

COUNCIL BUDGETS

2016-2017



WANDSWORTH BOROUGH COUNCIL – BUDGET BOOK 2016/17

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SECTION 1 COUNCIL'S REVENUE BUDGET AND COUNCIL TAX

This section sets out how the 2016/17 revenue budget, council tax, and budget framework were developed from the previous year's budget. It is based on reports considered by the Finance and Corporate Resources Overview and Scrutiny Committee on the 21st January 2016 and 25th February 2016, and by the Council on the 9th March 2016. The section contains appendices summarising the budgetary effect of developments and of repricing from November 2014 to 2015, levies from other public bodies, special reserves, and the council tax base.

AS PROVIDED FOR UNDER SECTION 100B(4)(b) OF THE LOCAL GOVERNMENT ACT 1972, THE CHAIRMAN OF THE COMMITTEE IS OF THE OPINION THAT THIS REPORT SHOULD BE CONSIDERED AT THE MEETING AS A MATTER OF URGENCY, BY REASON OF SPECIAL CIRCUMSTANCES WHICH ARE THAT THE COUNCIL IS REQUIRED TO CALCULATE ITS BUDGET REQUIREMENT AND THE AMOUNTS OF COUNCIL TAX FOR EACH CATEGORY OF DWELLINGS IN ITS AREA BEFORE 11TH MARCH 2016.

PAPER NO: **16-107**

WANDSWORTH BOROUGH COUNCIL

FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY
COMMITTEE – 25TH FEBRUARY 2016
EXECUTIVE – 29TH FEBRUARY 2016

Report by the Director of Finance on the Council Tax Requirement and Council Tax for 2016/17

SUMMARY

The Cabinet Member's recommendation indicates a Council Tax Requirement and total tax amounts for 2016/17 as shown in bold below. The recommended budget framework (Appendix J) then implies the average band D tax amounts increasing to £788.07 and £855.63 in 2017/18 and 2018/19 respectively. These sums are before any further reductions in expenditure or use of balances and reserves.

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£m	£m	£m	£m
Council Tax Requirement	46.846	50.786	65.000	74.270
Average Band D Tax amount:	£	£	£	£
Council	388.42	403.91	512.07	579.63
Greater London Authority	295.00	276.00	276.00	276.00
TOTAL	683.42	679.91	788.07	855.63
Total for majority of Borough	677.65	674.22	782.30	849.77
Total for Conservators' area	704.57	701.19	809.94	878.10

GLOSSARY

BID	-	Business Improvement District
DCLG	-	Department for Communities and Local Government
EPCR	-	Employer's Pension Contribution Reserve
FCR	-	Finance and Corporate Resources

Budget and Council Tax

GLA	-	Greater London Authority
LPFA	-	London Pension Fund Authority
NHB	-	New Homes Bonus
NNDR	-	National Non-Domestic Rate
RSG	-	Revenue Support Grant
SFA	-	Settlement Funding Assessment
SSA	-	Shared Staffing Arrangement
TfL	-	Transport for London
W&PCC	-	Wimbledon and Putney Commons' Conservators

RECOMMENDATIONS

1. The Finance and Corporate Resources Overview and Scrutiny Committee are recommended to support the recommendations of the Cabinet Member for Corporate Resources, shown in paragraph 2. If they approve any views, comments or recommendations on this report, they will be submitted to the Executive for their consideration.
2. The Cabinet Member for Finance and Corporate Resources recommends the Executive as follows: -
 - (a) to approve the General Fund and HRA budget variations and further spending requirements shown in paragraphs 6, 7, 8 and 9 and in Appendix D;
 - (b) to endorse the proposals for reserves as described in paragraphs 18, 19 and 20;
 - (c) to approve accordingly the proposed council tax requirement and the proposed council tax amounts for 2016/17 as described in paragraphs 26 and 30;
 - (d) to recommend the Council, in the form shown in Appendices G and H, to give effect to the council tax requirement and council tax amounts for 2016/17 so determined;
 - (e) to recommend the Council to adopt the budget framework shown in Appendix J, subject to any variations subsequently approved by the Executive within the overriding restrictions that unearmarked reserves should not be forecast to fall below £7 million in 2016/17, nor the council tax band D forecast for the next two years rise by more than a further £55.67 (paragraph 39);
 - (f) to agree that, should it be necessary following the meeting of the Greater London Authority (GLA) on 22nd February, the Director of Finance 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 2016.

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 Finance, 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 2016/17, approved in January in Paper No.16-30, to include the latest estimates of expenditure and notified levies and precepts. The revenue budget is set out in paragraph 10. The financial reserves appropriate for specific purposes are reviewed in paragraph 18. Paragraph 20 refers to the need for a general reserve appropriate to meet contingencies. The calculation of the council tax requirement is described in paragraph 26. Paragraphs 28-32 present the calculations of the Council's share of council tax, and discuss the risks of the requirement for a council tax referendum. Paragraph 33 sets out the requirements of the Greater London Authority. The results for taxpayers in 2016/17, allowing for this precept, are set out in paragraphs 36-37. The prospects for taxpayers in subsequent years and the recommended revenue budget framework are discussed in paragraph 39. Appendix A shows the number of taxpayers in each valuation band (as in the tax-base calculation by the Director of Finance under delegated authority), and the impact on taxpayers (before benefit) of each £1 million added to the budget requirement.

COUNCIL NET REVENUE EXPENDITURE

Service Revenue Budgets

5. In January 2016 the Executive approved an aggregate budget for 2016/17 of £182.503 million at November 2015 prices after allowing for certain budget variations (Paper No. 16-30). A copy of the report by the Director of Finance on the Council's Budget Plans for 2016/17 and future years was placed on the Economic Development Office business home page on the Council's web site. Written comments were invited by 12th February in order to be considered by the Finance and Corporate Resources Overview Committee and the Executive. A copy of the report can be found on:
http://www.wandsworth.gov.uk/download/downloads/id/11410/consultation_on_the_councils_expenditure_plans_2016.pdf. No comments had been received at the time of writing this report.
6. Since the approval of the budget in Paper No 16-30, a number of other adjustments have been accommodated, including changes in levies and charges as notified by bodies empowered to make levies or charges upon the Council, changes in specific grants and other technical accounting adjustments. The details of all the levies and charges are given in Appendix C.

Budget and Council Tax

7. The allowance recommended for inflation from November 2015 prices through to 2016/17 outturn is £4.0 million. Further increases for 2017/18 and 2018/19 of £5.8 million and £6.2 million respectively are also recommended.
8. Budget variations at committee meetings in this cycle, together with budget variations approved under Standing Order procedures are detailed in Appendix D. This includes Capital and Housing Revenue Account budget variations
9. Paper No 16-96 elsewhere on this agenda, reports on progress in the development of a shared staffing arrangement (SSA) with Richmond Council. Provision in the budget for 2016/17 of £5 million is required to meet the anticipated share of re-organisation and redundancy costs arising from the proposals. A budget variation is requested accordingly. In addition, the future years Budget Framework (Appendix J) includes an estimate of the likely future savings arising from the SSA. These will be confirmed with budget variations in future reports to the Executive. The Cabinet Member for Finance and Corporate Resources has also been consulted and recommends that the above budget variation be approved.

Council's Revenue Expenditure

10. Subject to approval of the revenue budget variations, the Council's net expenditure for 2016/17 through to 2018/19 is as follows:

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£m	£m	£m
Committee budgets approved in Paper No. 16-30 as adjusted	185.112	181.773	180.895
Budget variations - Appendix D and paras.8 & 9	6.595	0.457	-2.588
Effect of notified levies and charges (Appendix C)	0.057	0.057	0.057
Provision for inflation (paragraph 7)	3.991	9.800	16.000
Revised committee budgets	195.755	192.087	194.364
Shared Staffing Arrangement estimated savings	0.000	-6.000	-9.000
New Homes Bonus (paragraph 14)	-12.958	-13.200	-8.300
Non-Service Specific Grants	-3.374	-2.000	-1.700
Council Net Expenditure	179.423	170.887	175.364

11. The committee budgets total for 2016/17 is analysed by committee and by income and expenditure categories in Appendix B. The total is £6.33 million less than the equivalent figure for 2015/16. The Executive approved the aggregate budget (Paper No 16-30), consolidating budget variations approved during the year, developments and budget transfers. The net effect of inflation, excluding levies is £4.0 million. An increase in the cost of levies and charges is outlined in Appendix C. Further developments are recommended in paragraph 8 and Appendix D (£1.6 million in 2016/17) and paragraph 9 (£5.0 million in 2016/17).

Adult Social Care “Precept”

12. The Government’s Spending Review announced that for the rest of the current Parliament, authorities responsible for adult social care would be “given an extra 2% flexibility on their current council tax referendum threshold to be used entirely for social care”. As required by the Government, the Council indicated to the Secretary of State that it intended to use this additional flexibility. The Council is also required, within seven days of setting its budget and council tax, to provide information demonstrating that the additional council tax yield generated has been applied to adult social care to avoid expenditure reductions that may have otherwise been incurred.
13. The council tax generated from this 2% increase will generate additional income of £0.98million 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”.

New Homes Bonus and Council Tax Freeze Grant

14. The New Homes Bonus (NHB) was introduced in 2011 and provides a Government grant equivalent to the increase in council tax revenues that would otherwise be generated from new housing stock, but calculated using the national council tax charges. The grant is payable on cumulative growth in housing stock for the previous 6 years from 2011/12. For 2016/17 the grant payable is £13.0 million, including payments in respect of the previous years. The Government is currently consulting on changes to the NHB. In view of the options being considered, estimates of grant have been reduced for future years. It should be noted that nationally the NHB is a top-slice from overall Government support to local authorities and that in the event that NHB is not fully allocated nationally, a return of funding may be payable. The outcome of the consultation is therefore likely to be a reduction in NHB as the Government have indicated that nationally, £800 million will be diverted by 2020 to pay for the Improved Better Care Fund. For budgetary purposes, future years’ estimates are based on data published by London Councils. In 2015/16, £2.559 million of the NHB was “top-sliced” in favour of the Greater London Local Enterprise Partnership in line with the announcement in the December 2013 Autumn Statement. This payment is not required in 2016/17.
15. The previous Council Tax Freeze Grant no longer applies in 2016/17, but prior years’ freeze grants have been rolled into the SFA.

Improved Better Care Fund

16. The Government has announced plans to increase support for Better Care Fund, which together with the 2% Adult Social Care precept from council tax payers, is expected to assist with pressures within social care. Indicative allocations of £2 million in 2017/18 and £8.2 million in 2018/19 have been announced. However, since the funding is at present expected to match increased costs, income and expenditure has been deemed to be neutral in future years. This will be kept under review.

GENERAL FUND REVENUE RESERVES

17. The calculation of the Council's requirements has to include the amount of financial reserves which it will be appropriate to raise or use in the financial year. The Council has no need for reserves for two of the purposes which it is obliged to consider: to cover deficits remaining from any earlier financial year (as there are none), and to cover 2017/18 expenditure to be incurred before revenues for that year are available (as this can be met within the Council's temporary borrowing limit).

Special Reserves

18. The special reserves are those appropriate for meeting future expenditure in performing the Council's functions. The existing and proposed special reserves are shown in Appendix F, although those relating to the Housing Revenue Account and schools are not directly relevant.

- (a) Finite Services Fund. Provision has been made in the Finite Services Fund to pre-finance fully the cost of certain schemes of limited duration. The use of the Fund over the next three years is anticipated to be as follows:

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Aspirations programme	-0.156	-	-	-

- (b) Renewals Fund. The Fund is for "loans" to services with unusually large requirements for building refurbishment, energy conservation schemes, investment in IT schemes and vehicle and plant replacements. The sum of £3.2m has been transferred from the General Fund in 2015/16 to fund the charges made to the Reserve following demands in that year. The use of the Fund over the next three years is anticipated to be as follows:

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Contributions to Fund	1.237	0.560	0.560	0.560
Charges from Fund	-3.189	-0.611	-0.611	-0.611
Net Fund movement	<u>-1.952</u>	<u>-0.051</u>	<u>-0.051</u>	<u>-0.051</u>

- (c) Specific Grant Reserve. This reserve is retained for over-estimates and potential exposure to loss of General Fund Government specific grants.
- (d) Insurance Reserve. 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 continues to be subject to periodic external reviews. The charge in 2015/16 arises from the worsening position in the Council's previous insurer's (MMI) solvent run off.

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Charges from Fund	-0.336	-	-	-

- (e) Employer's Pensions Contributions Reserve. This reserve was established to mitigate the impact of future increases in employer's pension contributions. In April 2014 the Executive approved Paper No. 14-255 which concerned the results of the triennial valuation of the Council's Pension Fund. Following that report, the Executive agreed to consider, as part of Council Tax setting, the use of the Employer's Pension Contributions Reserve (EPCR) to offset the cost of deficit contribution payments to the General Fund. Having reviewed the situation it is proposed to fund the deficit contributions from the EPCR.

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Charges from Fund	-1.900	-1.900	-	-

- (f) Service Transformation Reserve. This reserve was established in 2010/11 to mitigate the impact of the restructuring of services with particular regards to redundancy and other costs of service restructuring. In the light of the planned merging of services with Richmond upon Thames Council. This reserve was enhanced by a transfer of balances of £10 million in 2014/15 in order to enable the Council to manage the service transformation that will be required over the short to medium term. £5 million has been utilised to fund these costs in 2016/17. In addition, this reserve will be used to fund part of the deficit arising from the shortfall in Government funding in future years.

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Charges from Fund	-1.000	-5.000	-	-

- (g) Business Rate Volatility Reserve. This reserve was established in 2011/12 in recognition of the volatility of the new arrangements for future Council funding. The reserve is used to meet the shortfall in Business Rate yield compared with that included in the SFA, together with an appropriation in respect of the estimated surplus or deficit arising on the Collection Fund in respect of Business Rates. In view of the significant number and value of successful rating appeals recently experienced, and in view of the revaluation due in 2017, the reserve is to be replenished to the value of £7million.

Budget and Council Tax

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Business Rates	- 0.322	- 0.219	-	-
Collection Fund Business Rates Deficit/(Surplus)	0.009	- 2.730	-	-
Contribution to Reserve	2.000	3.503	-	-
	<u>1.687</u>	<u>0.554</u>	-	-

- (h) London Pensions Fund Authority (LPFA) Deficit Funding Reserve. This reserve was established following demands from the LPFA for authorities to fund deficit contributions in relation to historic pensions. The Council has contested this demand, but in the meantime, has provided for it by way of this reserve.

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Contribution to Fund	0.150	0.150	0.150	0.150

- (i) Financial Resilience Reserve. This reserve was established in 2014/15 in recognition of the substantial pressures on budgets and diminishing Government Support.

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Charges from Fund	-	-6.800	-	-

- (j) Enhanced Pension Fund Reserve. This Fund provides for pensions enhancements made in previous years which fall outside statutory pension schemes, and require ongoing revenue support.

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Contribution to Fund	4.000	-	-	-

- (k) Public Health Reserve. This reserve was established in 2013/14 for the carry forward of unused Public Health grant.

The Cabinet Member for Finance and Corporate Resources has been consulted and supports the proposed changes to these specific reserves.

General Reserves

19. The general reserves at 31st March 2016, on the basis of previous reports and the current outlook for 2015/16, would then be:

<u>Estimated GF balance</u>		<u>£m</u>	<u>£m</u>
General Fund Balance	01/04/15		26.946
Increased net appropriations from/(to) the Renewals Fund			
Original		-0.039	
Revised		<u>1.952</u>	1.991
Increase in net appropriations from/(to) the Finite Services Fund			
Original		0.048	
Revised		<u>0.156</u>	0.108
Increase in net appropriations from/(to) the Business Rate Volatility Reserve			
Original		0.313	
Revised		<u>-1.687</u>	-2.000
Increase in net appropriations from/(to) the LPFA Deficit Reserve			
Original		0.000	
Revised		<u>-0.150</u>	-0.150
Increase in contribution from/(to) the Insurance Reserve			
Original		0.000	
Revised		<u>0.336</u>	0.336
Contribution from/(to) Service Transformation Reserve			
Original		1.000	
Revised		<u>1.000</u>	0.000
Contribution from/(to) Enhanced Pension Fund Reserve			
Original		0.000	
Revised		<u>-4.000</u>	-4.000
Reduction in Committee budgets 2015/16			
Original		-185.766	
Revised		<u>-185.381</u>	0.385
Government grants not notified or anticipated			1.739
Planned contribution to general reserves			<u>-9.809</u>
Estimated General Fund Balance	31/03/16		<u>15.546</u>
Recommended for contingencies for 2016/17			<u>-14.000</u>
Excess over required contingency			<u>1.546</u>

Budget and Council Tax

20. The Council must make an appropriate prudent allowance for contingencies for the forthcoming year. In addition, under Section 25 of the Local Government Act 2003, the Council's Chief Financial Officer must report to the Council on the following matters:

- (a) The robustness of the estimates made for the purposes of the calculations, and,
- (b) The adequacy of the proposed financial reserves, having considered the proposals within this paper.

The Director of Finance considers the estimates to be robust and that it would be prudent to retain a general reserve for contingencies of all kinds of about £14.0 million, the same as last year. A 1% provision for pay awards has been made together with impact of the National Living Wage. The provision for non-staff costs is 1.7% (except where specific contract price indexation applies), based on an average of private sector forecasts published by HM Treasury, and where an additional 0.5% would add £0.72 million in 2016/17. The full range of uncertainties in the next financial year is indicated by the items shown in Appendix E. With the General Fund balance estimated to be £15.55 million at 31st March 2016, £1.55 million is available to reduce the council tax requirement for 2016/17. The Cabinet Member for Finance and Corporate Resources has been consulted and concurs with this view.

USE OF RESERVES

The Council's net expenditure is reduced by drawing on reserves as follows:

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£m	£m	£m
Council's Net Expenditure (para.10)	179.423	170.887	175.364
Contribution (from)/to General Reserves (para.19)	-1.546		
Contribution (from)/to Renewals Fund (para.18)	-0.051	-0.051	-0.051
Contribution (from)/to Insurance Reserve (para.18)	0.000	0.000	0.000
Contribution (from)/to the Finite Services Fund (para.18)	0.000	0.000	0.000
Contribution (from)/to Business Rate Volatility Reserve (para.18)	0.554	0.000	0.000
Contribution (from)/to Service Transformation Fund (para.18)	-5.000	0.000	0.000
Contribution (from)/to Financial Resilience Reserve (para.18)	-6.800	0.000	0.000
Contribution (from)/to LPFA Deficit Funding Reserve (para.18)	0.150	0.150	0.150
Contribution from Employers Pension Contribution Reserve (para.18)	-1.900	0.000	0.000
Council's Net Expenditure after Drawings on Reserves	<u>164.830</u>	<u>170.986</u>	<u>175.463</u>

LOCAL AUTHORITY FINANCE SETTLEMENT

Settlement Funding Assessment (SFA)

21. 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), to arrive at the SFA for 2016/17 totalling £114.6 million. The Government has offered a four year settlement providing certainty for SFAs up to 2019/20. The four year SFAs contained in the settlement are as follows: -

<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
£114.6m	£105.99m	£101.19m	£96.35m

The Council is required to notify the Secretary of State of their intention to take up this offer by 14th October 2016, and also to publish an efficiency plan. Even with the certainty of this funding, there are uncertainties over other significant grants and new burdens proposed. It is hoped that further clarity will be received from the DCLG over the next few months to enable the Council to make a decision on whether to accept the offer. A decision on this will be required either in the June or September committee cycle.

22. The SFA includes the Council's share of retention of Business Rates which based on Government assumptions for 2016/17 would amount to £31.62 million. The position on the Council's estimated Business Rates yield for 2016/17, as calculated on the statutory return (NNDR1), indicates the yield to be £104.673 million, with the Council's 30% share being £31.402 million. The NNDR1 calculation is the basis for payments from the Collection Fund to the Council's General Fund (30%), the GLA (20%) and the DCLG (50%). The shortfall in the estimated yield compared with the DCLG's SFA will be met from the Business Rate Volatility Reserve (paragraph 18(g)).
23. The Government intends to "conduct a review of what needs assessment formula should be in a world in which all local government spending is funded by local resources not central grant, and use it to determine the transition to 100% business rates retention", i.e. funding baselines will be recalculated with an updated assessment of need in time for 100% retention. Current projections suggest that this is targeted for implementation during 2019/20.

Small Business and other Rate Reliefs

24. The Government announced a continuation of the increased relief for small businesses that impact on the Council's business rate yield. This will be compensated by grant from DCLG and is unlikely to have any material overall effect on the Council.

CALCULATION OF COUNCIL TAX AMOUNTS

Collection Fund

25. 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 RSG, and any Collection Fund surplus or deficit. With regard to the council tax element, it is estimated that the Collection Fund will have a surplus of £4.213 million at 31st March 2016. Of this amount £2.394 million will be credited to the Council's General Fund in 2016/17. The remainder is passed to the Greater London Authority. Local Business Rates due are also credited to the Collection Fund and are shared between the Council (30%), the GLA (20%) and the DCLG (50%). The estimated deficit on the Collection Fund in respect of Business Rates is £9.1million, of which the Council's share is £2.73 million, arising from substantially more successful rating valuation appeals than had been provided for. The Council's share of this deficit will be met by a transfer from the Business Rate Volatility Reserve. Provision has been made to reinstate this reserve to meet any future deficits or shortfalls in rate yield compared to that assumed in the SFA, and, given experience of the volatility of appeals, to provide for further appeals following the 2017 revaluation.

Wandsworth Council Tax Requirement

26. After taking account of Business Rates and central Government support, the amount that this Council needs to raise from council tax for its own purposes is as follows:

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£m	£m	£m	£m
Council's Net Expenditure after use of reserves (para.20)	172.735	164.830	170.986	175.463
Plus: Collection Fund Deficit (para.25)	-2.107	0.335		
	<hr/> 170.628	<hr/> 165.165	<hr/> 170.986	<hr/> 175.463
Less:				
Retained Business Rates	-31.038	-31.402	-32.243	-33.195
Business Rates top-up	-35.723	-36.021	-36.729	-37.813
Revenue Support Grant	-57.020	-46.957	-37.014	-30.185
	<hr/> -123.782	<hr/> -114.380	<hr/> -105.986	<hr/> -101.193
Wandsworth Council Tax Requirement	<hr/> 46.846	<hr/> 50.786	<hr/> 65.000	<hr/> 74.270

The statutory form of calculation by the Council is shown in Appendix H, with details in Appendix G.

27. Section 25 of the Local Government Act 2003 requires that when a local authority is making its budget calculations, the Director of Finance must report to it on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Director of Finance considers that the estimates are sufficiently robust for the purposes of the calculations and that the proposed financial reserves are adequate.

(Paper No. 16-107)

Council Tax Base

28. The Council tax bases are calculated annually by the Director of Finance following delegation of the determination by the Council at its meeting on 4th February 2004. These have now been determined as 125,734 for the borough as a whole, and 26,536 for the Wimbledon and Putney Commons Conservators' (W&PCC) area. The figures for 2015/16 were 120,607 and 25,867. Growth of 1,200 properties per annum has been assumed for future years. The tax base figures incorporate the effect of Council Tax Support on the tax base.

Wimbledon and Putney Commons Conservators (W&PCC)

29. 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 2016/17 this levy amounts to £715,549.46, an increase of £19,075.92 on the levy for 2015/16. As a special expense it must be charged only to taxpayers within the Conservators' area, who will therefore have tax amounts £26.97 (£26.93 in 2015/16) higher than elsewhere in the Borough at band D (applying the 25,867 tax base figure for the Conservators' area and after allowing for roundings in calculations), with proportionate differences in other bands. The Conservators' total levies, including those parts of their area in other boroughs, amounts to £1,055,635.00 in 2016/17, an increase of £25,747.00 (2.5%). The amount attributable to Wandsworth has increased by a slightly larger amount (2.7%) due to proportionate changes in the tax base for each of the authorities in the levying area (paragraph 28). For those tax payers affected in Wandsworth, the increase at band D is only 4p due to the increase in the number of payers sharing this cost.
30. The Council has to calculate first an average band D tax element (dividing the tax needs shown in paragraph 26 by the 125,734 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 H and the amounts are:

	Average	Majority	W&PCC
	£	£	£
2016/17	403.91	398.22	425.19
2015/16	388.42	382.65	409.57

31. 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 H part (d)(viii).

Council Tax Referenda

32. On 8th February 2016, the Government confirmed the council tax referendum thresholds for 2016/17. The DCLG has confirmed that the increase in the relevant amount of council tax that is considered to be excessive is 2% or more, and is the level at which a referendum must be held. However, councils with Adult Social Care responsibilities will also be able to increase council tax by up to 2% for each year between 2016-17 and 2019/20 (see paragraph 12).

Budget and Council Tax

Greater London Authority

33. As well as GLA core services, in 2016/17 the GLA has responsibility for five functional bodies: the Mayor's Office for Policing and Crime, Transport for London, the London Fire and Emergency Planning Authority, the London Legacy Development Corporation and the Old Oak and Park Royal Development Corporation. The GLA has set a provisional council tax requirement for its core activities and its functional bodies for 2016/17 of £776.3 million. Details can be found on the GLA's web site: <https://www.london.gov.uk/about-us/greater-london-authority-gla/spending-money-wisely/mayors-budget>. The GLA's 2016/17 band D council tax is summarised below: -

	<u>2015/16</u> Band D	<u>2016/17</u> Band D	<u>Increase(+)/</u> <u>Decrease(-)</u>	<u>Increase(+)/</u> <u>Decrease(-)</u>
	Amounts £	Amounts £	£	%
Mayor's Office for Policing and Crime	214.52	206.79	-7.73	-3.60%
Other Services	80.48	69.21	-11.27	-14.00%
Total GLA	295.00	276.00	-19.00	-6.44%

34. There is a £19.00 reduction in the Mayor's band D council tax in 2016/17, achieving the Mayor's stated objective of a 10% reduction in council tax between 2012 and 2016. For indicative purposes in this report, the GLA's council tax is assumed to remain at £276 for the following three years.
35. The GLA is due to consider its final budget on 22nd February 2016, i.e. after the meetings of both this Committee and the Executive, but before the meeting of the full Council meeting. Should the GLA change their provisional budget and/or council tax requirement, the relevant changes will be incorporated in this report for consideration by the Council when considering the council tax requirement.

COUNCIL TAX AMOUNTS

36. Combining this Council's tax amount with that of the GLA produces total band D amounts as follows for 2016/17:

	Average	Majority	Conservators'
	£	£	Area £
Wandsworth Council	403.91	398.22	425.19
Greater London Authority	276.00	276.00	276.00
	679.91	674.22	701.19

The amounts for all valuation bands are shown in Appendix H part (f). The amounts for 2016/17 should remain amongst the lowest average Council tax in the country.

Council Tax Bills

37. The consequential bills for each valuation band, and the increases compared with 2015/16, are shown in Appendix I. 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 £622.

EQUALITY IMPACT ASSESSMENT

38. 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 Assessment (EIA) has been undertaken on the proposals in this report. This EIA is attached as Appendix K to this report.

FUTURE YEARS BUDGET FRAMEWORK

39. 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 £512 in 2017/18 and £580 in 2018/19. Allowing for planned savings resulting from the Shared Staffing Arrangement, the average band D tax amounts for the Council element would be £512 in 2017/18 and £580 in 2018/19. These represent increases of 26.8% and 13.2% respectively, compared with the preceding year. If Government referendum criteria required increases of no more than 2% and the Adult Social Care "precept" continues at 2%, the council tax requirement would have to be reduced by £11.7 million in 2017/18 and £18.3 million in 2018/19 based upon current assumptions on Government support. With the assumed GLA precept, the total average band D amount would rise to £788 in 2017/18 and £856 in 2018/19. The budget framework showing these amounts is given in Appendix J. In accordance with the Council's constitution, the Council should be recommended to adopt the framework in Appendix J 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 £7 million (50% of that set aside for contingencies) in 2016/17, nor the council tax band D forecast for the next two years rise by more than a further £55.67.
40. The detailed budget by Overview and Scrutiny Committee for 2015/16 to 2018/19 is available on the Members' On Line Library and will be published as part of the Budget book.

Budget and Council Tax

41. The gap indicated between available resources and expenditure highlighted in paragraph 39 will need to be addressed by the Council in the Medium Term Financial Strategy due to be published in June 2016. However, any proposed use of reserves or reductions in expenditure will be based upon a prediction of Government support rather than certainty as any future Government support will not be known until after the Comprehensive Spending Review later in the year. However, the Council should assume that the expenditure gap quoted in paragraph 39 is more likely than not to occur and should plan accordingly.

The Town Hall,
Wandsworth,
SW18 2PU

CHRIS BUSS
Director of Finance

19th February 2016

Background Papers

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

1. The Council's Budget Publication
2. Budget Variations Approved by the Executive in this financial year
3. Service committees' budget variation requests in this cycle
4. Local Authority Finance Settlement notification
5. GLA precept and levying bodies' documents.

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

IMPACT OF EACH ADDITIONAL £1 MILLION COUNCIL TAX

<u>Circumstances/Band</u>	<u>Major Part</u>	<u>No. of Dwellings W&PCC Levy Area</u>	<u>Borough</u>	<u>Increase per Household Before Council Tax Support £</u>
2+ Adults				
A	2,363	1,116	3,479	5.30
B	4,422	1,615	6,037	6.18
C	19,011	4,635	23,646	7.07
D	19,363	4,325	23,688	7.95
E	13,606	3,158	16,764	9.72
F	10,162	2,019	12,181	11.48
G	8,431	2,653	11,084	13.25
H	1,302	1,038	2,340	15.90
	(78,660)	(20,559)	(99,219)	
1 Adult				
A	1,812	1,308	3,120	3.98
B	4,641	1,737	6,378	4.64
C	10,480	2,193	12,673	5.30
D	6,977	1,836	8,813	5.96
E	4,008	1,187	5,195	7.29
F	2,307	699	3,006	8.61
G	1,172	514	1,686	9.94
H	179	107	286	11.93
	(31,576)	(9,581)	(41,157)	
Exempt A-H	-2,194	-727	-2,921	NIL
TOTALS	108,042	29,413	137,455	

ANALYSIS OF SERVICE BUDGETS 2016/17

£'000	ADULT CARE & HEALTH SERVICES	COMMUNITY SERVICES	EDUCATION & CHILDREN'S SERVICES	FINANCE & CORPORATE RESOURCES	HOUSING & REGENERATION	GENERAL FUND TOTAL	DEDICATED SCHOOLS BUDGET	HOUSING REVENUE ACCOUNT	TOTAL
EXPENDITURE - at November 2015 prices for General Fund									
Salaries	14,099	9,234	19,609	9,287	2,170	54,399	138,929	5,707	199,035
Indirect Employee Expenses	149	84	275	116	17	641	511	55	1,207
Premises	39	6,655	362	479	114	7,649	1,458	39,650	48,757
Use of Transport	1,393	178	4,268	30	23	5,892	64	51	6,007
Concessionary Fares	-	14,508	-	-	-	14,508	-	-	14,508
Supplies and Services	1,309	117	3,922	833	33	6,214	7,774	-	13,988
- Funding to Voluntary Bodies	1,640	6,216	4,758	11,468	428	24,510	11,916	4,509	40,935
Third Party Payments	-	15,239	1,514	335	-	17,088	1,157	-	18,245
- Precepts, Levies and Charges	95,986	40,026	24,251	1,011	11,458	172,732	9,207	16,535	198,474
- Other	-	-	-	-	-	-	-	-	-
Transfer Payments	-	-	-	196,341	8,434	204,775	7	214	204,996
- Housing Benefits etc	8,422	7,037	13,922	9,835	740	39,956	3,616	6,295	49,867
Central & Technical Support	80	8,573	4,786	309	-	13,748	-	24,417	38,165
Depreciation and Impairment	-	-	-	-	-	-	-	-	-
Capital Financing Charges	-	-	-	-	-	-	-	56,377	56,377
- Capital Charges to Users	-	-	-	-	-	-	-	23	23
- Leasing Charges	-	-	-	-	-	-	-	-	-
TOTAL	123,117	107,867	77,667	230,044	23,417	562,112	174,639	153,833	890,584

ANALYSIS OF SERVICE BUDGETS 2016/17 (Continued)

£'000	ADULT CARE & HEALTH SERVICES	COMMUNITY SERVICES	EDUCATION & CHILDREN'S SERVICES	FINANCE & CORPORATE RESOURCES	HOUSING & REGENERATION	GENERAL FUND TOTAL	DEDICATED SCHOOLS BUDGET	HOUSING REVENUE ACCOUNT	TOTAL
INCOME - at November 2015 prices for General Fund									
Government Grants	35,957	40	4,140	195,318	7,518	242,973	166,919	-	409,892
Rents	211	144	-	1,593	74	2,022	-	115,448	117,470
Fees/Charges & Other Income	15,454	65,327	2,167	26,962	9,453	119,363	7,720	25,600	152,683
Interest Received	-	-	-	5,963	27	5,990	-	2,617	8,607
Contribution from Reserves	-	-	-	-	-	-	-	10,168	10,168
TOTAL	51,622	65,511	6,307	229,836	17,072	370,348	174,639	153,833	698,820
NET EXPENDITURE	71,495	42,356	71,360	208	6,345	191,764	-	-	191,764
New Homes Bonus Funding						-12,958			
Non-Service Specific Grants						-3,374			
General Fund inflation from November 2015 to end of 2016/17						3,991			
Net Committee Budgets						179,423			

APPENDIX C

SUMMARY OF LEVIES AND CHARGES

	£	Change
Levies		
Western Riverside Waste Authority - levy	2,196,952	1.00%
Environment Agency - Flood Defence	285,800	3.52%
London Pensions Fund Authority		
- Greater London	461,108	0.74%
- Inner London	1,514,082	0.33%
Lee Valley Regional Park Authority	359,235	-0.76%
Wimbledon and Putney Commons Conservators	715,549	2.74%
Total Levies	5,532,727	1.03%
Charges		
Western Riverside Waste Authority - charges	11,316,000	2.66%
London Councils	-	0.00%
- Concessionary Fares	14,413,409	-0.18%
- Grants Scheme	311,246	-6.34%
- London Lorry Ban	-	0.00%
TFL - Traffic Signal Maintenance	374,921	1.38%
Port of London Authority - river debris clearance	6,300	0.00%
London Pensions Fund Authority		
- Deficit	53,850	0.00%
Total Charges	26,475,726	0.96%
Total Levies and Charges	32,008,453	0.97%

APPENDIX D

General Revenue Budget Variations	CAPITAL				REVENUE			
	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
ADULT CARE AND HEALTH OVERVIEW SERVICES – 09/02/2016								
Substance misuse treatment base (Paper No. 16-56)		+567			0	-55	-203	-203
EDUCATION AND CHILDREN'S SERVICES – 11/02/2016								
Disability service for children & young people (Paper No.16-36)					0	-90	-90	-90
Accredited Training and Assessment Centre (Paper No. 16-34)					0	-105	-152	-152
SEN transport contract award (Paper No. 16-37)					0	+286	+333	+333
Children's Service Division budget pressures (Paper No. 16-42)					+1,906	+1,724	+2,574	0
Review of Education Performance & Planning Division (Paper No. 16-35)					0	-844	-904	-904
COMMUNITY SERVICES – 18/02/2016								
Tooting Common Heritage Project (Paper No. 16-60)		+392	+680	+235				
FINANCE AND CORPORATE RESOURCES – 25/02/2016								
Finance Related Transactional Services (Paper No. 16-103)					0	+1,153	-255	-426
Review of Council Tax and Welfare Reform Team (Paper No. 16-100)					0	-83	-83	-83
Parking Enforcement Contract (Paper No. 16-104)					0	-212	-584	-884
Schools Capital Bids (Paper No. 16-105)		+2,558						
BUDGET VARIATIONS ARISING FROM DECISIONS MADE VIA SO83(A) PROCESS								
Permanent Supported Housing for People with Learning Disabilities (ACH 206)					0	-9	-9	-9
Tier 4 Inpatient Detoxification (Substance Misuse) Service (ACH 207)					0	-170	-170	-170
TOTAL GENERAL FUND BUDGET VARIATIONS		+3,517	+680	+235	+1,906	+1,595	+457	-2,588

HOUSING REVENUE ACCOUNT (HRA) BUDGET VARIATIONS THIS CYCLE

(Paper No. 16-107)

Budget and Council Tax

The Executive have been asked to approve the following Housing Revenue Account budget variations on 29th February 2016:-

	<u>CAPITAL</u>		<u>REVENUE</u>				
	2015/16 £'000	2016/17 £'000	2017/18 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Housing Revenue Account Budget							
<u>FINANCE AND CORPORATE RESOURCES – 25/02/2016</u>							
Finance Related Transactional Services (Paper No. 16-103)	-	-	-	-	+489	-128	-213
Parking Enforcement Contract (Paper No. 16-104)	-	-	-	-	-31	-57	-57
Total HRA Budget Variations to Exec 29/02/16	-	-	-	-	+458	-185	-270

Implications of the Housing Revenue Account variations on the HRA budget framework to 31 March 2018

	2015/16 £'000	2016/17 £'000	2017/18 £'000	Cumulative total to 31st March 2018 £'000
Effect of Budget variations to date (post Jan 2015 framework)	+508	-151	-434	-77
Effect of Budget variations shown above (paragraph 5)	-	-	-	-
Capital	-	-	-	-
Revenue	-	+458	-185	+273
				+196

Threshold for referral to Council

+25,000

π positive figures represent an increase in expenditure and therefore a reduction in available reserves as at 31st March

2018

APPENDIX E

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 adult social services and housing, especially for people with learning disabilities arising from changes in local demographics, and homelessness.
- (i) Shortfalls in capital receipts, adding to the net interest borne by the General Fund.
- (j) Cost of a local disaster not covered by Government grant under the Bellwin Scheme.
- (k) Transferred responsibilities from health authorities to local authorities.
- (l) Reduction in income streams due to the continuing economic difficulties.
- (m) Additional costs arising from auto-enrolment of staff into the pension scheme.
- (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 body.

APPENDIX F

SPECIAL 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:

General Fund Revenue Reserves

	Balance 1st April <u>2015</u> £'000	Budgeted Change <u>2015/16</u> £'000	Balance 1st April <u>2016</u> £'000	Budgeted Change <u>2016/17</u> £'000	Balance 1st April <u>2017</u> £'000
1 <u>Renewals Fund</u>					
Net use - Revenue		-3,189		-611	
Net use - Capital		-543		0	
Net use - Other		46		46	
Increase in Fund		1,237		560	
	30,691	-2,449	28,242	-5	28,237

This fund is for "loans" to services with unusually large requirements for building refurbishment, energy conservation schemes, computer software and vehicle and plant replacements. The planned expenditure is chiefly for IT hardware and software. The additional contributions are to fund IT Hardware, replacement Pay and Display machines and energy conservation measures.

2 <u>Finite Services Fund</u>	1,530	-156	1,374	0	1,374
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This reserve provides for some pre-financing of identified costs of limited duration, now chiefly the Council's Aspirations programme.

3 <u>Specific Grant Reserve</u>	2,400	0	2,400	0	2,400
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This reserve is for potential over-estimates or losses of specific Government grants for General Fund services, such as housing benefits.

4 <u>Services Transformation Reserve</u>	23,484	-1,000	22,484	-5,000	17,484
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This reserve was established to meet the short-term costs of service restructuring including redundancy.

5 <u>Insurance Reserve</u>	7,389	-336	7,053	0	7,053
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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.

6	<u>Employer's Pensions</u>					
	<u>Contributions Reserve</u>	41,400	-1,900	39,500	-1,900	37,600

This reserve was established to mitigate the impact of future increases in employer's pension contributions.

7	<u>Enhanced Pension Fund</u>	1,965	4,000	5,965	0	5,965
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This Fund provides for pensions enhancements which fall outside statutory pension schemes, and mainly relates to teachers.

8	<u>Business Rates Volatility Reserve</u>	4,759	1,687	6,446	554	7,000
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This reserve was established in 2011/12 in recognition of the volatility of the new arrangements for future local government funding.

9	<u>LPFA Deficit Funding Reserve</u>					
	Contribution - General Fund		150		150	
	Contribution - Dedicated Schools Budget		852		852	
		5,664	1,002	6,666	1,002	7,668

10	<u>Public Health Reserve</u>	200	0	200	0	200
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11	<u>Financial Resilience Reserve</u>	33,138		33,138	-6,800	26,338
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12	<u>Other Balances</u>	7,578	0	7,578	0	7,578
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TOTAL REVENUE RESERVES AVAILABLE FOR COUNCIL TAX PURPOSES		160,198	848	161,046	-12,149	148,897
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13	<u>Housing Revenue Account/ Housing Repairs Account</u>	266,026	27,041	293,067	-12,023	281,044
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The Housing Revenue Account is maintained under statutory provisions and the balances relating to this account are ring-fenced and cannot be used for General Fund purposes.

14	<u>Education Balances</u>	29,302	0	29,302	0	29,302
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Schools generally have statutory rights to carry forward unspent balances of delegated budgets so these are not available for any other purposes.

TOTAL USABLE REVENUE RESERVES		455,526	27,889	483,415	-24,172	459,243
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APPENDIX G

**Amounts to be calculated by the Council for the purposes of
Section 31A of the Local Government Finance Act 1992
For the year 2016/17**

	<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;	877,909	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;	14,000	
(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	891,909	
<u>LESS</u>		

Budget and Council Tax

- | | | |
|--|---------|---|
| (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; | 781,000 | 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; | 31,529 | |
| (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. | 28,593 | 2 |

SUB-TOTAL	841,123	
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DIFFERENCE (Council Tax Requirement)	50,786	
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Note 1

	<u>Expenditure</u>	<u>Income</u>
	£'000	£'000
Gross Expenditure/Income as in Appendix B	890,584	715,152
Central Government Funding and Localised Business Rates		82,978
less internal recharges	-16,820	-16,820
plus inflation to end of 2016/17	4,145	153
less credit from Collection Fund shown separately		-463
	877,909	781,000

Note 2

	£'000
General reserves available (para.19)	15,546
Less drawings from special reserves (Appendix F)	13,047
	28,593

APPENDIX H

FORM OF COUNCIL RESOLUTION

- (a) That the revised revenue estimates for the year 2015/16 referred to in Paper No. 16-30 and the revenue estimates for 2016/17 as summarised in Appendix B of this paper be approved;
- (b) That the details of the council tax requirement for the year 2016/17, as set out in Appendix G of this paper, be approved;
- (c) That it be noted that the following amounts for the year 2016/17 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) 125,734 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) 26,536 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 Finance 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 2016/17 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:
- (i) £891,908,845 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A of the Act;
 - (ii) £841,123,191 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;
 - (iii) £50,785,654 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;

Budget and Council Tax

- (iv) £403.9135 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) £715,549.46 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) £398.2225 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) £425.1900 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	283.46	265.48
B	330.70	309.73
C	377.95	353.98
D	425.19	398.22
E	519.68	486.72
F	614.16	575.21
G	708.65	663.70
H	850.38	796.44

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

Budget and Council Tax

account for the year in respect of categories of dwellings listed in different valuation bands;

- (e) That it be noted that for the year 2016/17 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	184.00
B	214.67
C	245.33
D	276.00
E	337.33
F	398.67
G	460.00
H	552.00

- (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 2016/17 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	467.46	449.48
B	545.37	524.40
C	623.28	599.31
D	701.19	674.22
E	857.01	824.05
F	1,012.83	973.88
G	1,168.65	1,123.70
H	1,402.38	1,348.44

APPENDIX ICOUNCIL TAX BILLS

<u>Band</u>	<u>No. of Households</u>	<u>Council Tax</u> £	<u>Change</u> £
2+ Adults Major Part of the Borough			
A	2,363	449.48	-2.29
B	4,422	524.40	-2.65
C	19,011	599.31	-3.04
D	19,363	674.22	-3.43
E	13,606	824.05	-4.19
F	10,162	973.88	-4.94
G	8,431	1,123.70	-5.71
H	1,302	1,348.44	-6.85
2+ Adults W&PCC Part			
A	1,116	467.46	-2.26
B	1,615	545.37	-2.62
C	4,635	623.28	-3.00
D	4,325	701.19	-3.38
E	3,158	857.01	-4.14
F	2,019	1,012.83	-4.88
G	2,653	1,168.65	-5.64
H	1,038	1,402.38	-6.76

APPENDIX J

GENERAL REVENUE BUDGET FRAMEWORK

	<u>2015/16</u> <u>Revised</u> £m	<u>2016/17</u> £m	<u>2017/18</u> £m	<u>2018/19</u> £m
Committee Budgets at 2015 prices				
Adult Care & Health	74.385	71.495	71.685	71.592
Education & Children's Services	72.295	71.360	70.433	67.814
Community Services	42.991	42.356	42.623	42.166
Housing and Regeneration	6.154	6.345	6.343	6.343
Finance & Corporate Resources	-0.967	0.208	-8.797	-9.551
New Homes Bonus	-6.493	-12.958	-13.200	-8.300
Non-Service Specific Grants	-2.985	-3.374	-2.000	-1.700
Total	185.380	175.432	167.087	168.364
Inflation to outturn prices		3.991	9.800	16.000
Efficiencies from Shared Staffing Agreement			-6.000	-9.000
Contributions to(+)/drawings from(-) General, and Specific Reserves	-12.646	-14.593	0.099	0.099
Net Expenditure after drawings from reserves	172.734	164.830	170.986	175.463
Less:				
Collection Fund surplus/deficit	-2.107	0.335	0.000	0.000
Retained Business Rates	-31.038	-31.402	-32.243	-33.195
Business Rates "Top-up"	-35.723	-36.021	-36.729	-37.813
Revenue Support Grant	-57.020	-46.957	-37.014	-30.185
Council Tax Requirement	46.846	50.786	65.000	74.270
Band D Council Tax	£	£	£	£
Wandsworth Council	388.42	403.91	512.07	579.63
Greater London Authority	295.00	276.00	276.00	276.00
Total	683.42	679.91	788.07	855.63
Increase in Wandsworth council tax		4.0%	26.8%	13.2%
Budget reductions or use of reserves needed in future years to maintain Wandsworth "relevant basic amount" increases to within 3.99%			11.683m	18.303m

Initial Equality Impact Assessment

Department	Finance
Service	Council Tax
People involved	Chris Buss, Fenella Merry, Claire O'Connor

1. What are the aims of the proposals?

The Cabinet Member for Finance and Corporate Resources recommends the Executive as follows: -

- (a) to approve the General Fund and HRA budget variations and further spending requirements shown in paragraphs 6, 7, 8 and 9 and in Appendix D;
- (b) to endorse the proposals for reserves as described in paragraphs 18, 19 and 20;
- (c) to approve accordingly the proposed council tax requirement and the proposed council tax amounts for 2016/17 as described in paragraphs 26 and 30;
- (d) to recommend the Council, in the form shown in Appendices G and H, to give effect to the council tax requirement and council tax amounts for 2016/17 so determined;
- (e) to recommend the Council to adopt the budget framework shown in Appendix J, subject to any variations subsequently approved by the Executive within the overriding restrictions that unearmarked reserves should not be forecast to fall below £7 million in 2016/17, nor the council tax band D forecast for the next two years rise by more than a further £55.67 (paragraph 39);
- (f) to agree that, should it be necessary following the meeting of the Greater London Authority (GLA) on 22nd February, the Director of Finance 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 2016.

2. What is the rationale behind these changes?

The Government's Spending Review announced that for the rest of the current Parliament, authorities responsible for adult social care would be "given an extra 2% flexibility on their current council tax referendum threshold to be used entirely for social care". As required by the Government, the Council indicated to the Secretary of State that it intended

Budget and Council Tax

to use this additional flexibility. The Council is also required, within seven days of setting its budget and council tax, to provide information demonstrating that the additional council tax yield generated has been applied to adult social care. The council tax generated from this 2% increase will generate additional income of £0.98million 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".

3. What information do you have on the service and the potential impact of your service change in relation to the following?

	Information															
Race	<p>Census data: 23.6% of residents are BME</p> <p>Profile of Adult Social Care Service Users: In 2014/15 the 18 to 64 age band 18 per cent of service users were from black and minority ethnic communities (BME). The largest proportion of BME care service users come from the Black or Black British community.</p>															
Gender	<p>Census data: 51.6% of residents are female.</p> <p>Profile of Adult Social Care Service Users: 56.6% are female</p>															
Disability	<p>Census data: 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 2014-2015, 800 had a mental health condition as their main difficulty and 589 a learning disability (all ages).</p>															
Age	<p>Census data:</p> <p>Profile of Adult Social Care Service Users:</p> <table border="1" data-bbox="1005 1153 1190 1892"> <thead> <tr> <th>Age band</th> <th>Grand Total</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>18-64</td> <td>1438</td> <td>45.7%</td> </tr> <tr> <td>65-74</td> <td>428</td> <td>13.6%</td> </tr> <tr> <td>75+</td> <td>1279</td> <td>40.7%</td> </tr> <tr> <td>Total</td> <td>3145</td> <td></td> </tr> </tbody> </table>	Age band	Grand Total	%	18-64	1438	45.7%	65-74	428	13.6%	75+	1279	40.7%	Total	3145	
Age band	Grand Total	%														
18-64	1438	45.7%														
65-74	428	13.6%														
75+	1279	40.7%														
Total	3145															

Census data:		
2011 Census Religion (broad groups)	Wandsworth	
	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

Data on adult social care clients is not available by this protected characteristic

Data not collected via the Census.

4. Thinking about each group below please list the impact that the service change will have.

	Positive impacts	Possible negative impacts
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.	Although the increase in council tax will support vulnerable residents who are service users of adult social care it will mean that residents will see an increase in their council tax. In order to mitigate the impact of this small rise on vulnerable residents the Council introduced in Paper 16- 28 a 0% minimum contribution for vulnerable households including those on certain disability benefits and households where there is a child under 3.
Age	As 54.3% 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.	As above
Race	Taking the precept will support BME service users of Adult Social Care and ensure they continue to receive support.	As above

Budget and Council Tax

Gender	As 56.6% 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.	As above
Faith	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.	As above
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.	As above

5. Is a full EIA required? No.

- Is the service a frontline service? Yes
- Is it clear what impact the service change will have on all the equality groups? Yes
- Overall will the change have a negative impact on any of the equality groups? No.

Comments - Please give the rationale here for not undertaking a full EIA

Taking the precept will have a positive impact on users of adult social care in Wandsworth. Individual EIAs are reported to Members alongside any decision to change or reduce a service.

6. Through the initial EIA have you identified any actions that needed to be implemented to improve access to the service or monitoring of the service? (please list)

None identified

Date: 18th February 2016

Approved by: Jon Evans

SUMMARY OF SERVICE BUDGETS

	<u>2015/16 REVISED BUDGET</u>				<u>2016/17 BUDGET</u>		
	<u>2015/16</u>	<u>INFLATION</u>	<u>DEVEL-</u>	<u>TOTAL</u>	<u>INFLATION</u>	<u>DEVEL-</u>	<u>TOTAL</u>
	<u>ORIGINAL</u>						
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	62,663	153	-1,848	60,968	1,054	-9,318	54,399
Indirect Employee Expenses	834	-	-166	668	-	-193	641
Premises	10,133	122	-1,558	8,697	239	-2,723	7,649
Use of Transport	5,217	-	632	5,849	-	675	5,892
Concessionary Fares	14,623	-	-40	14,583	-	-115	14,508
Supplies and Services							
- Grants to Voluntary Bodies	7,673	-	-618	7,055	-	-1,459	6,214
- Other	22,156	14	1,744	23,914	351	2,003	24,510
Third Party Payments							
- Precepts, Levies and Charges	16,751	-	-631	16,120	-	337	17,088
- Other	177,796	297	1,860	179,953	619	-5,683	172,732
Transfer Payments - Hsg Benefits etc.	207,014	-	910	207,924	-	-2,239	204,775
Central and Technical Support	40,448	21	2,568	43,037	300	-792	39,956
Depreciation and Impairment	12,579	-	1,169	13,748	-	1,169	13,748
GROSS EXPENDITURE	577,887	607	4,022	582,516	2,563	-18,338	562,112
Government Grants	-261,007	-	12,071	-248,936	-	18,034	-242,973
Rents	-2,931	-	608	-2,323	-	909	-2,022
Fees, Charges and Other Income	-116,406	-132	-12,546	-129,084	-149	-2,808	-119,363
Interest Received	-4,731	-	-2,584	-7,315	-	-1,259	-5,990
INCOME	-385,075	-132	-2,451	-387,658	-149	14,876	-370,348
NET EXPENDITURE	192,812	475	1,571	194,858	2,414	-3,462	191,764
REVENUE EXPENDITURE BY SERVICE							
Adult Care and Health Services	79,840	-87	-5,368	74,385	409	-8,754	71,495
Community Services	43,917	490	-1,416	42,991	1,195	-2,756	42,356
Education and Children's Services	66,212	71	6,012	72,295	478	4,670	71,360
Finance and Corporate Resources	-3,287	-3	2,323	-967	298	3,197	208
Housing and Regeneration	6,130	4	20	6,154	34	181	6,345
NET EXPENDITURE	192,812	475	1,571	194,858	2,414	-3,462	191,764

SUMMARY OF SERVICE BUDGETS

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET at November 2014 price levels	192,812	192,812	192,812	192,812
INFLATION TO NOVEMBER 2015	475	2,414	2,414	2,414
2015/16 ORIGINAL BUDGET REPRICED	<u>193,287</u>	<u>195,226</u>	<u>195,226</u>	<u>195,226</u>
DEVELOPMENTS				
Adult Care and Health Services	-5,368	-8,754	-8,564	-8,657
Community Services	-1,416	-2,756	-2,489	-2,946
Education and Children's Services	6,012	4,670	3,743	1,124
Finance and Corporate Resources	2,323	3,197	-5,808	-6,562
Housing and Regeneration	20	181	179	179
NET EFFECT OF DEVELOPMENTS	<u>1,571</u>	<u>-3,462</u>	<u>-12,939</u>	<u>-16,862</u>
NET EXPENDITURE at November 2015 Prices	<u>194,858</u>	<u>191,764</u>	<u>182,287</u>	<u>178,364</u>
ANALYSIS BY SERVICE				
Adult Care and Health Services	74,385	71,495	71,685	71,592
Community Services	42,991	42,356	42,623	42,166
Education and Children's Services	72,295	71,360	70,433	67,814
Finance and Corporate Resources	-967	208	-8,797	-9,551
Housing and Regeneration	6,154	6,345	6,343	6,343
NET EXPENDITURE at November 2015 Prices	<u>194,858</u>	<u>191,764</u>	<u>182,287</u>	<u>178,364</u>
New Homes Bonus	-6,493	-12,958	-13,200	-8,300
Non-Service Specific Grants	-2,985	-3,374	-2,000	-1,700
Inflation to outturn prices	-	3,991	9,800	16,000
NET EXPENDITURE with inflation to outturn	<u>185,380</u>	<u>179,423</u>	<u>176,887</u>	<u>184,364</u>

ADULT CARE AND HEALTH SERVICES

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

	<u>2015/16 REVISED BUDGET</u>				<u>2016/17 BUDGET</u>		
	<u>2015/16</u>	<u>INFLATION</u>	<u>DEVELOP-</u>	<u>TOTAL</u>	<u>INFLATION</u>	<u>DEVELOP-</u>	<u>TOTAL</u>
	<u>ORIGINAL</u>						
<u>BUDGET</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Salaries	15,264	15	36	15,315	201	-1,366	14,099
Indirect Employee Expenses	281	-	-132	149	-	-132	149
Premises	46	1	-7	40	-	-7	39
Use of Transport	1,571	-	-60	1,511	-	-178	1,393
Supplies and Services							
- Contracts with Voluntary Bodies	1,452	-	36	1,488	-	-143	1,309
- Other	2,894	-	-1,155	1,739	-	-1,254	1,640
Third Party Payments	112,552	-13	-13,794	98,745	191	-16,757	95,986
Central and Technical Support	8,463	9	-426	8,046	115	-156	8,422
Depreciation and Impairment	122	-	-42	80	-	-42	80
Government Grants	-47,003	-	9,948	-37,055	-	11,046	-35,957
Rents	-211	-	-	-211	-	-	-211
Other Income	-15,591	-99	228	-15,462	-98	235	-15,454

NET EXPENDITURE
at November 2015 prices

	79,840	-87	-5,368	74,385	409	-8,754	71,495
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REVENUE EXPENDITURE BY SERVICE

Older People and Physical Disability	32,033	-82	-2,455	29,496	143	-4,740	27,436
Learning Disability	39,233	-10	-221	39,002	142	-943	38,432
Mental Health	8,496	1	1,500	9,997	71	1,482	10,049
Other Services	20,554	1	-1,157	19,398	11	-829	19,736
Public Health	-20,476	3	-3,035	-23,508	42	-3,724	-24,158

NET EXPENDITURE
at November 2015 prices

	79,840	-87	-5,368	74,385	409	-8,754	71,495
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**ADULT CARE AND HEALTH SERVICES OVERVIEW AND SCRUTINY COMMITTEE
SUMMARY**

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/2016 ORIGINAL BUDGET at November 2014 price levels	79,840	79,840	79,840	79,840
INFLATION TO NOVEMBER 2015	-87	409	409	409
2015/2016 ORIGINAL BUDGET REPRICED	<u>79,753</u>	<u>80,249</u>	<u>80,249</u>	<u>80,249</u>
DEVELOPMENTS				
Older People and Physical Disability	-2,455	-4,740	-4,884	-5,739
Learning Disability	-221	-943	-985	-1,013
Mental Health	1,500	1,482	1,477	1,390
Other Services	-1,157	-829	-1,107	-1,109
Public Health	-3,035	-3,724	-3,065	-2,186
NET EFFECT OF DEVELOPMENTS	<u>-5,368</u>	<u>-8,754</u>	<u>-8,564</u>	<u>-8,657</u>
NET EXPENDITURE at November 2015 prices	<u>74,385</u>	<u>71,495</u>	<u>71,685</u>	<u>71,592</u>
ANALYSIS BY SERVICE				
Older People and Physical Disability	29,496	27,436	27,292	26,437
Learning Disability	39,002	38,432	38,390	38,362
Mental Health	9,997	10,049	10,044	9,957
Other Services	19,398	19,736	19,458	19,456
Public Health	-23,508	-24,158	-23,499	-22,620
NET EXPENDITURE at November 2015 prices	<u>74,385</u>	<u>71,495</u>	<u>71,685</u>	<u>71,592</u>

**ADULT CARE AND HEALTH SERVICES OVERVIEW AND SCRUTINY COMMITTEE
OLDER PEOPLE AND PHYSICAL DISABILITY**

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/2016 ORIGINAL BUDGET at November 2014 price levels	32,033	32,033	32,033	32,033
INFLATION TO NOVEMBER 2015	-82	143	143	143
2015/2016 ORIGINAL BUDGET REPRICED	31,951	32,176	32,176	32,176
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
15-45 (Feb 15) Specialist Day Services	-	-155	-155	-155
<u>This Year Budget Variations</u>				
15-191 (Jun 15) Review of Transport Grant	-6	-7	-7	-7
15-261 (Jun 15) Financial Results 2014/15	-900	-900	-900	-900
15-261 (Jun 15) Financial Results 2014/15 - Renewals Fund	27	-	-	-
ACH172 (Jun 15) Advocacy Services for Vulnerable Adults	-4	-4	-4	-4
ACH173 (Jun 15) Ensham House Extra Care and Support	-100	-146	-146	-146
ACH183 (Jun 15) Integrated Carer Support Service	-18	-27	-27	-27
ACH184 (Jun 15) Floating Support for Older People	-122	-122	-122	-122
15-411 (Nov 15) Care Act Implementation	290	-	-	-
15-412 (Nov 15) Review of Charges	-	-55	-55	-55
15-413 (Nov 15) Commissioning Options with Voluntary Organisations	-	-59	-68	-76
<u>Transfers between Committees</u>				
15-86 (Feb 15) Mental Health Staff	14	34	34	34
15-252 (June 15) Shared Management Structure Richmond	-	-	-140	-140
Youth Service Outsourcing	-31	-59	-59	-59
Central Support Services Respread	-85	-67	-67	-67
Depreciation	-27	-27	-27	-27
16-42 (Feb 16) Children's Services Division Budget Pressures	-850	-850	-	-
<u>Other Technical/Volume Adjustments</u>				
2015/16 Independent Living Fund - Grant	-191	-	-	-
2015/16 Better Care Fund - Budget Realignment	783	783	783	783
Income & Contract Review & Departmental Efficiencies	-	-1,349	-2,183	-3,016
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-91	-104	-116
Transfers within Committee	-1,235	-1,639	-1,637	-1,639
NET EFFECT OF DEVELOPMENTS	-2,455	-4,740	-4,884	-5,739
NET EXPENDITURE at November 2015 prices	29,496	27,436	27,292	26,437
ANALYSIS BY SERVICE				
Access Team	669	691	691	691
Older People and Physical Disability East Area Team	2,875	2,796	2,796	2,796
Older People and Physical Disability West Area Team	2,236	2,274	2,274	2,274
Occupational Therapy	381	381	381	381
Purchasing - Older People	20,552	19,546	19,212	18,379
Purchasing - Physical Disability	4,659	4,371	4,721	4,721
Contracts with Voluntary Bodies and Better Care	-5,509	-5,570	-5,579	-5,587
Older People Commissioning - JCU, Public Health	363	363	363	363
Other Services	3,270	2,584	2,433	2,419
NET EXPENDITURE at November 2015 prices	29,496	27,436	27,292	26,437

**ADULT CARE AND HEALTH SERVICES OVERVIEW AND SCRUTINY COMMITTEE
LEARNING DISABILITY**

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/2016 ORIGINAL BUDGET at November 2014 price levels	39,233	39,233	39,233	39,233
INFLATION TO NOVEMBER 2015	-10	142	142	142
2015/2016 ORIGINAL BUDGET REPRICED	39,223	39,375	39,375	39,375
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
15-46 (Feb 15) LD Service and Development of Staff Mutual	-	-73	-108	-130
<u>This Year Budget Variations</u>				
15-190 (Jun 15) Review of Commissioning in DESS	-13	-33	-33	-33
15-261 (Jun 15) Financial Results 2014/15	-200	-200	-200	-200
15-261 (Jun 15) Financial Results 2014/15 - Renewals Fund	9	-	-	-
15-310 (Sep 15) Independent Living Fund	221	-	-	-
15-388 (Oct 15) Disability Employment Support Services (ECS 412)	-14	-33	-33	-33
15-474 (Nov 15) Legal Services Re-tender	-	-5	-5	-5
16-107 (Feb 16) Permanent Supported Housing (ACH 206)	-	-9	-9	-9
<u>Transfers between Committees</u>				
Youth Service Outsourcing	-4	-9	-9	-9
Central Support Services Respread	-57	-61	-61	-61
Depreciation	-33	-33	-33	-33
<u>Other Technical/Volume Adjustments</u>				
2015/16 Independent Living Fund - Grant	-30	-	-	-
Income & Contract Review & Departmental Efficiencies	-	-487	-487	-487
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-47	-54	-61
Transfers within Committee	-100	47	47	48
NET EFFECT OF DEVELOPMENTS	-221	-943	-985	-1,013
NET EXPENDITURE at November 2015 prices	39,002	38,432	38,390	38,362
ANALYSIS BY SERVICE				
Learning Disability Teams	38,622	38,088	38,046	38,018
Learning Disability Management	315	297	297	297
Contracts with Voluntary Bodies	29	10	10	10
Retained Costs - Transferred Services	36	37	37	37
NET EXPENDITURE at November 2015 prices	39,002	38,432	38,390	38,362

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/2016 ORIGINAL BUDGET at November 2014 price levels	8,496	8,496	8,496	8,496
INFLATION TO NOVEMBER 2015	1	71	71	71
2015/2016 ORIGINAL BUDGET REPRICED	<u>8,497</u>	<u>8,567</u>	<u>8,567</u>	<u>8,567</u>
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
13-24 (Jan 13) Independent Professional Advocacy Services	-	-	-	-83
<u>This Year Budget Variations</u>				
15-261 (Jun 15) Financial Results 2014/15 - Renewals Fund	2	-	-	-
15-264 (Jun 15) Advocacy Services for Vulnerable Adults (ACH 172)	-77	-77	-77	-77
<u>Transfers between Committees</u>				
Youth Service Outsourcing	-11	-23	-23	-23
Central Support Services Respread	-20	-15	-15	-15
Depreciation	3	3	3	3
15-86 (Feb 15) Mental Health Staff	-37	-88	-88	-88
<u>Other Technical/Volume Adjustments</u>				
Income & Contract Review & Departmental Efficiencies	-	-3	-3	-3
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-29	-33	-37
Transfers within Committee	<u>1,640</u>	<u>1,714</u>	<u>1,713</u>	<u>1,713</u>
NET EFFECT OF DEVELOPMENTS	<u>1,500</u>	<u>1,482</u>	<u>1,477</u>	<u>1,390</u>
NET EXPENDITURE at November 2015 prices	<u>9,997</u>	<u>10,049</u>	<u>10,044</u>	<u>9,957</u>
ANALYSIS BY SERVICE				
Mental Health Teams	6,850	6,893	6,893	6,893
Purchasing Management	162	161	161	161
Specialist Teams	2,074	2,083	2,083	2,083
Contracts with Voluntary Bodies	477	477	477	477
Other Services	434	435	430	343
NET EXPENDITURE at November 2015 prices	<u>9,997</u>	<u>10,049</u>	<u>10,044</u>	<u>9,957</u>

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/2016 ORIGINAL BUDGET at November 2014 price levels	20,554	20,554	20,554	20,554
INFLATION TO NOVEMBER 2015	1	11	11	11
2015/2016 ORIGINAL BUDGET REPRICED	20,555	20,565	20,565	20,565
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
15-44 (Feb 15) Care Act	-	-1,100	-1,100	-1,100
<u>This Year Budget Variations</u>				
15-185 (Jun 15) Deprivation of Liberty Safeguards	138	-	-	-
15-261 (Jun 15) Financial Results 2014/15	-26	-26	-26	-26
15-261 (Jun 15) Financial Results 2014/15 - Renewals Fund	1	-	-	-
15-311 (Sep 15) Housing Support and Preventative Services	-400	-474	-474	-474
ACH197 (Nov 15) Reproductive Sexual Health Contract	-	-31	-31	-31
ACH198 (Nov 15) HIV Prevention and Care Support Contract	-	-14	-14	-14
15-474 (Nov 15) Legal Services Re-tender	-	-3	-3	-3
16-26 (Jan 16) Shared Staffing Arrangement	22	223	-	-
16-56 (Feb 16) Substance Misuse Treatment Base	-	-56	-203	-203
16-107 (Feb 16) Inpatient Detoxification Service	-	-170	-170	-170
<u>Transfers between Committees</u>				
15-81 (Feb 15) Leaving Care Award	-15	-15	-15	-15
15-252 (June 15) Shared Management Structure Richmond	-	-	94	94
Karibu Project	54	54	54	54
Youth Service Outsourcing	-5	-11	-11	-11
Depreciation	8	8	8	8
<u>Other Technical/Volume Adjustments</u>				
2015/16 Deprivation of Liberty Safeguards - Grant	-138	-	-	-
Central Support Services Respread	-	-1	-1	-1
Income & Contract Review & Departmental Efficiencies	-491	-172	-172	-172
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-11	-13	-15
Care Act - New Burdens Grant Removal	-	1,094	1,094	1,094
Transfers within Committee	-305	-124	-124	-124
NET EFFECT OF DEVELOPMENTS	-1,157	-829	-1,107	-1,109
NET EXPENDITURE at November 2015 prices	19,398	19,736	19,458	19,456
ANALYSIS BY SERVICE				
Contracts with Voluntary Bodies and New Burdens	20	72	72	72
Supporting People	5,667	5,591	5,591	5,591
Sexual Health Commissioning - JCU, Public Health	7,573	7,747	7,747	7,747
Substance Misuse Commissioning - JCU, Public Health	4,757	4,611	4,464	4,464
Other Commissioning - JCU, Public Health	552	546	640	640
Other Services	829	1,169	944	942
NET EXPENDITURE at November 2015 prices	19,398	19,736	19,458	19,456

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/2016 ORIGINAL BUDGET at November 2014 price levels	-20,476	-20,476	-20,476	-20,476
INFLATION TO NOVEMBER 2015	3	42	42	42
2015/2016 ORIGINAL BUDGET REPRICED	<u>-20,473</u>	<u>-20,434</u>	<u>-20,434</u>	<u>-20,434</u>
DEVELOPMENTS				
<u>Transfers between Committees</u>				
Procurement resource for Public Health	48	-	-	-
Health Visiting Transition	-2,871	-5,741	-5,741	-5,741
Sexual Health Services	-40	-	-	-
15-252 (June 15) Shared Management Structure Richmond	-	-	-49	-49
<u>Other Technical/Volume Adjustments</u>				
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-18	-19	-20
Central Support Recharge Spread	-	-1	-1	-1
Public Health Grant	-	2,416	3,125	4,005
Income & Contract Review & Departmental Efficiencies	-173	-380	-380	-380
Transfers within Committee	1	-	-	-
NET EFFECT OF DEVELOPMENTS	<u>-3,035</u>	<u>-3,724</u>	<u>-3,065</u>	<u>-2,186</u>
NET EXPENDITURE at November 2015 prices	<u>-23,508</u>	<u>-24,158</u>	<u>-23,499</u>	<u>-22,620</u>
ANALYSIS BY SERVICE				
Public Health Advice	2,616	2,575	2,575	2,575
NHS Health Checks	481	450	450	450
Health Protection	11	11	11	11
Obesity	25	25	25	25
Sexual Health	653	641	641	641
Smoking and Tobacco	510	394	394	394
Substance Misuse	31	31	31	31
Miscellaneous	467	471	421	420
Public Health Grant	-28,302	-28,756	-28,047	-27,167
NET EXPENDITURE at November 2015 prices	<u>-23,508</u>	<u>-24,158</u>	<u>-23,499</u>	<u>-22,620</u>

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE
SUMMARY**

	<u>2015/16 REVISED BUDGET</u>			<u>2016/17 BUDGET</u>			
	<u>2015/16 ORIGINAL BUDGET</u>	<u>INFLATION TO NOV.'15</u>	<u>DEVEL- OPMENTS</u>	<u>TOTAL</u>	<u>INFLATION TO NOV.'15</u>	<u>DEVEL- OPMENTS</u>	<u>TOTAL</u>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	14,009	107	-2,863	11,253	229	-5,004	9,234
Indirect Employee Expenses	145	-	-37	108	-	-61	84
Premises	8,897	112	-1,552	7,457	225	-2,467	6,655
Use of Transport	351	-	-104	247	-	-173	178
Concessionary Fares	14,623	-	-40	14,583	-	-115	14,508
Supplies and Services							
- Contracts with Voluntary Organisations	152	-	-15	137	-	-35	117
- Other	7,033	19	197	7,249	351	-1,168	6,216
Third Party Payments	39,509	276	7,561	47,346	391	126	40,026
Precepts and Levies	14,910	-	-631	14,279	-	329	15,239
Central and Technical Support	6,864	1	912	7,777	47	126	7,037
Depreciation and Impairment	7,916	-	657	8,573	-	657	8,573
Government Grants	-40	-	-	-40	-	-	-40
Rents	-979	-	408	-571	-	835	-144
Other Income	-69,473	-25	-5,909	-75,407	-48	4,194	-65,327
NET EXPENDITURE at November 2015 prices	43,917	490	-1,416	42,991	1,195	-2,756	42,356
REVENUE EXPENDITURE BY SERVICE							
Community Safety	1,238	1	-163	1,076	10	-235	1,013
Environmental Services	2,909	6	-99	2,816	138	-222	2,825
Waste Management	23,981	97	-1,107	22,971	114	-557	23,538
Leisure and Cultural Services	9,002	199	-520	8,681	204	-1,448	7,758
Parking & Traffic Management	-21,262	109	570	-20,583	165	-213	-21,310
Planning Services	2,052	4	-272	1,784	46	-516	1,582
Infrastructure Maintenance	5,707	73	103	5,883	506	483	6,696
Planning and Transport Administration	20,290	1	72	20,363	12	-48	20,254
NET EXPENDITURE at November 2015 prices	43,917	490	-1,416	42,991	1,195	-2,756	42,356

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE
SUMMARY**

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT at November 2014 Price Level	43,917	43,917	43,917	43,917
INFLATION TO NOVEMBER 2015	490	1,195	1,195	1,195
2015/16 ORIGINAL BUDGET REPRICED	<u>44,407</u>	<u>45,112</u>	<u>45,112</u>	<u>45,112</u>
DEVELOPMENTS				
Community Safety	-163	-235	-235	-235
Environmental Services	-99	-222	-223	-224
Waste Management	-1,107	-557	-812	-812
Leisure and Cultural Services	-520	-1,448	-1,401	-554
Parking & Traffic Management	570	-213	-706	-1,007
Planning Services	-272	-516	-541	-542
Infrastructure Maintenance	103	483	1,481	480
Planning and Transport Administration	72	-48	-52	-52
NET EFFECT OF DEVELOPMENTS	<u>-1,416</u>	<u>-2,756</u>	<u>-2,489</u>	<u>-2,946</u>
NET EXPENDITURE at November 2015 prices	<u>42,991</u>	<u>42,356</u>	<u>42,623</u>	<u>42,166</u>
REVENUE EXPENDITURE BY SERVICE				
Community Safety	1,076	1,013	1,013	1,013
Environmental Services	2,816	2,825	2,824	2,823
Waste Management	22,971	23,538	23,283	23,283
Leisure and Cultural Services	8,681	7,758	7,805	8,652
Parking & Traffic Management	-20,583	-21,310	-21,803	-22,104
Planning Services	1,784	1,582	1,557	1,556
Infrastructure Maintenance	5,883	6,696	7,694	6,693
Planning and Transport Administration	20,363	20,254	20,250	20,250
NET EXPENDITURE at November 2015 prices	<u>42,991</u>	<u>42,356</u>	<u>42,623</u>	<u>42,166</u>

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT at November 2014 Price Level	1,238	1,238	1,238	1,238
INFLATION TO NOVEMBER 2015	1	10	10	10
2015/16 ORIGINAL BUDGET REPRICED	1,239	1,248	1,248	1,248
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
15-261 (June 15) Council's out-turn paper	9	-	-	-
<u>Other Technical/Volume adjustments</u>				
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-4	-4	-4
Income and Contract review and departmental efficiencies	-	-48	-48	-48
<u>Transfers Between Committees</u>				
Central Support Recharge spread	-11	-22	-22	-22
Depreciation	-161	-161	-161	-161
<u>Transfers within committee</u>				
	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-163	-235	-235	-235
NET EXPENDITURE at November 2015 prices	1,076	1,013	1,013	1,013
REVENUE EXPENDITURE BY SERVICE				
CCTV Maintenance and Retail Radio	443	434	434	434
Domestic Violence Co-ordinator	56	56	56	56
Community Safety General	577	523	523	523
NET EXPENDITURE at November 2015 prices	1,076	1,013	1,013	1,013

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT at November 2014 Price Level	2,909	2,909	2,909	2,909
INFLATION TO NOVEMBER 2015	6	138	138	138
2015/16 ORIGINAL BUDGET REPRICED	<u>2,915</u>	<u>3,047</u>	<u>3,047</u>	<u>3,047</u>
DEVELOPMENTS				
<u>Prior to March 2015 Budget Setting</u>				
14-634 (Nov 14) Review of Environmental Services	-	-74	-74	-74
15-101 (Feb 15) Finance Department review	-	-16	-16	-16
Electric Car Point	-	-13	-13	-13
<u>Other Technical/Volume adjustments</u>				
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-21	-22	-23
<u>Transfers Between Committees</u>				
Public Health virements	-77	-76	-76	-76
Depreciation	-6	-6	-6	-6
Transfers within committee	-16	-16	-16	-16
NET EFFECT OF DEVELOPMENTS	<u>-99</u>	<u>-222</u>	<u>-223</u>	<u>-224</u>
NET EXPENDITURE at November 2015 prices	<u>2,816</u>	<u>2,825</u>	<u>2,824</u>	<u>2,823</u>
REVENUE EXPENDITURE BY SERVICE				
Food and Health & Safety	726	712	712	712
Trading Standards	404	405	405	405
Licensing	140	142	142	142
Coroners Court and Mortuary	450	553	553	553
General Environmental Services	1,096	1,013	1,012	1,011
NET EXPENDITURE at November 2015 prices	<u>2,816</u>	<u>2,825</u>	<u>2,824</u>	<u>2,823</u>

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE
WASTE MANAGEMENT**

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT at November 2014 Price Level	23,981	23,981	23,981	23,981
INFLATION TO NOVEMBER 2015	97	114	114	114
2015/16 ORIGINAL BUDGET REPRICED	24,078	24,095	24,095	24,095
DEVELOPMENTS				
<u>Prior to March 2015 Budget Setting</u>				
14-585 (Nov 14) HCS Staffing Review	-	-19	-19	-19
<u>This Year Budget Variations</u>				
15-423 (Nov 15) HCS Charges Review	-	-31	-31	-31
15-462 (Nov 15) Review of Customer Services	-	-26	-26	-26
16-107 (Feb 16) WRWA Levy 2016-17	-	22	22	22
<u>Other Technical/Volume adjustments</u>				
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-4	-4	-4
Apportionment Dog Control Costs	-21	-21	-21	-21
Income and Contract review and departmental efficiencies	-162	-461	-711	-711
WRWA Rebate from 2014/15 out-turn	-816	-	-	-
WRWA tonnage - property increase 2014/15 full year effect	95	95	95	95
WRWA tonnage - property increase 2015/16 full year effect	90	181	181	181
<u>Transfers Between Committees</u>				
Depreciation	20	20	20	20
Central Support Recharge spread	-6	-6	-6	-6
15-252 (June 15) Shared Management Structure Richmond	-	-	-5	-5
Transfers within committee	-307	-307	-307	-307
NET EFFECT OF DEVELOPMENTS	-1,107	-557	-812	-812
NET EXPENDITURE at November 2015 prices	22,971	23,538	23,283	23,283
REVENUE EXPENDITURE BY SERVICE				
Refuse & Recycling	18,101	18,911	18,907	18,907
Street Cleansing	4,832	4,589	4,338	4,338
Dog Control and Enforcement	38	38	38	38
NET EXPENDITURE at November 2015 prices	22,971	23,538	23,283	23,283

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE
LEISURE AND CULTURAL SERVICES**

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'000	£'000	£'000	£'000
2015/16 ORIGINAL BUDGET AT at November 2014 Price Level	9,002	9,002	9,002	9,002
INFLATION TO NOVEMBER 2015	199	204	204	204
2015/16 ORIGINAL BUDGET REPRICED	<hr/> 9,201	<hr/> 9,206	<hr/> 9,206	<hr/> 9,206
DEVELOPMENTS				
<u>Prior to March 2015 Budget Setting</u>				
14-362 (July 14) Leisure Centres Contract	-	-553	-427	-294
15-8 (Feb 15) Battersea Sports Centre	-	-99	-99	-99
15-58 (Feb 15) Battersea Arts Centre Grant	-	-11	-11	-11
Tennis court concession	-	-8	-8	-8
<u>This Year Budget Variations</u>				
15-261 (June 15) Council's out-turn paper	99	-	-	-
15-228 (June 15) Leisure and Culture Staff Mutual	-272	-503	-582	-624
15-423 (Nov 15) HCS Charges Review	-33	-103	-103	-103
16-107 (Feb 16) Wandsworth Putney Commons Levy	-	19	19	19
16-107 (Feb 16) Lee Valley Regional Park Levy	-	-3	-3	-3
SO83(A) CS123 (Nov 15) Putney LC Heat & Power unit	-12	-46	-46	-46
<u>Other Technical/Volume adjustments</u>				
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-6	-6	-6
Business rates adjustment	25	50	50	50
Carbon Reduction commitment credits	-30	-48	-48	-48
Income and Contract review and departmental efficiencies	-926	-794	-794	-38
NESCB Surplus Distribution	-46	-	-	-
Wandsworth Cemetery feasibility study (renewals fund)	30	-	-	-
<u>Transfers Between Committees</u>				
Central Support Recharge spread	14	27	27	27
Depreciation	612	612	612	612
Transfers within committee	19	18	18	18
NET EFFECT OF DEVELOPMENTS	<hr/> -520	<hr/> -1,448	<hr/> -1,401	<hr/> -554
NET EXPENDITURE at November 2015 prices	<hr/> 8,681	<hr/> 7,758	<hr/> 7,805	<hr/> 8,652
REVENUE EXPENDITURE BY SERVICE				
Leisure and Culture Mutual Services	4,462	4,154	4,075	4,789
Libraries Service	4,866	4,860	4,860	4,860
Leisure Centres	-647	-1,256	-1,130	-997
NET EXPENDITURE at November 2015 prices	<hr/> 8,681	<hr/> 7,758	<hr/> 7,805	<hr/> 8,652

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE
PARKING & TRAFFIC MANAGEMENT**

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT at November 2014 Price Level	-21,262	-21,262	-21,262	-21,262
INFLATION TO NOVEMBER 2015	109	165	165	165
2015/16 ORIGINAL BUDGET REPRICED	-21,153	-21,097	-21,097	-21,097
DEVELOPMENTS				
<u>Prior to March 2015 Budget Setting</u>				
14-585 (Nov 14) HCS Staffing Review	-	-8	-8	-8
15-101 (Feb 15) Finance Department review	-	-10	-10	-10
<u>This Year Budget Variations</u>				
15-261 (June 15) Council's out-turn paper	500	300	300	300
15-423 (Nov 15) HCS Charges Review	-	-22	-22	-22
15-462 (Nov 15) Review of Customer Services	-	-91	-91	-91
15-474 (Nov 15) Legal contract retendering	-	-2	-2	-2
16-104 (Feb 15) Parking Enforcement Contract tender	-	-212	-584	-884
<u>Other Technical/Volume adjustments</u>				
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-20	-21	-22
Income and Contract review and departmental efficiencies	-144	-424	-524	-524
<u>Transfers Between Committees</u>				
Central Support Recharge spread	106	105	105	105
15-252 (June 15) Shared Management Structure Richmond	-	-	-20	-20
15-462 (Nov 15) Review of Customer Services	26	89	89	89
Transfers within committee	82	82	82	82
NET EFFECT OF DEVELOPMENTS	570	-213	-706	-1,007
NET EXPENDITURE at November 2015 prices	-20,583	-21,310	-21,803	-22,104
REVENUE EXPENDITURE BY SERVICE				
Parking Administration	3,495	3,050	2,949	2,948
Parking Income Collection	-23,856	-24,141	-24,533	-24,833
Parking Zone Projects and Reviews	282	284	284	284
Bus Lane and Traffic Enforcement	-814	-813	-813	-813
Traffic Management	310	310	310	310
NET EXPENDITURE at November 2015 prices	-20,583	-21,310	-21,803	-22,104

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT at November 2014 Price Level	2,052	2,052	2,052	2,052
INFLATION TO NOVEMBER 2015	4	46	46	46
2015/16 ORIGINAL BUDGET REPRICED	<u>2,056</u>	<u>2,098</u>	<u>2,098</u>	<u>2,098</u>
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
15-261 (June 15) Council's out-turn paper	140	-	-	-
15-423 (Nov 15) HCS Charges Review	-1	-32	-32	-32
15-474 (Nov 15) Legal contract retendering	-	-9	-9	-9
<u>Other Technical/Volume adjustments</u>				
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-21	-22	-23
Income and Contract review and departmental efficiencies	-513	-554	-554	-554
<u>Transfers Between Committees</u>				
Central Support Recharge spread	-29	-31	-31	-31
Depreciation	131	131	131	131
15-252 (June 15) Shared Management Structure Richmond	-	-	-24	-24
Transfers within committee				
NET EFFECT OF DEVELOPMENTS	<u>-272</u>	<u>-516</u>	<u>-541</u>	<u>-542</u>
NET EXPENDITURE at November 2015 prices	<u>1,784</u>	<u>1,582</u>	<u>1,557</u>	<u>1,556</u>
REVENUE EXPENDITURE BY SERVICE				
Development Planning and Control	1,542	1,347	1,326	1,325
Building Control	22	13	9	9
Transportation planning	220	222	222	222
NET EXPENDITURE at November 2015 prices	<u>1,784</u>	<u>1,582</u>	<u>1,557</u>	<u>1,556</u>

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE
INFRASTRUCTURE MAINTENANCE**

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT at November 2014 Price Level	5,707	5,707	5,707	5,707
INFLATION TO NOVEMBER 2015	73	506	506	506
2015/16 ORIGINAL BUDGET REPRICED	5,780	6,213	6,213	6,213
DEVELOPMENTS				
<u>Prior to March 2015 Budget Setting</u>				
14-585 (Nov 14) HCS Staffing Review	-	-9	-9	-9
<u>Other Technical/Volume adjustments</u>				
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-10	-10	-11
Carbon Reduction commitment credits	-7	-7	-7	-7
Future provision for highways maintenance	-	500	1,500	500
Income and Contract review and departmental efficiencies	-2	-109	-109	-109
<u>Transfers Between Committees</u>				
Festive Lighting budget transfer	-81	-81	-81	-81
Central Support Recharge spread	30	30	30	30
15-252 (June 15) Shared Management Structure Richmond	-	-	-2	-2
Transfers within committee	163	169	169	169
NET EFFECT OF DEVELOPMENTS	103	483	1,481	480
NET EXPENDITURE at November 2015 prices	5,883	6,696	7,694	6,693
REVENUE EXPENDITURE BY SERVICE				
Bridges, Structures and Drainage	225	277	277	277
Footway and Carriageway Maintenance	3,608	4,416	5,414	4,413
Street Lighting and Furniture	2,050	2,003	2,003	2,003
NET EXPENDITURE at November 2015 prices	5,883	6,696	7,694	6,693

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT at November 2014 Price Level	20,290	20,290	20,290	20,290
INFLATION TO NOVEMBER 2015	1	12	12	12
2015/16 ORIGINAL BUDGET REPRICED	<u>20,291</u>	<u>20,302</u>	<u>20,302</u>	<u>20,302</u>
DEVELOPMENTS				
<u>Prior to March 2015 Budget Setting</u>				
14-585 (Nov 14) HCS Staffing Review	-	-8	-8	-8
<u>This Year Budget Variations</u>				
SO83(A) CS96 (June 15) Shopmobility & Community Transport	-36	-36	-36	-36
15-423 (Nov 15) HCS Charges Review	-	-29	-29	-29
15-462 (Nov 15) Review of Customer Services	-	-25	-25	-25
15-474 (Nov 15) Legal contract retendering	-	-1	-1	-1
16-107 (Feb 16) Environment Agency Flood Levy	-	10	10	10
<u>Other Technical/Volume adjustments</u>				
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-3	-3	-3
Concessionary Fares Levy	-	-25	-25	-25
Income and Contract review and departmental efficiencies	-10	-48	-48	-48
Traffic Technology Levy	-	5	5	5
<u>Transfers Between Committees</u>				
Central Support Recharge spread	-3	-3	-3	-3
Depreciation	61	61	61	61
15-252 (June 15) Shared Management Structure Richmond	-	-	-4	-4
Transfers within committee	60	54	54	54
NET EFFECT OF DEVELOPMENTS	<u>72</u>	<u>-48</u>	<u>-52</u>	<u>-52</u>
NET EXPENDITURE at November 2015 prices	<u>20,363</u>	<u>20,254</u>	<u>20,250</u>	<u>20,250</u>
REVENUE EXPENDITURE BY SERVICE				
Concessionary Fares	14,583	14,509	14,509	14,509
Other Precepts and Levies	6,293	6,308	6,308	6,308
Wandsworth Community Transport	225	219	219	219
Engineering Services	190	179	175	175
Highway Licensing	-1,114	-1,149	-1,149	-1,149
Other Administrative and Support Services	186	188	188	188
NET EXPENDITURE at November 2015 prices	<u>20,363</u>	<u>20,254</u>	<u>20,250</u>	<u>20,250</u>

EDUCATION AND CHILDREN'S SERVICES OVERVIEW AND SCRUTINY COMMITTEE
SUMMARY

	<u>2015/16 REVISED BUDGET</u>			<u>2016/17 BUDGET</u>			
	<u>2015/16</u>	INFLATION TO NOV. '15	DEVELOP- MENTS	TOTAL	INFLATION TO NOV. '15	DEVELOP- MENTS	TOTAL
	<u>ORIGINAL</u> <u>BUDGET</u> £'000						
Salaries	22,940	24	-136	22,828	420	-3,751	19,609
Indirect Employee Expenses	308	-	-30	278	-	-33	275
Premises	615	4	-57	562	7	-260	362
Use of Transport	3,243	-	788	4,031	-	1,025	4,268
Supplies and Services							
- Contracts with Voluntary Bodies	5,202	-	-761	4,441	-	-1,280	3,922
- Other	5,562	-	-294	5,268	4	-808	4,758
Third Party Payments							
- Levies	1,509	-	-	1,509	-	5	1,514
- Other	17,991	34	3,440	21,465	37	6,223	24,251
Central and Technical Support	14,346	9	423	14,778	10	-434	13,922
Depreciation and Impairment	4,054	-	732	4,786	-	732	4,786
Government Grants	-7,060	-	1,884	-5,176	-	2,920	-4,140
Rents	-	-	-	-	-	-	-
Other Income	-2,498	-	23	-2,475	-	331	-2,167
NET EXPENDITURE at November 2015 prices	66,212	71	6,012	72,295	478	4,670	71,360

REVENUE EXPENDITURE BY SERVICE

Specialist Services	25,530	48	1,929	27,507	273	923	26,726
Prevention & Intervention	19,376	12	2,687	22,075	68	3,856	23,300
Education, Performance & Planning	21,306	11	1,396	22,713	137	-109	21,334
NET EXPENDITURE at November 2015 prices	66,212	71	6,012	72,295	478	4,670	71,360

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/2016 ORIGINAL BUDGET at November 2014 price levels	66,212	66,212	66,212	66,212
INFLATION TO NOVEMBER 2015	71	478	478	478
2015/2016 ORIGINAL BUDGET REPRICED	66,283	66,690	66,690	66,690
 DEVELOPMENTS				
Specialist Services	1,929	923	1,507	-1,087
Prevention & Intervention	2,687	3,856	3,611	3,597
Education, Performance & Planning	1,396	-109	-1,375	-1,386
NET EFFECT OF DEVELOPMENTS	6,012	4,670	3,743	1,124
NET EXPENDITURE at November 2015 prices	72,295	71,360	70,433	67,814
 ANALYSIS BY SERVICE				
Specialist Services	27,507	26,726	27,310	24,716
Prevention & Intervention	22,075	23,300	23,055	23,041
Education, Performance & Planning	22,713	21,334	20,068	20,057
NET EXPENDITURE at November 2015 prices	72,295	71,360	70,433	67,814

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/2016 ORIGINAL BUDGET at November 2014 price levels	25,530	25,530	25,530	25,530
INFLATION TO NOVEMBER 2015	48	273	273	273
2015/2016 ORIGINAL BUDGET REPRICED	25,578	25,803	25,803	25,803
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
15-86 (Feb 15) 2014/15 Adoption Reform Grant	-	-285	-285	-285
<u>This Year Budget Variations</u>				
15-190 (June 15) Review of Commissioning in DESS	-5	-12	-12	-12
ACH193 (Nov 15) On-line Learning Package	-	-43	-43	-43
15-474 (Nov 15) Legal Re-tender	-	-21	-21	-21
16-26 (Jan 16) Shared Staffing Arrangement	48	20	-	-
16-34 (Feb 16) Accredited Training and Assessment Centre	-	-105	-152	-152
16-42 (Feb 16) Children's Services Division Budget Pressures	1,906	1,724	2,574	-
<u>Transfers between Committees</u>				
15-252 (June 15) Shared Management Structure Richmond	-	-	-79	-79
Central Support Recharge Spread	4	-8	-8	-8
Karibu Project	-54	-54	-54	-54
Depreciation	26	26	26	26
<u>Other Technical/Volume Adjustments</u>				
Income and Contract Review and Dept. Efficiencies	-	-198	-298	-298
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-128	-148	-168
Transfers within Committee	4	7	7	7
NET EFFECT OF DEVELOPMENTS	1,929	923	1,507	-1,087
NET EXPENDITURE at November 2015 prices	27,507	26,726	27,310	24,716
ANALYSIS BY SERVICE				
Children in Need	6,729	6,795	6,742	6,732
Children Looked After and External Placements	11,194	10,592	11,362	8,778
Family & Community	2,492	2,490	2,470	2,470
Fostering	3,833	3,851	3,821	3,821
Safeguarding	1,265	1,271	1,261	1,261
Service Development & Training	1,994	1,727	1,654	1,654
NET EXPENDITURE at November 2015 prices	27,507	26,726	27,310	24,716

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/2016 ORIGINAL BUDGET at November 2014 price levels	19,376	19,376	19,376	19,376
INFLATION TO NOVEMBER 2015	12	68	68	68
2015/2016 ORIGINAL BUDGET REPRICED	19,388	19,444	19,444	19,444
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
15-80 (Feb 15) Youth Marketing Testing	-	-147	-147	-147
15-81 (Feb 15) Leaving Care Award	15	15	15	15
<u>This Year Budget Variations</u>				
15-190 (June 15) Review of Commissioning in DESS	-28	-66	-66	-66
15-261 (June 15) Financial Results 2014/15 - Renewals Fund	25	-	-	-
ECS394 (June 15) Children's Centre Management	-	-5	-10	-10
15-435 (Nov 15) Charges Review	-	-12	-12	-12
15-437 (Nov 15) Early Years Review	-	-1,317	-1,392	-1,392
16-26 (Jan 16) Shared Staffing Arrangement	103	35	-	-
<u>Transfers between Committees</u>				
15-81 (Feb 15) Leaving Care Award	-	-	-79	-79
15-252 (June 15) Shared Management Structure Richmond	-	-	-79	-79
Sexual Health Services	40	-	-	-
Central Support Recharge Spread	127	240	240	240
Health Visiting Transition	2,871	5,741	5,741	5,741
Depreciation	175	175	175	175
15-86 (Feb 15) Mental Health Staff	23	54	54	54
<u>Other Technical/Volume Adjustments</u>				
Carbon Reduction Commitment	-6	-6	-6	-6
Income and Contract Review and Dept. Efficiencies	-350	-759	-796	-796
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-94	-108	-122
2015/16 Family Recovery Project Income	-310	-	-	-
Transfers within Committee	2	2	2	2
NET EFFECT OF DEVELOPMENTS	2,687	3,856	3,611	3,597
NET EXPENDITURE at November 2015 prices	22,075	23,300	23,055	23,041
ANALYSIS BY SERVICE				
Early Years Services	9,703	10,416	10,314	10,307
Family Recovery Project and Troubled Families	1,253	1,570	1,556	1,556
Lifelong Learning	120	113	103	103
Play and Extended Schools	3,558	3,876	3,840	3,840
Youth Support & Youth Offending Team	5,781	6,192	6,120	6,113
Youth Work Service	1,660	1,133	1,122	1,122
NET EXPENDITURE at November 2015 prices	22,075	23,300	23,055	23,041

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/2016 ORIGINAL BUDGET at November 2014 price levels	21,306	21,306	21,306	21,306
INFLATION TO NOVEMBER 2015	11	137	137	137
2015/2016 ORIGINAL BUDGET REPRICED	<u>21,317</u>	<u>21,443</u>	<u>21,443</u>	<u>21,443</u>
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
14-251 (Apr 14) SEN Reform Grant	-	-215	-215	-215
14-459 (Sep 14) SEN Reforms	-	-178	-178	-178
14-590 (Nov 14) Special Needs, Disability & Psychology Service	-	-97	-97	-97
<u>This Year Budget Variations</u>				
15-101 (Feb 15) Review of Finance Department	-	-14	-14	-14
15-187 (June 15) Peer Review of Transitions	31	-	-	-
15-190 (June 15) Review of Commissioning in DESS	-4	-10	-10	-10
15-209 (June 15) School Standards & Improvement Service	-6	-10	-10	-10
15-261 (June 15) Financial Results 2014/15 - Renewals Fund	66	-	-	-
15-331 (Sept 15) Moderation Grant & Phonics Payment	12	-	-	-
15-332 (Sept 15) SEN Reform Grant	65	294	-	-
15-437 (Nov 15) Early Years Review	-	-13	-14	-14
15-474 (Nov 15) Legal Re-tender	-	-3	-3	-3
16-26 (Jan 16) Shared Staffing Arrangement	48	20	-	-
16-35 (Feb 16) Education, Performance & Planning Division	-	-844	-904	-904
16-36 (Feb 16) Disability Service for Children & Young People	-	-90	-90	-90
16-37 (Feb 16) Special Education Needs Transport	-	286	333	333
<u>Transfers between Committees</u>				
Depreciation	602	602	602	602
15-101 (Feb 15) Review of Finance Department	-20	-80	-80	-80
Central Support Recharge Spread	-47	-93	-93	-93
16-42 (Feb 16) Children's Services Division Budget Pressures	850	850	-	-
<u>Other Technical/Volume Adjustments</u>				
2015/16 Moderation and Phonics Funding	-11	-	-	-
Income and Contract Review and Dept. Efficiencies	-	-437	-513	-513
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-77	-89	-100
2015/16 SEN Reform Grant	-185	-	-	-
LPFA Levy	-	5	5	5
Transfers within Committee	-5	-5	-5	-5
NET EFFECT OF DEVELOPMENTS	<u>1,396</u>	<u>-109</u>	<u>-1,375</u>	<u>-1,386</u>
NET EXPENDITURE at November 2015 prices	<u>22,713</u>	<u>21,334</u>	<u>20,068</u>	<u>20,057</u>
ANALYSIS BY SERVICE				
14-19	151	180	176	176
Education Welfare Service	466	439	431	431
Financial and Other Services	4,195	3,939	3,866	3,861
ICT and Office Services	1,971	1,748	1,704	1,698
Inclusion Service	565	257	246	246
Performance & Standards	1,403	1,185	1,162	1,162
Special Needs and Disabled Children	9,894	9,556	8,526	8,526
Dedicated School Budget Funded by General Fund	4,068	4,030	3,957	3,957
NET EXPENDITURE at November 2015 prices	<u>22,713</u>	<u>21,334</u>	<u>20,068</u>	<u>20,057</u>

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

	<u>2015/16 REVISED BUDGET</u>				<u>2016/17 BUDGET</u>		
	<u>2015/16</u>	INFLATION TO NOV.'15 £'000	DEVEL- OPMENTS £'000	TOTAL £'000	INFLATION TO NOV.'15 £'000	DEVEL- OPMENTS £'000	TOTAL £'000
	<u>ORIGINAL</u> <u>BUDGET</u> £'000						
Salaries	8,235	3	1,129	9,367	167	885	9,287
Indirect Employee Expenses	81	-	35	116	-	35	116
Premises	461	5	58	524	7	11	479
Use of Transport	16	-	15	31	-	14	30
Supplies and Services							
- Grants to voluntary bodies	833	-	123	956	-	-	833
- Other	6,214	-5	3,020	9,229	-4	5,258	11,468
Third party payments							
- Precepts, Levies and Charges	332	-	-	332	-	3	335
- Other	949	-	114	1,063	-	62	1,011
Transfer Payments	203,215	-	-3,600	199,615	-	-6,874	196,341
Central and Technical Support	10,200	2	1,494	11,696	128	-493	9,835
Depreciation and Impairment	485	-	-176	309	-	-176	309
Government Grants	-203,759	-	4,612	-199,147	-	8,441	-195,318
Rents	-1,668	-	200	-1,468	-	75	-1,593
Fees, Charges and Other Income	-24,165	-8	-2,124	-26,297	-	-2,797	-26,962
Interest Received	-4,716	-	-2,577	-7,293	-	-1,247	-5,963
NET EXPENDITURE	-3,287	-3	2,323	-967	298	3,197	208

REVENUE EXPENDITURE BY SERVICE

General Services							
- Administration Department	7,035	3	-460	6,578	113	-821	6,327
- Finance Department	-15,404	-	-1,181	-16,585	-19	2,916	-12,507
Council Tax and Rate Collection	2,049	-	57	2,106	45	-122	1,972
Property Services	-1,303	6	2,177	880	8	-445	-1,740
Housing and Council Tax Benefits	2,891	-	1,425	4,316	104	1,680	4,675
Economic Development	1,445	-12	305	1,738	47	-11	1,481
NET EXPENDITURE	-3,287	-3	2,323	-967	298	3,197	208

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT NOVEMBER 2014 PRICES	-3,287	-3,287	-3,287	-3,287
INFLATION TO NOVEMBER 2015	-3	298	298	298
2015/16 ORIGINAL BUDGET REPRICED	-3,290	-2,989	-2,989	-2,989
DEVELOPMENTS				
General Services				
- Administration Department	-460	-821	-1,150	-1,154
- Finance Department	-1,181	2,916	-4,017	-4,763
Council Tax and Rate Collection	57	-122	-156	-157
Property Services	2,177	-445	-2,067	-2,067
Housing and Council Tax Benefits	1,425	1,680	1,659	1,657
Economic Development	305	-11	-77	-78
NET EFFECT OF DEVELOPMENTS	2,323	3,197	-5,808	-6,562
NET EXPENDITURE with inflation to November 2015	-967	208	-8,797	-9,551
ANALYSIS BY SERVICE				
General Services				
- Administration Department	6,578	6,327	5,998	5,994
- Finance Department	-16,585	-12,507	-19,440	-20,186
Council Tax and Rate Collection	2,106	1,972	1,938	1,937
Property Services	880	-1,740	-3,362	-3,362
Housing and Council Tax Benefits	4,316	4,675	4,654	4,652
Economic Development	1,738	1,481	1,415	1,414
NET EXPENDITURE with inflation to November 2015	-967	208	-8,797	-9,551

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

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'000	£'000	£'000	£'000
2015/16 ORIGINAL BUDGET AT NOVEMBER 2014 PRICES	7,035	7,035	7,035	7,035
INFLATION TO NOVEMBER 2015	3	113	113	113
2015/16 ORIGINAL BUDGET REPRICED	7,038	7,148	7,148	7,148
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
13-242 (Apr 13) Aspirations Programme	-	-18	-18	-18
13-456 (June 13) Aspirations Programme	-	-30	-30	-30
13-717 (Nov 13) HR Review	-	-16	-16	-16
14-516 (Oct 14) Review of Administration Department	-	-55	-55	-55
<u>This Year Budget Variations</u>				
FCR 452 Advertising Council Website	-15	-15	-15	-15
15-252 (June 15) Shared Management Structure Richmond	-	-	-890	-890
15-474 (Nov 15) Legal Services Retender	-	-64	-64	-64
15-255 (June 15) Mayoralty	-17	-17	-17	-17
15-261 (June 15) Council's outturn paper	-350	-392	-392	-392
FCR 497 Deletion of post of accountant	-	-55	-55	-55
<u>Transfers between Committees</u>				
Central Support Recharge spread	-90	-65	-65	-65
15-101 (Feb 15) Review of Finance Department	-	-73	-73	-73
15-474 (Nov 15) Legal Services Retender	-	64	64	64
15-252 (June 15) Shared Management Structure Richmond	-	-	566	566
Depreciation	9	9	9	9
<u>Other Technical / Volume Adjustments</u>				
Income & contract review & departmental efficiencies	3	-53	-53	-53
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-41	-46	-50
Transfers within Committee	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-460	-821	-1,150	-1,154
NET EXPENDITURE with inflation to November 2015	6,578	6,327	5,998	5,994
ANALYSIS BY SERVICE				
Registration of Electors	710	707	707	707
Land Charges	0	-1	-1	-1
Emergency Planning	199	200	200	200
Corporate Management Costs	5,366	5,155	4,826	4,822
Registration of Births, Deaths and Marriages	108	71	71	71
Other	195	195	195	195
NET EXPENDITURE with inflation to November 2015	6,578	6,327	5,998	5,994

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT NOVEMBER 2014 PRICES	-15,404	-15,404	-15,404	-15,404
INFLATION TO NOVEMBER 2015	-	-19	-19	-19
2015/16 ORIGINAL BUDGET REPRICED	-15,404	-15,423	-15,423	-15,423
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
14-46 (Jan 14) & 15-25 (Jan 15) Revenue Effects of Capital Bids	-	122	228	228
Notified non-ringfenced Government grants	-	105	105	105
GF interest from HRA Subsidy Buyout	-	145	145	145
13-251 (Apr 13) Microsoft Licences	-	-238	-238	-238
15-101 (Feb 15) Review of Finance Department	-	-424	-452	-452
15-114 (Feb 15) Council Tax report	-	-1,120	-1,120	-1,120
Wandsworth Grant Fund Administration	-	-30	-30	-30
<u>This Year Budget Variations</u>				
15-462 (Nov 15) Staffing Review of Customer Services	-	75	-75	-75
15-261 (June 15) Channel Shift & Future Directions	460	-	-	-
15-261 (June 15) Employment Project	100	-	-	-
15-261 (June 15) IT schemes	427	-	-	-
15-261 (June 15) Wandsworth Big Society Fund slippage	123	-	-	-
15-387 (Oct 15) Review of Capital Programme	5	11	11	11
16-26 (Jan 16) Revenue Effect of Capital Bids	-	24	108	172
16-27 (Jan 16) London Council's Grant Budget	-	-21	-21	-21
16-103 (Feb 16) Transactional Services	-	1,153	-255	-426
16-107 (Feb 16) Council Tax 2016/17	-	5,000	-	-
<u>Transfers between Committees</u>				
15-474 (Nov 15) Legal Services Retender	-	-5	-5	-5
15-101 (Feb 15) Review of Finance Department	-	310	310	310
15-252 (June 15) Shared Management Structure Richmond	-	-	-126	-126
Central Support Recharge Spread	274	367	367	367
Academies Depreciation Adjustment	198	198	198	198
Depreciation	-1,529	-1,551	-1,551	-1,551
<u>Other Technical / Volume Adjustments</u>				
Revised forecast for Interest	-1,551	-1,279	-1,574	-2,207
Income & contract review & departmental efficiencies	-	-103	-208	-208
15-119 (Feb 15) Modernisation of Pay and Rewards	-	59	48	42
Insurance Premium Adjustment	336	-	-	-
Transfers within Committee	-24	-24	-24	-24
LPFA Levy	-	3	3	3
Microsoft Licences	-	139	139	139
NET EFFECT OF DEVELOPMENTS	-1,181	2,916	-4,017	-4,763
NET EXPENDITURE with inflation to November 2015	-16,585	-12,507	-19,440	-20,186
ANALYSIS BY SERVICE				
General Services Finance	-2,323	-2,714	-4,664	-4,429
Shared Staffing Agreement	1,000	5,000	-	-
Voluntary Organisations	1,471	1,197	1,197	1,197
Capital Financing Account				
- Interest	-1,870	-2,425	-2,408	-3,389
- Depreciation charge	-14,863	-13,565	-13,565	-13,565
NET EXPENDITURE with inflation to November 2015	-16,585	-12,507	-19,440	-20,186

**FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
COUNCIL TAX AND RATE COLLECTION**

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'000	£'000	£'000	£'000
2015/16 ORIGINAL BUDGET AT NOVEMBER 2014 PRICES	2,049	2,049	2,049	2,049
INFLATION TO NOVEMBER 2015	-	45	45	45
2015/16 ORIGINAL BUDGET REPRICED	2,049	2,094	2,094	2,094
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
<u>This Year Budget Variations</u>				
FCR 519 Business Rates Contract	-	-3	-18	-18
16-100 (Feb 16) Council Tax and Welfare Reform Team Review	-	-111	-111	-111
<u>Transfers between Committees</u>				
Central Support Recharge Spread	-	-1	-1	-1
15-252 (June 15) Shared Management Structure Richmond	-	-	-19	-19
<u>Other Technical / Volume Adjustments</u>				
Income & contract review & departmental efficiencies	-	-42	-42	-42
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-20	-21	-22
NNDR Cost of Collection Grant	34	34	34	34
Transfers within Committee	23	21	22	22
NET EFFECT OF DEVELOPMENTS	57	-122	-156	-157
NET EXPENDITURE with inflation to November 2015	2,106	1,972	1,938	1,937
ANALYSIS BY SERVICE				
Council Tax and Rate Collection	2,106	1,972	1,938	1,937
NET EXPENDITURE with inflation to November 2015	2,106	1,972	1,938	1,937

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT NOVEMBER 2014 PRICES	-1,303	-1,303	-1,303	-1,303
INFLATION TO NOVEMBER 2015	6	8	8	8
2015/16 ORIGINAL BUDGET REPRICED	-1,297	-1,295	-1,295	-1,295
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
13-252 (Apr 13) WIFI Income	-	-1	-1	-1
13-572 (Oct 13) Capital Review - STC rental income	-	75	75	75
<u>This Year Budget Variations</u>				
15-261 (June 15) Consultants fees & Assistant Borough Valuer posts	550	100	-	-
15-261 (June 15) Office Accommodation Strategy	700	-	-	-
<u>Transfers between Committees</u>				
15-474 (Nov 15) Legal Services Retender	-	-4	-4	-4
15-101 (Feb 15) Review of Finance Department	20	14	14	14
15-252 (June 15) Shared Management Structure Richmond	-	-	-22	-22
Transfer to DESS	-7	-7	-7	-7
Central Support Services	-86	94	94	94
Depreciation	46	46	46	46
<u>Other Technical / Volume Adjustments</u>				
13-459 (June 13) Advertising Site Income	-	-725	-725	-725
Environmental efficiency projects	57	-	-	-
Carbon Reduction Commitment	-3	-3	-3	-3
Income & contract review & departmental efficiencies	-	-33	-33	-33
Office Accommodation Strategy	700	-	-	-
Property Income	200	-	-1,500	-1,500
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-1	-1	-1
Transfers within Committee	-	-	-	-
NET EFFECT OF DEVELOPMENTS	2,177	-445	-2,067	-2,067
NET EXPENDITURE with inflation to November 2015	880	-1,740	-3,362	-3,362
ANALYSIS BY SERVICE				
Operational Properties	1,589	300	278	278
Commercial Properties	-1,278	-2,346	-3,896	-3,896
Properties Pending Disposal	512	306	256	256
Energy Management schemes	57	-	-	-
NET EXPENDITURE with inflation to November 2015	880	-1,740	-3,362	-3,362

**FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
HOUSING BENEFITS**

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'000	£'000	£'000	£'000
2015/16 ORIGINAL BUDGET AT NOVEMBER 2014 PRICES	2,891	2,891	2,891	2,891
INFLATION TO NOVEMBER 2015	-	104	104	104
2015/16 ORIGINAL BUDGET REPRICED	2,891	2,995	2,995	2,995
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
<u>This Year Budget Variations</u>				
15-462 (Nov 15) Staffing Review of Customer Services	-	-80	-80	-80
16-100 (Feb 16) Council Tax and Welfare Reform Team Review	-	28	28	28
<u>Transfers between Committees</u>				
15-101 (Feb 15) Review of Finance Department	-	123	123	123
15-252 (June 15) Shared Management Structure Richmond	-	-	-21	-21
Central Support Recharge Spread	-	-57	-57	-57
<u>Other Technical / Volume Adjustments</u>				
Housing Benefit Subsidy	1,503	1,398	1,398	1,398
Income & contract review & departmental efficiencies	-	48	48	48
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-49	-50	-52
Housing Benefit Administration Grant	-	513	513	513
Transfers within Committee	-78	-244	-243	-243
NET EFFECT OF DEVELOPMENTS	1,425	1,680	1,659	1,657
NET EXPENDITURE with inflation to November 2015	4,316	4,675	4,654	4,652
ANALYSIS BY SERVICE				
Housing and Council Tax Benefits	4,316	4,675	4,654	4,652
NET EXPENDITURE with inflation to November 2015	4,316	4,675	4,654	4,652

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

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'000	£'000	£'000	£'000
2015/16 ORIGINAL BUDGET AT NOVEMBER 2014 PRICES	1,445	1,445	1,445	1,445
INFLATION TO NOVEMBER 2015	-12	47	47	47
2015/16 ORIGINAL BUDGET REPRICED	<u>1,433</u>	<u>1,492</u>	<u>1,492</u>	<u>1,492</u>
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
<u>This Year Budget Variations</u>				
15-250 (Jun 15) Festive Lighting	-8	-8	-8	-8
15-261 (Jun 15) Nine Elms Bridge	90	-	-	-
15-261 (Jun 15) Quest Employment	135	-	-	-
15-261 (Jun 15) Regeneration	55	-	-	-
<u>Transfers between Committees</u>				
15-252 (June 15) Shared Management Structure Richmond	-	-	-64	-64
<u>Other Technical / Volume Adjustments</u>				
Income & contract review & departmental efficiencies	-	-13	-13	-13
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-22	-24	-25
Transfers within Committee	33	32	32	32
NET EFFECT OF DEVELOPMENTS	<u>305</u>	<u>-11</u>	<u>-77</u>	<u>-78</u>
NET EXPENDITURE with inflation to November 2015	<u>1,738</u>	<u>1,481</u>	<u>1,415</u>	<u>1,414</u>
ANALYSIS BY SERVICE				
Town Centres	335	280	280	280
Economic Development	1,403	1,201	1,135	1,134
NET EXPENDITURE with inflation to November 2015	<u>1,738</u>	<u>1,481</u>	<u>1,415</u>	<u>1,414</u>

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

	2015/16 REVISED BUDGET				2016/17 BUDGET		
	2015/16						
	<u>ORIGINAL</u> <u>BUDGET</u> £'000	<u>INFLATION</u> <u>TO NOV.'15</u> £'000	<u>DEVEL-</u> <u>OPMENTS</u> £'000	<u>TOTAL</u> £'000	<u>INFLATION</u> <u>TO NOV.'15</u> £'000	<u>DEVEL-</u> <u>OPMENTS</u> £'000	<u>TOTAL</u> £'000
Salaries	24,249	30	-21	24,258	452	-1,035	23,666
Indirect Employee Expenses	858	-	-1	857	-	-22	836
Premises	6,278	35	479	6,792	49	-247	6,080
Use of Transport	388	-	-8	380	-	-12	376
Supplies and Services	9,009	1	437	9,447	3	1,229	10,241
Third Party Payments	2,836	-	153	2,989	-	-670	2,166
Central and Technical Support	22	-	-	22	-	-	22
Income	-5,131	-	-31	-5,162	-	60	-5,071
NET EXPENDITURE	38,509	66	1,008	39,583	504	-697	38,316
Administrative Buildings	3,971	36	1,379	5,386	62	-98	3,935
Central Services							
- Administration	7,721	8	-28	7,701	104	-403	7,422
- Finance	18,637	16	-253	18,400	218	334	19,189
Information and Communication Technology	6,117	5	-68	6,054	74	-490	5,701
Democratic Representation	2,063	1	-22	2,042	46	-40	2,069
NET EXPENDITURE	38,509	66	1,008	39,583	504	-697	38,316

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT NOVEMBER 2014 PRICES	38,509	38,509	38,509	38,509
INFLATION TO NOVEMBER 2015	66	504	504	504
2015/16 ORIGINAL BUDGET REPRICED	<u>38,575</u>	<u>39,013</u>	<u>39,013</u>	<u>39,013</u>
DEVELOPMENTS				
Administrative Buildings	1,379	-98	-98	-98
Central Services				
- Administration	-28	-403	-688	-688
- Finance	-253	334	-2,083	-2,339
Information and Communication Technology	-68	-490	-551	-551
Democratic Representation	-22	-40	-59	-59
NET EFFECT OF DEVELOPMENTS	<u>1,008</u>	<u>-697</u>	<u>-3,479</u>	<u>-3,735</u>
REVISED BUDGET TOTALS	<u><u>39,583</u></u>	<u><u>38,316</u></u>	<u><u>35,534</u></u>	<u><u>35,278</u></u>
REVENUE EXPENDITURE BY SERVICE				
Administrative Buildings	5,386	3,935	3,935	3,935
Central Services				
- Administration	7,701	7,422	7,137	7,137
- Finance	18,400	19,189	16,772	16,516
Information and Communication Technology	6,054	5,701	5,640	5,640
Democratic Representation	2,042	2,069	2,050	2,050
REVISED BUDGET TOTALS	<u><u>39,583</u></u>	<u><u>38,316</u></u>	<u><u>35,534</u></u>	<u><u>35,278</u></u>

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

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'000	£'000	£'000	£'000
2015/16 ORIGINAL BUDGET AT NOVEMBER 2014 PRICES	3,971	3,971	3,971	3,971
INFLATION TO NOVEMBER 2015	36	62	62	62
2015/16 ORIGINAL BUDGET REPRICED	4,007	4,033	4,033	4,033
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
15-101 (Feb 15) Review of Finance Department	-	-43	-43	-43
<u>This Year Budget Variations</u>				
15-261 (June 15) Office Accommodation Strategy	700	-	-	-
<u>Transfers between Committees</u>				
Depreciation	-15	7	7	7
Facilities Management Centralisation	95	95	95	95
<u>Other Technical / Volume Adjustments</u>				
Office Accommodation Strategy	700	-	-	-
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-4	-4	-4
Income & contract review & departmental efficiencies	-51	-103	-103	-103
Transfers within Committee	-50	-50	-50	-50
NET EFFECT OF DEVELOPMENTS	1,379	-98	-98	-98
NET EXPENDITURE	5,386	3,935	3,935	3,935
with inflation to November 2015				

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT NOVEMBER 2014 PRICES	7,721	7,721	7,721	7,721
INFLATION TO NOVEMBER 2015	8	104	104	104
2015/16 ORIGINAL BUDGET REPRICED	<u>7,729</u>	<u>7,825</u>	<u>7,825</u>	<u>7,825</u>
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
13-456 (June 12) Aspirations Programme	-	-48	-48	-48
13-717 (Nov 13) HR Review	-	-21	-21	-21
14-516 (Oct 14) Review of Administration Department	-	-66	-66	-66
<u>This Year Budget Variations</u>				
15-474 (Nov 15) Legal Services Retender	-	-65	-65	-65
FCR 452 Advertising Council Website	-15	-15	-15	-15
<u>Transfer Between Committees</u>				
15-252 (June 15) Shared Management Structure Richmond	-	-	-285	-285
<u>Other Technical / Volume Adjustments</u>				
15-119 (Feb 15) Modernisation of Pay and Rewards	-	6	6	6
Income & contract review & departmental efficiencies	-5	-163	-163	-163
Transfers within Committee	-8	-31	-31	-31
NET EFFECT OF DEVELOPMENTS	<u>-28</u>	<u>-403</u>	<u>-688</u>	<u>-688</u>
NET EXPENDITURE with inflation to November 2015	<u>7,701</u>	<u>7,422</u>	<u>7,137</u>	<u>7,137</u>
REVENUE EXPENDITURE BY SERVICE				
Staff Training Centre/I.T. Training	355	357	357	357
Policy Unit	543	425	409	409
Press Office	268	269	269	269
Central Personnel	2,167	2,150	2,150	2,150
General Office/Directorate	1,319	1,218	1,056	1,056
Legal	2,593	2,544	2,437	2,437
Graphics	456	459	459	459
NET EXPENDITURE with inflation to November 2015	<u>7,701</u>	<u>7,422</u>	<u>7,137</u>	<u>7,137</u>

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

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'000	£'000	£'000	£'000
2015/16 ORIGINAL BUDGET AT NOVEMBER 2014 PRICES	18,637	18,637	18,637	18,637
INFLATION TO NOVEMBER 2015	16	218	218	218
2015/16 ORIGINAL BUDGET REPRICED	18,653	18,855	18,855	18,855
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
15-101 (Feb 15) Review of Finance Department	-	-422	-424	-424
<u>This Year Budget Variations</u>				
15-462 (Nov 15) Staffing Review of Customer Services	-	-244	-244	-244
15-261 (June 15) Assistant Borough Valuer posts	100	100	100	100
15-474 (Nov 15) Legal Services Retender	-	-7	-7	-7
FCR497 Deletion of accountant	-	-67	-67	-67
16-103 (Feb 16) Transactional Services	-	1,642	-383	-639
<u>Transfers Between Committees</u>				
15-252 (June 15) Shared Management Structure Richmond	-	-	-390	-390
Depreciation	62	62	62	62
Repairs Management	-116	-116	-116	-116
Procurement resource for Public Health	48	-	-	-
<u>Other Technical / Volume Adjustments</u>				
Income & contract review & departmental efficiencies	-46	-358	-358	-358
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-111	-111	-111
Transfers within Committee	-301	-145	-145	-145
NET EFFECT OF DEVELOPMENTS	-253	334	-2,083	-2,339
NET EXPENDITURE with inflation to November 2015	18,400	19,189	16,772	16,516
REVENUE EXPENDITURE BY SERVICE				
Finance Directorate and General Services	562	371	255	255
Financial Management	3,317	4,837	2,757	2,501
Financial Services	2,868	2,896	2,843	2,843
Customer Services & Parking Administration	2,618	2,365	2,344	2,344
Property Services	6,646	6,402	6,402	6,402
Revenue Services	2,389	2,318	2,171	2,171
NET EXPENDITURE with inflation to November 2015	18,400	19,189	16,772	16,516

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT NOVEMBER 2014 PRICES	6,117	6,117	6,117	6,117
INFLATION TO NOVEMBER 2015	5	74	74	74
2015/16 ORIGINAL BUDGET REPRICED	<u>6,122</u>	<u>6,191</u>	<u>6,191</u>	<u>6,191</u>
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
13-251 (Apr 13) Microsoft Licences	-	-284	-284	-284
<u>This Year Budget Variations</u>				
15-462 (Nov 15) Staffing Review of Customer Services	-	-2	-2	-2
<u>Transfers Between Committees</u>				
15-252 (June 15) Shared Management Structure Richmond Depreciation	-37	-37	-37	-37
<u>Other Technical / Volume Adjustments</u>				
Income & contract review & departmental efficiencies	-4	-64	-64	-64
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-36	-36	-36
Services traded via Trading company	-33	-67	-67	-67
Transfers within Committee	6	-	-	-
NET EFFECT OF DEVELOPMENTS	<u>-68</u>	<u>-490</u>	<u>-551</u>	<u>-551</u>
NET EXPENDITURE with inflation to November 2015	<u>6,054</u>	<u>5,701</u>	<u>5,640</u>	<u>5,640</u>
REVENUE EXPENDITURE BY SERVICE				
ICT Services	5,400	5,055	4,994	4,994
Telecommunication Services	374	370	370	370
Business Support Service	280	276	276	276
NET EXPENDITURE with inflation to November 2015	<u>6,054</u>	<u>5,701</u>	<u>5,640</u>	<u>5,640</u>

**FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
DEMOCRATIC REPRESENTATION**

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT NOVEMBER 2014 PRICES	2,063	2,063	2,063	2,063
INFLATION TO NOVEMBER 2015	1	46	46	46
2015/16 ORIGINAL BUDGET REPRICED	<u>2,064</u>	<u>2,109</u>	<u>2,109</u>	<u>2,109</u>
DEVELOPMENTS				
<u>Prior to March 2015 Council Tax Setting</u>				
<u>This Year Budget Variations</u>				
15-255 (June 15) Mayoralty	-17	-17	-17	-17
<u>Transfers Between Committees</u>				
15-252 (June 15) Shared Management Structure Richmond	-	-	-19	-19
<u>Other Technical / Volume Adjustments</u>				
Income & contract review & departmental efficiencies	-3	-9	-9	-9
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-12	-12	-12
Facilities Management Centralisation	-2	-2	-2	-2
NET EFFECT OF DEVELOPMENTS	<u>-22</u>	<u>-40</u>	<u>-59</u>	<u>-59</u>
NET EXPENDITURE with inflation to November 2015	<u>2,042</u>	<u>2,069</u>	<u>2,050</u>	<u>2,050</u>
REVENUE EXPENDITURE BY SERVICE				
Mayoralty	172	169	169	169
Committee Support	560	562	543	543
Members' Support/Expenses	1,289	1,317	1,317	1,317
Election Expenses	21	21	21	21
NET EXPENDITURE with inflation to November 2015	<u>2,042</u>	<u>2,069</u>	<u>2,050</u>	<u>2,050</u>

HOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE
SUMMARY

	2015/16 REVISED BUDGET				2016/17 BUDGET		
	2015/16 ORIGINAL BUDGET	INFLATION TO NOV.'15	DEVEL- OPMENTS	TOTAL	INFLATION TO NOV.'15	DEVEL- OPMENTS	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	2,215	4	-14	2,205	37	-82	2,170
Indirect Employee Expenses	19	-	-2	17	-	-2	17
Premises	114	-	-	114	-	-	114
Use of Transport	36	-	-7	29	-	-13	23
Supplies and Services							
- Contracts with Voluntary Organisations	34	-	-1	33	-	-1	33
- Other	453	-	-24	429	-	-25	428
Third Party Payments	6,795	-	4,539	11,334	-	4,663	11,458
Transfer Payments	3,799	-	4,510	8,309	-	4,635	8,434
Central and Technical Support	575	-	165	740	-	165	740
Depreciation and Impairment	2	-	-2	-	-	-2	-
Government Grants	-3,145	-	-4,373	-7,518	-	-4,373	-7,518
Rents	-73	-	-	-73	-	-1	-74
Other Income	-4,679	-	-4,764	-9,443	-3	-4,771	-9,453
Interest Received	-15	-	-7	-22	-	-12	-27
NET EXPENDITURE at November 2015 prices	6,130	4	20	6,154	34	181	6,345
REVENUE EXPENDITURE BY SERVICE							
Private Sector Housing	596	1	61	658	11	-3	604
Homelessness and Asylum	5,384	2	-31	5,355	16	211	5,611
Other Housing Services	150	1	-10	141	7	-27	130
NET EXPENDITURE at November 2015 prices	6,130	4	20	6,154	34	181	6,345

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

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT at November 2014 Price Level	6,130	6,130	6,130	6,130
INFLATION TO NOVEMBER 2015	4	34	34	34
2015/16 ORIGINAL BUDGET REPRICED	<u>6,134</u>	<u>6,164</u>	<u>6,164</u>	<u>6,164</u>
DEVELOPMENTS				
Private Sector Housing	61	-3	-3	-3
Homelessness and Asylum	-31	211	210	210
Other Housing Services	-10	-27	-28	-28
NET EFFECT OF DEVELOPMENTS	<u>20</u>	<u>181</u>	<u>179</u>	<u>179</u>
NET EXPENDITURE at November 2015 prices	<u>6,154</u>	<u>6,345</u>	<u>6,343</u>	<u>6,343</u>
REVENUE EXPENDITURE BY SERVICE				
Private Sector Housing	658	604	604	604
Homelessness and Asylum	5,355	5,611	5,610	5,610
Other Housing Services	141	130	129	129
NET EXPENDITURE at November 2015 prices	<u>6,154</u>	<u>6,345</u>	<u>6,343</u>	<u>6,343</u>

HOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE
PRIVATE SECTOR HOUSING

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT at November 2014 Price Level	596	596	596	596
INFLATION TO NOVEMBER 2015	1	11	11	11
2015/16 ORIGINAL BUDGET REPRICED	<u>597</u>	<u>607</u>	<u>607</u>	<u>607</u>
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
15-423 HCS Charges Review (Nov 15)	-	-2	-2	-2
<u>Other Technical/Volume adjustments</u>				
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-5	-5	-5
Income and Contract review and departmental efficiencies	-	-56	-56	-56
<u>Transfers Between Committees</u>				
Central Support Recharge spread	61	60	60	60
Transfers within committee				
	-	-	-	-
NET EFFECT OF DEVELOPMENTS	<u>61</u>	<u>-3</u>	<u>-3</u>	<u>-3</u>
NET EXPENDITURE at November 2015 prices	<u>658</u>	<u>604</u>	<u>604</u>	<u>604</u>
REVENUE EXPENDITURE BY SERVICE				
Home Improvement Agency	46	-12	-12	-12
Private Housing	612	616	616	616
NET EXPENDITURE at November 2015 prices	<u>658</u>	<u>604</u>	<u>604</u>	<u>604</u>

**HOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE
HOMELESSNESS AND ASYLUM**

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT at November 2014 Price Level	5,384	5,384	5,384	5,384
INFLATION TO NOVEMBER 2015	2	16	16	16
2015/16 ORIGINAL BUDGET REPRICED	<u>5,386</u>	<u>5,400</u>	<u>5,400</u>	<u>5,400</u>
DEVELOPMENTS				
<u>Technical/Volume adjustments</u>				
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-8	-8	-8
Housing Benefit subsidy	-	250	250	250
<u>Transfers Between Committees</u>				
Central Support Recharge spread	-31	-31	-31	-31
15-252 (June 15) Shared Management Structure Richmond	-	-	-1	-1
Transfers within committee	-	-	-	-
NET EFFECT OF DEVELOPMENTS	<u>-31</u>	<u>211</u>	<u>210</u>	<u>210</u>
NET EXPENDITURE at November 2015 prices	<u>5,355</u>	<u>5,611</u>	<u>5,610</u>	<u>5,610</u>
REVENUE EXPENDITURE BY SERVICE				
Homelessness	4,761	5,017	5,016	5,016
Asylum Seekers and other destitutes	594	594	594	594
NET EXPENDITURE at November 2015 prices	<u>5,355</u>	<u>5,611</u>	<u>5,610</u>	<u>5,610</u>

HOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE
OTHER HOUSING SERVICES

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
2015/16 ORIGINAL BUDGET AT at November 2014 Price Level	150	150	150	150
INFLATION TO NOVEMBER 2015	1	7	7	7
2015/16 ORIGINAL BUDGET REPRICED	151	157	157	157
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
15-423 HCS Charges Review (Nov 15)	-	-1	-1	-1
<u>Other Technical/Volume adjustments</u>				
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-6	-6	-6
Mortgages and Leaseholder loan interest	-8	-13	-13	-13
Income and Contract review and departmental efficiencies	-	-7	-7	-7
<u>Transfers Between Committees</u>				
Central Support Recharge spread	-	2	2	2
Depreciation	-2	-2	-2	-2
15-252 (June 15) Shared Management Structure Richmond	-	-	-1	-1
Transfers within committee				
	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-10	-27	-28	-28
NET EXPENDITURE at November 2015 prices	141	130	129	129
REVENUE EXPENDITURE BY SERVICE				
Graffiti Removal	145	145	144	144
Travellers Site	-41	-41	-41	-41
House Purchase and Leaseholder advances	-27	-33	-33	-33
Affordable Housing and Service Strategy	-65	-65	-65	-65
Warden Services	129	124	124	124
NET EXPENDITURE at November 2015 prices	141	130	129	129

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CAPITAL RESOURCES (GENERAL)

Financing the Programme

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

Grants and Reimbursements

5. Grants and reimbursements expected to support the programme over the five years total £85.5 million. The most significant are Government grants for education schemes totalling around £29.5 million, and schemes funded through Section 106 Reimbursements of around £35.0 million. Other major schemes include CIL funded schemes of £10.4 million and schemes funded by TfL grant of £4.8 million.

Realisation of Investments

6. The amount of the Council's investments at any time reflects daily variations in routine cashflows as well as capital spending, debt redemption and new capital receipts. The Council's Treasury Management Strategy for 2016/17 shows total investments at around £500.0 million by 31st March 2016, but these relate almost entirely to current liabilities and to General Fund reserves for contingencies and specific purposes. The investments available specifically for financing the General Capital Programme are those arising from the capital receipts, which are neither payable to the Government nor used within the Housing Revenue Account (HRA) and specific elements within the Renewals fund which were previously set aside to finance capital projects.

7. As the use of HRA receipts for capital spending in the General Fund is in the most cases restricted by regulation, forecast capital receipts shown in the table in paragraph 12 include mainly estimates relating to sales of General Fund sites already identified as surplus, amounting to £26.5 million in 2015/16, £19.9 million in 2016/17, £14.0 million in 2017/18, £12.8 million in 2018/19 and currently nil in 2019/20. A limited sum of HRA receipts able to be used freely for General Fund purposes has been included within the overall receipt totals. This may increase in later years, particularly for any General Fund regeneration schemes, but these will be added in as appropriate in due course. Due to the current uncertainties in the property market, the total estimates for site sales have been reduced by 20% to reflect the risks associated with the level and timing of their receipt.

Community Infrastructure Levy

8. CIL is a levy which local authorities can charge on new developments and use to fund infrastructure in the local area. This levy came into force in Wandsworth in November 2012. The CIL is a standard charge based on development size and location. After deduction of an amount set aside for administration CIL income will be treated as capital resources to fund capital works. CIL income arising within the Vauxhall Nine Elms Opportunity 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. Other CIL income is not ring-fenced to the area of the development and therefore can be spent on infrastructure throughout the Borough. The Council may carry forward CIL income to fund future identified infrastructure schemes. The total amount financed by CIL from 2015/16 to 2017/18 is £10.4 million with schemes within Community Services, Finance and Corporate Resources, and Education and Children's Services. This includes neighbourhood CIL proceeds. It is anticipated that by March 2018 CIL proceeds outside of Nine Elms based on schemes commenced to date will be in the region of £35.8 million. After deducting existing schemes, administration and neighbourhood schemes, the first call on the residual balance, estimated at £21.9 million, will be the Council's contribution to the GLA's Modernisation Plan for the Wandsworth gyratory system (Fairfield) which is currently the subject of public consultation.

Borrowing

9. Schools Borrowing – The Education and Children’s Services Overview and Scrutiny Committee have considered the need for an expansion in the Council’s special needs school capacity (Papers 14-454 and 14-587). There is no specific central Government funding available for this type of expenditure. The alternative is to purchase places in the independent sector which would be an ongoing revenue cost to the Dedicated Schools Grant (DSG). As agreed by the Executive in Paper No 14-587, the Wandsworth Schools Forum have been consulted on a number of options to fund future, urgently needed, special school places in the Borough, and have agreed to apply DSG contributions of £8 million toward the scheme to develop Greenmead/Ronald Ross Schools. The total cost of the scheme is £16.5 million with the Ronald Ross school element being funded by the Council. The DSG contribution will only go towards the costs for Special Educational Needs provision.
10. The £8 million DSG contribution will be split, with £1 million to be met from current DSG underspend and a further £7 million from borrowing. This is allowed under the regulations governing the use of DSG as it is in effect a spend to save scheme as the purchase of independent places would present a higher ongoing cost to the DSG. A number of options have been considered, and it has been agreed with the Wandsworth Schools Forum that the £7 million will be internally borrowed over nine years at the equivalent of the appropriate PWLB rate.
11. The remaining £0.7 million of schools borrowing is to finance £0.6 million of the Linden Lodge Family Centre scheme and £0.1 million of the Fircroft Primary School Alterations scheme through the Schools Loan Scheme.

General Capital Budget Framework

12. The table below compares the estimated capital resources with the capital payments to be financed. The £63.9 million usable receipts at the start of 2015/16 will decrease to £60.6 million at the start of 2016/17, £41.2 million at the start of 2017/18 and £38.9 million at the start of 2018/19. Usable receipts will then increase to £46.6 million at the start of 2019/20 before decreasing to £41.6 million by the end of 2019/20.

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£'m	£'m	£'m	£'m	£'m
Usable Capital Receipts at start of year	63.9	60.6	41.2	38.9	46.6
Add: Grants and reimbursements	37.0	37.4	10.8	0.2	0.0
Add: Renewals Fund	0.6	0.0	0.0	0.0	0.0
Add: Borrowing	4.0	3.7	0.0	0.0	0.0
Add: New capital receipts	26.5	19.9	14.0	12.8	0.0
Less: Total General Capital Payments (after slippage)	(71.4)	(80.4)	(27.1)	(5.3)	(5.0)
Usable Capital Receipts at end of year	60.6	41.2	38.9	46.6	41.6

13. The table in paragraph 12 forms part of the revised general (non-HRA) capital budget framework adopted by the Council. It also includes reference to the financial years 2017/18, 2018/19 and 2019/20. The capital framework was revised by the Finance and Corporate Resources OSC in the Paper No. 15-25 and approved by the Executive on 28th January 2015. The revision was to reflect the change in circumstances whereby capital expenditure is being incurred on the acquisition of sites so that the Council can, at a later date, accrue a larger capital receipt. 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. The proposed limit for 2017/18 is £15 million. The additional full year annual impact of such a reduction in capital receipts in 2017/18 would be equivalent to about £1.75 on band D council tax.

Revenue Effects

14. Capital payments have no revenue effect to the extent that they are financed by capital grant, provided that the grant is not significantly delayed. Payments financed by the realisation of investments entail loss of interest on those investments.
15. The revenue effects, based on the loss of investment interest at the current budgeted rate, of the revised General Capital Programme have a full year annual impact of £786,000 equivalent to £6.25 band D council tax.

SUMMARY OF GENERAL FUND CAPITAL PROGRAMME 2015/16 - 2017/18

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
	£'000	£'000	£'000
<u>ADULT CARE AND HEALTH SERVICES</u>			
Adult Care	1,052	1,832	2,075
	<u>1,052</u>	<u>1,832</u>	<u>2,075</u>

COMMUNITY SERVICES

Leisure Centres and Sports Services	2,908	1,150	-
Public Halls/Community Centres	158	-	-
Parks and Open Spaces	1,390	942	980
Environmental Services	208	-	69
Crime Reduction Strategy	505	-	-
Libraries and Heritage	55	100	-
Highways Services	14,424	22,007	14,451
CIL Schemes	1,034	1,215	-
Depots	35	140	-
Planning Services	76	-	-
	<u>20,793</u>	<u>25,554</u>	<u>15,500</u>

EDUCATION AND CHILDREN'S SERVICES

Secondary Education	5,881	572	-
Primary Education	17,530	15,747	-
Special Schools	6,045	14,424	2,541
Other Education Funded Schemes	689	829	692
Other Children's Services	367	497	-
	<u>30,512</u>	<u>32,069</u>	<u>3,233</u>

SUMMARY OF GENERAL FUND CAPITAL PROGRAMME 2015/16 - 2017/18

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
	£'000	£'000	£'000
<u>FINANCE AND CORPORATE RESOURCES</u>			
Operational Buildings	174	2,108	905
IT Services	659	514	-
Property Services	16,477	15,633	20
Economic Development	425	100	-
General Finance and Corporate Services	-	100	-
	<hr/>	<hr/>	<hr/>
	17,735	18,455	925

HOUSING AND REGENERATION

Loans to Leaseholders	350	350	350
Empty Properties Grant	770	500	-
Disabled Facilities Grant	640	640	-
Other Housing Schemes	4,521	1,000	-
	<hr/>	<hr/>	<hr/>
	6,281	2,490	350

TOTAL GENERAL FUND CAPITAL PROGRAMME

	<hr/>	<hr/>	<hr/>
	76,373	80,400	22,083
	<hr/>	<hr/>	<hr/>

RELEVANT IN-YEAR GENERAL FUND RESOURCES

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
	£'000	£'000	£'000
Usable Capital Receipts at Start of Year	63,949	55,563	36,183
Add: Grants and Reimbursements	37,015	37,432	10,773
Add: Renewals Fund	543	-	-
Add: Borrowing	4,000	3,727	-
Add: New Capital Receipts	26,429	19,861	13,992
Less: Total General Fund Payments (Before slippage)	-76,373	-80,400	-22,083
	<hr/>	<hr/>	<hr/>
Usable Capital Receipts at End of Year	55,563	36,183	38,865

ADULT CARE AND HEALTH SERVICES

CAPITAL SCHEMES

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
	£'000	£'000	£'000
<u>ADULT CARE</u>			
Adaptations for Disabled	60	60	60
Better Days Programme			
- Learning Disabilities Additional Minibus	33	-	-
- Tooting Community Base (Graveney)	36	-	-
Complex Needs Hub (Graveney) - Remodelling	115	-	-
Electronic Monitoring of Homecare	12	-	-
Gwyneth Morgan Day Centre Refurbishment (Fairfield)	170	1,205	2,015
Learning Disability Mutual Loan "One Trust"	626	-	-
Substance Misuse Treatment Base	-	567	-
TOTAL ADULT CARE AND HEALTH SERVICES	1,052	1,832	2,075

COMMUNITY SERVICES

CAPITAL SCHEMES

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000
<u>LEISURE CENTRES AND SPORTS SERVICES</u>			
Balham Leisure Centre (Bedford)			
- Pool Roof Renewal	-	100	-
Barn Elms - Resurfacing of Tennis Courts	-	200	-
Battersea Park (Queenstown)			
- Millennium Arena Fitness Suite	65	-	-
Leisure Centre Contract	1,618	120	-
Leisure Mutual Loan "Enable"	300	-	-
Putney Leisure Centre (Thamesfield)			
- Combined Heating and Power System Replacement	140	-	-
- Pool Roof Renewals	-	275	-
Tooting Bec Lido Pavilion (Bedford)	675	235	-
Tooting Lido - Poolside Surface Refurbishment	50	-	-
Tooting Leisure Centre (Tooting)			
- Fire Alarm Renewal	-	120	-
- UV Disinfection System	60	-	-
Wandle Leisure Centre (Southfields)			
- Roof Renewal and Sports Hall Cladding	-	100	-
TOTAL LEISURE CENTRES AND SPORTS SERVICES	2,908	1,150	-
<u>PUBLIC HALLS/COMMUNITY CENTRES</u>			
Civic Suite (Fairfield)			
- Renewal of Roof Covering	74	-	-
- Renewal of Passenger Lift	84	-	-
TOTAL PUBLIC HALLS/COMMUNITY CENTRES	158	-	-

COMMUNITY SERVICES

CAPITAL SCHEMES

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
	£'000	£'000	£'000
<u>PARKS AND OPEN SPACES</u>			
Battersea Park (Queenstown)			
- Resurface Tennis Courts	47	-	-
- Winter Garden	30	-	-
- Improvements Funded from Formula E	-	300	300
Falcon Park (Latchmere) - New 3G Pitch	1,200	100	-
Neal's Lodge (Wandsworth Common) - Renewal of Roof Covering	83	-	-
St Mary's Church Boundary Wall (St Mary's Park)			
- Essential Repairs	30	-	-
Tooting Common Heritage Project (Bedford)	-	392	680
Paths Resurfacing in Parks	-	150	-
TOTAL PARKS AND OPEN SPACES	<u>1,390</u>	<u>942</u>	<u>980</u>
<u>ENVIRONMENTAL SERVICES</u>			
Air Quality Grant	25	-	-
Battersea Cemetery - Renewal of Roof Covering	47	-	-
St George's Mortuary Expansion (Tooting)	136	-	-
Putney Vale Cemetery (Roehampton) - Retaining Wall	-	-	69
TOTAL ENVIRONMENTAL SERVICES	<u>208</u>	<u>-</u>	<u>69</u>
<u>CRIME REDUCTION STRATEGY</u>			
Boroughwide CCTV (Phase 1) - Replacement of 67 Cameras	505	-	-
TOTAL CRIME REDUCTION STRATEGY	<u>505</u>	<u>-</u>	<u>-</u>
<u>LIBRARIES AND HERITAGE</u>			
Battersea Library (Shaftesbury) - Public Toilets	55	-	-
Tooting Library (Graveney) - Waterproofing of Basement Area	-	100	-
TOTAL LIBRARIES AND HERITAGE	<u>55</u>	<u>100</u>	<u>-</u>

COMMUNITY SERVICES

CAPITAL SCHEMES

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
	£'000	£'000	£'000
<u>Council Funded Highway Services</u>			
Blocked Gullies	50	50	50
Capitalised Repairs			
- Carriageways	2,000	2,000	3,000
- Footways	1,000	1,000	2,000
Street LED Lighting	400	-	-
Town Centre Streetscape Projects	24	-	-
Traffic Management Schemes	101	-	-
	3,575	3,050	5,050
<u>Transport for London Funded Schemes</u>			
Corridors/Neighbourhoods -			
Blackshaw Road (Tooting)	-	95	-
Bus Stop Accessibility Programme	-	19	-
Bus Stand Remodelling and Improvement	-	48	-
Car Club - Support for Expansion	9	48	-
Clarence Lane Roundabout (Roehampton)	105	-	-
Cycle Parking Programme	29	29	-
Decluttering	38	38	-
Fountain Road Junction with Garratt Lane (Tooting)	71	-	-
Improved Access to River Services	29	-	-
Inventory Mapping Pedestrian and Cycle Routes	48	-	-
Key Transport Data and Indicator Collection	48	48	-
Legible London - Tooting Town Centre	67	-	-
Local Cycle Routes	286	333	-
Local Shopping Street Improvement	424	381	-
Mitcham Lane Corridor (Furzedown)	95	-	-
Neighbourhood Schemes - 20 MPH Limits	190	397	-
Park Gateways	48	-	-
Putney High Street Air Quality Improvement (Thamesfield)	67	29	-
Regeneration Infrastructure Fund	95	190	-
Road Safety Priorities	95	190	-
Safe Routes to Schools - Investigation and Implementation	95	95	-
Station Access Improvements	95	95	-
Street Trees - Addition of Trees Across the Borough	24	24	-
	1,958	2,059	-

COMMUNITY SERVICES

CAPITAL SCHEMES

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000
Principal Road Maintenance - Resurfacing of Carriageways on Principal Roads	340	381	-
Other Schemes - Flexible Funding	50	50	-
TOTAL TRANSPORT FOR LONDON SCHEMES	2,348	2,490	-

Section 106 Agreements under the Town & Country Planning Act 1990 Contributions in Nine Elms

Project Development Fees	125	167	-
Riverwalk	280	1,006	-
Strategic Link (Excluding River Walk)	250	-	-
Utilities	249	25	-
Queens Circus Roundabout	250	-	-
Increased Bus Capacity and Pump Priming New Services	348	305	1,861
Improvement to Battersea Park Station	-	5,464	7,540
Nine Elms Highways, Pedestrian and Public Realm	300	1,200	-
Pedestrian Bridge	100	4,500	-
US Embassy Development Nine Elms	1,740	-	-
	3,642	12,667	9,401

COMMUNITY SERVICES

CAPITAL SCHEMES

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000
<u>Section 106 Agreements under the Town & Country Planning Act 1990</u>			
<u>Other Schemes</u>			
Alton Road 3-5, SW15 (Roehampton)	20	-	-
Arton Wilson House, 85 Roehampton Lane, SW15 (Roehampton)	100	-	-
ASDA Clapham Junction (Shaftesbury)	81	-	-
Battersea Park Road 475-491 - Contribution to Parks (Latchmere)	25	-	-
Battersea Reach - Upgrade Footways and Road Surfaces Adjacent to Hanson Plant (St Mary's Park)	43	-	-
Caius House Open Space Area (St Mary's Park)	65	-	-
Eltringham Depot and York Road Footway Works (Latchmere)	182	-	-
Falcon Wharf - TfL London Buses (Latchmere)	64	-	-
Former Ralph West Halls, 45 Worfield Street (St Mary's Park)	540	-	-
Griffon & Lanner House, Winstanley Road, SW11 (Latchmere)	24	-	-
Hafer Road 4-8 (St John)	8	-	-
Hardwicks Way 1-9 and 2-6 (Southfields)	83	-	-
Humpherson/York Road (Latchmere)	31	-	-
IMA House, 20 Northfields, SW18 (Thamesfield)	35	-	-
Merton Road 249-251 (Southfields)	36	-	-
Parkview - Queens Circus (Queenstown)	20	-	-
Peabody Clapham Junction Crossing and Footway (Fairfield)	169	-	-
Putney Bridge Road 50-52, Former South Thames College (Thamesfield)	61	-	-
Putney Bridge Road 118 (Thamesfield)	14	-	-
Queen Mary's Hospital, Roehampton Lane, SW15 (Roehampton)	18	-	-
St Georges Grove - TfL London Buses (Earlsfield)	155	-	-
South Thames College, Wandsworth Site, SW18 (Fairfield)	21	-	-
The Plough Public House, St John's Hill (Fairfield)	19	-	-
Upper Richmond Road 77-83 (East Putney)	100	-	-
Upper Richmond Road 84-88 (East Putney)	104	-	-
Wandsworth Business Village, 3-9 Broomhill Road (Southfields)	55	-	-
Wandsworth Enterprise Park (Fairfield)	48	-	-
Wandsworth Gas Works Site	15	-	-
Westfield House, Knaresborough Drive (Southfields)	433	-	-
Wandsworth One Way System (Fairfield)	1,500	1,000	-
Other Schemes	107	-	-
	4,176	1,000	-
<u>Other Highway Schemes</u>			
Putney Bridge Refurbishment (Thamesfield)	150	-	-
Replace Parking Meters	533	-	-
Removal of River Wandle Half Tide Weir	-	2,800	-
	683	2,800	-
TOTAL HIGHWAYS SERVICES	14,424	22,007	14,451

COMMUNITY SERVICES

CAPITAL SCHEMES

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
	£'000	£'000	£'000
<u>Schemes Funded By CIL</u>			
Cremorne Footbridge, Detailed Design Consultancy	-	200	-
<u>Neighbourhood CIL</u>			
LED Street Lights/Roads and Pavement Improvements	300	-	-
Bedford Hill Public Realm and Road Safety	50	-	-
Bellevue Road Streetscape Improvements (Bedford)	16	-	-
Falcon Park Improvements (Latchmere)	10	-	-
Lavender Hill Streetscape Improvements Including Lighting (Latchmere)	33	-	-
Culvert Road Alleyway - Streetscape Improvements Including Lighting (Latchmere)	29	-	-
Wandsworth Common Ballpen - Upgrade (Wandsworth Common)	10	-	-
Battersea Roads and Pavements (Various)	90	-	-
Southfields Public Realm Upgrade (Southfields)	200	-	-
Wandsworth Park LED Lighting (Thamesfield)	40	-	-
Dover House Road Parade - Streetscape Enhancements (West Putney)	70	-	-
Swaby Gardens Improvements (Earlsfield)	163	-	-
Windmill Road/Spencer Road - Lighting (Wandsworth Common)	23	-	-
Putney Park Lane Improvements	-	245	-
Putney Vale Roads and Pavement Improvement	-	460	-
Earlsfield Railway Bridge Improvements	-	100	-
King George's Park Tennis Courts	-	210	-
TOTAL SCHEMES FUNDED BY CIL	1,034	1,215	-
<u>DEPOTS</u>			
Frogmore House (Fairfield)			
- Renew Roof Covering and Insulation	-	140	-
Frogmore House Combined Heating/Air-Conditioned Unit (Fairfield)	35	-	-
TOTAL DEPOTS	35	140	-
<u>PLANNING SERVICES</u>			
Conservation/Enhancement Grants	76	-	-
TOTAL PLANNING SERVICES	76	-	-
TOTAL COMMUNITY SERVICES	20,793	25,554	15,500

EDUCATION AND CHILDREN'S SERVICES

CAPITAL SCHEMES

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
	£'000	£'000	£'000
<u>SECONDARY EDUCATION</u>			
Building Schools for the Future			
- Southfields (Southfields)	75	-	-
Bolingbroke Academy (Northcote)	60	49	-
Ark Putney Academy (formerly Elliott School) (West Putney)	4,626	523	-
John Bosco College (West Hill) - Redevelopment	500	-	-
St John Bosco - Fixtures and ICT Suite (St Mary's Park)	620	-	-
TOTAL SECONDARY EDUCATION	5,881	572	-
BASIC NEEDS - PRIMARY PLACES			
Albemarle (West Hill) - Primary Expansion	1,617	-	-
Allfarthing (West Hill) - Primary Expansion	668	-	-
Atheldene (Earlsfield) - Primary School	2,033	-	-
Granard (West Putney) - Primary Expansion	2,045	-	-
Hillbrook (Tooting)	3,287	-	-
Penwortham (Furzedown)	1,036	-	-
Putney Hospital Site (Thamesfield)	1,357	600	-
Riversdale (Southfields)	1,138	-	-
Sheringdale (Southfields) - Expansion	2,800	389	-
	15,981	989	-

EDUCATION AND CHILDREN'S SERVICES

CAPITAL SCHEMES

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000
OTHER PRIMARY SCHEMES			
Albemarle (West Hill) - Heating	285	-	-
Alderbrook - Masonry/Brickwork	-	245	-
Beatrix Potter (Wandsworth Common)			
- Water Controls, Pipe Works and Radiators	201	-	-
- Roof	83	-	-
Chesterton (Latchmere)			
- Kitchen	218	-	-
- Heating Pipes	-	440	-
Eardley - Heating	-	295	-
Earlsfield School (Earlsfield) - Wall	249	-	-
Eastwood Nursery - Creating Discrete Space for Children with ASD	-	121	-
Falconbrook - Windows	-	135	-
Fircroft (Tooting)			
- Alterations	-	253	-
- Heating Facilities in Early Years Building	-	240	-
Franciscan (Graveney) - Replacement Windows	26	-	-
Granard School (West Putney) - Windows	-	152	-
Heathmere (Roehampton)			
- Nursery Play Surfacing/Reinstatement	113	-	-
- Roof - Infant Building	177	-	-
Highview (Fairfield) - Window Replacement/Re-roofing	124	-	-
Honeywell - Windows Repair	-	157	-
John Burns (Shaftesbury) - Improvements	73	-	-
Primary School Land Costs	-	12,257	-
Smallwood (Tooting)			
- Windows	-	270	-
Roof Level Air-vents	-	193	-
	<hr/> 1,549	<hr/> 14,758	<hr/> -
TOTAL PRIMARY EDUCATION	<hr/> <hr/> 17,530	<hr/> <hr/> 15,747	<hr/> <hr/> -

EDUCATION AND CHILDREN'S SERVICES

CAPITAL SCHEMES

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000
<u>SPECIAL SCHOOLS</u>			
Bradstow - New Residential	3,000	299	-
Francis Barber PRU (Graveney) - Drama Studio	334	-	-
Greenmead/Ronald Ross (West Putney/West Hill)			
- School Places	2,000	12,000	2,541
Greenmead (West Putney) - Additional Classrooms	567	175	-
Linden Lodge (West Hill)			
- Family Centre	-	1,149	-
- Renewal of Existing Platform (Scissor) Lift	-	115	-
Nightingale (Wandsworth Common)			
- Kitchen	144	-	-
- Heating	-	197	-
Paddock (Roehampton)			
- Roof	-	489	-
TOTAL SPECIAL SCHOOLS	6,045	14,424	2,541
<u>OTHER EDUCATION FUNDED SCHEMES</u>			
Early Years Centre, 1 Siward Road (Earlsfield)			
- Rewiring/Fire Alarm	37	-	-
Schools Devolved Capital	652	829	692
TOTAL OTHER EDUCATION FUNDED SCHEMES	689	829	692
TOTAL EDUCATION	30,145	31,572	3,233

EDUCATION AND CHILDREN'S SERVICES

CAPITAL SCHEMES

	<u>2015/16</u> £'000	<u>2016/17</u> £'000	<u>2017/18</u> £'000
<u>OTHER CHILDREN'S SERVICES</u>			
Leaders Gardens (Thamesfield) - Playground	35	-	-
Conversion/Extension Foster Carers' Properties	120	94	-
Wandsworth Local Fund (NCIL)			
- Upper Tooting Place Toddlers Play Space	61	-	-
- Leaders Gardens (Thamesfield) - Playspace Improvements	51	-	-
- Wandsworth Common Play Provision (Wandsworth Common)	-	50	-
- King George's Park Play Space (Southfields)	-	70	-
Various Final Accounts	100	283	-
TOTAL OTHER CHILDREN'S SERVICES	367	497	-
TOTAL EDUCATION AND CHILDREN'S SERVICES	30,512	32,069	3,233

FINANCE AND CORPORATE RESOURCES

CAPITAL SCHEMES

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
	£'000	£'000	£'000
<u>OPERATIONAL BUILDINGS</u>			
Operational Property, Plant and Equipment	-	1,205	905
Town Hall (Fairfield)			
- Demolish Prefabs and Boiler House for Parking	87	-	-
- Renewal of Lift S005	87	3	-
Town Hall Extension (Fairfield)			
- Renew Roof Covering to Roof A	-	350	-
Wentworth House - Internal Refurbishment	-	550	-
TOTAL OPERATIONAL BUILDINGS	174	2,108	905
<u>IT SERVICES</u>			
E5 Web Solution	10	-	-
ICT Infrastructure	620	514	-
Self Service Portal for Council Tax and Parking Permits	29	-	-
TOTAL IT SERVICES	659	514	-
<u>PROPERTY SERVICES</u>			
Acquisition of Atheldene and Surrounding Sites	4,100	3,565	-
Acquisition of Properties	12,000	10,355	-
Thames Tideway Tunnel	175	118	-
Wood House and Palladino House	177	1,570	-
Works to Land and Property Prior to Sale	25	25	20
TOTAL PROPERTY SERVICES	16,477	15,633	20
<u>ECONOMIC DEVELOPMENT</u>			
Balham and Mitcham Lane Public Realm	250	100	-
Wandsworth Local Fund NCIL			
- Festive Lighting in Town Centres	105	-	-
- Quest Project Supporting Young People into Employment	70	-	-
TOTAL ECONOMIC DEVELOPMENT	425	100	-
<u>GENERAL FINANCE AND CORPORATE SERVICES</u>			
Loans to Other Bodies	-	100	-
TOTAL GENERAL FINANCE AND CORPORATE SERVICES	-	100	-
TOTAL FINANCE AND CORPORATE RESOURCES	17,735	18,455	925

HOUSING AND REGENERATION

CAPITAL SCHEMES

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
	£'000	£'000	£'000
<u>HOUSING (non-HRA)</u>			
Loans to Leaseholders	350	350	350
Empty Properties Grant	770	500	-
Disabled Facilities Grants	640	640	-
Other Housing Schemes			
- Section 106 Contribution to Extra Care Housing	521	-	-
- Wandsworth Affordable Housing Programme	4,000	-	-
- Do It Yourself Shared Ownership	-	1,000	-
	<u>4,521</u>	<u>1,000</u>	<u>-</u>
TOTAL HOUSING AND REGENERATION (GENERAL FUND)	<u><u>6,281</u></u>	<u><u>2,490</u></u>	<u><u>350</u></u>

SECTION 2
TREASURY MANAGEMENT

WANDSWORTH BOROUGH COUNCIL

FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY
COMMITTEE - 25TH FEBRUARY 2016

EXECUTIVE – 29TH FEBRUARY 2016

Report by the Director of Finance on the Council's Treasury Policy for 2016/17

SUMMARY

This report reviews the Treasury Management activities so far during 2015/16 and makes proposals for 2016/17 for approval by the full Council, in accordance with CIPFA's revised Treasury Management Code, the Council's Treasury Policy Statement and the Local Government Act 2003.

Short-term interest rates have remained stable at low levels throughout 2015/16, and confidence in financial institutions has not improved. In order to mitigate the low interest rates changes in Treasury Policy have been made during the year, whilst being very mindful of safeguarding the Council's investments. Any changes have been reported to this Committee, the Executive and the full Council.

Approval is now sought for an updated Treasury Policy Statement for 2016/17, including an increase in the maximum investment limit for Covered Bonds, the determination of the Council's affordable borrowing limit and operational boundary, and the minimum revenue provision policy for the financial year 2016/17.

Investments increased during 2015/16 from £474 million to £546 million at the end of December, and interest rates averaged 0.94%. Investments are expected to remain at similar levels. Debt has reduced from £177 million to £164 million reflecting repayments of PWLB debt.

GLOSSARY

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

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

RECOMMENDATIONS

1. The Finance and Corporate Resources Overview and Scrutiny Committee are recommended to support the recommendations to the Executive in paragraph 2. If they approve any views, comments or recommendations on the report, these will be submitted to the Executive for consideration.
2. The Executive is recommended to recommend the Council -
 - (a) to authorise the Director of Finance to determine the Council's Treasury Policy Statement for 2016/17 on the basis of the most recently approved Statement for 2015/16, updated as proposed in paragraph 11 of this report (Appendix A);
 - (b) to approve, as required under Section 3 of Part 1 of the Local Government Act 2003, for the financial year 2016/17 an affordable borrowing limit and operational boundary of £170 million as shown in paragraph 14; and
 - (c) to approve, as recommended under Guidance issued under the Local Government Act 2003, an mrp for 2016/17 to repay internal borrowing by the Dedicated Schools Grant (DSG) over a period of nine years, as shown in paragraphs 15 to 17.

INTRODUCTION

3. The Council's Treasury Policy Statement defines both the overall arrangements for treasury management and the expectations for the ensuing financial year. These arrangements are in accordance with the 'Treasury Management Code' issued by CIPFA in 2002, and revised in late 2011. They also have regard to the 'Prudential Code,' issued by CIPFA, and considered by the Council on the basis of Paper No. 04-129 in January 2004, and to Investment Guidance issued under Section 15 of the Local Government Act 2003 by the DCLG.
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 2015 (Paper No. 15-113), but it was updated more recently in Paper No 15-472 in November 2015. This updated Statement is attached as Appendix A to this report. Subsequent paragraphs comment on experience to date in 2015/16, and policy for 2016/17 and later years.

GENERAL TREASURY MANAGEMENT EXPERIENCE IN 2015/16

5. The Council's investments continue to exceed £500 million and interest rates remain very low. The Director of Finance has been proactively reviewing the Council's policies for investment opportunities whilst being mindful of risk and the necessity of safeguarding the Council's investments. Changes to the policy were approved in June 2015 in Paper No. 15-262 and more recently in November 2015 in Paper No. 15-472 in order to achieve some increase in rates of interest.
6. The Council now has £25 million invested in the CCLA Property Fund and this has continued to perform well with dividend income of over 4% and the capital continues to appreciate. Investments in Covered Bonds are now at the maximum approved level of £20 million with two tranches of £11.5 million and £8.5 million of a AAA rated bond at rates of 0.94% and 0.99% respectively. In the final quarter of 2015 (October – December), £60 million short-fixed investments for 364 days were placed at an average rate of 0.84% with only £20 million maturing over the same time period. Suitable investments for up to two years are still very difficult to place and only a further £3 million was invested during the final quarter of 2015, although an additional £10 million with another local authority has been arranged recently. The amount invested in MMFs has reduced over the same time period as these have performed less well than the alternative investments. However, the level may well increase before the end of the financial year to accommodate a high level of short-fixed maturities during the current quarter.
7. In the discussion of Paper No. 15-472 at the meeting of the Finance and Corporate Resources Overview and Scrutiny Committee on 26th November 2015 Members requested an independent review of the Council's Treasury Management Policy. The Director of Finance has, after further consideration, concluded that a joint review should be carried out during 2016/17 as part of work to implement the shared staffing arrangement (SSA) with Richmond.
8. A full report on the 2015/16 treasury management record will be made to committee in June 2016, in accordance with the arrangements prescribed in the Policy Statement. Meanwhile, Appendix B charts the movements in short-term interest rates during 2015. This shows the rate on the Council's own investments, together with the 7 Day LIBID rate used as a benchmark, and the 3 Month LIBID rate as an example of a slightly longer term rate. The Council's monthly rate has fluctuated slightly in the range between 0.86% and 1.05% whilst remaining very comfortably above the benchmark, whereas the benchmark rates have hardly varied at all throughout the year. The average interest rate earned on the Council's investments has been 0.94%, compared to 0.76% for the equivalent time period in 2014/15 and compared to a benchmark (7 Day LIBID rate) of 0.36%. The actual base rate has remained at 0.5% since February 2009.

9. Investments The Council began the year 2015/16 with short-term investments of £474 million, which increased to £546 million at the end of December. The level of investment has never fallen below the opening level, and on average has been around £529 million. The size and composition of the Council's investments at 31st March 2015 and 31st December 2015 is shown in Appendix C.
10. Debt The size and composition of the Council's debt at 31st March 2015 and 31st December 2015 is shown in Appendix D. Gross debt has reduced from £177 million to £164 million reflecting repayments of PWLB debt. A further repayment will be made before the end of 2015/16. No new long-term borrowing has been undertaken, and none is expected for the remainder of the year.

PROPOSED UPDATED TREASURY POLICY STATEMENT

11. Covered Bonds. Covered bonds are corporate bonds that have recourse to a pool of assets that secures or "covers" the bonds should the issuer fail. They are typically issued by a bank or building society and are backed by mortgagers or public sector loans. The bonds generally have a higher credit rating than the underlying issuer and are often rated AAA by credit rating agencies. Returns are lower than for conventional bonds due to the lower risk, but as detailed in paragraph 6, rates can still be attractive and the currently approved maximum level of £20 million has been placed in a AAA bond. In order to allow for further investment opportunities in Covered Bonds, the Director of Finance is now proposing that this limit be increased to £50 million. This change is shown in **bold** in paragraph 3.2.4 b) ii) in Appendix A.

TREASURY MANAGEMENT STRATEGY FOR 2016/17

12. The Strategy for 2016/17 considers the outlook for investment and debt levels for the period 2016/17 to 2018/19, taking into account estimates of major cash flow movements. These estimates are shown in the table in paragraph 4.1 in Appendix A.
13. The Council is expected to begin the year with investments of at least £500 million. Repayments of £17.2 million of new PWLB loans taken up for the HRA on 28th March 2012 will fall due during the year. The estimated movements for the following two years based upon current cash flows show that investments may fall below £450 million. These cash flows do not currently allow for all potential expenditure relating to regeneration schemes in Roehampton and Battersea.
14. Affordable Borrowing Limit and Operational Boundary for 2015/16 The Council has to set an affordable borrowing limit and operational boundary for 2016/17 under Section 3 of Part 1 of the Local Government Act 2003. This limit refers only to gross borrowing, ignoring investments, and it is intended that it reflects the maximum amount that a local authority decides that it can afford to borrow. This limit was set at £185 million in February 2015 for 2015/16, reflecting the existing long-term borrowing of £176 million at 1 April 2015, and allowing for the possibility of borrowing for a "spend-to-save" scheme, and short-term fluctuations in cash flows, including deposit facilities offered to other bodies and

external funds, such as the North East Surrey Crematorium Board. Long-term borrowing is expected to be £155 million at 1st April 2016 and no new long-term borrowing is currently planned. A limit of £170 million is therefore proposed for the affordable borrowing limit and operational boundary for 2016/17, reflecting the existing borrowing, and allowing for other possible requirements.

15. MRP Statement for 2016/17 Regulations issued under the Local Government Act 2003 require local authorities to calculate an annual amount of mrp to be set aside from revenue for the repayment of debt that is “prudent”. Accompanying guidance, to which local authorities should have regard, recommends the preparation of an annual statement of policy on making mrp, for approval by full Council. The mrp should not take account of capital expenditure on housing assets.
16. For Wandsworth a “prudent” mrp has, until 2015/16, been nil, reflecting the fact that the Council’s debt relates to the Housing Revenue Account. The equivalent statement last year did however refer to plans for internal borrowing by the Dedicated Schools Grant (DSG) to partly fund the scheme to develop Greenmead/Ronald Ross schools of around £7 million. An amount of £7.8 million has now been included in the capital programme for such funding.
17. It is now proposed that, commencing in 2016/17, the Council will have an mrp, charged to the DSG, to repay any such internal borrowing over a period of nine years. This will more than cover any minimum required under guidance for a “prudent” mrp.

The Town Hall
Wandsworth
SW18 2PU
17th February 2016

CHRIS BUSS
Director of Finance

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 Committee Secretary (Mr Graham Collins – 020 8871 6021; mail to: gcollins@wandsworth.gov.uk) can supply a copy if required.

WANDSWORTH BOROUGH COUNCIL

TREASURY POLICY STATEMENT - FEBRUARY 2016

1. SCOPE OF CORPORATE TREASURY MANAGEMENT

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

2. ADMINISTRATION

- 2.1 The Director of Finance's 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 Finance 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 Finance has delegated authority in relation to Treasury Management as follows:
- (i) To invest any surplus balances of the Council's funds other than the Pension Fund and to sell investments for the purpose of re-investment or to meet the needs of a particular fund;

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

- 2.3 The Director of Finance shall submit for the approval of the full Council by 31st March of each year, a Treasury Policy Statement defining the overall arrangements and strategy for the ensuing financial year, a report on the exercise of his delegated authority by 30th September in the following financial year, and a mid-year review report. Such statements and reports will have regard to good professional practice and relevant codes such as the CIPFA Guide to Treasury Management in the Public Services. The Policy Statement shall distinguish between general strategy, which shall be followed without exception, and strategy specific to the circumstances foreseen for the coming year, from which the Director may depart if changed circumstances so require provided that the departure shall be reported to the next available meeting of the Finance and Corporate Resources Overview and Scrutiny Committee, the Executive and the Council. The Director may depart from the policy to act upon the lowest credit rating of the three credit rating agencies when making investment decisions, following consultation with the Cabinet Member for Finance and Corporate Resources, if circumstances become such that investment opportunities under this policy are so restricted that it is not possible to place investments other than with the DMADF.
- 2.4 Day-to-day Treasury Management responsibilities shall be handled by the Financial Management Division of the Finance Department, in accordance with a Treasury Systems Document reviewed annually by the Director. The Treasury Systems Document shall contain details of the Council's Treasury Management Practices, including how the Council manages and controls the relevant activities.
- 2.5 Treasury Management activities and issues shall be reviewed at least monthly at the Financial Planning meeting within the Finance Department chaired by the Director, and attended by the Assistant Directors (Financial Management, Financial Services and Corporate Finance). This meeting makes strategic decisions relating to items such as structure of investments and timing of long-term borrowing. The Director of Finance or, in his absence, either the Assistant Director - Financial Management or the Assistant Director - Corporate Finance may authorise changes in strategy previously defined at a monthly meeting if circumstances require.
- 2.6 Treasury Management advisers shall be appointed at least once within the lifetime of each Council to carry out an independent review of the Council's Treasury Management activities.

Treasury Policy Statement

3. GENERAL STRATEGY

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

3.2 Investment:

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

3.2.2 Investments shall, subject to the exceptions listed under long term investments in paragraph 3.2.4, be placed with institutions in accordance with the following criteria shown in the table and sub-paragraphs below:

<u>Policy para 3.2.2</u>	<u>Short-term rating</u>	<u>Long-term rating</u>	<u>Short-term outlook</u>	<u>Institution</u>	<u>Maximum Investment</u>	<u>Maximum Investment > 6 months</u>
UK ONLY						
(a) (i)	F1+	AA-	Not Negative	In former UK Government credit guarantee scheme	£50m	£30m
(a) (ii)	F1+	A	Not Negative	In former UK Government credit guarantee scheme	£50m	£15m
(b)				UK Local Authority or precepting authority	£100m	£100m
(c)	F1+	AA	Not Negative	UK	£40m	£20m
(d)	F1+	AA	Negative	UK	£20m	nil
(e)	F1+	A	Not Negative	UK	£15m	£15m
(f)	F1+	A	Negative	UK	£10m	nil
(g)	F1	A+	Not Negative	UK	£10m	£10m
(h)	F1	A+	Negative	UK	£5m	nil
(i)	F1	A	Not Negative	UK	£5m	£5m
(j)	F1	A	Not Negative	UK – 2 out of 3 rating agencies	£10m	3 months only
(k)				Royal Bank of Scotland/Nat West PLC	£50m	Overnight only

NON-UK with Sovereign Credit Rating of Country of Origin of at least AA+

(l)	F1+	AA-	Not Negative	Non-UK	£50m	£30m
(m)	F1+	AA-	Negative	Non-UK	£20m	nil
(n)	F1+	A+	Not Negative	Non-UK	£20m	£20m
(o)	F1	A+	Not Negative	Non-UK	£10m	£10m
(p)	F1	A+	Negative	Non-UK	£5m	nil
(q)	F1	A+	Not Negative	Non-UK – 2 out of 3 rating agencies	£10m	3 months only

For UK institutions only:

- (a) in relation to those institutions that were eligible for the Government's credit guarantee scheme:
- (i) up to £50 million with UK institutions with a Fitch credit rating of at least F1+ short-term, AA- long-term, and a short-term outlook 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; and
 - (ii) up to £50 million with UK institutions with a Fitch credit rating of at least F1+ short-term, A long-term, and a short-term outlook that is not negative, (or equivalent under Moody's or Standard and Poor's), and where generally no more than £15 million is placed for periods longer than 6 months;
- (b) up to £100 million with other UK local authorities or precepting authorities (subject to any investments in Scottish authorities maturing before the referendum on independence);
- (c) up to £40 million with UK institutions with a Fitch credit rating of at least F1+ short-term, AA long-term, and a short-term outlook that is not negative (or equivalent under Moody's or Standard and Poor's), where generally no more than £20 million is placed for periods longer than 6 months;
- (d) up to £20 million for a maximum of 6 months with UK institutions with a Fitch credit rating of at least F1+ short-term, AA long-term, and a short-term outlook that is negative (or equivalent under Moody's or Standard and Poor's);
- (e) up to £15 million with UK institutions with a Fitch credit rating of at least F1+ short-term, A long-term, and a short-term outlook that is not negative (or equivalent under Moody's or Standard and Poor's);
- (f) up to £10 million for a maximum of 6 months with UK institutions with a Fitch credit rating of at least F1+ short-term, A long-term, and a short-term outlook that is negative (or equivalent under Moody's or Standard and Poor's);

Treasury Policy Statement

- (g) up to £10 million with UK institutions with a Fitch credit rating of at least F1 short-term, A+ long-term, and a short-term outlook that is not negative (or equivalent under Moody's or Standard and Poor's);
- (h) up to £5 million for a maximum of 6 months with UK institutions with a Fitch credit rating of at least F1 short-term, A+ long-term, and a short-term outlook that is negative (or equivalent under Moody's or Standard and Poor's);
- (i) up to £5 million with UK institutions with a Fitch credit rating of at least F1 short-term, A long-term, and a short-term outlook that is not negative (or equivalent under Moody's or Standard and Poor's);
- (j) up to £10 million with 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 outlook that is not negative (or equivalent under Moody's or Standard and Poor's); and
- (k) up to £50 million with Royal Bank of Scotland/Nat West PLC overnight only.

For non-UK institutions from a country with a sovereign Fitch credit rating of at least AA+ (or equivalent under Moody's or Standard and Poor's):

- (l) up to £50 million with institutions with a Fitch credit rating of at least F1+ short-term, AA- long-term, and a short-term outlook 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;
- (m) up to £20 million for a maximum of 6 months with Fitch credit rating of at least F1+ short-term, AA- long-term, and a short-term outlook that is negative (or equivalent under Moody's or Standard and Poor's);
- (n) up to £20 million with Fitch credit rating of at least F1+ short-term, A+ long-term, and a short-term outlook that is not negative (or equivalent under Moody's or Standard and Poor's);
- (o) up to £10 million with Fitch credit rating of at least F1 short-term, A+ long-term and a short-term outlook that is not negative (or equivalent under Moody's or Standard and Poor's);
- (p) up to £5 million for a maximum of 6 months with institutions with a Fitch credit rating of at least F1 short-term, A+ long-term, and a short-term outlook that is negative (or equivalent under Moody's or Standard and Poor's); and
- (q) up to £10 million 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 outlook that is not negative (or equivalent under Moody's or Standard and Poor's).

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 Finance or in his absence the Assistant Director of Financial Management or the Assistant Director of Corporate Finance. Any such temporary restrictions applied shall be reported to the next available meeting of the Finance and Corporate Resources Overview and Scrutiny Committee, the Executive and the Council.

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

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

3.2.4 Longer Term Investments. Investments for periods longer than 364 days must be authorised by the Director of Finance 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 not expected to fall much below £400 million for the next two years, a prudent limit for the maximum amount to be invested for longer than 364 days but for no longer than two years is £150 million. Investments over 364 days shall not exceed £50 million with any individual counterparty.

Treasury Policy Statement

- b) Investments may be placed for periods longer than two years as follows. Any such investments will not count against the £150 million limit in a) above.
- (i) Up to £25 million may be placed in a Property Fund that is set up under a scheme approved by HM Treasury so that it does not count as capital expenditure.
 - (ii) Up to £50 million may be placed in a Covered Bond. The bond will have a maturity period of no longer than three years and will have a credit rating of AAA from at least one of the three credit rating agencies. If the bond issuer is one of the institutions on the Council's investment list this investment will not count against the limit for that counterparty under paragraph 3.2.2.**
 - (iii) Loans may be made to Staff Mutuals, other Service Providers or Voluntary Organisations at market rates of interest. The detailed terms of each loan will be determined on an individual basis by the Director of Finance, subject to an overall maximum limit of £5 million per loan.
 - (iv) 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 2016/17.

4.1 The following table considers the outlook for investment and debt levels for the period 2016/17 to 2018/19 taking into account estimates of major cash flow movements.

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'m	£'m	£'m
Estimated investments 1st April	500.0	457.2	437.6
Estimated debt 1st April	-154.8	-137.6	-120.4
Deposit facilities for other bodies and funds	-0.6	-0.3	-0.3
Net investments/debt 1st April	<u>344.6</u>	<u>319.3</u>	<u>316.9</u>
Deduct			
Capital payments – general	-80.4	-27.1	-5.3
Capital payments – HRA	-85.5	-78.4	-29.1
Payment of capital receipts to Government	-2.6	-2.6	-2.0
Add			
Capital receipts	37.7	12.6	17.4
Capital grants	50.8	48.6	10.8
Net movement in funds, reserves & provisions	-6.2	-15.4	4.0
Revenue provisions for capital and credit liabilities	50.9	59.9	36.1
Increase in net creditors	10.0	0	0
In-Year net cash movement before loans	<u>-25.3</u>	<u>-2.4</u>	<u>31.9</u>
Net investments/debt 31st March	<u>319.3</u>	<u>316.9</u>	<u>348.8</u>
Estimated investments 31st March	457.2	437.6	452.4
Estimated debt 31st March	-137.6	-120.4	-103.2
Deposit facilities for other bodies	-0.3	-0.3	-0.4
Repayment of PWLB debt	17.2	17.2	17.2
Change in use of deposit facilities	0.3	0.0	-0.1

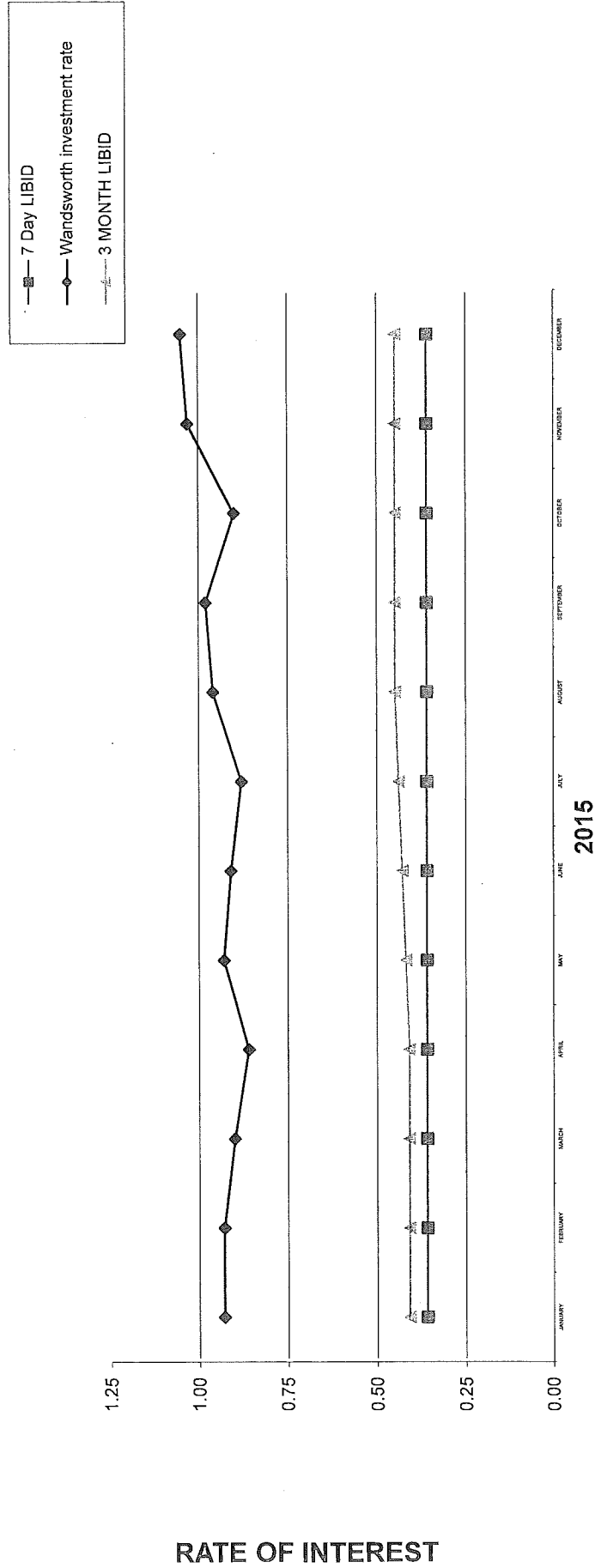
4.2 The Council is expected to begin the year with investments of at least £500 million. Repayments of £17.2 million of new PWLB loans taken up for the HRA on 28th March 2012 will fall due during the year. The estimated movements for the following two years based upon current cash flows show that investments may fall below £450 million. These cash flows do not currently allow for all potential expenditure relating to regeneration schemes in Roehampton and Battersea.

- 4.3 Affordable Borrowing Limit and Operational Boundary for 2016/17 The Council has to set an affordable borrowing limit and operational boundary for 2016/17 under Section 3 of Part 1 of the Local Government Act 2003. This limit refers only to gross borrowing, ignoring investments, and it is intended that it reflect the maximum amount that a local authority decides that it can afford to borrow. This limit was set at £185 million in February 2015 for 2015/16, reflecting the existing long-term borrowing of £176 million at 1 April 2015, and allowing for the possibility of borrowing for a “spend-to-save” scheme and short-term fluctuations in cash flows, including deposit facilities offered to other bodies and external funds, such as the North East Surrey Crematorium Board. Long-term borrowing is expected to be £155 million at April 2016 and no new long-term borrowing is currently planned. A limit of £170 million is therefore proposed for the affordable borrowing limit and operational boundary for 2016/17, reflecting the existing borrowing, and allowing for other possible requirements.

The Town Hall
Wandsworth
SW18 2PU
17th February 2016

APPENDIX B

INTEREST RATES 2015



APPENDIX C

TOTAL INVESTMENTS

31st MARCH 2015

	<u>INTEREST RATE</u>	<u>AMOUNT</u>	<u>FITCH RATING</u>		
	<u>%</u>	<u>£'m</u>	<u>Long-term</u>	<u>Short-term</u>	<u>S-T Outlook</u>

OVERNIGHT

Royal Bank of Scotland	0.25	0.9			
		<u>0.9</u>			

MONEY MARKET & SHORT DATED INCOME FUNDS

Federated Global Sterling (CNAV)	0.45	8.3		AAA rating	
Ignis Liquidity Fund (CNAV)	0.47	9.7		AAA rating	
Morgan Stanley (CNAV)	0.45	0.1		AAA rating	
Insight Liquidity Plus (VNAV)	0.76	49.7		AAA rating	
Ignis Liquidity (VNAV)	0.69	40.0		AAA rating	
		<u>107.8</u>			

SHORT FIXED < 3 MONTHS

Santander UK	0.75	5.0	A	F1	Not Negative
Commonwealth Bank of Australia	0.65	20.0	AA-	F1+	Not Negative
Lancashire County Council	0.67	20.0			
Lancashire County Council	0.73	10.0			
		<u>55.0</u>			

SHORT FIXED > 3 MONTHS

Svenska Handelsbanken	0.80	20.0	AA-	F1+	Not Negative
Svenska Handelsbanken	0.80	10.0	AA-	F1+	Not Negative
Nordea Bank	0.70	10.0	AA-	F1+	Not Negative
OCBC	0.85	20.0	AA-	F1+	Not Negative
Rabobank	0.95	20.0	AA-	F1+	Not Negative
		<u>80.0</u>			

SHORT FIXED > 6 MONTHS

DBS London	0.62	20.0	AA-	F1+	Not Negative
Greater London Authority	1.12	50.0			
Nationwide Building Society	0.9	5.0	A	F1	Not Negative
Standard Chartered (CD)	0.84	10.0			
OCBC	0.73	10.0	AA-	F1+	Not Negative
OCBC	0.75	20.0	AA-	F1+	Not Negative
Nordea Bank	0.69	20.0	AA-	F1+	Not Negative
		<u>135.0</u>			

SHORT FIXED > 1 YEAR

Lancashire County Council	1.16	20.0			
Commonwealth Bank of Australia	1.19	30.0	AA-	F1+	Not Negative
Glasgow City Council	0.97	30.0			
Lancashire County Council	1.00	10.0			
		<u>90.0</u>			
CCLA Property Fund		<u>10.0</u>			
less amount invested on behalf of WRWA		<u>-4.3</u>			

<u>TOTAL INVESTMENT</u>		<u>474.4</u>			
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**TOTAL INVESTMENTS
31ST DECEMBER 2015**

INTEREST AMOUNT

CREDIT RATING

	<u>RATE</u>	<u>£'m</u>	Long-	Short-	S-T Outlook
	<u>%</u>		term	term	
<u>OVERNIGHT</u>					
Royal Bank of Scotland	0.25	10.0			
		<u>10.0</u>			
<u>MONEY MARKET & SHORT DATED INCOME FUNDS</u>					
Federated Global Sterling (CNAV)		24.9		AAA rating	
Ignis Liquidity Fund (CNAV)		10.5		AAA rating	
Insight Liquidity Plus (VNAV)		29.6		AAA rating	
Royal London Short Dated Income Fund		10.0		AAA rating	
		<u>75.0</u>			
<u>SHORT FIXED < 3 MONTHS</u>					
Greater London Authority	1.12	12.5			
Nationwide Building Society	0.90	5.0	A	F1	Not Negative
Standard Chartered Bank (CD)	0.87	10.0	A+	F1	Not Negative
Greater London Authority	1.12	12.5			
OCBC	0.73	10.0	AA-	F1+	Not Negative
Greater London Authority	1.12	12.5			
OCBC	0.75	20.0	AA-	F1+	Not Negative
Greater London Authority	1.12	12.5			
Nordea Bank	0.69	20.0	AA-	F1+	Not Negative
		<u>115.0</u>			
<u>SHORT FIXED > 3 MONTHS</u>					
Commonwealth Bank of Australia	1.19	30.0	AA-	F1+	Not Negative
Nordea Bank	0.75	10.0	AA-	F1+	Not Negative
DBS London	0.70	20.0	AA-	F1+	Not Negative
Toronto Dominion Bank	0.75	20.0	AA-	F1+	Not Negative
Toronto Dominion Bank	0.80	10.0	AA-	F1+	Not Negative
		<u>90.0</u>			
<u>SHORT FIXED > 6 MONTHS</u>					
Bank of Montreal	0.79	10.0	A+	F1	Not Negative
Svenska Handelsbanken	0.80	20.0	AA-	F1+	Not Negative
Santander UK PLC	1.02	5.0	A	F1	Not Negative
United Overseas Bank	0.78	10.0	AA-	F1+	Not Negative
Bank of Nova Scotia	0.80	10.0	A+	F1	Not Negative
United Overseas Bank	0.81	10.0	AA-	F1+	Not Negative
Lancashire County Council	1.16	20.0			
Svenska Handelsbanken	0.80	10.0	AA-	F1+	Not Negative
Lloyds Bank PLC	1.05	5.0	A+	F1	Not Negative
United Overseas Bank	0.83	10.0	AA-	F1+	Not Negative
Bank of Scotland - Covered Bond	0.94	11.5		AAA Rating	
Glasgow City Council	0.97	20.0			
Glasgow City Council	0.97	10.0			
Lancashire County Council	1.00	10.0			
DBS	0.80	10.0	AA-	F1+	Not Negative
Rabobank	0.81	10.0	AA-	F1+	Not Negative
Commonwealth Bank of Australia	0.80	10.0	AA-	F1+	Not Negative
Bank of Scotland - Covered Bond	0.99	8.5		AAA Rating	
Commonwealth Bank of Australia	0.82	10.0	AA-	F1+	Not Negative
Toronto Dominion Bank	0.90	20.0	AA-	F1+	Not Negative
		<u>230.0</u>			

SHORT FIXED > 1 YEAR

Liverpool City Council	0.95	5.0
Monmouthshire County Council	0.98	3.0
		<u>8.0</u>
CCLA Property Fund		<u>25.0</u>
Mutuals & similar organisations		<u>0.8</u>
		<u>553.8</u>
less amount invested on behalf of WRWA		-8.1
<u>TOTAL INVESTMENTS</u>		<u>545.7</u>

TOTAL DEBT

Maturity Date	Rate of interest %	Balance 31.3.15 £'000	Balance 31.12.15 £'000
<u>Long-Term Debt</u>			
PWLB EIP Loans			
28/03/2025	1.69	172,018	163,417
PWLB Maturity Loans			
20/04/2015	9.75	2,652	
11/09/2015	11.5	521	
11/09/2015	11.5	326	
<i>sub-total</i>		3,499	0
<u>Total Long-Term Debt</u>		<u>175,517</u>	<u>163,417</u>
<u>Deposit Facilities for other Bodies</u>			
NESCB		1,093	888
<u>TOTAL DEBT</u>		<u>176,610</u>	<u>164,305</u>

**SECTION 3
COUNCIL HOUSING BUDGETS**

WANDSWORTH BOROUGH COUNCIL

HOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE – 20TH
JANUARY 2016

EXECUTIVE – 25TH JANUARY 2016

COUNCIL – 27TH JANUARY 2016

Joint Report by the Director of Finance and the Director of Housing and Community Services on
the Housing Revenue Account Rents and Service Charges for Council Dwellings and
Non-Residential Charges in the Housing Revenue Account

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 (HRA). Consequently, this report reviews various matters appertaining to the HRA, including Council housing rents and charges, the housing capital programme and the overall HRA budget framework for the years 2015/16 to 2018/19.

The report first recommends additions to the capital programme of £101.459 million as set out in Appendix B to this report before turning to proposals for expenditure and income. Insofar as proposals for income are concerned, the Council has a duty to review Council housing rents and, as usual, the report contains information on rent levels in Wandsworth.

Taking account of all relevant factors the Cabinet Member for Housing recommends that a minimum 1% rent decrease is applied to the social rented stock from the first Monday in April 2016, that existing affordable rents for Council-let properties also be decreased by 1% and proposes increases in non-residential charges of 2% from the first Monday in April 2016.

Finally, Appendix E shows the revised budget framework that reflects the proposals in this report and Appendix F graphically reflects the revised HRA business plan over 10 and 30 years. The framework demonstrates that the Council continues to be in a position to finance future expenditure plans and maintain the Decent Homes standard.

GLOSSARY

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

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

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 capital programme additions totalling £101.459 million as set out in Appendix B to the report be approved and that accordingly the total programme over the HRA budget framework period summarised in Appendix C to the report be adopted;
 - (b) that in anticipation of the Welfare Reform and Work Bill coming into effect before April 2016 and bearing in mind its intention to legislate for a minimum 1% rent decrease for the next four years, a 1% (or an average of £1.29 per week) decrease in applicable social rents is proposed to take effect from Monday 4th April 2016;
 - (c) that vacant properties are re-let at the maximum level permitted under the Welfare Reform and Work Bill;
 - (d) that the Council's average weekly rent (excluding service charges) continues to be set at no higher than the limit rent for the Council;
 - (e) that service charges for tenants are no longer considered to be notional but are instead calculated annually based on estimates of actual cost, taking into account the Government's intention to see transparent charges that reflect the services being provided whilst endeavouring to keep increases within the limit of Consumer Price Index + 1% to take effect from Monday 4th April 2016;
 - (f) that existing Affordable Rents are decreased by a minimum 1% in line with Welfare Reform and Work Bill from Monday 4th April 2016;
 - (g) that the Director of Finance, in conjunction with the Director of Housing and Community Services, be authorised to reduce rents of individual properties in the limited circumstances outlined in paragraph 27;
 - (h) that the Director of Housing and Community Services be authorised to serve notices upon tenants of HRA dwellings, advising that the changes in rents and service charges will be applied from Monday 4th April 2016 where applicable;
 - (i) that the non-residential charges as set out in Appendix D to the report be approved with effect from Monday 4th April 2016;

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

- (j) that the estimates shown in Appendix E to the report for the HRA for the financial years 2015/16 to 2018/19 be adopted as the HRA budget framework, subject to any variations subsequently approved by the Executive within the overriding restriction that the HRA reserves shown for 31st March 2019 should not be forecast by the Director of Finance to reduce by more than £25 million;
- (k) that the Director of Finance be authorised to prepare the statutory HRA statement for 2016/17 showing the estimates made on the basis of the foregoing proposals;
- (l) that authority be delegated to the Director of Finance, with immediate effect, to issue, in cases involving rent arrears, Notices To Quit - which have on expiry the effect of terminating a tenancy - and to instruct the Borough Solicitor and Assistant Director of Administration to obtain court orders on any lawful ground to gain possession in such cases, where appropriate (see paragraph 56); and
- (m) to note that the existing delegation to the Director of Housing and Community Services to serve Notices to Quit would be retained (see paragraph 56).

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 2016/17, but more importantly in the context of the HRA business planning process, that the Council has prepared longer-term plans for the management of its housing stock that are affordable. The requirement for monitoring, described in (b) above is delegated to the Director of Housing and Community Services. 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.

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

HRA Estimates and Business Plan – proposals for capital

6. The HRA capital expenditure estimates have been based on the current cash flows for the approved capital programme adjusted for slippage as approved in the HRA Business Plan update (Paper No. 15-315) in September 2015 and any budget variations approved since as summarised in Appendix A to this report.
7. The HRA Business Plan includes funding for assumed levels of capital spend over the next 30 years based on a stock condition survey. The stock condition survey is a statistically based estimate used to inform assumptions within the business plan on the future level of capital resources required to maintain the Council's housing stock to the Decent Homes standard. An update of the survey was undertaken in 2012, the results of which inform the current assumptions within the business plan on future levels of capital spend.
8. The updated stock condition survey identified that on average £25 million (at 2012 prices) would need to be invested in the stock each year to maintain Council owned housing stock and the wider estates at a basic decency standard. This equates to average expenditure of approximately £1,465 per property per annum for the tenanted stock or £44,000 per property over the life of the 30 year business plan.
9. The Director of Finance and the Director of Housing and Community Services propose additions totalling £101.459 million as set out in Appendix B for consideration. These additions include all foreseeable works derived from the current stock condition survey, both in terms of meeting and maintaining the Decent Homes standard over the 30 year business planning period at a total cost of £25.907 million.
10. The early delivery of the regeneration decant units are an important element in the successful delivery of the current regeneration schemes. A total of up to 148 units across all council self build schemes are programmed to be delivered by 2018/19. Significant levels of additional spend are therefore also proposed, including £58.940 million for the regeneration schemes including re-provision developments on satellite sites, £13.912 million investment in the Council's self build programme and £2.7 million for other miscellaneous bids including the continuation of the House Purchase Grant scheme which it is intended will be used flexibly to promote innovative affordable housing projects.
11. The resulting capital programme over the HRA budget framework period is shown in summary and detail in Appendix C. The additional cost to the HRA, net of amounts which should be charged to leaseholders, is estimated at £94.107 million. The total additional amount that would be chargeable to leaseholders is £7.352 million. The actual amount and timing of recharges to leaseholders as part of their annual service charge bills is subject to consultation and will depend on the incidence of spending on these major works schemes on different housing properties.

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12. On existing policies, the financing of the HRA capital programme comes from the following sources:-
- (a) A revenue charge for depreciation, as defined by regulations, continues to be put into the HRA's major repairs capital reserve and is used to fund capital works. The charge, which takes into account actual inflation levels, stock movements and depreciation on non-dwellings such as garages, is estimated to contribute £24.237 million in 2015/16 and £24.417 million in 2016/17 towards funding future capital works;
 - (b) Current government regulations allow any housing capital receipts resulting from sales other than statutory Right to Buy sales to be retained by the Council. Current projections are that usable receipts of £17.7 million will be generated in 2015/16 which includes the receipts received in the current year and the balance of unapplied capital receipts from previous years. The business plan assumes an ongoing level of receipts from the disposal of minor sites at around £1 million per year reducing as the scope for continuing to identify such disposal opportunities declines;
 - (c) Capital receipts from Right to Buy sales are covered by a voluntary agreement between the Council and the Department for Communities and Local Government whereby retained receipts from Right to Buy sales over an assumed level must be utilised to fund no more than 30% of the development cost of re-provision of affordable housing within three years of receiving those receipts. The business plan assumes therefore that 30% of the Right to Buy re-provision expenditure (£26.972 million) is funded from Right to Buy one-for-one retained receipts with the balance (£62.931 million) funded by short term borrowing as per the agreement. As at the end of September 2015 the Council had retained £19 million of receipts requiring a total investment in affordable housing of £63 million by September 2018. In addition to the short term borrowing identified above the business plan assumes estimated borrowing of £105 million over the next 10 years to finance the cost of the capital programme (including the Winstanley/York Road and Alton regeneration schemes), without which the business plan would become unviable. The revenue reserve would need to fund the annual cost of borrowing being both the interest charges and the repayment of the principal sum borrowed;
 - (d) As approved in the September HRA Business Plan update (Paper No. 15-315) the Council has the option of funding the social and affordable housing elements of the two regeneration schemes from section 106 affordable housing contributions, grant funding or additional Right to Buy one-for-one replacement receipts insofar as they are available. The current business plan assumes that £45 million of the regeneration re-provision cost is met from these sources;
 - (e) Where capital expenditure is incurred in relation to properties previously sold on long leases the costs are chargeable to the leaseholder as part of the annual service charge bill. The estimated level of leaseholder contributions is £4.650 million in 2015/16 and £5.513 million in 2016/17; and

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- (f) The HRA's capital and revenue reserves, which totalled £266.026 million at the beginning of 2015/16, insofar as these remain available.

HRA Estimates and Business Plan – proposals for revenue expenditure

Management and maintenance expenditure

13. The updated business plan allows for inflation in 2016/17 of 1% on salaries plus an additional adjustment for changes in National Insurance costs and -0.1% on general running costs in line with the Consumer Price Index for September 2015 except where those costs are linked to specific contracts. The budgeted level for management and maintenance costs in 2016/17 is £2,831 per dwelling after adjusting for leasehold and tenants' service charges. This average management and maintenance cost for 2016/17 includes all budget variations approved by the Executive in this year to date and any other budget variations proposed this cycle.
14. Going forward, expenditure at broadly these levels have been anticipated in the HRA business plan, although this element of spend must be kept under constant review to ensure the long-run viability of the business plan. An increase in expenditure of £100,000 per annum from 2016/17 would reduce the estimated overall reserves after 30 years by £5 million when taking into account the future loss of interest on this additional expenditure. This shows the significant impact relatively small annual expenditure adjustments has on the overall position.
15. One of the corrective actions to ensure the 30 year HRA business plan reported in Paper No. 15-315 would not go into financial deficit was to assume an annual efficiency target of £2.34 million to be delivered by 2018/19. The Director of Housing and Community Services has identified areas of efficiencies that are achievable without having a significant detrimental impact on service delivery which have been incorporated into the HRA framework.

Servicing of debt

16. 2012/13 saw an end to the unpopular HRA subsidy system which saw a quarter of all Wandsworth rents pass to other local authorities. The subsidy system was replaced with self-financing. Self-financing required the Council to take on a significant sum of debt as the necessary price of "buying out" of the HRA subsidy system and in lieu of all future negative subsidy payments. The final settlement figure for Wandsworth required a one off buyout cash payment to the government of £434 million. This was initially funded by borrowing from the government's Public Works Loan Board (£224 million to be fully repaid over 13 years) and using £210 million of Council reserves (referred to as "internal borrowing").
17. As approved in Paper No. 15-315, and in response to the amended financial outlook for the HRA business plan, the borrowing term of the internal borrowing element of the outstanding debt has been extended by an additional 7 years and will now therefore be repaid in 2031/32.

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18. Based on the interest rates borrowed at this, together with the ongoing servicing of the existing debt in the HRA and the financing of new borrowing for the Right to Buy re-provision, it is estimated to cost the HRA £5.865 million in interest and require principal repayments totalling £50.486 million during 2016/17. This has been incorporated within the business plan.

HRA Estimates and Business Plan – proposals for revenue income

19. The average Council social dwelling rent in Wandsworth is currently £127.84 per week. In addition average service charges of £7.15 per week are charged to tenants, creating a total average 'rent envelope' of £134.99 all of which is eligible for housing benefit. There are significant variations in actual rents around this average ranging from £46.69 to £382.62 per week.
20. The Rent Officer currently sets, for Housing Benefit purposes, Local Housing Allowance (LHA) rates to set the level of benefit payments made to tenants in the private rented sector. As a comparison, in Wandsworth the LHA rates currently range from £209.77 for a one bedroom property to £417.02 for 4 bedrooms or more depending on where the property is situated. Wandsworth's own rents are significantly below market rate and on average are currently around 39% of rents being charged for equivalent properties available on the private rental market.
21. Paper No. 14-577 approved changes to the Council's current rent setting policy for its social housing stock. That paper recommended:-
- a) that the current policy of setting rents in line with market values be continued;
 - b) that where the actual rent for a property is under the target rent for that property that the rent is transitioned towards the target rent at a rate of the higher of 5% of the difference or £10 per week unless other transition parameters are determined as part of the annual rent setting process;
 - c) that the Council's average weekly rent (excluding service charges) be set at no higher than the limit rent for the Council;
 - d) that the average rent increase for inflation is set at no more than the Consumer Price Index + 1% in each of the next 10 years;
 - e) that the market values used in the calculation of target rents be anchored at the 2015 valuation exercise levels to remove fluctuations due to relative market value changes;
 - f) that rents above £225 per week are frozen at their current levels and that no inflationary increases are applied until such time as the total welfare benefit cap is increased; and
 - g) that tenants' service charges continue to be calculated on an estimated basis and that all unpooled service charges are treated as a notional element of the rent charge for a property from April 2015.

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

Welfare Reform and Work Bill

22. Paper No. 15-315 set out a revised financial outlook for the HRA based upon the estimated impact of the proposed changes brought forward as part of the Government's summer budget.
23. The key change in relation to rent setting is that the Welfare Reform and Work Bill (currently progressing through the parliamentary process) now includes a requirement that all social housing registered providers must reduce social housing rents by a minimum of 1% each year over the next four years. Once the Bill has been enacted, this rent reduction will be mandatory whereas the Government's previous directions to stock holding councils on rent setting have all been based on guidance. As a minimum 1% rent reduction must be passed to every existing tenant, elements of the Council's current rent setting policy approved in Paper No. 14-577 can no longer be implemented, certainly for the next four years, as the policy (in particular paragraph 21(b) above) conflicts with this Government direction.
24. Schedule 2 of the Bill states that the maximum rent payable by the tenant should be no more than would be payable if the tenant were paying rent at the higher of either the 'Social Rent Rate' and the 'Assumed Rent Rate' for that relevant year. The assumed rent rate is based on the existing level of rent charge whereas the social rent rate is based upon a calculation known as the 'Formula Rent' for that unit of social housing. The concept of formula rents was first introduced as part of the Government's Rent Restructuring policy in 2001 but has been largely rejected by this Council as the span of rent charges calculated under the formula did not fairly reflect the level of charges considered suitable for the mix of property sizes and locations in the Council's social housing portfolio.
25. The basis for the calculation of formula rent is very different to the Council's existing methodology as 30% of a property's rent is based on relative property values (based on 1999 values) and 70% on relative local earnings. A bedroom factor and maximum rent caps are also applied so that, all other things being equal, smaller properties have lower rents. In contrast, the Council's current rent setting policy is based around charging rents which are determined solely by relative market values (with some mitigating reductions for those properties where rents are deemed to be "high" under this calculation).
26. Under the Bill, as each property becomes vacant the Council will no longer be able to relet at the target rent based on the existing rent policy but will have to set a rent based on the existing rent or formula rent for each property whichever is the higher. As there are estimated to be around 800-900 properties becoming vacant in any one year and the rent level that those properties are relet at will be totally dependent on those that actually become vacant, it is not possible to estimate the financial impact of this change in policy. However, the assumption in the business plan is that actual rent income reduces by 1% in 2016/17 and for the three subsequent years thereafter.

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27. Rent levels will generally be subject to a 1% decrease except where necessary to achieve a transfer that substantially reduces under-occupation of a larger property or where there would be different rents for almost identical properties in the same location as a result of changes in previous valuations and the rate at which the rents of such properties moved towards the valuation rent. It is proposed that in such limited, and any other exceptional, circumstances the Director of Finance, in conjunction with the Director of Housing and Community Services, continues to be authorised to harmonise rents at the lower level.

Limit rent

28. The Secretary of State sets annually a "limit rent" for each authority and will reimburse the Council for the cost of paying out housing benefit to its tenants only up to that limit. Wandsworth's limit rent for 2015/16 is £128.34 per week. The Department for Work and Pensions has yet to set the 2016/17 limit rent for each individual authority however, assuming the 1% reduction in social rents is reflected in the limit rent calculation, it is anticipated that the 2015/16 figure for Wandsworth will be reduced by 1% to £127.06 per week. Based on the current rent modelling it is estimated the Council's average weekly rent for 2016/17 will be £126.55 per week so below the anticipated limit rent threshold.
29. The Council's revised rent setting policy (paragraph 21(c) above) made a commitment to keep the Council's actual average weekly rent below this limit rent, demonstrating the Council's commitment to setting fair rents which are intended to be affordable to those households on lower incomes. This will require careful monitoring of the rents properties are relet at to ensure that any increase in individual rents to formula rent levels doesn't inadvertently push the Council's actual weekly rent above the limit rent threshold. If this happens, the cost of housing benefit paid to Council tenants above this limit rent will fall to the Council's HRA unless rents are reduced to ensure this is avoided.

The total welfare benefit cap

30. 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 charge to be affordable it is considered that such costs should be no more than 45% of the benefit cap. Accordingly, the Council's current rent policy restricts those rents above £225 per week (as detailed in paragraph 21(f) above). The Council currently has 221 properties charged weekly rent and service charges higher than this.
31. The Government proposes to reduce the benefit cap further to £23,000 per annum (likely to come into effect some time in 2016) with 45% of this equating to £199 per week. The Council's current Discretionary Housing Payments (DHP) policy automatically awards DHP to those tenants affected by the benefit cap where rent is in excess of 45% of weekly total capped benefit income of £225 per week. A reduction in the benefit cap would therefore likely necessitate a revision of the existing DHP policy. The Council currently has 1058 properties charged weekly rent and service charges higher than £199 per week.

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32. It is therefore proposed, for those properties becoming vacant with current rents higher than this level, to continue to charge rent at this current rate. The Council will then use its ability to recycle HRA funding into DHP to protect those on benefits whilst those that have the ability to pay continue to pay. 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 there is a risk that rent arrears may increase significantly as a result.

Tenants' service charges

33. In addition to rent, some tenants currently pay a service charge. Whilst rent generally covers charges associated with the occupation of a dwelling, such as maintenance and general housing management, service charges usually reflect additional services connected to the upkeep of communal facilities rather than particular occupation of a dwelling. Tenants therefore receive different types of service – paid for via tenants' service charges – depending on the property in which they live.
34. Individual service charges for tenants were first introduced in 2004/05 as part of the then Government's rent restructuring 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 which reflects an estimate of actual cost. All of the service charges unpooled to date are eligible for housing benefit on the same basis as rents and the current average weekly charges for those that receive the services are shown in the table below. It is worth noting that the highest individual service charge currently charged to a property is £45.45 per week.

Service Charge	No. of Properties Charged	Average Charge (Per Week)	Lowest Weekly Charge	Highest Weekly Charge
Garden Maintenance	14,667	£0.61	£0.02	£4.07
Estate Cleaning	13,858	£2.25	£0.12	£10.98
Communal Electricity*	13,627	£1.06	£0.01	£10.88
Block Cleaning	13,039	£2.02	£0.04	£8.41
Paladins	12,749	£0.32	£0.10	£1.08
Entrycall	11,309	£0.62	£0.04	£10.57
Aerials	7,887	£0.13	£0.01	£2.48
Sheltered Wardens	1,077	£25.40	flat charge of £25.40	
Overall Stock	15,310	£7.87	£0.05	£45.45

35. For historic reasons, and unique to Wandsworth, the service charges are currently deemed to be a notional element of rent. When applying rent increases, the Council increases the rent 'envelope' (total of rent charge and service charges) by the annual uplift, recalculates the individual service charges (based on an estimate of costs) and separates these to be left with a rent element and a service charge element. Effectively this applies the same annual uplift to the tenants' service charges as to the rent, regardless of actual service charge cost increases. Currently £6.3 million (5.3%) of the total rent envelope is deemed to be income from tenants' service charges.

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36. In view of its commitment to keep average rents below the limit rent, and as rents must now reduce by 1%, the Council can no longer risk that a reduction in the cost of the tenants' service charge would automatically lead to an increase in rents as under the existing method a reduction in service charges would result in a compensating increase in rents which would be unlawful. It is therefore recommended that service charges are no longer treated as a notional charge (current policy paragraph 21(g) above) but are in future calculated on an estimate of actual cost basis. This change will bring the Council in line with all other local authorities and housing associations.
37. 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.
38. The Government's 2003 Guide to Social Rent Reforms in the Local Authority Sector which first introduced the concept of unpooling tenants' service charges and the 2014 Guidance on Rents for Social Housing state that authorities are expected to set reasonable and transparent service charges which reflect the service being provided to tenants. The guidance reiterates that service charges are not governed by the same factors as rent, however authorities should endeavour to keep increases for service charges within the previous limit on rent changes, of (Consumer Price Index) CPI + 1%, to help keep charges affordable. The only exception to this expectation is where the service charge is based upon the volatile energy markets or where new or extended services are introduced, where an additional charge above CPI + 1% may need to be made to ensure service costs are recovered.
39. To keep service charges affordable it is therefore proposed that all service charges, with the exception of Communal Electricity (denoted with an * in the table above at paragraph 34), will be capped to a maximum increase of CPI + 1%. For 2016/17 this equates to a maximum increase of 0.9%. The only exception is Communal Electricity charges which will be based on actual costs with no capping applied. Tenants will continue to receive charges only for the particular services they receive which will be fully covered by HB where tenants are eligible. Officers will carefully monitor the impact of charging actual rather than notional service charges to avoid where possible wide fluctuations in charges whilst ensuring any resulting efficiencies are passed on to tenants as quickly as possible.

Impact of welfare reform on housing benefit claimants

40. Prior to 2013, any increase in rents for those tenants on Housing Benefit (HB) was fully covered by a corresponding increase in HB. This enabled the Council's rent policy to be implemented without hitting those on benefits who were deemed unable to pay. However, since the coalition government's welfare reforms introduced Universal Credit, maximum benefit caps and benefit reductions for those Council tenants deemed to be under occupying, this is no longer the case. There are currently 977 Council tenants affected who have had their housing benefit reduced as a result of under occupation, of which 64 are currently receiving

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a Discretionary Housing Payment (DHP) to top up their benefit. The total welfare benefit cap affects 74 Council tenants, of which 9 are receiving a DHP to help cover their rent charge.

Affordable rents

41. There are currently 57 Council properties let on affordable rent terms. This includes properties that have been developed as part of GLA Affordable Housing Programme, those associated conversions from social rent to support development costs and those that have been acquired using Right to Buy 1-4-1 replacement receipts both in and out of borough.
42. Guidance on affordable rents was set out in the Government's revised guidance on social housing rent setting published in May 2014. Affordable rents are intended to provide income to in particular support new development with the ability to set such rents at up to 80% of market rents. Whilst the guidance does not set maximum rents authorities should have regard to the local market context, including the relevant Local Housing Allowance for the Broad Rental Market Area in which the property is located, when setting affordable rents. Affordable rent levels are inclusive of service charges.
43. New properties and relets being let at affordable rent levels can be set at up to 80% of the prevailing market rent of similar properties identified in the area and this may be appropriate depending on the profile of applicant/household to which the property is being let. In setting rents due regard will be given to the guideline affordable rents set out in the Affordable Housing Update Report (Paper No. 15-199), the overall position of the HRA business plan and the need now to maximise rental income to ensure that the additional revenue continues to support the Council's development programme.
44. As affordable rent properties are a form of social housing for existing properties let at Affordable Rent levels it is now required that current levels should also be decreased by a minimum of 1% in line with Welfare Reform and Work Bill from the first Monday in April 2016 which is recommended for approval.

HRA NON-RESIDENTIAL CHARGES

45. The current policy on the setting of non-residential charges for garages, parking lots and storerooms was approved by the Executive on 1st July 2002 (Paper 02-594), with charging criteria established with the aim of ensuring charges reflect relative quality and desirability of sites and are sensitive and responsive to market demand. In the absence of any evidence of general falling demand for sites, it is proposed that charges for all garages be increased by an average 2%, in line with the Council's current charging policy, with effect from the first Monday in April 2016. The current and proposed new weekly net rent price banding for garages are shown in [Appendix D, Table 1](#). Some garages have a supply of running water and/or drainage connected to the mains sewers, for which a charge, currently £0.47 per week, is made. This will be revised in accordance with increases as advised by Thames Water which are yet to be confirmed.

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46. Charges for storeheds 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 2%. 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 2016.
47. 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 2016, these prices also be increased by an average 2%, as set out in Appendix D, Table 3.
48. The total estimated increase in budgeted income arising from the proposed non-residential charges is £49,000 in 2016/17 and subsequent years and has been incorporated in the HRA budget framework presented as part of this report for approval.

HRA BUDGET FRAMEWORK

49. The HRA business plan and budget framework reported to this committee and the Executive in September 2015 (Paper No. 15-315) has been adjusted to take account of the recommendations in this report, including the additions to the capital programme, the recommendations on rents and service charges, the increase in non-residential charges together with any other budget variations being recommended for approval this cycle. Appendix E to this report sets out a HRA budget framework that reflects the proposals in this report covering the period to 31st March 2019, before which time predicted HRA reserves must not be reduced by more than £25 million from the presently predicted £263.022 million.
50. The September HRA business plan update showed a projected £762 million of reserves at the end of the 30 year period (at outturn prices). The forecast position, now updated, shows an estimated reserve balance of £727 million, a reduction of £35 million over the 30 year period.
51. The HRA business plan graphs provide an overview of HRA trends for the coming years and the latest forecast of reserves is shown at Appendix F. The plan currently assumes 1% rent reductions in line with the Government requirements up until 2019/20 and annual rent increases in line with previous guidance thereafter. It also takes into account the latest estimates of revenue spend and capital expenditure in line with the stock condition survey but assumes that all self financing existing debt is repaid by 2031/32.
52. Significant levels of future surpluses are still forecast by the end of the 30 year business planning period which begins to materialise after the self-financing settlement Public Works Loan Board debt has been fully repaid in 2024/25. These 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

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account" in the settlement; quite what circumstances this could cover is not certain. There is therefore a risk of over-reliance on future potential headroom which could throw the HRA business plan out of balance and necessitate additional borrowing, higher rents (if permissible) or reduced service provision in future years.

53. The Director of Finance and the Director of Housing and Community Services 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

54. The Cabinet Member for Housing has been consulted and, taking all matters into account, considers a rent decrease of a minimum 1% or an average £1.29 per week, in line with the latest legislation, to be appropriate. The Cabinet Member also considers that similar decreases for affordable rents both in and out of the borough and the proposal to no longer treat tenant service charges as notional are also appropriate. Finally, the Cabinet Member considers that the increases in non-residential charges as set out in Appendix D to this report are appropriate. These increases will be effective from the first Monday in April 2016.
55. The Cabinet Member for Housing proposes that the Council should be recommended to adopt the revised HRA budget framework as detailed in Appendix E and the HRA business plan shown graphically in Appendix F to this report.

SCHEME OF DELEGATIONS

56. The Director of Finance currently has delegated authority (Item 3.1) – "To serve notices of seeking possession and, with the agreement of the Director of Housing and Community Services, to instruct the Borough Solicitor and Assistant Director of Administration to obtain and arrange implementation of court orders under the Housing Act 1980, as amended, to gain possession of Council dwellings in rent arrears cases. (Housing Policy Committee, 31st May 1984 and Policy and Finance Committee, 28th September 1994)". Following a review of the delegated authorities relating to rent collection and in order to improve efficiency it is proposed that the Director of Finance is given additional authority, with immediate effect, to issue, in cases involving rent arrears, a Notice To Quit which has on expiry the effect of terminating a Council tenancy. This is in line with the serving of other notices issued by the Finance Department's Rent Collection Service and will mainly apply to Council dwellings used as temporary accommodation and non residential tenancies, e.g. garages. It is also proposed that the Director of Finance is given authority to instruct the Borough Solicitor and Assistant Director of Administration to obtain court orders for possession in such cases, where appropriate. The existing delegation to the Director of Housing and Community Services to serve Notices to Quit would be retained but in future only in respect of cases not involving rent arrears.

CONCLUSION

57. Taking into account the previously approved HRA Business Plan Update (Paper No. 15-315) it is now recommended that a minimum 1% decrease be applied to the Council's social and affordable rents with effect from the first Monday in April 2016 in line with the Welfare Reform and Work Bill. It is further recommended that tenants' service charges are no longer treated as a notional element of the rent but are instead calculated based on actual costs with caps applied to all but those linked to energy with effect from the first Monday in April 2016. It is also recommended that non-residential charges are increased by, on average 2%, also with effect from the first Monday in April 2016.
58. Significant levels of future surpluses are forecast by the end of the HRA business plan, however these need to continue to be viewed with caution as they are in no way guaranteed. The business plan is based on a raft of assumptions on future spend and income levels which if varied can have a significant effect on available resources. In addition, the self-financing settlement could be re-opened at some point in the future. There is therefore a risk of over-reliance on future potential headroom which could throw the HRA business plan out of balance.
59. The graphical representation of balances in Appendix F shows that whilst the HRA is projected to be in significant surplus at the end of the 30 year planning period in the short to medium term the position remains much more finely balanced. As a result, any demand for additional expenditure or reduction in assumed income levels will need to continue to be mitigated elsewhere within the HRA business plan to maintain viability.

CHRIS BUSS
Director of Finance

BRIAN REILLY
Director of Housing and Community
Services

The Town Hall
Wandsworth
SW18 2PU

12th January 2016

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

Background Papers

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

1. The Council's budget book publication 2015/16
2. A Guide to Social Rent Reforms in the Local Authority Sector 2003
3. The Government's Guidance on Rents for Social Housing 2014

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

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APPENDIX A

Housing Revenue Account - Approved Capital Programme

	<u>2015/16</u> <u>£ '000</u>	<u>2016/17</u> <u>£ '000</u>	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>
MAJOR REFURBISHMENT OF ESTATES	10,398	12,067	12,250	2,409
RE-LIFTING	1,465	1,449	1,378	-
RE-WIRING	516	1,980	943	5
HEATING IMPROVEMENTS	2,581	2,704	72	-
HEATING REPAIRS	832	3,770	86	-
SPECIAL REPAIRS	1,264	671	-	-
SHELTERED HOUSING	624	681	654	-
ADAPTATIONS FOR DISABLED	1,550	1,550	-	-
ENTRYCALL	153	120	248	-
TOTAL REPAIRS AND IMPROVEMENTS	19,383	24,992	15,631	2,414
ENVIRONMENTAL & ESTATE IMPROVEMENTS	501	2,100	-	-
HIDDEN HOMES & SITE DEVELOPMENTS	2,147	8,955	3,379	275
REGENERATION PROJECTS	23,270	18,191	3,020	2,000
TOTAL ENVIRONMENTAL, NEW BUILD & REGENERATION	25,918	29,246	6,399	2,275
HOUSE PURCHASE GRANTS	3,516	2,500	-	-
PURCHASE OF PROPERTIES	14,602	10,100	-	-
PURCHASE OF VEHICLES	55	-	-	-
TOTAL HOUSING REVENUE ACCOUNT	63,474	66,838	22,030	4,689

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

APPENDIX B

Housing Revenue Account - Proposed Additions to the Capital Programme

	<u>2015/16</u> £ '000	<u>2016/17</u> £ '000	<u>2017/18</u> £ '000	<u>2018/19</u> £ '000	<u>2019/20</u> £ '000
MAJOR REFURBISHMENT OF ESTATES					
Alton Estate (Roehampton)					
E Blocks					
Brockbridge House, Egbury House, Finchdean House, Holmsley House, Hurstbourne House, Lyndhurst House, Overton House, Redenham House, Wheatley House, Woodcott House					
Window renewals	-	-	244	912	60
Ashburton South Estate (West Putney)					
Cortis Road 6-20, 22-88, 90-184, 186-244, 246-274, 280-308 Pullman Gardens 13-27					
Phase 3 Roof renewals	-	-	56	852	19
Clarence Lane (Roehampton)					
Clarence Lane 201-235, 237-267, 301-329, 331-365, 367-397, 399-433, 435-463					
Roof renewals	-	-	500	222	-
Colson Way (Furzedown)					
Aldrington Road 57-79 odd					
Roof renewal	-	-	80	7	-
Ethelburga Estate (St Mary's Park)					
Community Clubroom					
Roof and window renewal	-	-	216	20	-
Henty Close, Heron House, Parkgate Road 20-38, Searles Close 1-42, Searles Close 43 -60 Worfield Street 40-56 Even					
Phase 2 Roof renewals	-	-	183	1,166	56
Latchmere Estate (Latchmere)					
Freedom Street, Reform Street					
Phase 2 Window renewals	-	-	258	1,272	457
Longstaff Estate (East Putney)					
Hooper House, Woodhams House					
Roof Renewals	-	-	300	149	-
Patmore Estate (Queenstown)					
Bradley House, Crampton House, Cudworth House, Kirtley House, Mansell House, Marsh House Martly House, Mills House					
Phase 2 Roof renewals	-	-	190	1,984	64
Putney Vale Estate (Roehampton)					
Frensham Drive 14-44, 62-108, 110-128, 130-176 13-47, 53-99, 101-123, 125-151, 153-179, 181-211, 213-259 Stroud Crescent 2-32, 34-80, 82-128, 130-176, 178-204, 206-244					
Partial brick removal and replacement	-	-	36	653	36
Shoreham Close (Fairfield)					
Shoreham Close 1-12, 13&14, 15-18, 19&20, 21-24, 25-30					
Roof Renewals	-	-	244	150	-
Kitchens and Bathrooms (Boroughwide)					
Phase 8 Latchmere Estate, Ranelagh Estate, Putney Vale Estate					
	-	-	864	2,458	-
External decorations conversions to window renewals	-	1,000	-	-	-
TOTAL MAJOR REFURBISHMENT OF ESTATES	-	1,000	3,171	9,845	692

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

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
RELIFTING					
Colson Way (Furzedown)					
Chambers House, Fordyce House, Langton House					
Percy House, Walmsley House, Oldfield House (infill)	-	-	99	475	-
Doddington East (Queenstown)					
Connor Court, Park Court, Turpin House	-	-	83	540	-
Surrey Lane (St Mary's Park)					
Compton House, Cranmer House, Gardiner House					
Macey House, Musgrave Court, Whitgift House	-	-	102	1,265	-
Wilditch Estate (Latchmere)					
Weybridge Point	-	-	33	170	-
TOTAL RELIFTING	<u>-</u>	<u>-</u>	<u>317</u>	<u>2,450</u>	<u>-</u>
REWIRING					
Individual Rewires	-	-	234	-	-
Ashburton Chartfield (East Putney)					
All tenanted units					
Individual rewires	-	-	88	132	-
Boroughwide					
Allenswood, Ambleside, Ericcson Close, Fernwood,					
Jenkins House, Marmion House, Selbourne,					
Tildesley Road 2-100, Tildesley Road 102-164,					
Upper Richmond Road 125					
Lightning protection systems	-	-	50	76	-
TOTAL REWIRING	<u>-</u>	<u>-</u>	<u>372</u>	<u>208</u>	<u>-</u>
HEATING IMPROVEMENTS					
Individual installations	-	-	351	-	-
Central Area (Wandsworth, Balham & Tooting)					
Replacement of obsolete boilers	-	-	2,139	66	-
Patmore Estate (Queenstown)					
Replacement of obsolete boilers	-	-	1,046	32	-
TOTAL HEATING IMPROVEMENTS	<u>-</u>	<u>-</u>	<u>3,536</u>	<u>98</u>	<u>-</u>

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

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>HEATING REPAIRS</u>					
Doddington Estate (Queenstown)					
Arthur Court, Bolton Court, Connor Court, Cromwell House, Falkener Court, Kennard House, Landseer House, Lucas Court Palmerston House, Park Court, Russell Court, St George House Turpin House, Voltaire Court, Youngs Court Communal extract fan replacement	-	-	442	10	-
Hepplestone Close (West Putney)					
Hepplestone Close 1-14, 20-25, 27-32 Replacement of existing communal pipework	-	-	266	6	-
Stockhurst Close (Thamesfield)					
Stockhurst Close 1-39 Replacement of communal heating system	-	-	302	7	-
Surrey Lane Estate (St Mary's Park)					
Compton House, Cranmer House, Gardiner House Macey House, Whitgift House Cold water booster replacement	-	-	152	3	-
TOTAL HEATING REPAIRS	-	-	<u>1,162</u>	<u>26</u>	-
<u>SPECIAL REPAIRS</u>					
Extensions / Conversions future schemes	-	300	-	-	-
Provision for future years	-	-	300	-	-
Acquired Properties					
Roofs, decorations, damp proofing	-	-	350	-	-
Asbestos Removal					
	-	-	50	-	-
TOTAL SPECIAL REPAIRS	-	<u>300</u>	<u>700</u>	-	-
<u>SHELTERED HOUSING</u>					
Hepplestone Close (West Putney)					
Hepplestone Close 1-14, 20-25, 27-32 Roof renewals and photovoltaic panels	-	-	280	48	-
TOTAL SHELTERED HOUSING	-	-	<u>280</u>	<u>48</u>	-
<u>ADAPTATIONS FOR THE DISABLED</u>					
Conversion of vacant properties	-	-	850	-	-
Future years provision	-	-	700	-	-
TOTAL ADAPTATIONS FOR THE DISABLED	-	-	<u>1,550</u>	-	-

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

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>ENTRYCALL</u>					
Ackroydon East (West Hill) Ashstead Court, Montford Place 1-27, 28-62 Princes Way New Door Entry System	-	-	27	47	-
Ashburton South (West Putney) Innes Gardens 1-156 Replacement of Door Entry System	-	-	25	53	-
TOTAL ENTRYCALL	<u>-</u>	<u>-</u>	<u>52</u>	<u>100</u>	<u>-</u>
<u>ENVIRONMENTAL & ESTATE IMPROVEMENTS</u>					
Future Playground Refurbishment	-	-	100	-	-
TOTAL ENVIRONMENTAL & ESTATE IMPROVEMENTS	<u>-</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>-</u>
<u>HIDDEN HOMES & SITE DEVELOPMENTS</u>					
Thessaly, Deeley & Tidbury (Queenstown) Site Development	-	2,600	2,400	-	-
Arnal Crescent/Bell Drive (West Hill) Site Development	16	466	25	-	-
Rayners Drive/Carlton Drive (East Putney) Site Development	10	232	13	-	-
Stag House (Roehampton) Site Development	137	1,496	5,006	1,411	-
Feasibility Studies	-	100	-	-	-
TOTAL HIDDEN HOMES & SITE DEVELOPMENTS	<u>163</u>	<u>4,894</u>	<u>7,444</u>	<u>1,411</u>	<u>-</u>
<u>REGENERATION PROJECTS</u>					
Tynham Close (Shaftesbury) Winstanley / York Road Satellite Site Development	79	396	3,698	1,817	-
Gideon Road (Shaftesbury) Winstanley / York Road Satellite Site Development	114	570	5,394	2,650	-
Lavender Hill (Shaftesbury) Winstanley / York Road Satellite Site Development	27	135	1,283	631	-
Hope Street (Latchmere) Winstanley / York Road Satellite Site Development	617	4,799	19,388	4,521	-
Dilton Gardens (Roehampton) Alton / Roehampton Satellite Site Development	-	2,000	2,500	-	-
York Road (Latchmere) Penge House & Inkster House Refurbishment	-	4,298	2,865	619	-
York Road (Latchmere) Lavender Hill Office Conversion	-	55	6	-	-
Regeneration Project Costs	229	249	-	-	-
TOTAL REGENERATION PROJECTS	<u>1,066</u>	<u>12,502</u>	<u>35,134</u>	<u>10,238</u>	<u>-</u>
HOUSE PURCHASE GRANTS	-	-	2,500	-	-
PURCHASE OF PROPERTIES	-	-	100	-	-
TOTAL ADDITIONS	<u>1,229</u>	<u>18,696</u>	<u>56,418</u>	<u>24,424</u>	<u>692</u>

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

APPENDIX C

Housing Revenue Account - Revised Capital Programme

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
MAJOR REFURBISHMENT OF ESTATES	10,398	13,067	15,421	12,254	692
RE-LIFTING	1,465	1,449	1,695	2,450	-
RE-WIRING	516	1,980	1,315	213	-
HEATING IMPROVEMENTS	2,581	2,704	3,608	98	-
HEATING REPAIRS	832	3,770	1,248	26	-
SPECIAL REPAIRS	1,264	971	700	-	-
SHELTERED HOUSING	624	681	934	48	-
ADAPTATIONS FOR DISABLED	1,550	1,550	1,550	-	-
ENTRYCALL	153	120	300	100	-
TOTAL REPAIRS AND IMPROVEMENTS	19,383	26,292	26,771	15,189	692
ENVIRONMENTAL & ESTATE IMPROVEMENTS	501	2,100	100	-	-
HIDDEN HOMES & SITE DEVELOPMENTS	2,310	13,849	10,823	1,686	-
REGENERATION PROJECTS	24,336	30,693	38,154	12,238	-
TOTAL ENVIRONMENTAL, NEW BUILD & REGENERATION	27,147	46,642	49,077	13,924	-
HOUSE PURCHASE GRANTS	3,516	2,500	2,500	-	-
PURCHASE OF PROPERTIES	14,602	10,100	100	-	-
PURCHASE OF VEHICLES	55	-	-	-	-
TOTAL HOUSING REVENUE ACCOUNT	64,703	85,534	78,448	29,113	692

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

	<u>2015/16</u> <u>£ '000</u>	<u>2016/17</u> <u>£ '000</u>	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>
<u>MAJOR REFURBISHMENT OF ESTATES</u>					
Aboyne Estate (Earlsfield)					
Window renewal (conversion from decs)	33	-	-	-	-
Aldrington South Estate (Furzedown)					
Grierson House, Shenstone House, Tyers House Roof renewal	69	-	-	-	-
Althorpe Grove Estate (St Mary Park)					
Sunbury Lane, Battersea Church Rd, Granfield St Window Renewals	-	120	6	-	-
Alton Estate (Roehampton)					
D Blocks D1-5 & 36 Ibsley Gardens 81-103, 105-127, 110-148 Alton Road 28-58, Fontley Way 1-20, 21-25 Window renewal	22	-	-	-	-
E Blocks					
Allenford House, Bramley House, Penwood House, Shalden House and Tatchbury House Phase 1 Roof renewal and part window renewal	10	1,190	63	-	-
Brockbridge House, Egbury House, Finchdean House, Holmsley House, Hurstbourne House, Lyndhurst House, Overton House, Redenham House, Wheatley House, Woodcott House Window renewals	-	-	244	912	60
Danebury Avenue 245-255 Odd Roof renewal (Sheltered)	1	-	-	-	-
Chilcombe House, Crondall House, Farnborough House, Kimpton House, Rushmere House Phase 2 Window Renewals	-	50	800	354	-
Antrim House (Shaftesbury)					
Window renewal	108	-	-	-	-
Esher Gardens 1-16, 17-46, 47a, 47-75, 76-105 Phase 3 Renewal of pitched roof covering	443	140	-	-	-
Arndale Estate (Southfields) Eliot & Wentworth Court Renewal of suspended ceilings to communal areas	-	30	80	10	-
Ashburton South Estate (West Putney)					
Cortis Road, Cortis Terrace, Boyd Court, Westleigh Avenue 63-125o, 135-165o Tildesley Road 89-201 Odd Phase 1 Window renewals	20	-	-	-	-
Carlslake Road 1-99, 109-167, 169-177, 2-80, 82-110 Innes Gardens 1-22, 117-156, 23-52, 53-64, 65-94, 95-116 Phase 2 Window renewals	30	-	-	-	-
Hayward Gardens Pullman Gardens Phase 3 Window renewal	2,356	65	-	-	-
Tildesley Road All blocks window renewal excluding 89-201 All blocks roof renewal excluding 102-164, 2-100 Phase 4 Window & roof renewal	50	200	1,804	1,344	-
Tildesley Road 2-100 Roof renewals	7	-	-	-	-
Carlslake Rd 109-167o, 1-99, 2-80 Phase 1 Roof renewal	70	572	16	-	-
Innes Gardens 1-22, 23-52, 53-64, 65-94, 95-116, 117-156 Phase 2 Roof renewals	-	60	761	22	-

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

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Cortis Road 6-20, 22-88, 90-184, 186-244, 246-274, 280-308 Pullman Gardens 13-27 Phase 3 Roof renewals	-	-	56	852	19
Ashburton Chartfield Estate (East Putney) Whole estate, excluding 34 Westleigh Avenue, 29a Mildmay House & 1a Mullens House Window renewal	19	-	-	-	-
Badric Court (St Mary's Park) Roof renewal	15	-	-	-	-
Burmester House (Earlsfield) Window renewal (conversion from decs)	145	3	-	-	-
Carnie Lodge (Bedford) Refurbishment	-	200	257	10	-
Clarence Lane (Roehampton) Clarence Lane 201-235, 237-267, 301-329, 331-365, 367-397, 399-433, 435-463 Roof renewals	-	-	500	222	-
Colson Way (Furzedown) Aldrington Road 57-79 odd Roof renewal	-	-	80	7	-
Convent Estate (Fairfield) Co-op Window renewals	139	400	1,033	-	-
Cornford Grove 45-89 (Bedford) Roof renewal	64	103	-	-	-
Doddington West Estate (Queenstown) Battersea Park Road 259 Refurbishment of short term lets	334	-	-	-	-
Battersea Park Road 287, 291-299 Roof Renewal	-	16	118	-	-
Eastwood Estate (West Putney) Clipstone House Window renewals & roof renewal	8	-	-	-	-
Ethelburga Estate (St Mary Park) Maskelyne Close 1-42, 43-72, Rosenau Rd 30-76 Watford Close 1-69, 2-52, Ethelburga Street 7&9, Searles Close 66 Phase 1 Roof Renewals	-	192	613	600	-
Community Clubroom Roof and window renewal	-	-	216	20	-
Henty Close, Heron House, Parkgate Road 20-38, Searles Close 1-42, Searles Close 43 -60 Worfield Street 40-56 Even Phase 2 Roof renewals	-	-	183	1,166	56
Falcon Estate (Latchmere) Communal Walkway Reconstruction	-	29	254	7	-
Flowersmead Estate (Nightingale) Window renewal (conversion from decs)	100	400	297	-	-
Hazelhurst Estate (Tooting) Alfred Hurley House, Foss Road, Newbridge Court, Pangbourne Court, Sutton Courtney House Whitchurch Court, Wimbledon Road Phase 3 Window renewals	10	-	-	-	-
Heslop Court (Nightingale) Roof renewal	77	-	-	-	-
Latchmere Estate (Latchmere) Window renewals	10	1,000	1,256	-	-

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

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Freedom Street, Reform Street Phase 2 Window renewals	-	-	258	1,272	457
Lochinvar Estate (Balham) Window renewal	17	-	-	-	-
Longstaff Estate (East Putney) Hooper House, Woodhams House Roof Renewals	-	-	300	149	-
Magdalen Park Estate (Wandsworth Common) Brightman Road / Fieldview Phase 1 Roof renewal	577	20	-	-	-
Godley Road, Tilehurst Road, Gunners Road Phase 2 Roof renewal	400	1,639	51	-	-
Morris Gardens Estate (Southfields) Window renewal	100	-	-	-	-
Nightingale Square (Nightingale) Sprinkler System	-	217	145	-	-
Patmore Estate (Queenstown) Crampton House, Cudworth House, Martley House, Bonsor House, Beattie House, Stroudley House Phase 1 Roof Renewals	-	181	1,911	62	-
Little Dimmocks 1-12, Four Acres 1-12 Roof renewal	2	-	-	-	-
Bradley House, Crampton House, Cudworth House, Kirtley House, Mansell House, Marsh House Martly House, Mills House Phase 2 Roof renewals	-	-	190	1,984	64
Putney Vale Estate (Roehampton) Frensham Drive 14-44, 62-108, 110-128, 130-176 13-47, 53-99, 101-123, 125-151, 153-179, 181-211, 213-259 Stroud Crescent 2-32, 34-80, 82-128, 130-176, 178-204, 206-244 Partial brick removal and replacement	-	-	36	653	36
Savona Estate (Queenstown) Ascalon House, Seldon House, Thessaly House 1-65 & Wenham House Window renewal	32	-	-	-	-
Sheringham Court (Earlsfield) Roof renewal	1	-	-	-	-
Shoreham Close (Fairfield) Shoreham Close 1-12, 13&14, 15-18, 19&20, 21-24, 25-30 Roof Renewals	-	-	244	150	-
Streatham Park Estate (Furzedown) Window renewal (conversion from decs)	35	-	-	-	-
Surrey Lane Estate (St Mary's Park) Phase 1 Window renewal	30	-	-	-	-
Phase 2 Window renewal	36	-	-	-	-
Phase 3/4 Window renewal & Roof renewal to Gardiner House	3,280	83	-	-	-
Wimbledon Park Estate (West Hill) Window renewal	150	2,100	90	-	-
Winstanley Estate (Latchmere) Sporle Court Window renewal	9	-	-	-	-
Yew Tree Lodge (Furzedown) Conversion works	136	-	-	-	-
Kitchens and Bathrooms - Programme Phase 5 Carey Gardens Estate (Queenstown)	981	26	-	-	-

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

	<u>2015/16</u> <u>£ '000</u>	<u>2016/17</u> <u>£ '000</u>	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>
Phase 6 Battersea Park Estate (Latchmere)	400	2,100	46	-	-
Phase 7 Boroughwide	-	931	2,649	-	-
Phase 8 Latchmere Estate, Ranelagh Estate, Putney Vale Estate	-	-	864	2,458	-
Boroughwide					
Phase 9 Digital Systems	15	-	-	-	-
Phase 10 Digital Systems	16	-	-	-	-
Phase 9 Secure Front Entrance Doors	15	-	-	-	-
External Decs conversions to window renewals	26	1,000	-	-	-
TOTAL MAJOR REFURBISHMENT	<u>10,398</u>	<u>13,067</u>	<u>15,421</u>	<u>12,254</u>	<u>692</u>

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

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
RE-LIFTING					
Aldrington South Estate (Furzedown) Grierson House, Shenstone House	-	49	286	-	-
Ashburton South Estate (West Putney) Hayward Gardens (211-250)	8	-	-	-	-
Tildesley Road (2-261)	32	-	-	-	-
Carslake Road 1-99	70	295	-	-	-
Carslake Road 109-167o, Cortis Road 280-308 246-274	261	11	-	-	-
Cortis Rd 22-244	-	98	403	-	-
Innes Gardens (1-22)	82	16	-	-	-
Colson Way (Furzedown) Chambers House, Fordyce House, Langton House Percy House, Walmsley House, Oldfield House (infill)	-	-	99	475	-
Doddington Estate (Queenstown) Bank Court	7	-	-	-	-
Connor Court, Park Court, Turpin House	-	-	83	540	-
Eastwood Estate (West Putney) Andrew House, Cromwell House	178	3	-	-	-
Edwin Trayfoot Lodge (Latchmere)	-	40	42	-	-
Ethelburga Estate (St Mary's Park) Ethelburga Tower Phase 1	30	137	-	-	-
Glenthorpe (West Putney)	-	51	36	-	-
Nimrod Road 243, F1-21 (Furzedown)	-	50	36	-	-
Ranalagh Estate (Thamesfield) Huntingfield House 2 lifts	41	6	-	-	-
Ryde Vale Estate (Bedford) Homemead & Hitherlands	199	10	-	-	-
Southmead Estate (West Hill) Lifts serving 5 blocks	9	-	-	-	-
Southlands Estate (St Mary Park) Gaitskell Court	-	84	289	-	-
Streatham Park Estate (Furzedown) Busby House, Boyce House	-	49	286	-	-
Surrey Lane (St Mary's Park) Compton House, Cranmer House, Gardiner House Macey House, Musgrave Court, Whitgift House	-	-	102	1,265	-
Totteridge House (St Mary's Park)	48	380	-	-	-
Wilditch Estate (Latchmere) Weybridge Point	-	-	33	170	-
Boroughwide Replacement of autodiallers	500	170	-	-	-
TOTAL RE-LIFTING	<u>1,465</u>	<u>1,449</u>	<u>1,695</u>	<u>2,450</u>	<u>-</u>

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

	<u>2015/16</u> £ '000	<u>2016/17</u> £ '000	<u>2017/18</u> £ '000	<u>2018/19</u> £ '000	<u>2019/20</u> £ '000
RE-WIRING					
Ashburton Chartfield (East Putney)					
All tenanted units					
Individual rewires	-	-	88	132	-
Bellamy House (Tooting)					
Individual Rewires & communals	-	80	4	-	-
Carey Gardens (Queenstown)					
Phase 1 Individual rewires and distribution boards	50	400	41	-	-
Phase 2 Individual rewires and distribution boards	-	160	178	-	-
Carnie Lodge (Bedford)					
Rewires and laterals	64	2	-	-	-
Doddington Estate (Queenstown)					
Connor Court					
Fittings LED lighting with motion controlled dimmers	-	40	51	-	-
Ethelburga Estate (St Mary's Park)					
Phase 1 Laterals and communals	-	80	224	-	-
Falcon Estate (Latchmere)					
Laterals and distribution boards	40	2	-	-	-
Fernlea Road Estate (Balham)					
Laterals and distribution boards	32	12	-	-	-
Gravenal Gardens (Graveney)					
Rising mains, laterals & rewires	51	2	-	-	-
Harling Court (Latchmere)					
Communal lighting	18	-	-	-	-
Henry Prince Estate (Earlsfield)					
Lateral distribution boards & individual rewire	10	560	7	-	-
Powrie House (St Mary's Park)					
Laterals & distribution boards	10	1	-	-	-
Savona Estate (Queenstown)					
Rewires and communals	6	-	-	-	-
Spencer Park Estate (Wandsworth Common)					
Lateral mains	25	-	-	-	-
William Willison Estate (West Hill)					
Castlecombe Drive					
Phase 1 Rising mains, laterals & rewires	10	300	16	-	-
Keevil Drive					
Lateral Mains, Distribution, communal lighting & Individual rewires - Phase 2	-	74	414	5	-
Boroughwide					
Smoke detector replacement	-	42	8	-	-
Allenswood, Ambleside, Ericcson Close, Fernwood, Jenkins House, Marmion House, Selbourne, Tildesley Road 2-100, Tildesley Road 102-164, Upper Richmond Road 125					
Lightning protection systems	-	-	50	76	-
Individual Rewires	200	225	234	-	-
TOTAL REWIRING	516	1,980	1,315	213	-

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

	<u>2015/16</u> <u>£ '000</u>	<u>2016/17</u> <u>£ '000</u>	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>
HEATING IMPROVEMENTS					
Argyle Estate Phase 1 (West Hill) Esher Gardens, Glen Albyn Road	824	20	-	-	-
Central Area (Wandsworth, Balham & Tooting) Replacement of obsolete boilers	-	-	2,139	66	-
Eastwood Estate North & South (West Putney)	1,026	25	-	-	-
Edgecombe Hall Estate (West Hill)	7	-	-	-	-
Kersfield Road (East Putney) Installation of individual systems at Littecombe Close	416	12	-	-	-
Morris Gardens (Southfields)	1	-	-	-	-
Patmore Estate (Queenstown) Replacement of obsolete boilers	-	-	1,046	32	-
Rowditch Lane (Latchmere)	1	-	-	-	-
Waylands Road (Latchmere)	3	-	-	-	-
Western Area (Putney & Roehampton) Replacement of obsolete boilers	-	1,326	41	-	-
Central Area (Wandsworth, Balham, Tooting) Replacement of obsolete boilers	-	415	13	-	-
Eastern Area (Battersea) Replacement of obsolete boilers	-	569	18	-	-
Boroughwide Infills back boilers	2	-	-	-	-
Acquirds back boilers	1	-	-	-	-
Individual installations	300	337	351	-	-
TOTAL HEATING IMPROVEMENTS	2,581	2,704	3,608	98	-

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

	<u>2015/16</u> £ '000	<u>2016/17</u> £ '000	<u>2017/18</u> £ '000	<u>2018/19</u> £ '000	<u>2019/20</u> £ '000
HEATING REPAIRS					
Alton Estate (Roehampton)					
Ryefield Path, Timsbury Walk, Foxcombe Road & Highcross Way Replacement of communal heating system	-	1,250	28	-	-
Extractor fans	439	776	30	-	-
Arndale Estate (Southfields)					
Eliot Court, Wentworth Court Supply network communal heating	25	-	-	-	-
Edwyn House, Knowles House Pipework Replacement	4	-	-	-	-
Sudbury House Replacement of communal heating system	-	949	21	-	-
Ashcombe Court (East Putney)					
	26	-	-	-	-
Auckland Road (Northcote)					
18-52 Auckland Road - Individual replacement boilers & 14 Abyssinia Close - Communal replacement boiler	18	-	-	-	-
Carnie Lodge (Bedford)					
	2	-	-	-	-
Doddington Estate (Queenstown)					
Phase 5 - Connor Court, Turpin House	91	-	-	-	-
Arthur Court, Bolton Court, Connor Court, Cromwell House, Falkener Court, Kennard House, Landseer House, Lucas Court Palmerston House, Park Court, Russell Court, St George House Turpin House, Voltaire Court, Youngs Court Communal extract fan replacement	-	-	442	10	-
Hepplestone Close (West Putney)					
Hepplestone Close 1-14, 20-25, 27-32 Replacement of existing communal pipework	-	-	266	6	-
McCarthy Court (St Mary's Park)					
Replacement of communal heating	21	-	-	-	-
Rambler Close (Furzedown)					
	6	-	-	-	-
Sclater Close (West Putney)					
Grosse Way 1-34 Replacement of communal heating system	-	289	7	-	-
Stockhurst Close (Thamesfield)					
Stockhurst Close 1-39 Replacement of communal heating system	-	-	302	7	-
Surrey Lane Estate (St Mary's Park)					
Compton House, Cranmer House, Gardiner House Macey House, Whitgift House Cold water booster replacement	-	-	152	3	-
Winstanley Estate (Latchmere)					
Extractor fans	200	506	-	-	-
TOTAL HEATING REPAIRS	832	3,770	1,248	26	-

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

	<u>2015/16</u> <u>£ '000</u>	<u>2016/17</u> <u>£ '000</u>	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>
<u>SPECIAL REPAIRS</u>					
Acquired Properties					
Roofs, decorations, damp proofing	350	350	350	-	-
Boyd Court Clubroom (West Putney)					
Roofing works	1	-	-	-	-
Chillingford House (Tooting)					
LED retro fit light fittings	10	-	-	-	-
Ethelburga Street 2-84 (St Mary's Park)					
Roof renewal	6	-	-	-	-
Evenwood Close (East Putney)					
Roof renewal	3	-	-	-	-
Longstone Road 21 (Furzedown)					
Loft conversion and ground floor extension	2	-	-	-	-
McCarthy Court (St Mary Park)					
Replacement of cold water storage tanks	20	-	-	-	-
Palladino House, Wood House					
Feasibility for short term let	5	-	-	-	-
Queenstown Road 85/87 (Queenstown)					
C.O.S.T.A - Feasibility refurbishment	9	-	-	-	-
Roehampton Estate (West Putney)					
Rear balconies	164	25	-	-	-
Wayford Street Estate					
Cold bridging	40	-	-	-	-
Waylands Road (Latchmere)					
Cavity tray latent defects	5	-	-	-	-
William Willison Estate (West Hill)					
Dry risers	5	-	-	-	-
York Road Small Initiatives	30	-	-	-	-
Boroughwide					
Asbestos Removal	50	50	50	-	-
Extension/deconversion Fawcett Close 144, Wye Street 17, Elspeth Road 60	58	-	-	-	-
Extensions/Conversion future schemes	192	300	-	-	-
Minor Environmental Schemes	300	-	-	-	-
PAC entrycall software upgrade	14	-	-	-	-
Provision for urgent schemes	-	246	300	-	-
TOTAL SPECIAL REPAIRS	1,264	971	700	-	-

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

	<u>2015/16</u> <u>£ '000</u>	<u>2016/17</u> <u>£ '000</u>	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>
<u>SHELTERED HOUSING</u>					
Doris Emerton Court (Latchmere)					
Lift refurbishment	3	-	-	-	-
Hepplestone Close (West Putney)					
Hepplestone Close 1-14, 20-25, 27-32 Roof renewals and photovoltaic panels	-	-	280	48	-
Nursery Close (East Putney)					
Conversion works	50	-	-	-	-
Nursery Close (East Putney)					
Water issues	77	-	-	-	-
Boroughwide Sheltered Schemes					
Grosse Way, Hepplestone Close, Riplington Court Phase 2 Installation of overhead showers	2	-	-	-	-
Lennox Estate, Alton Estate Phase 3 Installation of overhead showers	36	-	-	-	-
Althorpe Mews, Kirton Lodge, St Margarets Court Phase 4 Installation of overhead showers	240	5	-	-	-
Rambler Close, Hill Lodge, Francis Snary Lodge Phase 5 Installation of overhead showers	48	289	-	-	-
Abyssinia Close, Yew Tree Lodge, Doris Emerton Court, Glenthorpe, Holmleigh Court Phase 6 Installation of overhead showers	-	384	654	-	-
Conversion of VCR machines to DVD at 14 sites	39	-	-	-	-
Photovoltaic panels	129	3	-	-	-
TOTAL SHELTERED HOUSING	624	681	934	48	-

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

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>ADAPTATIONS FOR THE DISABLED</u>					
Conversion of Vacant Properties	850	850	850	-	-
Future Years Provision	700	700	700	-	-
TOTAL ADAPTATIONS FOR THE DISABLED	<u>1,550</u>	<u>1,550</u>	<u>1,550</u>	<u>-</u>	<u>-</u>

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

	<u>2015/16</u> £ '000	<u>2016/17</u> £ '000	<u>2017/18</u> £ '000	<u>2018/19</u> £ '000	<u>2019/20</u> £ '000
<u>ENTRYCALL</u>					
Abingdon Court, Kilmarnock Court (Graveney) Replacement of door entry system	25	-	-	-	-
Ackroydon East (West Hill) Ashstead Court, Montford Place 1-27, 28-62 Princes Way New Door Entry System	-	-	27	47	-
Alton Estate (Roehampton) Bramley House - Replacement of door entry system	21	-	-	-	-
Ashburton South (West Putney) Innes Gardens 1-156 Replacement of Door Entry System	-	-	25	53	-
Battersea Park Estate (Latchmere) Replacement door entry system	-	106	248	-	-
Faylands Estate (Furzedown) Shelburne House - Replacement of door entry system	21	-	-	-	-
Fernlea Road 65 A-I Installation of door entry system	15	-	-	-	-
Meecham Court (St Mary's Park) Installation of door entry system	43	1	-	-	-
Shoreham Close 1-12 (Fairfield) Installation of door entry system	28	-	-	-	-
Streatham Park Estate (Furzedown) Salter House - Replacement of door entry system	-	13	-	-	-
TOTAL ENTRYCALL	<u>153</u>	<u>120</u>	<u>300</u>	<u>100</u>	<u>-</u>

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

	<u>2015/16</u> £ '000	<u>2016/17</u> £ '000	<u>2017/18</u> £ '000	<u>2018/19</u> £ '000	<u>2019/20</u> £ '000
<u>ENVIRONMENTAL & ESTATE IMPROVEMENTS</u>					
Ashburton South (West Putney) Environmental improvements	-	164	-	-	-
Battersea High Street (St Mary's Park) Environmental improvements	-	503	-	-	-
Bellamy House Estate (Tooting) Environmental improvements	-	326	-	-	-
Carey Garden Estate (Queenstown) Environmental improvements	-	149	-	-	-
Doddington West Estate (Queenstown) Artificial Pitch	108	-	-	-	-
Fitzhugh Estate (Wandsworth Common) Environmental improvements	-	509	-	-	-
Powrie House (St Mary's Park) Environmental improvements	-	26	-	-	-
Putney Vale Estate (Roehampton) Environmental improvements	217	-	-	-	-
Waylands Estate (Latchmere) Environmental improvements	-	323	-	-	-
Woking Close (Roehampton) Environmental works to follow new development	126	50	-	-	-
Boroughwide Playground Refurbishment	50	50	100	-	-
TOTAL ENVIRONMENTAL & ESTATE IMPROVEMENTS	501	2,100	100	-	-

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

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>HIDDEN HOMES</u>					
Abbott House (Balham)	26	-	-	-	-
Ashburton Estate (West Putney)	150	485	-	-	-
<u>SITE DEVELOPMENTS</u>					
Aldrington South (Furzedown)	20	800	56	-	-
Arnal Crescent/Bell Drive (West Hill)	16	466	25	-	-
Deeley Road (Queenstown)	226	1,850	2,235	105	-
Gaskarth Road (Balham)	300	723	207	-	-
Limpsfield Avenue (West Hill)	322	208	100	-	-
Nutwell Street (Graveney)	309	300	151	-	-
Rayners Drive/Carlton Drive (East Putney)	10	232	13	-	-
Rowditch Lane (Latchmere)	200	1,760	280	-	-
Streatham Park (Furzedown)	20	979	140	-	-
Stag House (Roehampton)	137	1,496	5,006	1,411	-
Thessaly Road (Queenstown)	187	1,750	1,279	72	-
Tidbury Court (Queenstown)	287	2,700	1,331	98	-
Other Schemes / Feasibilities	100	100	-	-	-
TOTAL HIDDEN HOMES & SITE DEVELOPMENTS	2,310	13,849	10,823	1,686	-

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

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>REGENERATION PROJECTS</u>					
Feasibility Studies	50	-	-	-	-
Procurement of specialist services	3,728	-	-	-	-
Site Assembly Buybacks	18,949	16,000	-	-	-
ROEHAMPTON SCHEME					
Dilton Gardens (Roehampton)					
Satellite Site Development	-	2,000	2,500	-	-
Master plan process fees	342	145	-	-	-
WINSTANLEY & YORK ROAD ESTATE SCHEME					
Tynham Close (Shaftesbury)					
Satellite Site Development	79	396	3,698	1,817	-
Gideon Road (Shaftesbury)					
Satellite Site Development	114	570	5,394	2,650	-
Lavender Hill (Shaftesbury)					
Satellite Site Development	27	135	1,283	631	-
Hope Street (Latchmere)					
Satellite Site Development	617	4,799	19,388	4,521	-
York Road (Latchmere)					
Penge House & Inkster House Refurbishment	80	6,298	5,885	2,619	-
York Road (Latchmere)					
Lavender Hill Office Conversion	-	55	6	-	-
Master plan process fees	350	295	-	-	-
TOTAL REGENERATION PROJECTS	24,336	30,693	38,154	12,238	-

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

APPENDIX D

HOUSING REVENUE ACCOUNT NON-RESIDENTIAL CHARGES

Table 1 – Garages (per week)

	<u>Current Charge</u>	<u>Proposed Charge</u> <u>(inclusive of 2% increase)</u>
	<u>£</u>	<u>£</u>
Band A+	26.90	27.45
Band A	24.40	24.90
Band B	14.50	14.80
Band C	10.45	10.65
Band D	7.75	7.90
Water Rate	0.47	TBC by Thames Water

Table 2 – Other Property (per week)

	<u>Current Charge</u>	<u>Proposed Charge</u> <u>(inclusive of 2% increase)</u>
	<u>£</u>	<u>£</u>
Store shed - Band A	2.90	2.95
Store shed - Band B	2.25	2.30
Store shed - Band C	1.45	1.50
Motorcycle sheds	6.00	6.10
Parking Lots/Other non-domestic sites	7.95	8.10
Parking lots at Andrew		
Reed House	5.65	5.75
Cycle lockers	1.45	1.50

Table 3 – Other Charges

	<u>Current Charge</u>	<u>Proposed Charge</u> <u>(inclusive of 2% increase)</u>
	<u>£</u>	<u>£</u>
Replacement door entry fob	16.90	17.25
Replacement resident's parking permit	17.60	18.00
Replacement or additional sets of keys	Cost plus 17.60	Cost plus 18.00
Pre-assignment income	126.70	129.20

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

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

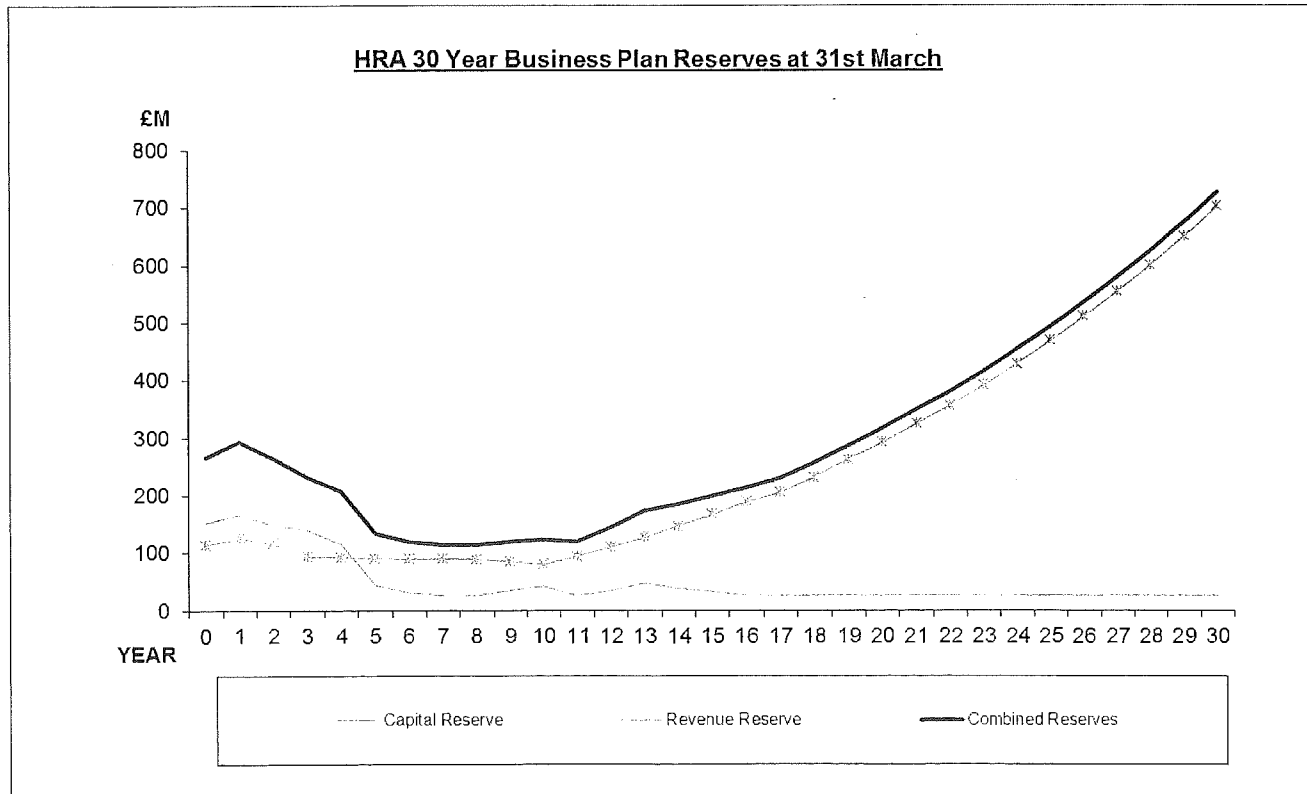
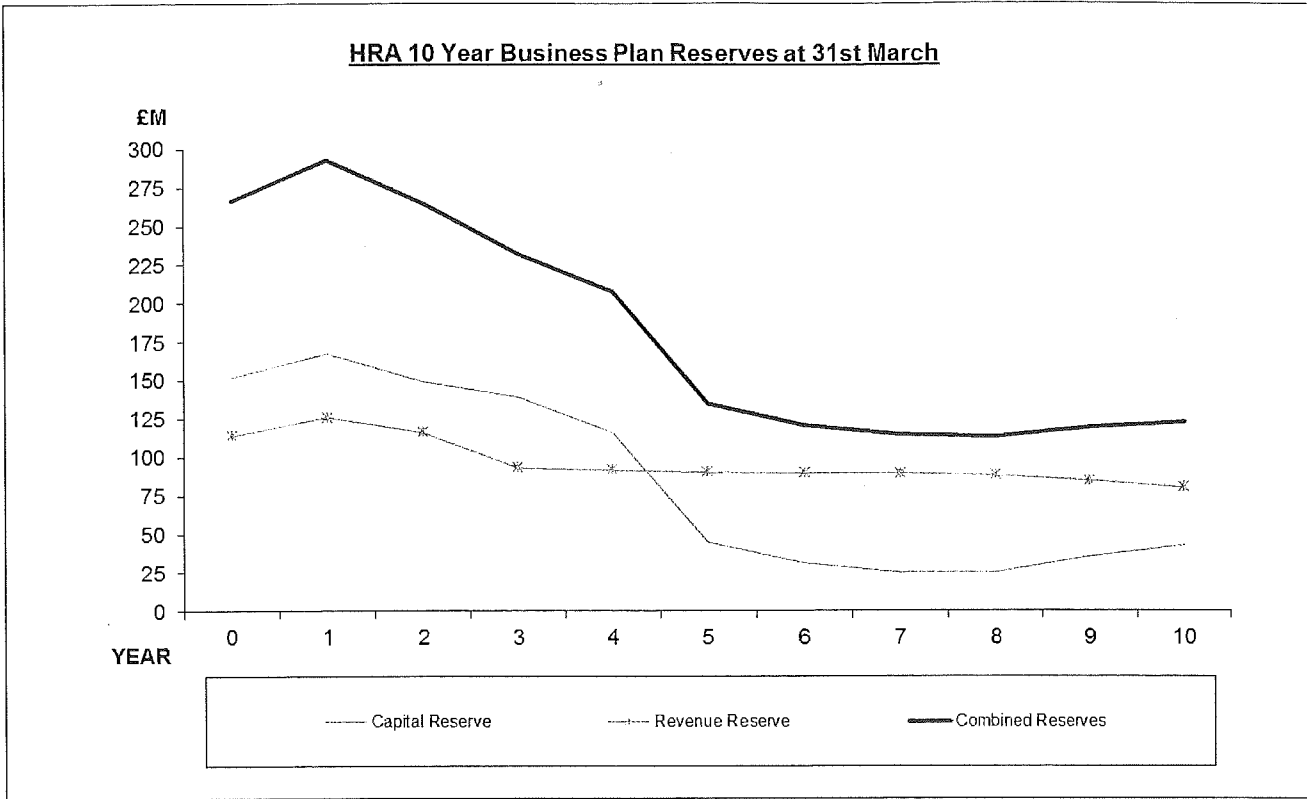
APPENDIX E

COUNCIL HOUSING BUDGET FRAMEWORK

	Original Budget 2015/16 £'000	Revised Budget 2015/16 £'000	Budget 2016/17 £'000	Budget 2017/18 £'000	Budget 2018/19 £'000
<u>EXPENDITURE</u>					
REVENUE					
Supervision, Management & Maintenance					
Repairs & Maintenance	25,534	26,452	24,888	25,469	26,086
General Management	30,414	30,025	28,938	29,361	29,660
Special Services	15,024	13,951	14,090	14,349	14,719
Capital Financing Costs	46,877	37,483	56,351	64,349	39,898
Other Expenses	1,971	1,406	3,408	5,407	5,382
Depreciation (Contribution to Capital)	23,750	24,237	24,417	25,007	25,598
TOTAL REVENUE EXPENDITURE	(143,570)	(133,554)	(152,092)	(163,942)	(141,343)
CAPITAL					
Repairs and Improvements	27,215	19,383	26,292	26,771	15,189
Environmental, New Build & Regeneration	28,709	27,147	46,642	49,077	13,924
House Purchase Grants	2,500	3,516	2,500	2,500	0
Purchase of Properties	10,100	14,602	10,100	100	0
Purchase of Vehicles	0	55	0	0	0
TOTAL CAPITAL EXPENDITURE	(68,524)	(64,703)	(85,534)	(78,448)	(29,113)
	212,094	198,257	237,626	242,390	170,456
<u>INCOME</u>					
REVENUE					
Gross Rents – Dwellings	112,660	113,118	111,468	109,680	108,479
Gross Rents – Non-Dwellings	4,006	4,006	4,046	4,147	4,251
Leaseholder Service Charges	12,685	14,637	13,319	13,626	13,935
Other Income	13,634	13,546	13,586	13,327	13,356
TOTAL REVENUE INCOME	(142,985)	(145,307)	(142,419)	(140,780)	(140,021)
CAPITAL					
Contribution from Revenue (Depreciation)	23,750	24,237	24,417	25,007	25,598
Capital Receipts	7,062	27,464	14,455	4,247	1,506
Capital Grants & Reimbursements	360	858	7,900	32,263	4,000
Leaseholder Major Works Charges	5,886	4,650	5,513	5,614	6,538
Borrowing	29,927	22,782	31,394	7,575	1,180
TOTAL CAPITAL INCOME	(66,985)	(79,991)	(83,679)	(74,706)	(38,822)
	209,970	225,298	226,098	215,486	178,843
Total reserves at beginning of year	261,771	266,026	293,067	281,539	254,635
Surplus / (Deficit) in year	(2,124)	27,041	(11,528)	(26,904)	8,387
Total reserves at end of year	259,647	293,067	281,539	254,635	263,022

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

APPENDIX F



REVISED COUNCIL HOUSING BUDGET FRAMEWORK INCLUDING BUDGET VARIATIONS

	Original Budget 2015/16 £'000	Revised Budget 2015/16 £'000	Budget 2016/17 £'000	Budget 2017/18 £'000	Budget 2018/19 £'000
EXPENDITURE					
REVENUE					
Supervision, Management & Maintenance					
Repairs & Maintenance	25,534	26,452	24,888	25,469	26,086
General Management	30,414	30,025	29,464	29,220	29,484
Special Services	15,024	13,951	14,059	14,292	14,662
Capital Financing Costs	46,877	37,483	56,351	64,349	39,898
Other Expenses	1,971	1,406	3,408	5,407	5,382
Depreciation (Contribution to Capital)	23,750	24,237	24,417	25,007	25,598
TOTAL REVENUE EXPENDITURE	(143,570)	(133,554)	(152,587)	(163,744)	(141,110)
CAPITAL					
Repairs and Improvements	27,215	19,383	26,292	26,771	15,189
Environmental, New Build & Regeneration	28,709	27,147	46,642	49,077	13,924
House Purchase Grants	2,500	3,516	2,500	2,500	0
Purchase of Properties	10,100	14,602	10,100	100	0
Purchase of Vehicles	0	55	0	0	0
TOTAL CAPITAL EXPENDITURE	(68,524)	(64,703)	(85,534)	(78,448)	(29,113)
	212,094	198,257	238,121	242,192	170,223
INCOME					
REVENUE					
Gross Rents – Dwellings	112,660	113,118	111,468	109,680	108,479
Gross Rents – Non-Dwellings	4,006	4,006	4,046	4,147	4,251
Leaseholder Service Charges	12,685	14,637	13,319	13,626	13,935
Other Income	13,634	13,546	13,586	13,324	13,354
TOTAL REVENUE INCOME	(142,985)	(145,307)	(142,419)	(140,777)	(140,019)
CAPITAL					
Contribution from Revenue (Depreciation)	23,750	24,237	24,417	25,007	25,598
Capital Receipts	7,062	27,464	14,455	4,247	1,506
Capital Grants & Reimbursements	360	858	7,900	32,263	4,000
Leaseholder Major Works Charges	5,886	4,650	5,513	5,614	6,538
Borrowing	29,927	22,782	31,394	7,575	1,180
TOTAL CAPITAL INCOME	(66,985)	(79,991)	(83,679)	(74,706)	(38,822)
	209,970	225,298	226,098	215,483	178,841
Total reserves at beginning of year	261,771	266,026	293,067	281,044	254,335
Surplus / (Deficit) in year	(2,124)	27,041	(12,023)	(26,709)	8,618
Total reserves at end of year	259,647	293,067	281,044	254,335	262,953

**SECTION 4
PENSION FUND**

WANDSWORTH BOROUGH COUNCIL

PENSIONS BOARD – 16TH FEBRUARY 2016
PENSIONS COMMITTEE – 17TH FEBRUARY 2016

Report by the Director of Finance on the Pension Fund Revenue Budget 2015-2019

SUMMARY

This report summarises income and expenditure in the Pension Fund in the current and future years based on assumptions over pay and inflation.

The Fund's operating cash surplus for 2015-16, excluding increases in investment values is now estimated as £16.5 million compared to a budgeted amount of £2.4 million. This is due to a one off transfer value received from the LPFA of £10.6m which settles their longstanding debt covering former ILEA members within the Fund. In addition retirement benefit payments were significantly lower as fewer people than anticipated retired. The report proposes noting the estimated outturn for 2015/16, approving the budget for 2016/17 and noting the projected budget for 2017/18 and 2018/19.

GLOSSARY

LGPS	Local Government Pension Scheme
PIA	Pensions Increase Allowance to pensions in payment
CIV	Collective Investment Vehicle
ILEA	Inner London Education Authority

RECOMMENDATIONS

1. The Board are recommended to note the content of the report.
2. The Committee are recommended to:
 - (a) note the estimated outturn on the Pension Fund Revenue Budget for 2015/16;
 - (b) approve the Pension Fund Budget for 2016/17 and
 - (c) note the projected budget for 2017/18 and 2018/19.

INTRODUCTION

3. This report summarises Pension Fund income and expenditure for current and future years. The Pension Fund budget has been re-priced to take account of predictable volume changes and carried forward at outturn prices where significant areas of volatility are probable. This approach provides a definitive trail to variations between budget and outturns and is thus a tool to manage and account for variances in income and expenditure in the Pension Fund. The estimated outturn for 2015/16, proposed budget for 2016/17 and projected budget for 2017/18 and 2018/19 is shown below:

	<u>2015/16</u> <u>Original</u> £'000	<u>2015/16</u> <u>Estimated</u> <u>Outturn</u> £'000	<u>2015/16</u> <u>Variation</u> %	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
Contributions						
Contributions Receivable						
Employees	8,693	8,712	0%	8,800	8,604	8,518
Employers Normal	24,007	23,942	0%	24,181	23,643	23,408
Employers Additional	1,308	1,082	-17%	1,104	1,159	1,205
Transfer In	1,443	1,776	23%	1,776	1,776	1,776
LPFA Transfer In	-	10,646				
Benefits Payable						
Pensions	-26,924	-26,538	-1%	-27,334	-28,701	-29,849
PIA	-11,373	-10,872	-4%	-11,471	-12,091	-12,744
Lump Sum Benefits						
Retirement Benefits	-12,728	-6,714	-47%	-6,848	-7,328	-7,054
Death Benefits	-788	-943	20%	-807	-807	-807
Transfers Out	-1,001	-2,845	184%	-2,902	-3,047	-3,169
Establishment	-672	-602	-10%	-590	-578	-567
Net Additions/Withdrawals from Dealing with Members						
	-18,036	-2,356	-87%	-14,091	-17,371	-19,282
Returns on Investments						
Investment Income	23,223	22,245	-4%	22,690	23,824	25,016
Investment Management Expenses	-2,638	-3,179	21%	-2,399	-2,507	-2,690
Custody	-70	-72	3%	-50	-50	-50
Legal & Consultancy	-75	-136	81%	-125	-75	-75
Total	2,404	16,502	586%	6,024	3,822	2,919

Budget Commentary

4. The Fund surplus for the year is estimated as £16.4 million compared to a budgeted amount of £2.4 million. This is mainly due to transfers into the scheme being higher than anticipated and retirement benefit payments being lower than anticipated. A more detailed commentary of estimated outturn variances from budget and budget for future years is set out below:
- (a) Employee and employer contributions for 2015/16 are estimated at budget. Turning to 2016/17 and beyond a 1% rise in pensionable pay is assumed, however there is expected to be an estimated decrease in staffing numbers in 2016/17 of 3% and a further 2% in 2018/19 due to the Shared Service with Richmond Council.
 - (b) The estimated outturn for employer's additional contributions is 17% (£0.2m) lower than anticipated as there have been fewer redundancies requiring capital contributions into the Fund than expected. The budgeted amounts for additional capital contributions are based on the estimated outturn for 2015/16 plus a 2% increase during 16/17, 5% in 2017/18 and 4% during 2018/19, to reflect an increase in payments due to projected staffing decreases due to the Shared Service with Richmond Council.
 - (c) Transfer value receipts are estimated as being 761% above budget (£11.0m); this is due to a one off transfer of £10.6m received from the LPFA relating to previous Inner London Education Authority members. From 2016/17 transfer value receipts are shown at 2015/16 outturn levels less the one off LPFA receipt.
 - (d) Pensions are estimated at 1% (£0.4m) below budget with pensions increase allowance for 2015/16 estimated as being 4% (£0.5m) below budget. Re-pricing of pension payments for 2016/17 and future years represents the 2015/16 outturn plus volume changes from inflation, new retirees as the Fund demographics continue to mature and increases due to the Shared Service with Richmond Council.
 - (e) The outturn for lump sum retirement benefits is estimated at 47% (£6.0m) below budget. The original budget was based upon evidence in recent years updated for a higher level of retirements. However, it is difficult to predict the extent to which officers who retire will elect for proportionately higher lump sums at the expense of pension. Budgeted amounts for future years are based on estimated outturn levels for 2015/16 plus a 2% positive volume change assumption during 2016/17, 7% in 2017/18 and 3% during 2018/19, reflecting the predicted decreases in central services staffing numbers due to the Shared Service with Richmond Council.
 - (f) Death payments are 20% (£0.2m) higher than originally estimated in 2015/16; however this is a decrease from 2014/15. Accordingly, from 2016/17 these elements of expenditure are shown as the average of the previous eight years (including the 2015/16 estimate).
 - (g) Transfer value payments are estimated at 184% (£1.8m) above budget, this is significantly higher than anticipated, due to an increase in voluntary resignations. From 2016/17 this element of expenditure is projected to rise by 2% in 2015/16, 5% during 2016/17 and 4% in 2018/19, based on expected staffing reductions.
 - (h) Investment income is predicted to be £1.0m (4%) below budget. Income predicted to rise by 2% from estimated 2015/16 outturn levels in 2016/17 and by 5% in 2017/18 and 2018/19.

Pension Fund Budget

- (i) Investment management expenses are estimated at £0.5m (21%) above budget as Longview received a £0.7m performance fee. Investment management expenses are projected for 2016/17 and future years on the assumption that managers meet their investment targets for out-performance before any element of performance fees becomes payable. Manager scale fees are based upon the value of assets under management so annual rises in markets are built into forecasts. Savings are assumed of £273,000 for 2016/17 from 1 January 2016, £294,000 for 2017/18 and £310,000 for 2018/19 in respect of estimated fee reductions from Allianz and Baillie Gifford joining the London CIV. It is anticipated that a further fee reduction will occur as more Funds join the CIV. However this could be outweighed by further rises in stockmarkets.
 - (j) Custodian expenses are expected to decrease from the final quarter of 2015/16 due to savings generated from fund managers Allianz and Baillie Gifford joining the London CIV. This is estimated to generate savings of £20,000 per annum from 2016/17.
 - (k) The outturn for Legal & Consultancy is anticipated as being £61,000 (81%) higher than budget mainly due to a £25,000 subscription payment to the London CIV, £8,000 paid to the Local Authority Pension Fund Forum for subscription fees, £22,000 for additional works carried out by Mercer for analysis of potential changes to the fund structure to include Multi-Asset Credit funds and £8,000 in specialist external overseas legal fees to scrutinise the two agreements for the Multi-Asset Credit funds. An additional £50,000 has been added to the forecast for 2016/17 to cover Legal & Consultancy costs resulting from the Shared Service with Richmond Council.
5. Profits and losses on investments are not budgeted items as their return is too unpredictable.

Future Prospects

- 6. The Pension Fund is continuing to mature with increasing amounts of investment income required from fund managers to meet benefit payments (shown as the Net Additions/Withdrawals from Dealing with Members). In addition from 2017/18 expected staffing reductions from Shared Service with Richmond Council will impact on cashflows.
- 7. It should be noted that on the merger date all assets and liabilities of the pension fund maintained by Richmond become the assets and liabilities of the pension maintained by Wandsworth Council.
- 8. It is proposed that the Committee note the forecast outturn for 2015/16 and approve the budget for 2016/17 and note projections for future years, however these are likely to change significantly over the next few years as the impact of the Shared Service arrangement with Richmond Council becomes evident.

The Town Hall
Wandsworth
SW18 2PU
9th February 2016

CHRIS BUSS
Director of Finance

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 (Mr. M Newton - 020 8871 6488; email: mnewton@wandsworth.gov.uk) can supply it if required.

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

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