal heating system	60	373	-	-
Lennox Estate (Roehampton)				
Burke Close 28-54 Replacement of communal heating system	95	226	-	-
Nursery Close Estate (East Putney)				
Nursery Close 31-49 Replacement of communal heating system	95	226	-	-
Riplington Court/Yew Tree Lodge				
Replacement of communal heating system	63	139	72	-
Smallwood Road South Estate (Tooting)				
Smallwood Road 53 - 59o Replacement of communal heating system	10	364	6	-
St James Grove Estate (Latchmere)				
Castlemaine Replacement of communal heating system	21	906	135	-
Upper Richmond Road 125 F1-F43 (East Putney)				
Replacement of communal heating system	-	77	60	-
Ackroydon Estate East & West (West Hill)				
Cold water booster replacement	10	331	71	-
Barringer Square, Bisley House, Edgcombe House Meecham Court, William Harvey House				
Cold water booster replacement	20	299	122	-
Colson Way Estate (Furzedown)				
Replacement of communal extract fans	18	374	-	-
Goulden House (St Mary's Park)				
Replacement of communal extract fans	50	398	150	-
Battersea Park Estate (Latchmere)				
Atkinson House, Berry House, Dresden House MacDonald House, Walden House Installation of dry risers	366	9	-	-
Boroughwide				
Cold water boosters phase 2	-	209	314	-
Communal ventilation upgrade	-	47	1,144	500
Water tank renewals phase 2	10	641	70	-
Water tank renewals phase 3	100	331	-	-
Water tank renewals phase 4	-	89	89	-
Water tank renewals phase 5	-	338	170	-
Water tank renewals phase 6	-	-	160	130
TOTAL HEATING REPAIRS	1,013	5,628	4,199	773

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>SPECIAL REPAIRS</u>				
Alton Estate (Roehampton)				
Allbrook House				
Replacement of door entry system	11	-	-	-
Chilcombe House / Fontley Way				
Demolition of garages	55	-	-	-
Patmore Estate (Queenstown)				
Fowler House				
Resurfacing access road to rear of block	100	-	-	-
Waylands Road (Latchmere)				
Cavity wall trays	5	-	-	-
Green Home Works				
Longhedge Street 1,3,5,9	52	-	-	-
Works to tenanted houses	524	-	-	-
Sheltered Properties				
Abyssinia Close, Grosse Way				
Hepplestone Close, Rambler Close,				
Electrical installation testing	100	-	-	-
Abyssinia Close - Flooring	13	-	-	-
Doris Emerton - Flooring	54	-	-	-
Francis Snary - Flooring	24	-	-	-
Chelverton Court - Upgrade of communal lighting	20	-	-	-
Cowick Road - Resurfacing to rear gardens & walkways	40	-	-	-
Doris Emerton Court - Upgrade of communal boilers	96	1	-	-
Glenthorpe - Fire alarm system upgrade	50	-	-	-
Hepplestone Close 1-7, 20-26, Grosse Way - Stairlift Installation	13	-	-	-
James Searles Lodge - Electrical works	56	-	-	-
Rambler Close - Clubroom automatic door opener	8	-	-	-
Various Sheltered Properties - Storage	80	-	-	-
Boroughwide				
Acquired Properties				
Roofs, decoration, damp proofing	600	864	300	-
Extensions/conversions future schemes	848	1,561	-	-
LED street & pathway lighting	609	82	-	-
Provision for urgent schemes	679	-	1,000	-
Stock Condition Survey	100	65	-	-
TOTAL SPECIAL REPAIRS	4,137	2,573	1,300	-

	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>	<u>2024/25</u> <u>£ '000</u>
<u>SHELTERED HOUSING</u>				
Althorpe Grove Estate (St Mary's Park)				
Althorpe Mews, Battersea Church Road, Sunbury Lane, Kitchen renewal	5	235	17	-
Alton (Roehampton)				
Fontley Way 21-35, Greatham Walk 2-16 Hyacinth Road 1-8, Foxcombe Road 1-33 Alton Club Room Electrical Upgrades	-	153	228	-
Carey Gardens Estate (Queenstown)				
All communal sheltered areas Electrical upgrade	12	300	15	-
Convent Estate (Fairfield)				
Francis Snary Lodge Dwellings and communal areas Electrical upgrade	9	350	24	-
Hepplestone Close, Sclater Close (West Putney)				
Grosse Way 1-34 and Hepplestone 1-14, 20-32 Close Electrical Upgrades	-	309	462	-
Maysoule Road Estate (Latchmere)				
Holmleigh Court Window renewal	10	524	-	-
Rambler Close Estate (Furzedown)				
Rambler Close 1-16, 17-32 Dwellings and communal areas Electrical upgrade	155	99	-	-
St Margaret's Court (West Putney)				
Roof renewal	-	-	28	49
Boroughwide				
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	3	772	25	-
Electrical Upgrades Fire Alarm Systems Phase 1				
Cluster 4 Hepplestone Close, Riplington Court				
Cluster 5 Minstead Gardens(2-24; 68-86), Danebury Avenue (245-261) Foxcombe Road, Fontley Way, Hyacinth Road, Greatham Walk	180	-	-	-
Electrical Upgrades Fire Alarm Systems Phase 2				
Cluster 1 Althorpe Mews, Battersea Church Road, Sunbury Lane				
Cluster 2 Cowick Road	131	-	-	-
Electrical Upgrades Fire Alarm Systems Phase 3				
Cluster 3 Boyd Court, Cortis Road, Cortis Terrace, Westleigh Avenue	-	148	-	-
Electrical Upgrades Fire Alarm Systems Phase 4				
Cluster 6 Arabella Drive, Burke Close, Dowdeswell Close 6-16 Ludovick Walk (3,4,6,7, 10-14, 36-41)				
Cluster 7 Carey Gardens	-	181	-	-
TOTAL SHELTERED HOUSING	505	3,071	799	49

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>ADAPTATIONS FOR THE DISABLED</u>				
Boroughwide				
Conversion of vacant properties	850	850	850	-
Future years provision	700	700	700	-
TOTAL ADAPTATIONS FOR THE DISABLED	1,550	1,550	1,550	-

	<u>2021/22</u> £ '000	<u>2022/23</u> £ '000	<u>2023/24</u> £ '000	<u>2024/25</u> £ '000
<u>ENTRYCALL & CCTV</u>				
Alton Estate (Roehampton)				
Chilcombe House, Crondall House, Farnborough House, Rushmere House, Sombourne House Replacement of door entry system	50	123	-	-
Brockbridge House, Finchdean House, Egbury House, Hurstbourne House, Redenham House Penwood House, Tatchbury House E blocks Replacement of door entry system	-	83	124	-
Binley House, Charcott House, Dunbridge House, Replacement of door entry system	-	25	102	-
Ashburton South Estate (West Putney)				
Innes Gardens 1-156 Replacement of door entry system	212	6	-	-
Battersea Park Estate (Latchmere)				
Replacement of door entry system	8	-	-	-
Bevill Allen Close Estate (Graveney)				
Bevil Allen Close 1-24, 25-36, 37-48 Installation of door entry system	1	104	4	-
Carey Gardens (Queenstown)				
Carey Gardens 2-44, 264-296e, 46-66e, 68-86e, 88-120e, 122-174,176-226,228-262, 123-185,187-255, 59-89 Condell Road 1-89, 91-121, 123-137 Replacement of door entry system	-	65	260	-
Chatham Road West Estate (Northcote)				
Staplehurst Court , Teyham Court Replacement of door entry system	-	-	12	23
Colson Way Estate (Furzedown)				
Fordyce House Replacement of door entry system	-	-	4	7
Cunliffe Estate (Furzedown)				
Cunliffe Street 2-32e Replacement of door entry system	17	2	-	-
Doddington Estate (Queenstown)				
Connor Court, Turpin House Replacement of door entry system	-	-	30	45
Doland Court (Graveney)				
Replacement of door entry system	14	-	-	-
Ethelburga Estate (St Mary's Park)				
Ethelburga Tower Replacement of door entry system	4	40	-	-
Galleons Estate (West Hill)				
Beaumont Road 20-32 Replacement of door entry system	10	1	-	-
Goulden House (St Mary's Park)				
Replacement of door entry system	-	207	108	-
Robertson Street Estate (Queenstown)				
Scott Court 1-24 Installation of door entry system	11	17	-	-
Somerset Estate (St Mary's Park)				
Sparkford House, Selworthy House Replacement of door entry system	-	-	40	53

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Surrey Lane Estate (St Mary's Park)				
Cranmer House, Compton House, Gardiner House				
Replacement of door entry system	80	48	-	-
Wendelsworth Estate (Fairfield)				
Replacement of door entry system	313	8	-	-
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	40	109	-	-
Boroughwide				
CCTV Upgrade	926	-	-	-
TOTAL ENTRYCALL & CCTV	<u>1,686</u>	<u>838</u>	<u>684</u>	<u>128</u>

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>ENVIRONMENTAL & ESTATE IMPROVEMENTS</u>				
Alton Estate (Roehampton)				
Minstead Gardens (Sheltered Accommodation)				
Environmental Improvements	-	96	117	-
Bellamy House Estate (Tooting)				
Environmental Improvements	-	300	32	-
Chelverton Court (Thamesfield)				
Environmental Improvements	-	62	15	-
Doddington Estate (Queenstown)				
Doddington Square	50	-	-	-
Playground refurbishment	-	129	55	-
Fitzhugh Estate (Wandsworth Common)				
Environmental Improvements	-	-	-	550
Gideon Road/Tyneham Close (Shaftesbury)				
Environmental Improvements	30	167	-	-
Henry Prince Estate (Earlsfield)				
Environmental Improvements	-	300	100	-
Ryde Vale Estate (Bedford)				
Renew Road Surfaces	-	-	89	38
Totterdown Fields - Cowick Road (Tooting)				
Environmental Improvements	-	100	20	-
Boroughwide				
Playground Refurbishment	188	100	100	-
TOTAL ENVIRONMENTAL & ESTATE IMPROVEMENTS	268	1,254	528	588

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>SITE DEVELOPMENTS</u>				
Aldington South & Streatham Park (Furzedown)	51	-	-	-
Arnal Crescent 1-8 (West Hill)	534	25	-	-
Arnal Crescent 37-53 (West Hill)	30	390	640	-
Beaumont Road/Whitlock Drive (West Hill)	470	3,100	1,600	60
Deeley Road/Tidbury Road/Thessaly Road (Queenstown)	700	120	-	-
Fordyce House (Furzedown)	400	1,655	520	-
Salter House (Furzedown)	100	1,800	137	-
Stag House (Roehampton)	125	-	-	-
Whitlock Drive 145-147 (West Hill) - Self & Custom Build Housing	-	-	30	1,218
<u>EXPANDED PROGRAMME</u>				
Badric Court (St Mary's Park)	25	700	1,100	425
Battersea Church Road (St Mary's Park)	80	450	4,000	14,970
Kersfield Estate (East Putney)	7,000	8,350	2,880	270
Patmore Street (Queenstown)	800	8,000	8,700	4,148
Platt Estate North (Thamesfield)	60	400	860	480
Platt Estate South (Thamesfield)	80	950	2,540	137
Putney Vale (Roehampton & Putney Heath)	120	2,000	2,560	1,320
Randall Close (St Mary's Park)	2,000	11,000	15,500	12,000
The Alders (Furzedown)	200	5,400	6,000	2,900
Winstanley / York Road - Block 5A (Latchmere)	2,000	10,300	6,000	1,000
Other Schemes / Feasibilities & Contingencies	1,000	1,000	1,000	1,000
TOTAL SITE DEVELOPMENTS & EXPANDED PROGRAMME	15,775	55,640	54,067	39,928

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>REGENERATION PROJECTS</u>				
Project Team Costs	2,448	2,000	2,000	2,000
ROEHAMPTON SCHEME				
Phase 1 - Acquisitions	2,400	4,500	4,500	4,500
Procurement of Specialist Services	900	991	100	100
Residential Development Costs	500	1,078	1,844	24,709
Reprovision of Community Facilities	107	-	-	-
Bessborough Road (Roehampton)				
Satellite Site Development	670	210	-	-
Fontley Way (Roehampton)				
Satellite Site Development	500	3,650	2,500	71
WINSTANLEY & YORK ROAD ESTATE SCHEME				
Additional Equity Loan to Joint Venture	-	3,000	8,000	24,000
In Phase Acquisitions	8,500	13,000	6,500	10,600
Out of Phase Acquisitions	2,000	3,000	3,000	6,000
Penge House & Inkster House Acquisitions	436	3,000	3,000	3,000
Procurement of Specialist Services	100	100	100	100
Residential Development Costs	12,225	18,587	3,686	15,621
Reprovision of Community Facilities	1,548	-	-	-
Gideon Road (Shaftesbury)				
Satellite Site Development	5,700	600	200	-
Lavender Hill (Shaftesbury)				
Satellite Site Development	-	65	1,048	800
Shuttleworth Road (St Mary's Park)				
Satellite Site Development	7,100	50	450	-
Tyneham Close (Shaftesbury)				
Satellite Site Development	-	298	2,549	700
TOTAL REGENERATION PROJECTS	45,134	54,129	39,477	92,201

	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>	<u>2024/25</u> <u>£ '000</u>
<u>PURCHASE OF PROPERTIES</u>				
Auction Replacement Acquisitions	18,500	7,491	-	-
TOTAL PURCHASE OF PROPERTIES	<u>18,500</u>	<u>7,491</u>	<u>-</u>	<u>-</u>

HOUSING REVENUE ACCOUNT NON-RESIDENTIAL CHARGES

Table 1 – Garages (per week)

	<u>Current Charge</u>	<u>Proposed Charge</u>
	<u>£</u>	<u>£</u>
Band A+	32.35	33.35
Band A	29.25	30.15
Band B	17.45	18.00
Band C	12.55	12.95
Band D	9.30	9.60

Table 2 – Other Property (per week)

	<u>Current Charge</u>	<u>Proposed Charge</u>
	<u>£</u>	<u>£</u>
Store shed - Band A	3.50	3.60
Store shed - Band B	2.75	2.85
Store shed - Band C	1.75	1.80
Motorcycle sheds	7.20	7.40
Parking Lots/Other non-domestic sites	9.50	9.80
Parking lots at Lockyer House	17.45	18.00
Cycle lockers	1.75	1.80

Table 3 – Other Charges

	<u>Current Charge</u>	<u>Proposed Charge</u>
	<u>£</u>	<u>£</u>
Replacement door entry fob	20.15	20.75
Replacement resident's parking permit	21.15	21.80
Replacement or additional sets of keys	Cost plus 21.15	Cost plus 21.80
Pre-assignment enquiries	183.90	190.00

Notes

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 or £ where applicable.

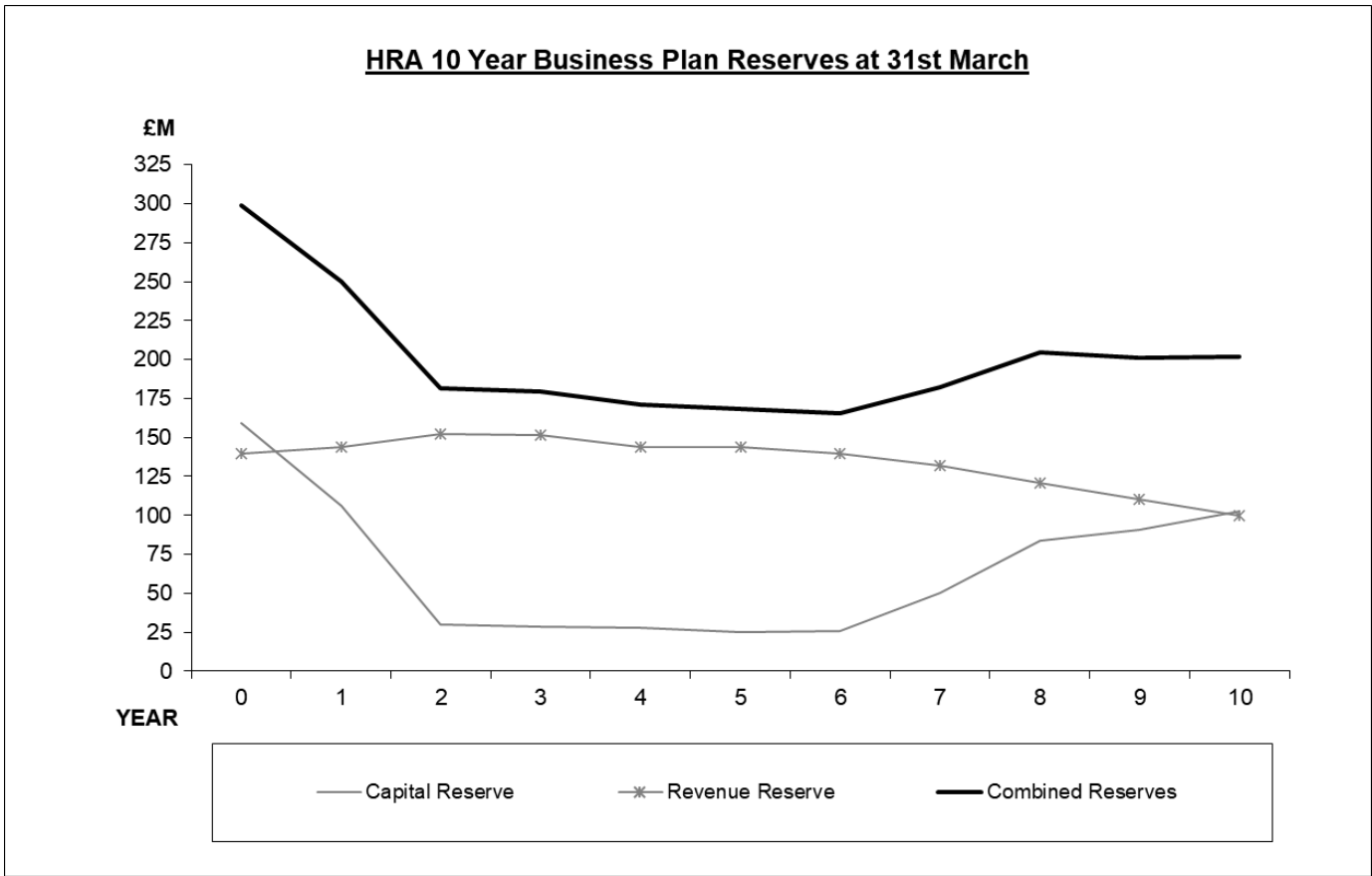
APPENDIX E

COUNCIL HOUSING BUDGET FRAMEWORK

	Original Budget 2021/22 £'000	Revised Budget 2021/22 £'000	Budget 2022/23 £'000	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>EXPENDITURE</u>					
REVENUE					
Supervision, Management & Maintenance					
Repairs & Maintenance	28,512	30,133	30,484	31,285	32,045
General Management	33,735	34,047	35,566	37,167	38,406
Special Services	16,009	16,003	17,004	17,479	18,009
Capital Financing Costs	35,590	35,973	32,552	39,918	45,427
Other Expenses	4,283	2,983	2,783	4,847	5,344
Depreciation (Contribution to Capital)	24,395	24,517	24,484	25,088	25,864
TOTAL REVENUE EXPENDITURE	(142,524)	(143,656)	(142,873)	(155,784)	(165,095)
CAPITAL					
Repairs and Improvements	61,047	27,137	65,655	51,852	42,613
Environmental, New Build & Regeneration	105,990	61,177	111,023	94,072	132,717
Purchase of Properties	500	18,500	7,491	0	0
House Purchase Grants	4,000	5,623	4,000	4,000	0
TOTAL CAPITAL EXPENDITURE	(171,537)	(112,437)	(188,169)	(149,924)	(175,330)
	314,061	256,093	331,042	305,708	340,425
<u>INCOME</u>					
REVENUE					
Gross Rents – Dwellings	114,798	113,564	114,191	116,779	119,555
Gross Rents – Non-Dwellings	5,056	5,068	5,151	5,280	5,412
Leaseholder Service Charges	15,110	14,619	15,297	15,660	16,010
Other Income	14,506	14,924	16,385	17,829	18,130
TOTAL REVENUE INCOME	(149,470)	(148,175)	(151,024)	(155,548)	(159,107)
CAPITAL					
Contribution from Revenue (Depreciation)	24,395	24,517	24,484	25,088	25,864
Capital Receipts	3,500	16,570	11,311	1,942	1,000
Capital Grants & Reimbursements	14,254	12,766	3,450	7,460	700
Leaseholder Major Works Charges	4,581	4,100	4,311	4,223	4,599
Borrowing	35,833	1,330	68,059	109,757	142,352
TOTAL CAPITAL INCOME	(82,563)	(59,283)	(111,615)	(148,470)	(174,515)
	232,033	207,458	262,639	304,018	333,622
Total reserves at beginning of year	273,995	298,847	250,212	181,809	180,119
Surplus / (Deficit) in year	(82,028)	(48,635)	(68,403)	(1,690)	(6,803)
Total reserves at end of year	191,967	250,212	181,809	180,119	173,316

APPENDIX F

HRA 10 Year Business Plan Reserves Position



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Section 6
Pension Fund

WANDSWORTH BOROUGH COUNCIL

JOINT PENSIONS COMMITTEE – 16TH MARCH 2022

Report by the Director of Resources on Pension Fund Budget 2021-2025

SUMMARY

This report summarises Pension Fund operating income and expenditure in 2021/22 compared to the approved budget. The Fund's operating surplus for 2020/21, excluding increases in investment values, is now estimated as £17 million compared to a budgeted surplus amount of £11 million.

The report proposes noting the estimated outturn for 2021/22, approving the Fund budget for 2022/23 and noting the projected budget of the Fund for 2023/24 and 2024/25.

GLOSSARY

AfC	Achieving for Children
CPI	Consumer Price Index
LCIV	London Collective Investment Vehicle
MMF	Money Market Fund
NT	Northern Trust
TCFD	Taskforce on Climate related Financial Disclosures

RECOMMENDATIONS

1. The Joint Pensions Committee is recommended to:
 - (a) note the estimated outturn on the Pension Fund Revenue Budget for 2021/22;
 - (b) approve the Pension Fund Budget for 2022/23; and
 - (c) note the projected budget for 2023/24 and 2024/25 required for medium term cash flow planning.

INTRODUCTION

2. The Fund is required to set a budget as best practice. The purpose of the budget is to make formal projections of the likely cash flows of the Fund for the next three

years. This demonstrates cash flow planning and management within the Fund. These high level projections are further supported by detailed daily cash flow monitoring to maintain sufficient cash in the Fund's bank and monitoring of cash held by the custodian and fund managers to ensure sufficient liquidity is maintained.

3. The budget shown in Appendix A is based on the following information:
 - Contribution rates set in the 2019 valuation. 2023/24 will be the first year to use 2022 valuation rates, with current rates used until the outcome of the valuation is known.
 - Assumptions on pay awards (which impact contributions) and Consumer Price Index (CPI) inflation (benefits).
 - Average of the last 3 years' values for "one off" costs such as transfers into and out of the Fund and strain costs. 2020/21 is not a typical year due to the impact on the pandemic on the behaviour of both employees and employers and is therefore excluded from this calculation.
 - Returns and growth on pension fund investments being in line with the valuation target of 4.5%.
4. The budget shows that the net cash flow from dealing with members is consistently negative. This means that an element of the Fund's investment return needs to be used to support these payments, as well as the costs of administration, governance and investment management. This information will be used by Investment Consultants in setting asset allocations which provide sufficient cash returns to cover this shortfall, either from contractual cash flows or redemptions.
5. The budget includes estimates of regular payments, or payments with an ongoing trend or pattern. It does not include significant one off payments, such as bulk transfers between funds, unless there is certainty on the amount and date of the transfer.
6. Investment revenue returns are included here, although the Fund has a mix of accumulation and redemption instructions to managers for dealing with returns. This means that returns are not all currently available as cash, although it is possible to change instructions to managers if additional cash is needed. Any unrealised return (change in the value of investments held) is excluded.
7. The budget does not include any estimated additional costs of TCFD reporting as these will depend on the information required to monitor the Fund's targets. Further information on TCFD reporting is included in Paper No. 22-108 elsewhere on this agenda which explains progress on this area. There is the potential to use LCIV reporting expertise to outsource some of this reporting which officers will explore.

PROJECTIONS FOR 2021/22

8. The projections are based on income and expenditure to date, adjusted for any known significant payments or receipts due.

9. The original surplus estimated for 2021/22 is now forecast to be lower than anticipated. The majority of this change is due to the investment income budget assuming 4.5% increase every year in line with the average fund growth assumed in the valuation. While this is a valid average increase, there will be volatility year on year and the actual income reflects this. More information on investment returns is given in the Performance Report Paper No. 22-110 elsewhere on this agenda.
10. The budget is split between areas where there are regular monthly payments such as monthly contributions from employers and members, and less regular payments which are harder to predict. Regular payments and contributions are projected to be close to the budget. Irregular payments are harder to estimate as they are driven by external one off decisions, and these show larger variances.
11. Employers' strain contributions and transfers in from other funds have been lower than budgeted. The number and average value of both strain costs and transfers in are reducing.
12. The cost of lump sum payments has gone up overall with lump sums on retirement increasing while death payments have decreased. While the number of retirement grants is lower than pre-pandemic levels as expected, there have been more higher value payments than expected. The opposite is true for death benefits, where the number has increased but the average value has decreased.

MEDIUM TERM CASH PROJECTIONS

13. The Pension Fund is continuing to mature with the net cash outflow from dealings with members expected to increase, with the likely short term spike in CPI impacting the cost of benefit payments. The Fund's increased allocation to alternative asset classes will take several years to build up to the target level although the earlier investments in infrastructure and private debt are now generating returns. These and traditional investment returns will cover the cash requirement for dealings with members and allow for reinvestment.
14. While benefit payments and employer contributions are fairly predictable, with the main driver for change being inflationary increases, other areas such as investment income and expenses can be more challenging due to their link to market performance. While a long term average market return is the best available estimate, this smooths the year on year volatility that is likely to cause variances against projected cashflow.

The Town Hall
Wandsworth
SW18 2PU

Fenella Merry
Director of Resources

8th March 2022

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 Committee Secretary (Emma Calvert - 020 8891 7780; email: emma.calvert@richmondandwandsworth.gov.uk) can supply it if required.

APPENDIX A

Pension Fund Revenue Budget and Projections 2021/22 to 2024/25

	Outturn 2020/21 £000	Original Estimate 2021/22 £000	Projected Outturn 2021/22 £000	Projected Variance 2021/22 %	Budget Estimates		
					2022/23 £000	2023/24 £000	2024/25 £000
Regular Cashflows							
- Contributions From							
Employees	16,040	15,760	16,500	5%	17,120	17,450	18,070
Employers Normal	47,389	47,340	49,200	4%	50,460	52,000	53,870
- Benefits Payable							
Pensions	-68,371	-69,410	-69,500	0%	-71,650	-75,060	-77,010
Subtotal Regular Cash	-4,942	-6,310	-3,800		-4,070	-5,610	-5,070
Irregular Cashflows							
- Contributions From							
Employers Strain Costs	357	1,400	800	-43%	1,000	1,000	1,000
Transfer In	11,304	8,180	6,400	-22%	7,810	8,090	8,390
- Benefits Payable							
Lump Sum Retirement Benefits	-9,020	-8,590	-10,400	21%	-11,310	-11,720	-12,140
Lump Sum Death Benefits	-1,823	-1,150	-700	-39%	-1,350	-1,400	-1,450
Transfers Out	-4,850	-9,190	-9,700	6%	-9,810	-10,160	-10,530
Subtotal Irregular Cash	-4,032	-9,350	-13,600		-13,660	-14,190	-14,730
Net Additions/Withdrawals from Dealing with Members	-8,974	-15,660	-17,400	11%	-17,730	-19,800	-19,800
Returns on Investments							
Investment Income	44,587	45,760	42,400	-7%	44,310	46,300	48,390
Investment Management Expenses	-8,828	-9,670	-8,800	-9%	-9,200	-9,610	-10,040
Establishment	-733	-960	-874	-9%	-890	-920	-960
Custody	-60	-60	-60	0%	-60	-60	-70
Professional Advice	-220	-160	-150	-6%	-150	-160	-170
Total	25,772	19,250	15,117	-21%	16,280	15,750	17,350

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