

# COUNCIL BUDGETS 2021-2022





**WANDSWORTH BOROUGH COUNCIL – BUDGET BOOK 2021/22**

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## **SECTION 1**

# **COUNCIL'S REVENUE BUDGET AND COUNCIL TAX**

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This section sets out how the 2021/22 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 2021 and 10th February 2021, and by the Council on 3rd March 2021.

The section contains appendices summarising the budgetary effect of developments and of repricing from November 2019 to 2020, 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 IS OF THE OPINION THAT THIS REPORT SHOULD BE CONSIDERED AT THIS MEETING AS A MATTER OF URGENCY, BY REASON OF THE SPECIAL CIRCUMSTANCES WHICH ARE THAT SECTION 30 OF THE LOCAL GOVERNMENT FINANCE ACT 1992 REQUIRES THE COUNCIL TO SET THE AMOUNTS OF COUNCIL TAX FOR EACH CATEGORY OF DWELLINGS IN ITS AREA BEFORE 11TH MARCH SO CONSIDERATION OF THE MATTER CANNOT WAIT UNTIL THE NEXT CYCLE OF OVERVIEW AND SCRUTINY COMMITTEES

PAPER NO: **21-63**

WANDSWORTH BOROUGH COUNCIL

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY OVERVIEW AND SCRUTINY COMMITTEE – 10TH FEBRUARY 2021

EXECUTIVE – 22ND FEBRUARY 2021

Report by the Director of Resources on the Council Tax Requirement and Council Tax for 2021/22

SUMMARY

The Cabinet Member's recommendation indicates a Council Tax Requirement and total tax amounts for 2021/22 as shown in bold below which represents a freeze in Wandsworth's share of the general Council Tax and a 3% increase in relation to the adult social care precept. The GLA increase for the year is 9.5%.

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

	<u>2020/21</u>	<b><u>2021/22</u></b>	<u>2022/23</u>	<u>2023/24</u>
	£m	<b>£m</b>	£m	£m
Council Tax Requirement	63.299	<b>65.553</b>	82.918	96.808
Average Band D Tax amount:	£	<b>£</b>	£	£
Council	467.75	<b>481.78</b>	<i>605.84</i>	<i>703.22</i>
Greater London Authority	332.07	<b>363.66</b>	<i>370.93</i>	<i>378.35</i>
TOTAL	799.82	<b>845.44</b>	<i>976.77</i>	<i>1,081.57</i>
Total for majority of Borough	793.56	<b>839.10</b>	<i>970.33</i>	<i>1,075.00</i>
Total for Conservators' area	823.97	<b>870.10</b>	<i>1,002.10</i>	<i>1,107.56</i>

GLOSSARY

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

**RECOMMENDATIONS**

1. The Finance, Resources and Climate Sustainability Overview and Scrutiny Committee are recommended to support the recommendations of the Cabinet Member for Finance, Resources and Climate Sustainability, shown in paragraph 2. If they approve any views, comments or recommendations on this report, they will be submitted to the Executive for their consideration.
2. The Cabinet Member for Finance, Resources and Climate Sustainability recommends the Executive as follows:
  - (a) to approve the General Fund budget variations and further spending requirements shown in paragraphs 7 and in Appendix A;
  - (b) to endorse the proposals for reserves as described in paragraphs 21 and 22 and as summarised in Appendix C;
  - (c) to recommend the Council, in the form shown in Appendix D and Appendix E, to give effect to the council tax requirement and council tax amounts for 2021/22 so determined;
  - (d) to recommend the Council to adopt the budget framework shown in Appendix E, subject to any variations subsequently approved by the Executive within the overriding restrictions that unearmarked reserves should not be forecast to fall below £6.75 million in 2021/22 nor the council tax band D forecast for the next two years rise by more than a further £49.61 (paragraph 42);
  - (e) to agree that, should it be necessary following the meeting of the Greater London Authority (GLA) on 25th February 2021, the Director of Resources be authorised to update the content of this report for any changes to the GLA's band D council tax and related GLA budget reported within this report, for the approval of full Council at its meeting on 3rd March 2021; and
  - (f) to agree to consult with the boroughs' residents on the setting up of an independent charitable trust as detailed in paragraph 41 of the report.



## **INTRODUCTION**

3. Section 32 of the Local Government Finance Act 1992 requires the Council to calculate its budget requirement before 11th March, and Section 30 requires that by the same date the Council sets amounts of council tax for each category of dwellings in its area. The Council's Constitution requires the Executive to submit to the Council, in February or early March, after having regard to the advice of the Director of Resources, its estimates in relation to revenue budgets for the current financial year, the revenue budgets for future financial years including allocation to different services and projects, and reserves for specified and general contingencies for the forthcoming financial year, the budget requirement and basic amounts of tax.
4. For these calculations, this paper updates the revenue budget for 2021/22 approved in January in Paper No. 21-8 to include the latest estimates of expenditure and notified levies and precepts. It then consider reserves, including the need for a general reserve appropriate to meet contingencies, and reviews the financial reserves appropriate for specific purposes. The calculation of the council tax requirement follows, with the calculation of the Council's share of council tax and discussion around the risks of the requirement for a council tax referendum. Paragraph 37 sets out the requirements of the Greater London Authority. The Cabinet Member for Finance, Resources and Climate Sustainability then comments on proposed council tax levels and the results for taxpayers in 2021/22 are set out in paragraph 38 and the recommended revenue budget framework is discussed in paragraph 42.

## **COUNCIL NET REVENUE EXPENDITURE**

### **Service Revenue Budgets**

5. In January 2021 the Executive approved an aggregate budget for 2021/22 of £208.083m at November 2020 prices (Paper No. 21-8). Since then, 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 revised treasury estimates. Budget variations approved by the Executive in this cycle, with the support of the relevant Overview and Scrutiny Committee, are detailed in Appendix A.
6. The allowance recommended for inflation from November 2020 prices through to 2021/22 outturn is £7.4m. Cumulative increases for 2022/23 and 2023/24 of £16.9m and £27.0m respectively are also recommended.

### **Council's Revenue Expenditure**

7. Subject to approval of the revenue budget variations, the Council's net expenditure for 2021/22 through to 2023/24 is as follows:

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	£m	£m	£m
Budgets as per Paper No. 21-8	208.083	199.953	201.203
Budget variations (Appendix A)	0.388	0.275	0.234
Other adjustments (paragraph 5)	-2.000	-2.000	-2.000
Provision for inflation (paragraph 6)	7.410	16.895	27.024
COVID contingency (paragraph 17)	3.460		
<b>Revised committee budgets</b>	<b>217.341</b>	<b>215.123</b>	<b>226.461</b>
New Homes Bonus	-7.898	-2.552	
Non-Service Specific Grants	-13.622	-13.622	-13.622
Improved Better Care Fund	-16.486	-16.486	-16.486
COVID Government Grant	-11.133		
<b>Council Net Expenditure</b>	<b>168.202</b>	<b>182.463</b>	<b>196.353</b>

### **New Homes Bonus**

8. 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 national council tax rates. Originally the grant was payable on cumulative growth in housing stock for the previous six years. However, following a review of the arrangements, since 2017/18 this funding has been redirected to the Improved Better Care Fund and NHB payments have been reduced accordingly. The Council is expected to receive NHB funding of £7.898m in 2021/22 (down from £11.747m in 2020/21). Whilst the Government still intends to incentivise housing growth, the level of funding beyond 2021/22 is not guaranteed and it is unclear at this stage how any revised mechanism will work. For budgeting purposes a reduced level of grant has therefore been reflected in future years.

### **Social Care Funding**

9. The Government continues to provide funding to assist with the pressures within social care via the Improved Better Care Fund (IBCF). The Council's allocation of £16.486m in 2021/22 is the same as in 2020/21 (and includes a continuing of £1.3m of Winter Pressures funding rolled into the IBCF).
10. In addition, the Government confirmed the continuation at 2020/21 levels of the £2.2m Social Care Support Grant first introduced in 2019/20 and extended the one year top-up of £6.7m received in 2020/21. This £8.9m of funding is expected to assist with spending pressures within both children's and adults' social care.

### **General Funding Pressures**

11. Government recognition of these continuing funding pressures is evidenced by its continuation of the adult social care precept, first introduced in 2016/17, which gives those authorities responsible for adult social care an extra flexibility on their council tax referendum threshold to be used entirely for social care. The Provisional Local Government Finance Settlement for 2021/22 confirmed that local authorities could

again raise this precept, with an increase in the maximum allowed from 2% in 2020/21 to 3% in 2021/22, with flexibility allowed to defer some or all of this for use in 2022/23. In light of the continuing pressures on adult social care services it is now recommended that an adult social care precept of 3% is levied in the coming year.

12. Revised budgets assume delivery of the adult social care budget recovery plan which aims to recover its ongoing deficit by the end of 2020/21. The Adult Social Care and Public Health Directorate has also embarked on its “Transforming the Future” investment programme (Paper No. 20-256 refers) and the 2021/22 budget includes additional spend-to-save funding.
13. Paper No. 21-8 reset the Children’s Services ongoing base budget to be £12.5m higher than pre-OFSTED levels and £2m less than the 2020/21 budget. This reflects a continuation of improvements seen to date in demand management and other efficiencies. The Directorate has a budget recovery plan which is anticipated to reduce spend in future years further. Any changes required to 2021/22 or future years’ budgets as a result will be considered further and reviewed as part of the Medium Term Financial Strategy presented to this committee later in the year.
14. Whilst Directors will continue to drive forward the planned service efficiencies and transformation programmes detailed above, the longer term impact of the current pandemic on demand for the Council’s services is clearly unknown at this stage and could have an impact on the delivery of these programmes.

### **Impact of COVID-19**

15. Due to the exceptional nature of the COVID-19 pandemic, the detailed revised budgets for 2020/21 exclude any impact COVID-19 is expected to have in-year as estimates could change at short notice depending on the Government’s approach to both local and national restrictions. All additional spend and lost income continues to be monitored closely. As reported previously, there is currently anticipated to be a shortfall in overall general Government funding estimated at £9m in 2020/21, although this will be reduced via additional specific grants, further income compensation and some underspends in non-COVID related elements of the budget. Any shortfall will need to be met from the Council’s reserves.
16. Going forward, and reflecting the likely relative stability that the roll out of a national vaccination programme will bring, budgets (for 2021/22 in particular) include estimates of the residual impact the pandemic may have on service demands including, where appropriate, the clearing of any backlogs or slow recovery to pre-pandemic levels of demand for services. General referrals to some services (such as homelessness and social care) have been lower during the pandemic and it remains to be seen whether this will result simply in the clearing of backlogs or, longer term, increased demand. In addition it is anticipated that some behavioural changes seen in the past year may continue, with leisure and events related income slow to recover (possibly not recovering to pre-pandemic levels), parking and traffic related income affected as people’s travel habits change and sustained home working continuing to impact on domestic waste levels.



## Council Tax 2021/22

17. The Council's 2021/22 initial allocation of non-ringfenced COVID-related grant is £8.76m and a further £2.37m is estimated to be received in year to compensate for lost income and the increased demand on council tax support to residents on low incomes. It is assumed at this stage that increased spend/reduced income during the year will match this overall level of funding and a contingency has been set up on this basis.

### GENERAL FUND REVENUE RESERVES

18. The calculation of the Council's requirements has to include the amount of financial reserves which it will be appropriate to raise or use in the financial year and the Council must also make an appropriate prudent allowance for contingencies for the forthcoming year. In addition, under Section 25 of the Local Government Act 2003, the Council's Chief Financial Officer must report to the Council on the following matters:
- (a) The robustness of the estimates made for the purposes of the calculations; and
  - (b) the adequacy of the proposed financial reserves, having considered the proposals within this paper.
19. The Director of Resources considers the estimates to be robust and that it would be prudent to again retain a general reserve for contingencies of all kinds of about £13.5m. The range of uncertainties in the next financial year is indicated by the items shown in Appendix B.
20. Special reserves are those appropriate for meeting future expenditure in performing the Council's functions. The reserves, their purpose and the expected change in their balances under existing policies are shown in Appendix C.
21. The final 2019/20 outturn report left the general reserve with a balance of £14.362m (of which £13.5m is the agreed contingency level) so that £0.862m could be used to fund 2020/21 expenditure. This, along with other planned movement in reserves, will then be used to fund the Council's net expenditure.

<b><u>Use of Balances and Reserves</u></b>	<b><u>2020/21</u></b>	<b><u>2021/22</u></b>	<b><u>2022/23</u></b>	<b><u>2023/24</u></b>
	£m	£m	£m	£m
Council's Net Expenditure	165.808	168.202	182.463	196.353
Movement on Balances and Reserves	10.358*	-0.359	0.035	0.035
General Fund Working Balance	-0.862			
<b>Net Expenditure after Use of Balances and Reserves</b>	<b>175.304</b>	<b>167.843</b>	<b>182.498</b>	<b>196.388</b>

\* this excludes any use of reserves which may be needed at year end to fund the net cost of COVID-19 in 2020/21

22. Overall, there is a net contribution to reserves anticipated at the end of 2020/21, largely due to increased business rates estimates in relation to backdated retained receipts from the Nine Elms “Designated Area”. Until the business rates system is reset the Council shares the gain from increased business rates in the area. In view of the general uncertainty around future business rates income across the borough, a decision will be made at year end whether some of this one-off income should be used to top up the Business Rates Volatility Reserve. In addition, as detailed in paragraph 15, current year estimates exclude any impact that COVID-19 may have on spend/budgets and so any net cost of COVID-19 in 2020/21 will need to be funded from reserves.

## **LOCAL GOVERNMENT FINANCE SETTLEMENT**

23. 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). During 2016 the Council chose to take up the Government’s offer of a four-year grant settlement, available to those authorities who published an efficiency plan, in order to provide certainty of funding up to 2019/20.
24. Since 2018/19 all London boroughs have voluntarily participated in a London Business Rates Pool pilot (Paper No. 20-38 refers) in preparation for a potential mandatory scheme to be introduced as part of the Government’s planned reform of the business rates system. With some guarantees given around the level of funding in the pool, overall the pilot has been of financial benefit to London, albeit at a reducing rate as the Government reduced the boroughs’ retained share percentage over its three years of operation. Estimated business rates income in 2020/21 includes a £0.9m gain from the pool, plus £6.1m receipts relating to the Nine Elms “Designated Area” of which £4.4m are backdated and therefore one off.
25. The uncertainty and challenges for businesses brought about by the current pandemic suggest that continuing to pool would be a financial risk to London and so the pilot will not operate in 2021/22. As a result, the Council’s income modelling for 2021/22 includes RSG (£23.582m) and business rates top-up grant (£36.989m) as per the provisional finance settlement allocations. Retained business rates in 2021/22 plus all other adjustments in year (including receipt of section 31 grants in relation to business rate reliefs and assumed income loss due to a reduction in both the baseline and collection rate as a result of the pandemic) are estimated to be £41.155m. Total assumed income is therefore £101.726m in 2021/22.
26. At this stage an assumption has been made of no further decrease in Government funding beyond this level, notwithstanding the Government’s commitment to a “Fair Funding Review” of local authority baseline funding allocations to conclude in the coming year. At this stage it seems more likely that, if the review continued on its current path, this would present a risk for Wandsworth, rather than an opportunity.

**CALCULATION OF COUNCIL TAX AMOUNTS**

**Collection Fund**

27. The tax requirements of the Council are aggregated with those of the precepting authorities within the Collection Fund. The Council's part represents its budget requirement less its share of retained Business Rates, and any Collection Fund surplus or deficit.
28. With regard to the council tax element, it is estimated that the Collection Fund will have a surplus of £0.965m at 31st March 2021. Of this amount £0.564m will be credited to the Council's General Fund in 2021/22. The remainder is passed to the GLA.
29. Local Business Rates due are also credited to the Collection Fund and are shared between the Council (30%), the GLA (37%) and the Government (33%). In order to mitigate the impacts of COVID-19 on businesses, the Government granted 100% business rate relief in 2020/21 for the retail, hospitality, leisure and nursery sectors. As a result, the level of business rates billed during the year has more than halved, leaving an estimated £70.4m deficit (the Council's element is £21.5m) on the Collection Fund at 31st March 2021. Accounting rules relating to the Collection Fund mean this deficit has to be collected in 2021/22. In order to finance this deficit, the Government has provided additional section 31 grant in the current year. This will be transferred into the Business Rates Volatility Reserve at year end and in turn the reserve will be used in 2021/22 to cover the Collection Fund deficit.

**Wandsworth Council Tax Requirement**

30. After taking account of Business Rates and central Government support and the use of balances and reserves detailed in paragraph 21, the amount that this Council needs to raise from council tax for its own purposes is as follows:

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	£m	£m	£m	£m
Net Expenditure after use of balances and reserves	175.304	167.843	182.498	196.388
Collection Fund Surplus	-1.546	-0.564		
	<u>173.758</u>	<u>167.279</u>	<u>182.498</u>	<u>196.388</u>
Less:				
Retained Business Rates	-73.470	-41.155	-39.009	-39.009
Business Rates Top-Up	-36.989	-36.989	-36.989	-36.989
Revenue Support Grant	0	-23.582	-23.582	-23.582
	<u>-110.459</u>	<u>-101.726</u>	<u>-99.580</u>	<u>-99.580</u>
<b>Wandsworth Council Tax Requirement</b>	<b>63.299</b>	<b>65.553</b>	<b>82.918</b>	<b>96.808</b>

31. The statutory form of calculation by the Council is shown in Appendix E, with details in Appendix D.

**Council Tax Base**

32. The Council tax bases are calculated annually by the Director of Resources under the authority delegated to him by the Council at its meeting on 4th February 2004. These have now been determined as 136,064 for the Borough as a whole, and 27,789 for the Wimbledon and Putney Commons Conservators' (W&PCC) area. The figures for 2020/21 were 135,327 and 27,824. Growth of 800 properties per annum has been assumed for future years and the tax base figures incorporate the effect of Local Council Tax Support on the tax base.

**Wimbledon and Putney Commons Conservators**

33. 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 2021/22 this levy amounts to £861,377, an increase of £15,302 on the levy for 2020/21. As a special expense it must be charged only to taxpayers within the Conservators' area, who will therefore have tax amounts £31.00 (£30.41 in 2020/21) higher than elsewhere in the Borough at band D.
34. The Council has to calculate first an average band D tax element (dividing the tax needs shown in paragraph 30 by the 136,064 tax base figure), and then separate amounts for the majority of the Borough (excluding the special expenses) and for the Conservators' levy area. The statutory form of statement is shown in Appendix E and the amounts are:

	<b>Average</b>	<b>Majority</b>	<b>W&amp;PCC</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>2021/22</b>	<b>481.78</b>	<b>475.44</b>	<b>506.44</b>
2020/21	467.75	461.49	491.90

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

**Council Tax Referenda**

36. The Government has confirmed the council tax referendum thresholds for 2021/22 and that an increase in the relevant amount of council tax that is considered to be excessive is 2% or more. However, councils with adult social care responsibilities will also be able to increase council tax as detailed in paragraph 11.

**Greater London Authority**

37. The Mayor of London has issued a consultation document on the GLA budget requirement and precepts which shows the total GLA precept increasing by £31.59 (9.5%) from £332.07 to £363.66 for 2021/22. The GLA is due to consider its final

## Council Tax 2021/22

budget on 25th February 2021 i.e. after the meeting of the Executive. Should the GLA change their provisional budget and/or council tax requirement, it is proposed that the Director of Resources be authorised to update the content of this report for any changes to the GLA's budget and precept reported within this report, for the approval of the full Council at its meeting on 3rd March 2021 when considering the council tax requirement.

### COUNCIL TAX AMOUNTS

38. Combining this Council's tax amount with that of the GLA produces total band D amounts as follows for 2021/22:

	Average	Majority	Conservators' Area
	£	£	£
Wandsworth Council	481.78	475.44	506.44
Greater London Authority	363.66	363.66	363.66
	<u>845.44</u>	<u>839.10</u>	<u>870.10</u>

39. The amounts for all valuation bands are shown in Appendix E part (f). After taking account of discounts, exemptions and the distribution of properties over valuation bands, the average bill for all dwellings in the Borough is estimated to be around £775 which is expected to remain as the lowest average bill in the country.

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

40. The past year has been an exceptional one for the Council, not just in terms of meeting the wide-ranging needs of the borough's residents and businesses, but also on its finances. The pandemic has impacted on a wide range of residents, many of whom may be facing financial difficulty for the first time. With that in mind, and notwithstanding the overall pressure on Council budgets, the Council has over many years contributed to its reserves to such a level that I consider it appropriate to freeze the Council's share of the general council tax for the coming year.
41. In addition, we recognise the incredible community spirit and goodwill that so many of our residents have demonstrated over the past year. We will of course continue to work closely with the voluntary and community sector, helping them to provide direct support to those impacted by the pandemic. However, I am keen to go further. I know some residents will feel more financially secure than others and would be willing to contribute more to the Wandsworth community. I therefore propose that we now consult with residents on the setting up of a charitable trust. This trust would be independent from the Council and would give the local community, on a voluntary basis and in addition to their council tax payments, the opportunity to donate to local organisations and initiatives that can make a



difference to the lives of those in our borough who are most vulnerable or suffering hardship.

## **FUTURE YEARS' BUDGET FRAMEWORK**

42. 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 £606 in 2022/23 and £703 in 2023/24. These represent increases of 25.8% and 16.1% respectively, compared with the preceding year, before further action and/or use of reserves. With the assumed GLA precept, the total average band D amount would rise to £977 in 2022/23 and £1,082 in 2023/24. The budget framework showing these amounts is given in [Appendix F](#). In accordance with the Council's Constitution, the Council should be recommended to adopt this framework on the basis that the Executive may then approve budget variations within the overriding restrictions that unearmarked reserves should not be forecast to fall below £6.75m (50% of that set aside for contingencies) in 2021/22, nor the council tax band D forecast for the next two years rise by more than a further £49.61.
43. The detailed budget by Overview and Scrutiny Committee for 2020/21 to 2023/24 (based on budgets approved in Paper No. 21-8 as amended for those budget variations shown in [Appendix A](#)) is available in the Members' Online Library and will be published as part of the Council's Budget Book.
44. Taking all of the above matters into account, it is recommended that for 2021/22 the Council's element of the council tax is frozen and, in light of continuing pressure on adult social care services, an adult social care precept of 3% is levied.
45. If Government referendum criteria required increases of no more than 2% and the adult social care precept continues at 2%, the framework in [Appendix F](#) indicates that the council tax requirement would have to be reduced, either from budget reductions or the use of reserves, by £25.087m by the end of the framework period. This gap will need to be addressed by the Council in its Medium Term Financial Strategy due to be submitted to the Executive and the Council for approval in June 2021. Whilst the Council has reserves identified to meet some of these pressures, these cannot be used indefinitely and, as in previous years, the Council will need to identify efficiencies and other sources of income to help meet the ongoing budget shortfall.

## **LEGAL COMMENTS**

46. In relation to the proposal in paragraph 41, the Head of the South London Legal Partnership comments that the Council has the power to accept gifts of property pursuant to section 139 of the Local Government Act 1972 and also under the general power of competence contained in section 1 of the Localism Act 2011. Having collected voluntary contributions, one way of managing the fund is by establishing a charity as described in this report.

## **CONSULTATION**

47. The Council has a statutory duty to consult with business ratepayers' representatives. A copy of Paper No. 21-8, the report by the Director of Resources on the Council's budget plans for 2021/22 and future years, was placed on the Economic Development Office business home page on the Council's website. Written comments have been invited by 4th February in order to be considered by the Executive.

## **EQUALITY IMPACT AND NEEDS ANALYSIS**

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

## **SUPPORTING THE WANDSWORTH ENVIRONMENT AND SUSTAINABILITY STRATEGY (WESS)**

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

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The Town Hall  
Wandsworth  
SW18 2PU

MARK MAIDMENT  
Director of Resources

4th February 2021

**Background Papers**

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

1. The Council's Budget Book 2020/21
2. Budget variations approved by the Executive in this financial year
3. Service committees' budget variation requests in this cycle
4. Provisional Local Government Finance Settlement notification
5. GLA precept and levying bodies' documents.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website ([www.wandsworth.gov.uk/moderngov](http://www.wandsworth.gov.uk/moderngov)) unless the report was published before May 2001, in which case the Committee Secretary can supply it if required.

**CONCURRENT GENERAL FUND REVENUE BUDGET VARIATIONS**

	<u>2020/21</u> £'000	<u>2021/22</u> £'000	<u>2022/23</u> £'000	<u>2022/23</u> £'000
<b><u>STRATEGIC PLANNING &amp; TRANSPORTATION OSC</u></b>				
Wandle Delta Masterplan (Paper No. 21-34)	-	+31	-	-
<b><u>FINANCE, RESOURCES &amp; CLIMATE SUSTAINABILITY</u></b>				
High Street and Small Business Recovery (Paper No. 21-65)	-	-	+204	+204
Wandsworth Environment & Sustainability Strategy (Paper No. 21-61)	+78	+358	+71	+30
<b><u>TOTAL GENERAL FUND BUDGET VARIATIONS</u></b>	<b>+78</b>	<b>+389</b>	<b>+275</b>	<b>+234</b>

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

- (a) Changes in application of legislation and the conditions for Government specific grants.
- (b) Increase in inflation above the levels anticipated when setting the budget.
- (c) The application of higher than anticipated inflation indices to contracted-out services, where increases are contractually based on the inflation index for specified calendar months.
- (d) Retendering of service contracts at higher costs due to factors such as the Working Time Directive, the statutory minimum wage, and less competitive markets.
- (e) Unforeseen difficulties in recovering arrears, requiring additional provision to be made for doubtful debts.
- (f) Other unforeseen demands, and opportunities for service improvements in line with the Council's general policies, which could not be accommodated within approved budgets.
- (g) Utilisation of specific grants already consolidated into the budget.
- (h) Budgetary pressures facing services arising from changes in local demographics such as adult social services and housing, and increased demand for statutory services especially in relation to looked after children.
- (i) Impact of the COVID-19 pandemic on demand for Council services and potential impact on the delivery of planned transformation programmes.
- (j) Shortfalls in capital receipts, adding to the net interest borne by the General Fund.
- (k) Cost of a local disaster not covered by Government grant under the Bellwin Scheme.
- (l) Transferred responsibilities from health authorities to local authorities.
- (m) Reduction in income streams due to the continuing economic difficulties.
- (n) Potential increase in costs arising from Welfare Reform implementation.
- (o) Differences in levy or charge from that estimated before formal notice issued by levying bodies.

**GENERAL FUND REVENUE RESERVES**

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

	Balance 1st April <u>2020</u> £'000	Budgeted Change <u>2020/21</u> £'000	Balance 1st April <u>2021</u> £'000	Budgeted Change <u>2021/22</u> £'000	Balance 1st April <u>2022</u> £'000
<b>Renewals Fund</b>					
Net Use - Revenue		-1,220		-440	
Net Contribution – Other *		46		46	
Increase in Fund		475		475	
	27,152	-699	26,453	81	26,534
This fund is for “loans” to services with unusually large requirements for building refurbishment, energy conservation schemes, computer software and vehicle and plant replacements. It is also used for planned expenditure relating to IT hardware and software.					
<b>Finite Services Fund</b>	1,410	0	1,410	0	1,410
This reserve provides for some pre-financing of identified costs of limited duration which includes the Council's aspirations programme and support from the General Fund for the two regeneration schemes where costs fall outside of the Housing Revenue Account.					
<b>Specific Grant Reserve</b>	1,000	0	1,000	0	1,000
This reserve is for potential over-estimates or losses of specific General Fund Government grants.					
<b>Service Transformation Reserve</b>	12,702	-1,505	11,197	-1,737	9,460
This reserve was established in 2010/11 to meet the short-term costs of service restructuring including redundancy and will be used to fund part of the deficit arising from the shortfall in Government funding in future years. The initial costs incurred by the Workspace Strategy (Paper No. 18-429) will be funded from this reserve.					
<b>Insurance Reserve</b>	7,053	0	7,053	0	7,053
This reserve was established to meet certain non-specific liability and property claims where the Council does not insure externally. The adequacy of the reserve will continue to be subject to periodic external reviews.					

	Balance 1st April <u>2020</u> £'000	Budgeted Change <u>2020/21</u> £'000	Balance 1st April <u>2021</u> £'000	Budgeted Change <u>2021/22</u> £'000	Balance 1st April <u>2022</u> £'000
<b>Pensions Resilience Reserve</b>	43,424	0	43,424	0	43,424
<p>This reserve was established in 2017/18 by consolidating the balances on three other pension related reserves. This reserve will continue to mitigate the impact of future increases in employer's pension contributions following fund revaluation, provide for any deficit to be funded for those pensions falling under the remit of the London Pension Fund Authority and meet costs relating to pensions enhancements which fall outside statutory pension schemes (mainly for teachers) previously charged to the Enhanced Pension Fund Reserve.</p>					
<b>DSO Reserve</b>	4,893	0	4,893	0	4,893
<p>Reserve balances relating to accrued surpluses of the Design Service and Operational Services Direct Service Organisation (DSO) are used to enable future investment in plant and equipment or to meet redundancy costs if they arise.</p>					
<b>Business Rates Volatility Reserve *</b>	6,072	21,158	27,230	-19,858	7,372
<p>This reserve was established in 2011/12 in recognition of the volatility of the arrangements for future local government funding. The reserve is used to meet any shortfall in business rate yield compared with that included in the Settlement Funding Assessment, together with any estimated surplus or deficit arising on the Collection Fund in respect of business rates. Its use therefore sits outside of the General Fund. In 2020/21 the Government granted 100% business rate relief to many businesses impacted by COVID-19 and compensated the Council in full for lost income. The accounting requirements of the Collection Fund mean this income, received in 2020/21, will be transferred into this reserve at year end and used to offset deficits in the Collection Fund which need to be accounted for in the following three years.</p>					
<b>Financial Resilience Reserve</b>	49,245	12,608	61,853	1,343	63,196
<p>This reserve was established in 2014/15 in recognition of the substantial pressures on budgets and diminishing Government support. The 2017/18 council tax setting exercise transferred £6m to this reserve from the former Pensions Reserve to enable an increase in the active employer's rate to be borne without recourse to council tax and £1.2m is to be used for this purpose again in 2020/21. In addition, any surplus balance at year end will be transferred into this reserve. The net cost of COVID-19 on the Council in 2020/21 is excluded from these projections but will need to be met from this reserve. For 2021/22 £1.343m is projected to contribute to this reserve balance.</p>					
<b>COVID Grant Reserve *</b>	5,218	-5,218	0	0	0
<p>This reserve was established in 2019/20 to recognise general financial support received from the Government at the very start of the pandemic. The balance on the reserve represents unspent grant received in 2019/20, to be carried forward into 2020/21. This will be used in full in 2020/21 to part fund the costs associated with COVID-19. As the impact of COVID-19 is not included in the 2020/21 budgets and estimates, use of this reserve is excluded from projections within the framework.</p>					

**Council Tax 2021/22**

	Balance 1st April <u>2020</u> £'000	Budgeted Change <u>2020/21</u> £'000	Balance 1st April <u>2021</u> £'000	Budgeted Change <u>2021/22</u> £'000	Balance 1st April <u>2022</u> £'000
<b>Other Balances</b>	305	0	305	0	305
<b>TOTAL REVENUE RESERVES AVAILABLE FOR COUNCIL TAX PURPOSES (all except * above)</b>	<b>159,234</b>	<b>10,358</b>	<b>169,591</b>	<b>-359</b>	<b>169,232</b>





**APPENDIX D****Amounts to be calculated by the Council for the purposes of  
Section 31A of the Local Government Finance Act 1992  
for the year 2021/22**

	<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;	891,149	1
(b) Such allowance as the Council estimates will be appropriate for contingencies in relation to expenditure to be charged to a revenue account for the year in accordance with proper practices;	13,500	
(c) The financial reserves which the Council estimates it will be appropriate to raise in the year for meeting its estimated future expenditure;	NIL	
(d) Such financial reserves as are sufficient to meet so much of the amount estimated by the Council to be a revenue account deficit for any earlier financial year as has not already been provided for;	NIL	
(e) Any amounts which it estimates will be transferred in the year from its General Fund to its Collection Fund in accordance with section 97(4) of the Local Government Finance Act 1988; and	NIL	
(f) Any amounts which it estimates will be transferred from its General Fund to its Collection Fund pursuant to a direction under section 98(5) of the Local Government Finance Act 1988 and charged to a revenue account for the year.	NIL	
SUB-TOTAL	904,649	
<b><u>LESS</u></b>		
(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;	783,080	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;	42,157	



## Council Tax 2021/22

- |     |  |        |   |
|-----|--|--------|---|
| (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.  | 13,859 | 2 |

SUB-TOTAL

839,096

**DIFFERENCE (Council Tax Requirement)**

**65,553**

<u>Note 1</u>	<u>Expenditure</u> £'000	<u>Income</u> £'000
Gross Expenditure/Income	889,289	728,498
Central Government Funding & Localised Business Rates		60,571
Less internal recharges	-5,621	-5,621
Plus inflation to end of 2021/22	7,481	71
Less credit from Collection Fund shown separately		-439
	<u>891,149</u>	<u>783,080</u>

<u>Note 2</u>	£'000
General reserves available (paragraph 16)	13,500
Add drawings from special reserves ( <u>Appendix C</u> )	359
	<u>13,859</u>

**APPENDIX E**

**FORM OF COUNCIL RESOLUTION**

- (a) That the revised revenue estimates for the year 2020/21 referred to in Paper No. 21-8 as adjusted and the revenue estimates for 2021/22 as summarised in this report be approved;
- (b) That the details of the council tax requirement for the year 2021/22, as set out in Appendix D of this paper, be approved;
- (c) That it be noted that the following amounts for the year 2021/22 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) 136,064 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its council tax base for the year; and
  - (ii) 27,789 being the amount calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amount of its council tax base for the year for dwellings in the Wimbledon and Putney Commons Conservators' Levy Area;
- (d) That it be noted in accordance with Section 25 of the Local Government Act 2003 that the Director of Resources has reported that the estimates are sufficiently robust for the purposes of the calculations and that the proposed financial reserves are adequate, and the following amounts be now calculated by the Council for the year 2021/22 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:
- (i) £904,648,750 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A of the Act;
  - (ii) £839,096,510 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;
  - (iii) £65,552,690 being the amount by which the aggregate at d(i) above exceeds the aggregate at (d)(ii) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year;
  - (iv) £481.78 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;



## Council Tax 2021/22

- (v) £861,376.93 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) £475.44 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) £506.44 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>	<b>Wimbledon and Putney Commons Conservators'</b>	<b>All other parts of the Council's Area</b>
	<b>Levy Area</b>	
	£	£
A	337.63	316.96
B	393.90	369.79
C	450.18	422.62
D	506.44	475.44
E	618.98	581.09
F	731.53	686.75
G	844.07	792.40
H	1,012.88	950.88

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

- (e) That it be noted that for the year 2021/22 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>	<b>Greater London Authority</b> £
A	242.44
B	282.85
C	323.25
D	363.66
E	444.47
F	525.29
G	606.10
H	727.32

- (f) That having calculated the aggregate in each case of the amounts at (d)(viii) and (e) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2021/22 for each of the categories of dwellings shown below:

<u>Valuation Band</u>	<b>Wimbledon and Putney Commons Conservators' Levy Area</b> £	<b>All other parts of the Council's Area</b> £
A	580.07	559.40
B	676.75	652.64
C	773.43	745.87
D	870.10	839.10
E	1,063.45	1,025.56
F	1,256.82	1,212.04
G	1,450.17	1,398.50
H	1,740.20	1,678.20

**GENERAL REVENUE BUDGET FRAMEWORK**

	<u>2020/21</u> £m	<u>2021/22</u> £m	<u>2022/23</u> £m	<u>2023/24</u> £m
Original Budget	195.467	195.467	195.467	195.467
Inflation to Nov 2020 Prices	3.017	5.014	5.014	5.014
Developments	4.442	5.990	- 2.253	- 1.044
<b>Revised Committee Budgets</b>	<b>202.926</b>	<b>206.471</b>	<b>198.228</b>	<b>199.437</b>
Inflation		7.410	16.895	27.024
COVID Contingency		3.460		
New Homes Bonus	-11.747	-7.898	-2.552	0.000
Non-Service Specific Grants	-8.885	-13.622	-13.622	-13.622
COVID Government Grant		-11.133		
Improved Better Care Fund	-16.486	-16.486	-16.486	-16.486
<b>Total</b>	<b>165.808</b>	<b>168.202</b>	<b>182.463</b>	<b>196.353</b>
Planned Use of Balances and Reserves	9.496	-0.359	0.035	0.035
<b>Budget Requirement</b>	<b>175.304</b>	<b>167.843</b>	<b>182.498</b>	<b>196.388</b>
Less:				
Collection Fund Surplus	-1.546	-0.564		
Retained Business Rates	-73.470	-41.155	-39.009	-39.009
Business Rates "Top-up"	-36.989	-36.989	-36.989	-36.989
Revenue Support Grant	0.000	-23.582	-23.582	-23.582
<b>Council Tax Requirement</b>	<b>63.299</b>	<b>65.553</b>	<b>82.918</b>	<b>96.808</b>
Band D Council Tax	£	£	£	£
Wandsworth Council	467.75	481.78	605.84	703.22
Greater London Authority	332.07	363.66	370.93	378.35
<b>Total</b>	<b>799.82</b>	<b>845.44</b>	<b>976.77</b>	<b>1,081.57</b>
Increase in Wandsworth Council Tax		3.00%	25.75%	16.07%
Budget reductions or use of reserves needed in future to maintain Wandsworth's council tax increases within 3.99%			<b>14.349</b>	<b>25.087</b>

**SSA EQUALITY IMPACT AND NEEDS ANALYSIS**

<b>Directorate</b>	Resources
<b>Service Area</b>	Financial Management
<b>Service/policy/function being assessed</b>	<b>Council Tax setting</b>
<b>Which borough (s) does the service/policy apply to</b>	Wandsworth
<b>Staff involved</b>	Fenella Merry, Katherine Burston
<b>Date approved by Directorate Equality Group (if applicable)</b>	n/a
<b>Date approved by Policy and Review Manager</b> All EINAs must be signed off by the Policy and Review Manager	3rd February 2021
<b>Date submitted to Directors' Board</b>	n/a

**SUMMARY****Please summarise the key findings of the EINA.**

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

For 2021/22, the key features of the proposed budget are a 3% increase in the Wandsworth element of the Council Tax which comprises:

- a freeze in the Wandsworth element of the Council Tax,
- a 3% precept (as allowed by Government) in support of Adult Social Care services and a 9.5% increase in the GLA element of the Council Tax, leading to an overall increase of 5.7% for average band D, or £45.62 per year.

The analysis shows the impact of the generation of a 3% Adult Social Care precept which will increase band D charge by £14.03 per annum.

The Government's Spending Review announced that local authorities responsible for adult social care would be given additional 3% flexibility on their current council tax referendum threshold to be used entirely for social care, with flexibility allowed to defer some or all of this for use in 2022/23. The Council applied an adult social care precept of 2% in 2017/18, 2018/19, 2019/20 and 2020/21, which was the maximum flexibility allowed at that time.

The council tax generated from this 3% increase will generate additional income of £1.9 million to be attributed to adult social care. This "precept" also has to be shown on the face of council tax bills and in the "information supplied with the demand notice".

Taking the precept will have a positive impact on users of adult social care in Wandsworth.

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

**1. Background**

**Briefly describe the service/policy or function:**

The recommendation in the report is: -

- to recommend the Council to give effect to the council tax requirement and council tax amounts for 2021/22 as follows:

	Average	Majority	Conservators' Area
	£	£	£
Wandsworth Council	481.78	475.44	506.44
Greater London Authority	363.66	363.66	363.66
	<hr/>	<hr/>	<hr/>
	845.44	839.10	870.10

**2. Analysis of need and impact**

**PART 1 – INCREASING THE COUNCIL TAX**

In terms of Council Tax liability, residents fall into one of the following 4 categories:

1. those liable to pay full Council Tax,
2. those eligible for some form of discount or exemption (other than Council Tax Support),
3. those eligible for Council Tax Support,
4. those with no Council Tax liability.

The increase in the Council's share of the Band D Council Tax for the majority of the borough would result in a cash increase of £14.03 per year (£0.27 per week) for the majority of those required to pay the full charge. The increase in the Wandsworth element of the Council Tax stems from the Government's offer to allow Councils to increase Council Tax, provided that the additional amount is used in support of Adult Social Care i.e. some of its most vulnerable residents.

**Group 1 - Those liable to pay full Council Tax**

For the majority of Wandsworth residents, the Council believes that the proposed increase will not have a significant impact. Wandsworth is known as an affluent borough with high levels of employment (85.1% economically active residents (as at September 2020), although currently 14,320 out of work benefit claimants as a result of the pandemic, trends remain low (universal credit and Job Seekers allowance - data as at December 2020)). There will be an impact for those Council Tax payers whose income is just above the threshold for Council Tax Reduction who will suffer the full increase. The Council has no specific equalities monitoring data on this group of residents.

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

Single Person Discount is the main discount allowed amounting to just over 41,500 properties. The Council has no equalities monitoring information about this group. In addition, there are 217 properties where a banding reduction has been awarded in respect of a disability. Again, the Council holds no additional equalities information on this group.

The impact on those in receipt of discounts is as per Group 1 but the effect of the increase would be proportionately less.



For example, a Band D taxpayer in the majority of the borough who is eligible for a single person discount would be subject to an increase of £10.52 (£0.20 per week) rather than £14.03 per year (£0.27 per week).

**Group 3 – Those with no Council Tax liability**

The proportion of Council Tax liability on which Council Tax Reduction is calculated for working age claimants is 70% although some households are protected from the 30% minimum contribution based on their circumstances. This is predominantly the same as for 2020/21, although due to Covid-19, the 30% minimum contribution for working age claimants in that year was covered by a temporary expansion of the Council’s local Council Tax Reduction Scheme. The number of dwellings that are long term vacant (more than 6 months) is 269 and of these 82 are attracting a council tax premium for being vacant for more than 2 years. The effect on this group is neutral.

**PART 2 – USE OF THE ADULT SOCIAL CARE PRECEPT**

<b>Protected group</b>	<b>Findings</b>															
<b>Age</b>	<table border="1"> <thead> <tr> <th>Age band</th> <th>GLA data (2019)</th> <th>Adults Data</th> </tr> </thead> <tbody> <tr> <td>18-64</td> <td>90.5%</td> <td>40.6%</td> </tr> <tr> <td>65-74</td> <td>5.3%</td> <td>15.6%</td> </tr> <tr> <td>75+</td> <td>4.2%</td> <td>43.8%</td> </tr> <tr> <td>Total</td> <td>n/a</td> <td>3,785</td> </tr> </tbody> </table> <p>Adult Services support significantly more older residents than the borough average.</p>	Age band	GLA data (2019)	Adults Data	18-64	90.5%	40.6%	65-74	5.3%	15.6%	75+	4.2%	43.8%	Total	n/a	3,785
Age band	GLA data (2019)	Adults Data														
18-64	90.5%	40.6%														
65-74	5.3%	15.6%														
75+	4.2%	43.8%														
Total	n/a	3,785														
<b>Disability</b>	<p>Census data 2011: Households containing a person with a long term health problem or disability – Total 20.7%.</p> <p>Profile of Adult Social Care Service Users: The majority of service users have physical disabilities or physical frailty as their main area of difficulty. In 2019/20, 801 had a mental health condition as their main difficulty and 893 a learning disability (all ages).</p>															
<b>Gender (sex)</b>	<p>GLA data 2019: 51.9% of residents are female.</p> <p>Profile of Adult Social Care Service Users: 55.3% are female</p> <p>Adult Services support significantly more female residents than the borough average.</p>															
<b>Gender reassignment</b>	Data not collected via the Census.															
<b>Marriage and civil partnership</b>	Data not collected via the Census.															
<b>Pregnancy and maternity</b>	Data not collected via the Census.															
<b>Race/ethnicity</b>	<p>GLA data 2019: 30.9% of residents are from black and minority ethnic (BME) communities</p> <p>Profile of Adult Social Care Service Users: 43.4% of service users were from BME communities. The largest proportion of BME care service users come from the Black or Black British community.</p>															

<b>Religion and belief, including non belief</b>	Census data for all population of Wandsworth:		
	<b>Religion</b>	<b>No.</b>	<b>%</b>
	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
	<b>Total</b>	<b>306,995</b>	<b>100</b>
	Data on adult social care clients is not available by this protected characteristic		
<b>Sexual orientation</b>	Data not collected via the Census.		
<b>Across groups i.e older LGBT service users or BME young men</b>	Data not collected via the Census.		

Data gaps

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

3. Impact

Protected group	Positive	Negative
<b>Age</b>	As 59.4% of Adult Social Care service users are aged 65 and over - taking the precept will have a positive impact in that it will ensure these vulnerable residents continue to receive support.	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 No.16- 28 a 0% minimum contribution for vulnerable households including those on certain disability benefits and households where there is a child under 3. This support has been promoted by the Council to ensure that eligible residents are aware of its availability.
<b>Disability</b>	As the majority of Adult	As above

	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.	
<b>Gender (sex)</b>	As 55.3% 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
<b>Gender reassignment</b>	Taking the precept will support gender reassignment service users of Adult Social Care and ensure they continue to receive support.	As above
<b>Marriage and civil partnership</b>	Taking the precept will support service users of Adult Social Care regardless of their relationship status and will ensure they continue to receive support.	As above
<b>Pregnancy and maternity</b>	Taking the precept will support service users of Adult Social Care regardless of whether they are pregnant or have recently given birth and will ensure they continue to receive support.	As above
<b>Race/ethnicity</b>	Taking the precept will support BME service users of Adult Social Care and ensure they continue to receive support.	As above
<b>Religion and belief, including non belief</b>	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
<b>Sexual orientation</b>	Taking the precept will support service users of Adult Social Care and ensure	As above



## Council Tax 2021/22

	vulnerable residents, regardless of their sexual orientation, continue to receive support.	
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### 4. Actions

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

### 5. Consultation

Statutory consultation on the Council's service expenditure and council tax setting has been undertaken with business ratepayers' representatives.
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**ANALYSIS OF SERVICE BUDGETS 2021/22**

<b>£'000</b>	<b>ADULT CARE &amp; HEALTH SERVICES</b>	<b>COMMUNITY SERVICES &amp; OPEN SPACES</b>	<b>EDUCATION &amp; CHILDREN'S SERVICES</b>	<b>FINANCE RESOURCES &amp; CLIMATE SUSTAINABILITY</b>	<b>HOUSING &amp; REGENERATION</b>	<b>STRATEGIC PLANNING &amp; TRANSPORTATION</b>	<b>GENERAL FUND TOTAL</b>	<b>DEDICATED SCHOOLS BUDGET</b>	<b>HOUSING REVENUE ACCOUNT</b>	<b>TOTAL</b>
<b>EXPENDITURE</b>										
Salaries	17,893	2,886	43,358	7,035	5,620	4,131	<b>80,923</b>	145,497	17,970	<b>244,390</b>
Premises	74	4,380	1,067	805	795	1,079	<b>8,200</b>	28	45,908	<b>54,136</b>
Use of Transport	1,249	109	4,231	52	28	18	<b>5,686</b>	4	286	<b>5,976</b>
Concessionary Fares					-		<b>0</b>		-	<b>0</b>
Supplies and Services										
- Funding to Voluntary Bodies		116		1,015	33		<b>1,164</b>		-	<b>1,164</b>
- Other	3,946	962	5,797	7,878	824	4,160	<b>23,566</b>	42,803	7,612	<b>73,981</b>
Third Party Payments										
- Precepts, Levies and Charges		15,846				659	<b>16,505</b>		-	<b>16,505</b>
- Other	93,703	17,546	1,519	914	-		<b>2,433</b>		-	<b>2,433</b>
Transfer Payments	8,430		28,756	5,001	30,409	6,345	<b>181,760</b>	582	5,204	<b>187,546</b>
Support Services Recharges	6,926	3,207	1,537	174,717	1,379	12,337	<b>198,401</b>	2,490	223	<b>201,114</b>
Depreciation and Impairment	6,926	3,207	6,415	11,184	876	2,762	<b>31,370</b>		7,994	<b>39,364</b>
Capital Financing Charges	103	2,138	3,377	-13,878	-	7,462	<b>-798</b>		24,395	<b>23,597</b>
	-	-	-	-	-	-	<b>-</b>		35,623	<b>35,623</b>
<b>TOTAL</b>	<b>132,323</b>	<b>47,190</b>	<b>96,057</b>	<b>194,723</b>	<b>39,964</b>	<b>38,953</b>	<b>549,212</b>	<b>191,403</b>	<b>145,215</b>	<b>885,830</b>

**ANALYSIS OF SERVICE BUDGETS 2021/22 (Continued)**

<b>£'000</b>	<b>ADULT CARE &amp; HEALTH SERVICES</b>	<b>COMMUNITY SERVICES &amp; OPEN SPACES</b>	<b>EDUCATION &amp; CHILDREN'S SERVICES</b>	<b>FINANCE RESOURCES &amp; CLIMATE SUSTAINABILITY</b>	<b>HOUSING &amp; REGENERATION</b>	<b>STRATEGIC PLANNING &amp; TRANSPORTATION</b>	<b>GENERAL FUND TOTAL</b>	<b>DEDICATED SCHOOLS BUDGET</b>	<b>HOUSING REVENUE ACCOUNT</b>	<b>TOTAL</b>
<b>INCOME</b>										
Government Grants	35,975		10,709	171,899	4,530		<b>223,113</b>	178,608	-	<b>401,721</b>
Other Grants & Contributions	2,456	637	1,791	438	847	982	<b>7,151</b>		-	<b>7,151</b>
Customer & Client Receipts	14,939	7,704	1,460	13,897	22,214	40,391	<b>100,605</b>	12,796	147,054	<b>260,455</b>
Interest				6,229	20		<b>6,249</b>		3,968	<b>10,217</b>
Recharge Income		298	450	15	377	76	<b>1,216</b>	-	-	<b>1,216</b>
Internal Charges				1,905	2,248	253	<b>4,406</b>		-	<b>4,406</b>
Contribution from Reserves					-		-		-5,807	<b>-5,807</b>
<b>TOTAL</b>	<b>53,370</b>	<b>8,639</b>	<b>14,410</b>	<b>194,383</b>	<b>30,236</b>	<b>41,702</b>	<b>342,740</b>	<b>191,403</b>	<b>145,215</b>	<b>679,359</b>
<b>NET EXPENDITURE</b>	<b>78,953</b>	<b>38,551</b>	<b>81,647</b>	<b>340</b>	<b>9,728</b>	<b>-2,749</b>	<b>206,470</b>	<b>-</b>	<b>-</b>	<b>206,471</b>
New Homes Bonus Funding							<b>-7,898</b>			
Improved Better Care Fund							<b>-16,486</b>			
Social Care Support Grant							<b>-12,516</b>			
Lower Tier Services Grant							<b>-1,106</b>			
Non-Service Specific COVID Related Grants and Income							<b>-11,134</b>			
General Fund inflation from November 2020 to end of 2021/22							<b>7,410</b>			
COVID Contingency							<b>3,460</b>			
<b>Net Committee Budgets</b>							<b>168,200</b>			

## **Shared Staffing Arrangement with the London Borough of Richmond upon Thames**

A Shared Staffing Arrangement (SSA) between Wandsworth Council and the London Borough of Richmond upon Thames was established on 1st October 2016.

Staff are jointly employed by the two boroughs and all costs relating to the SSA are shared appropriately. The cost of SSA employed staff working across both councils was initially split based upon historic budget proportions of both councils. In accordance with the Operational Budget Protocol agreed by both Councils, these budget apportionments have and will continue to be reviewed at least annually and upon any specific event taking place that could have a significant impact on the apportionment, e.g. one Council changing provision in response to an incident or inspection report. This annual review takes place in the Autumn so that any changes can be accounted for in each Council's budget/Council Tax setting cycle for the following year. Minor changes have been implemented since the original proportions were set in order to reflect actual apportionment of time and value between the boroughs. Additional teams have also been added to those working across both boroughs.

The following table details the percentage split between the two boroughs for those service areas served by SSA staff working across both boroughs. The budgets for those SSA staff providing services for one borough only (for instance Wandsworth's Children's Services and Wandsworth's Housing Management) are 100% charged to that borough and therefore excluded from this list. In addition, some teams still work for a sovereign borough due to the complexities of working across both although management skills span both boroughs (e.g. Customer Services). The estimated General Fund annual cost of shared salary expenditure for Wandsworth in April 2021 is £43.3 million.

DIRECTORATE	SERVICE	RICHMOND %	WANDSWORTH %	RATIONALE FOR SPLIT OF SALARY COSTS	WANDSWORTH ESTIMATE £000'S
<b>ADULT CARE AND HEALTH OVERVIEW &amp; SCRUTINY COMMITTEE</b>					
Adult Social Services	Adult Social Care Operations	40%	60%	Wandsworth picks up more of the cost due to borough size differential	6,615
Adult Social Services	Adult Social Service Directorate	37%	63%	Average Chief Officer apportionment across both councils based on historic salary costs	731
Adult Social Services	Advice to NHS Commissioners	34%	66%	Wandsworth picks up more of the cost due to borough size differential	97
Adult Social Services	Business Resources	34%	66%	Wandsworth picks up more of the cost due to borough size differential	3,485
Adult Social Services	Commissioning Service Management	52%	48%	Bsed on historic salary budgets these management costs are split almost equally across the two councils	1,183
Adult Social Services	Professional Standard & Safeguarding	40%	60%	Wandsworth picks up more of the cost due to borough size differential	266
Adult Social Services	Public Health Core	38%	62%	Wandsworth picks up more of the cost due to borough size differential	1,178
<b>COMMUNITY SERVICES OVERVIEW &amp; SCRUTINY COMMITTEE</b>					
Environment & Community Services	Inspection & Enforcement	50%	50%	Based on historic salary budgets these costs are split equally across the two councils	585
Environment & Community Services	Network Management	50%	50%		227
Environment & Community Services	Libraries & Cultural Services	71%	29%	Wandsworth has outsourced its leisure, culture & library services therefore SSA staff do not provide direct support to these services. Wandsworth therefore only incurs contract monitoring costs	66
Environment & Community Services	Finance & Business Support (ECS)	73%	27%		129
Environment & Community Services	Waste & Street Cleaning Management	45%	55%	Wandsworth picks up slightly more of the cost due to borough size differential	159



Environment & Community Services	Registrars Management	28%	72%	Average volumes within Richmond are much lower than in Wandsworth and the management time reflects this	101
<b>FINANCE AND CORPORATE RESOURCES OVERVIEW &amp; SCRUTINY COMMITTEE</b>					
Resources	Resources Directorate	37%	63%	Average Chief Officer apportionment across both councils based on historic salary costs	541
Resources	Council Tax and Housing Benefits	27%	73%	The historic budgets in each council are driven by volume caseload where Wandsworth is larger	1,309
Resources	Benefit Service - Technical support & management	27%	73%		2,739
Resources	Business Rates	37%	63%	Based on volume of businesses in the boroughs	286
Resources	Financial Management	46%	54%	The team supports Wandsworth's Housing Revenue Account whereas Richmond does not have any housing stock	1,467
Resources	Pension & Insurance Accounting	60%	40%	This reflects the current staffing workload of supporting the relevant services	81
Resources	Financial Services (insurance)	33%	67%	The split of this support service reflects the split of historic salary costs from the two councils	171
Resources	ICT Services	38%	62%	The split of these support services reflect the average split of historic salary costs from the two councils	4,447
Resources	HR & Payroll	38%	62%		2,389
Resources	Procurement	38%	62%		649
Resources	Health & Safety	29%	71%	The team supports Wandsworth's housing and schools which are not applicable to Richmond	225
Resources	Customer Service Improvement & Transformation	50%	50%	Management time is split equally across the two councils	79
Resources	Customer Services Management	50%	50%	Management time is split equally across the two councils	56
Chief Executive	Chief Executive's Directorate	37%	63%	Average Chief Officer apportionment across both councils based on historic salary costs	425
Chief Executive	Community Safety	46%	54%	Wandsworth picks up slightly more of the cost due to borough size differential	358

Chief Executive	Partnerships & Voluntary Sector	80%	20%	The majority of the Wandsworth activity is grant funded or locality specific and therefore not shared with Richmond and excluded from this calculation	50
Chief Executive	Consultations	82%	18%	The weighting of the team reflects differing approaches to consultations in the two boroughs	28
Chief Executive	Corporate complaints & Freedom of Information	50%	50%	The complaints and FOI team work equally across both councils	293
Chief Executive	Economic Development support team	19%	81%	The Wandsworth programme is larger in scale, requiring a higher proportion of support costs	209
Chief Executive	Information Governance	50%	50%	The corporate Governance team's time is split equally across the two councils	124
Chief Executive	Policy and Performance	50%	50%	The corporate policy team's time is split equally across the two councils	804
Chief Executive	Business Support	45%	55%	Wandsworth workload in respect of Members Support, number of financial transactions processed and legal case & deeds management is slightly higher.	207
Environment & Community Services	Emergency Planning	50%	50%	Management time is split equally across the two councils	62
Environment & Community Services	Land Charges	42%	58%	The team's split is according to the volume of local land charges searches within the borough.	152
Housing & Regeneration	Construction & TFM Client Team	71%	29%	The team's remit has a smaller scope in Wandsworth where responsibility is devolved to other sections	127
Housing & Regeneration	Property Services Support	50%	50%	Facilities management is split based upon a mixture of size of portfolio and service requirements	1,115
<b>HOUSING AND REGENERATION OVERVIEW &amp; SCRUTINY COMMITTEE</b>					
Housing & Regeneration	Housing Departmental Support	37%	63%	Wandsworth picks up more of the cost due to borough size differential	473
Housing & Regeneration	Home Improvement Agency	34%	66%	Wandsworth picks up more of the costs due to borough size differential	396

Housing & Regeneration	Housing Services Administration	34%	66%	Wandsworth picks up more of the costs due to borough size differential	3,765
Housing & Regeneration	Finance and Business Support(H&R)	4%	96%	Wandsworth has retained its housing stock whereas Richmond has not. The cost share therefore reflects the support provided to Wandsworth in its role as a housing landlord	793
Housing & Regeneration	NPS Support Team	4%	96%		365
Housing & Regeneration	Affordable Housing & Service Strategy	25%	75%		374
<b>STRATEGIC PLANNING AND TRANSPORT OVERVIEW &amp; SCRUTINY COMMITTEE</b>					
Environment & Community Services	Environment & Community Services Dir	37%	63%	Average Chief officer apportionment across both councils based on historic salary costs	616
Environment & Community Services	Environment & Community Services Directorate (Business Support)	40%	60%	Due to the differing size of the boroughs and reflects the work load division across the two	106
Environment & Community Services	Planning Enforcement	45%	55%	Wandsworth picks up more of the costs due to borough size differential	163
Environment & Community Services	Transport Policy, Strategy & Support	42%	58%	Wandsworth picks up more of the costs due to borough size differential in relation to inner/outer London transport issues	826
Environment & Community Services	Engineering & Parking Policy	50%	50%	Based on historic salary budgets these management costs are split equally across the two councils	749
Environment & Community Services	Parking Contract Management	22%	78%	Wandsworth picks up more of the costs due to borough size differential	282
Resources	Parking Support Team & Concessionary	38%	62%	The historic budgets in each council are driven by volume caseload where Wandsworth is larger	1,178

## GENERAL REVENUE SUMMARY

### SUMMARY BY COMMITTEE

<u>COMMITTEE</u>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Adult Care and Health	76,553,600	78,953,100	76,280,100	76,092,100
Community Services and Open Spaces	32,496,600	38,551,300	37,199,200	36,997,500
Education and Children's Services	83,754,900	81,647,200	81,592,200	81,592,200
Finance and Corporate Resources	2,572,700	340,000	(659,700)	(935,700)
Housing and Regeneration	9,622,700	9,728,200	9,728,200	9,728,200
Strategic Planning and Transportation	(2,074,600)	(2,748,800)	(5,913,400)	(4,039,400)
<b>Overall Committee Total</b>	<b>202,925,900</b>	<b>206,471,000</b>	<b>198,226,600</b>	<b>199,434,900</b>

<u>Variation Analysis</u>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>2020/21 ORIGINAL BUDGET</b>	<b>195,466,300</b>	<b>195,466,300</b>	<b>195,466,300</b>	<b>195,466,300</b>
Inflation	3,018,700	5,008,190	5,008,190	5,008,190
Changes in Government Grants	(11,215,800)	(1,905,800)	(1,905,800)	(1,905,800)
Other Government or Outside Body Changes	(868,000)	(1,590,500)	(3,670,600)	(1,690,600)
Demand Led Growth	3,491,500	6,398,500	6,434,400	6,334,400
Efficiency Savings	(57,100)	(1,296,890)	(2,613,990)	(2,795,690)
Investment Priorities	2,741,000	2,766,200	(1,086,400)	(1,491,400)
Other Growth & Savings	10,250,200	1,538,800	508,300	423,300
Budget Transfers	99,100	86,200	86,200	86,200
<b>NET EXPENDITURE</b>	<b>202,925,900</b>	<b>206,471,000</b>	<b>198,226,600</b>	<b>199,434,900</b>

## GENERAL REVENUE SUMMARY

### SUBJECTIVE ANALYSIS

	<u>2020/21</u> <u>Revised</u> <u>£</u>	<u>2021/22</u> <u>Budget</u> <u>£</u>	<u>2022/23</u> <u>Budget</u> <u>£</u>	<u>2023/24</u> <u>Budget</u> <u>£</u>
<u>Expenditure</u>				
Employees	80,374,150	79,378,750	78,732,750	78,247,750
Premises	10,366,150	8,199,550	8,199,550	8,199,550
Transport	5,757,900	5,686,900	5,686,900	5,686,900
Supplies & Services	31,603,200	24,730,120	23,914,620	23,804,620
Third Party Payments	196,974,650	200,697,750	197,994,950	197,818,250
Transfer Payments	208,582,150	198,400,150	196,320,050	198,300,050
Support Service Recharges	32,273,600	31,370,500	31,370,500	31,370,500
Depreciation & Impairment	(798,700)	(787,500)	(787,500)	(787,500)
<b>TOTAL EXPENDITURE</b>	<b>565,133,100</b>	<b>547,676,220</b>	<b>541,431,820</b>	<b>542,640,120</b>
<u>Income</u>				
Government Grants	(237,068,600)	(223,112,700)	(223,112,700)	(223,112,700)
Other Grants & Contributions	(6,425,900)	(7,149,900)	(7,149,900)	(7,149,900)
Customer & Client Receipts	(103,902,800)	(100,605,500)	(102,605,500)	(102,605,500)
Interest	(9,103,700)	(4,715,820)	(4,715,820)	(4,715,820)
Recharge Income	(1,299,400)	(1,214,500)	(1,214,500)	(1,214,500)
Internal charges	(4,406,800)	(4,406,800)	(4,406,800)	(4,406,800)
<b>TOTAL INCOME</b>	<b>(362,207,200)</b>	<b>(341,205,220)</b>	<b>(343,205,220)</b>	<b>(343,205,220)</b>
<b>NET EXPENDITURE</b>	<b>202,925,900</b>	<b>206,471,000</b>	<b>198,226,600</b>	<b>199,434,900</b>

## ADULT CARE AND HEALTH

### SUMMARY BY SERVICE AREA

<b><u>SERVICE</u></b>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Adult Service Operations	79,931,200	82,439,000	79,913,000	79,740,000
Commissioning and Quality Standards	17,970,900	17,960,300	17,879,300	17,879,300
Business Resources	3,021,400	2,905,400	2,839,400	2,824,400
Public Health	(24,369,900)	(24,351,600)	(24,351,600)	(24,351,600)
<b>Total Adult Care and Health</b>	<b>76,553,600</b>	<b>78,953,100</b>	<b>76,280,100</b>	<b>76,092,100</b>

<b>Variation Analysis</b>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>2020/21 ORIGINAL BUDGET</b>	<b>76,151,900</b>	<b>76,151,900</b>	<b>76,151,900</b>	<b>76,151,900</b>
Inflation	162,800	2,060,090	2,060,090	2,060,090
Changes in Government Grants	(1,445,700)	(1,190,000)	(1,190,000)	(1,190,000)
Efficiency Savings	0	(52,390)	(52,390)	(52,390)
Investment Priorities	913,000	1,472,000	(1,201,000)	(1,389,000)
Other Growth and Savings	762,600	506,900	506,900	506,900
Budget Transfers	9,000	4,600	4,600	4,600
<b>NET EXPENDITURE</b>	<b>76,553,600</b>	<b>78,953,100</b>	<b>76,280,100</b>	<b>76,092,100</b>

## ADULT CARE AND HEALTH

### SUBJECTIVE ANALYSIS

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<u>Expenditure</u>				
Employees	17,733,600	17,892,600	17,419,600	17,231,600
Premises	74,200	74,200	74,200	74,200
Transport	1,241,300	1,248,500	1,248,500	1,248,500
Supplies & Services	4,310,200	3,945,500	3,945,500	3,945,500
Third Party Payments	92,428,200	93,703,200	91,503,200	91,503,200
Transfer Payments	16,407,600	8,430,300	8,430,300	8,430,300
Support Service Recharges	6,910,900	6,926,200	6,926,200	6,926,200
Depreciation & Impairment	102,500	102,500	102,500	102,500
<b>TOTAL EXPENDITURE</b>	<b>139,208,500</b>	<b>132,323,000</b>	<b>129,650,000</b>	<b>129,462,000</b>
<u>Income</u>				
Government Grants	(45,617,800)	(35,974,800)	(35,974,800)	(35,974,800)
Other Grants & Contributions	(2,125,800)	(2,455,800)	(2,455,800)	(2,455,800)
Customer & Client Receipts	(14,911,300)	(14,939,300)	(14,939,300)	(14,939,300)
<b>TOTAL INCOME</b>	<b>(62,654,900)</b>	<b>(53,369,900)</b>	<b>(53,369,900)</b>	<b>(53,369,900)</b>
<b>NET EXPENDITURE</b>	<b>76,553,600</b>	<b>78,953,100</b>	<b>76,280,100</b>	<b>76,092,100</b>

## ADULT CARE AND HEALTH

### ADULT SERVICE OPERATIONS

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Adult Service Operations Teams	13,224,800	13,653,700	12,677,700	12,504,700
Early Help & Enablement Services	596,900	981,900	981,900	981,900
Services for Adults with Learning Disabilities	37,282,400	37,967,100	36,417,100	36,417,100
Services for Adults with Mental Health Needs	7,251,600	7,564,400	7,564,400	7,564,400
Services for Older People, Sensory & Physical Disabilities	21,575,500	22,271,900	22,271,900	22,271,900
	<b>79,931,200</b>	<b>82,439,000</b>	<b>79,913,000</b>	<b>79,740,000</b>

<b>Variation Analysis</b>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>2020/21 ORIGINAL BUDGET</b>	78,592,300	78,592,300	78,592,300	78,592,300
<b>Inflation</b>	4,200	1,830,470	1,830,470	1,830,470
<b>Changes in Government Grants</b>				
- Social Care in Prisons Grant - Income	(309,400)	(309,400)	(309,400)	(309,400)
- Local Reform & Community Voices Grant - Income	(185,900)	(185,900)	(185,900)	(185,900)
<b>Other Government or Outside Body Changes</b>				
- Income, Contract and Departmental Efficiencies	0	(12,370)	(12,370)	(12,370)
- 20-331 (Nov 20) Review of Charges	0	(28,000)	(28,000)	(28,000)
<b>Investment Priorities</b>				
- 20-256 (Sept 20) "Transforming the Future" Programme	814,000	1,437,000	(1,089,000)	(1,262,000)
<b>Other Growth and Savings</b>				
- Social Care in Prisons Grant - Expenditure	309,400	309,400	309,400	309,400
- Local Reform & Community Voices Grant - Expenditure	185,900	185,900	185,900	185,900
<b>Budget Transfers</b>	520,700	619,600	619,600	619,600
<b>NET EXPENDITURE</b>	<b>79,931,200</b>	<b>82,439,000</b>	<b>79,913,000</b>	<b>79,740,000</b>



## ADULT CARE AND HEALTH

### COMMISSIONING & QUALITY STANDARDS

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Adult Public Health Services	9,828,100	9,828,400	9,828,400	9,828,400
Advocacy, Supported Employment & Other Minor Services	471,900	471,900	471,900	471,900
Commissioning Teams	926,100	926,100	926,100	926,100
Prevention & Wellbeing Services	5,897,600	5,838,700	5,838,700	5,838,700
Professional Standards & Safeguarding	847,200	895,200	814,200	814,200
	<b>17,970,900</b>	<b>17,960,300</b>	<b>17,879,300</b>	<b>17,879,300</b>

<b>Variation Analysis</b>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>2020/21 ORIGINAL BUDGET</b>	18,578,600	18,578,600	18,578,600	18,578,600
<b>Inflation</b>	56,900	100,180	100,180	100,180
<b>Changes in Government Grants</b>				
- Public Health - Sexual Health (HIV Grant) - Income	(255,700)	0	0	0
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(2,880)	(2,880)	(2,880)
<b>Investment Priorities</b>				
- 20-256 (Sept 20) "Transforming the Future" Programme	33,000	81,000	0	0
<b>Other Growth and Savings</b>				
- Public Health - Sexual Health (HIV Grant) - Expenditure	255,700	0	0	0
<b>Budget Transfers</b>	(697,600)	(796,600)	(796,600)	(796,600)
<b>NET EXPENDITURE</b>	<b>17,970,900</b>	<b>17,960,300</b>	<b>17,879,300</b>	<b>17,879,300</b>

## ADULT CARE AND HEALTH

### BUSINESS RESOURCES

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Business Resources	3,021,400	2,905,400	2,839,400	2,824,400
	<b>3,021,400</b>	<b>2,905,400</b>	<b>2,839,400</b>	<b>2,824,400</b>

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	2,695,900	2,695,900	2,695,900	2,695,900
<b>Inflation</b>	73,600	78,160	78,160	78,160
<b>Changes in Government Grants</b>				
- War Pensions Grant - Income	(11,600)	(11,600)	(11,600)	(11,600)
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(4,260)	(4,260)	(4,260)
<b>Investment Priorities</b>				
- 20-256 (Sept 20) "Transforming the Future" Programme	66,000	(46,000)	(112,000)	(127,000)
<b>Other Growth and Savings</b>				
- War Pensions Grant - Expenditure	11,600	11,600	11,600	11,600
<b>Budget Transfers</b>	185,900	181,600	181,600	181,600
<b>NET EXPENDITURE</b>	<b>3,021,400</b>	<b>2,905,400</b>	<b>2,839,400</b>	<b>2,824,400</b>

## ADULT CARE AND HEALTH

**PUBLIC HEALTH**

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Children 0-5	85,000	85,000	85,000	85,000
Health Protection	20,200	20,200	20,200	20,200
NHS Health Checks	385,000	385,000	385,000	385,000
Obesity	25,300	25,300	25,300	25,300
Other Public Health	2,009,400	2,009,400	2,009,400	2,009,400
Physical Activity	35,000	35,000	35,000	35,000
Sexual Health	527,500	545,800	545,800	545,800
Smoking & Tobacco	316,300	316,300	316,300	316,300
Substance Misuse	3,500	3,500	3,500	3,500
Public Health Grant	(27,777,100)	(27,777,100)	(27,777,100)	(27,777,100)
	<b>(24,369,900)</b>	<b>(24,351,600)</b>	<b>(24,351,600)</b>	<b>(24,351,600)</b>

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	(23,714,900)	(23,714,900)	(23,714,900)	(23,714,900)
<b>Inflation</b>	28,100	51,280	51,280	51,280
<b>Changes in Government Grants</b>				
- Public Health Grant Income	(683,100)	(683,100)	(683,100)	(683,100)
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(4,880)	(4,880)	(4,880)
<b>NET EXPENDITURE</b>	<b>(24,369,900)</b>	<b>(24,351,600)</b>	<b>(24,351,600)</b>	<b>(24,351,600)</b>

## COMMUNITY SERVICES AND OPEN SPACES

### SUMMARY BY SERVICE AREA

<b><u>SERVICE</u></b>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Arts Service	496,000	451,000	451,000	451,000
Contracts and Leisure	31,731,500	37,836,600	36,484,500	36,282,800
Highways Operations and Streetscene	269,100	263,700	263,700	263,700
<b>Total Community Services and Open Spaces</b>	<b><u>32,496,600</u></b>	<b><u>38,551,300</u></b>	<b><u>37,199,200</u></b>	<b><u>36,997,500</u></b>

<b>Variation Analysis</b>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>2020/21 ORIGINAL BUDGET</b>	<b>32,991,000</b>	<b>32,991,000</b>	<b>32,991,000</b>	<b>32,991,000</b>
Inflation	770,400	751,410	751,410	751,410
Other Government or Outside Body Changes	(97,200)	0	0	0
Demand Led Growth	77,200	77,200	77,200	77,200
Efficiency Savings	(54,000)	(501,010)	(1,818,110)	(1,999,810)
Investment Priorities	24,000	85,000	50,000	30,000
Other Growth and Savings	(439,500)	5,923,700	5,923,700	5,923,700
Budget Transfers	(775,300)	(776,000)	(776,000)	(776,000)
<b>NET EXPENDITURE</b>	<b><u>32,496,600</u></b>	<b><u>38,551,300</u></b>	<b><u>37,199,200</u></b>	<b><u>36,997,500</u></b>

## COMMUNITY SERVICES AND OPEN SPACES

### SUBJECTIVE ANALYSIS

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<u>Expenditure</u>				
Employees	2,883,500	2,886,000	2,886,000	2,886,000
Premises	4,476,800	4,379,700	4,379,700	4,379,700
Transport	109,000	109,000	109,000	109,000
Supplies & Services	1,107,700	1,077,700	1,077,700	1,077,700
Third Party Payments	31,714,600	33,391,600	33,039,500	32,837,800
Support Service Recharges	3,208,200	3,207,500	3,207,500	3,207,500
Depreciation & Impairment	2,138,300	2,138,300	2,138,300	2,138,300
<b>TOTAL EXPENDITURE</b>	<b>45,638,100</b>	<b>47,189,800</b>	<b>46,837,700</b>	<b>46,636,000</b>
<u>Income</u>				
Other Grants & Contributions	(634,000)	(636,700)	(636,700)	(636,700)
Customer & Client Receipts	(12,209,800)	(7,704,100)	(8,704,100)	(8,704,100)
Recharge Income	(297,700)	(297,700)	(297,700)	(297,700)
<b>TOTAL INCOME</b>	<b>(13,141,500)</b>	<b>(8,638,500)</b>	<b>(9,638,500)</b>	<b>(9,638,500)</b>
<b>TOTAL NET EXPENDITURE</b>	<b>32,496,600</b>	<b>38,551,300</b>	<b>37,199,200</b>	<b>36,997,500</b>

**COMMUNITY SERVICES AND OPEN SPACES**

**ARTS SERVICE**

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Arts Service	496,000	451,000	451,000	451,000
	<b>496,000</b>	<b>451,000</b>	<b>451,000</b>	<b>451,000</b>

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	400,000	400,000	400,000	400,000
<b>Inflation</b>	11,000	11,460	11,460	11,460
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(460)	(460)	(460)
<b>Other Growth and Savings</b>				
20-208 (July) Tara Arts	45,000	0	0	0
<b>Budget Transfers</b>	40,000	40,000	40,000	40,000
<b>NET EXPENDITURE</b>	<b>496,000</b>	<b>451,000</b>	<b>451,000</b>	<b>451,000</b>

## COMMUNITY SERVICES AND OPEN SPACES

### CONTRACTS AND LEISURE

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Leisure, Culture & Bereavement	(1,728,900)	3,143,200	3,143,200	3,143,200
Libraries contract	4,556,500	4,556,400	4,556,400	4,556,400
Registrars	162,300	152,600	152,600	152,600
Leisure and Culture Services	4,446,100	5,005,100	3,688,000	3,506,300
Street Cleansing	4,261,200	4,276,200	4,276,200	4,276,200
Waste Collection & Recycling	5,733,300	5,752,400	5,717,400	5,697,400
Waste Disposal inc Levy	14,301,000	14,950,700	14,950,700	14,950,700
	<b>31,731,500</b>	<b>37,836,600</b>	<b>36,484,500</b>	<b>36,282,800</b>

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	32,301,800	32,301,800	32,301,800	32,301,800
<b>Inflation</b>	729,400	708,000	708,000	708,000
<b>Investment Priorities</b>				
- WESS	20,000	85,000	50,000	30,000
- Intensive Home Composting	4,000	0	0	0
<b>Other Government or Outside Body Changes</b>				
- North East Surrey Crematorium Board Charge	(96,700)	500	500	500
<b>Demand Led Growth</b>				
-Waste Contract Increase for New Properties	77,200	77,200	77,200	77,200
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(3,700)	(3,700)	(3,700)
- Leisure and Culture Contract	0	(368,900)	(686,000)	(867,700)
- SO83(A) (CSOSC12) Enable & Putney School of Art	(54,000)	(54,000)	(54,000)	(54,000)
- Grounds Maintenance Contract	0	(72,000)	(72,000)	(72,000)
<b>Other Growth and Savings</b>				
- NESCB	0	0	0	0
- Western Riverside Waste Authority Increase in Tonnage	0	650,000	650,000	650,000
- 20-359 (Nov) Review of Charges	0	(36,600)	(36,600)	(36,600)
- Slow Recovery of Leisure Income (Covid-19)	0	1,000,000	0	0
- Leisure Centres Contract Income Pressure (Covid-19)	0	4,800,000	4,800,000	4,800,000
- SCIL Infrastructure Maintenance	(435,000)	(435,000)	(435,000)	(435,000)
<b>Budget Transfers</b>	(815,200)	(815,700)	(815,700)	(815,700)
<b>NET EXPENDITURE</b>	<b>31,731,500</b>	<b>37,836,600</b>	<b>36,484,500</b>	<b>36,282,800</b>

## COMMUNITY SERVICES AND OPEN SPACES

### HIGHWAYS OPERATIONS AND STREETSCENE

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Inspection & Enforcement	197,200	194,300	194,300	194,300
Network Management	(449,000)	(451,500)	(451,500)	(451,500)
Tree Root Provision	367,700	367,700	367,700	367,700
Winter Maintenance	153,200	153,200	153,200	153,200
	<b>269,100</b>	<b>263,700</b>	<b>263,700</b>	<b>263,700</b>

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	289,200	289,200	289,200	289,200
<b>Inflation</b>	30,000	31,950	31,950	31,950
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(1,950)	(1,950)	(1,950)
<b>Other Growth and Savings</b>				
- 20-359 (Nov) Review of Charges	0	(5,200)	(5,200)	(5,200)
-SCIL Infrastructure Maintenance	(50,000)	(50,000)	(50,000)	(50,000)
<b>Budget Transfers</b>	(100)	(300)	(300)	(300)
<b>NET EXPENDITURE</b>	<b>269,100</b>	<b>263,700</b>	<b>263,700</b>	<b>263,700</b>



## EDUCATION AND CHILDREN'S SERVICES

### SUMMARY BY SERVICE AREA

<u>SERVICE</u>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Business Resources	14,541,850	13,771,850	13,771,850	13,771,850
Children and Families	44,616,000	43,325,100	43,325,100	43,325,100
Early Help	17,883,400	17,812,400	17,812,400	17,812,400
Education Standards and Inclusion	6,713,650	6,737,850	6,682,850	6,682,850
<b>Total Education and Children's Services</b>	<b>83,754,900</b>	<b>81,647,200</b>	<b>81,592,200</b>	<b>81,592,200</b>

<u>Variation Analysis</u>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>2020/21 ORIGINAL BUDGET</b>	<b>87,488,000</b>	<b>87,488,000</b>	<b>87,488,000</b>	<b>87,488,000</b>
Inflation	1,232,200	1,271,980	1,271,980	1,271,980
Demand Led Growth	160,000	55,000	0	0
Efficiency Savings	0	(39,580)	(39,580)	(39,580)
Other Growth and Savings	(2,500,000)	(4,500,000)	(4,500,000)	(4,500,000)
Budget Transfers	(2,625,300)	(2,628,200)	(2,628,200)	(2,628,200)
<b>NET EXPENDITURE</b>	<b>83,754,900</b>	<b>81,647,200</b>	<b>81,592,200</b>	<b>81,592,200</b>

## EDUCATION AND CHILDREN'S SERVICES

### SUBJECTIVE ANALYSIS

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<u>Expenditure</u>				
Employees	43,994,750	43,358,150	43,308,150	43,308,150
Premises	1,733,250	1,066,750	1,066,750	1,066,750
Transport	4,309,400	4,231,200	4,231,200	4,231,200
Supplies & Services	6,362,400	5,796,500	5,791,500	5,791,500
Third Party Payments	31,174,050	30,274,650	30,274,650	30,274,650
Transfer Payments	1,637,350	1,537,350	1,537,350	1,537,350
Support Service Recharges	6,624,400	6,415,400	6,415,400	6,415,400
Depreciation & Impairment	3,377,300	3,377,300	3,377,300	3,377,300
<b>TOTAL EXPENDITURE</b>	<b>99,212,900</b>	<b>96,057,300</b>	<b>96,002,300</b>	<b>96,002,300</b>
<u>Income</u>				
Government Grants	(11,757,000)	(10,709,100)	(10,709,100)	(10,709,100)
Other Grants & Contributions	(1,791,300)	(1,791,300)	(1,791,300)	(1,791,300)
Customer & Client Receipts	(1,459,700)	(1,459,700)	(1,459,700)	(1,459,700)
Recharge Income	(450,000)	(450,000)	(450,000)	(450,000)
<b>TOTAL INCOME</b>	<b>(15,458,000)</b>	<b>(14,410,100)</b>	<b>(14,410,100)</b>	<b>(14,410,100)</b>
<b>TOTAL NET EXPENDITURE</b>	<b>83,754,900</b>	<b>81,647,200</b>	<b>81,592,200</b>	<b>81,592,200</b>

## EDUCATION AND CHILDREN'S SERVICES

### BUSINESS RESOURCES

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Directorate & Business Resources	9,365,600	8,595,100	8,595,100	8,595,100
SEN Travel Assistance	4,457,150	4,457,150	4,457,150	4,457,150
School Support	719,100	719,600	719,600	719,600
	<b>14,541,850</b>	<b>13,771,850</b>	<b>13,771,850</b>	<b>13,771,850</b>

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	12,141,550	12,141,550	12,141,550	12,141,550
<b>Inflation</b>	226,000	232,320	232,320	232,320
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(6,320)	(6,320)	(6,320)
<b>Other Growth and Savings</b>				
- Budget Recovery Plan	(600,000)	(1,263,500)	(1,263,500)	(1,263,500)
<b>Budget Transfers</b>	2,774,300	2,667,800	2,667,800	2,667,800
<b>NET EXPENDITURE</b>	<b>14,541,850</b>	<b>13,771,850</b>	<b>13,771,850</b>	<b>13,771,850</b>

## EDUCATION AND CHILDREN'S SERVICES

### CHILDREN AND FAMILIES

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Children in Need Teams	1,122,600	1,305,100	1,305,100	1,305,100
Children Looked After Teams	6,003,300	5,858,800	5,858,800	5,858,800
External Care Placements	14,860,600	13,917,800	13,917,800	13,917,800
Family & Community Services	9,437,000	8,975,100	8,975,100	8,975,100
Family Centres & Contact Service	3,130,400	3,064,300	3,064,300	3,064,300
Edge of Care and Intensive Intervention	4,667,300	4,503,300	4,503,300	4,503,300
Adoption, Fostering & Permanency	1,162,050	1,436,350	1,436,350	1,436,350
Health Initiatives & Teenage Pregnancy Public Health Service	1,798,050	1,798,050	1,798,050	1,798,050
Safeguarding Standards	1,513,200	1,513,200	1,513,200	1,513,200
Social Care Academy	921,500	953,100	953,100	953,100
	<b>44,616,000</b>	<b>43,325,100</b>	<b>43,325,100</b>	<b>43,325,100</b>

<b>Variation Analysis</b>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>2020/21 ORIGINAL BUDGET</b>	46,681,600	46,681,600	46,681,600	46,681,600
<b>Inflation</b>	618,100	634,500	634,500	634,500
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(16,200)	(16,200)	(16,200)
<b>Other Growth and Savings</b>				
- Budget Recovery Plan	(1,900,000)	(3,196,500)	(3,196,500)	(3,196,500)
<b>Budget Transfers</b>	(783,700)	(778,300)	(778,300)	(778,300)
<b>NET EXPENDITURE</b>	<b>44,616,000</b>	<b>43,325,100</b>	<b>43,325,100</b>	<b>43,325,100</b>

## EDUCATION AND CHILDREN'S SERVICES

### EARLY HELP

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Afterschool & Holiday Play centres	47,200	47,200	47,200	47,200
Youth Services	6,279,000	6,207,800	6,207,800	6,207,800
Children's Centres	394,850	394,950	394,950	394,950
Youth Offending Team	1,253,000	1,253,000	1,253,000	1,253,000
Early Years Central & Management Costs	9,044,550	9,040,350	9,040,350	9,040,350
Early Years - DSG	5,800	10,100	10,100	10,100
Innovation & Impact Service	859,000	859,000	859,000	859,000
	<b>17,883,400</b>	<b>17,812,400</b>	<b>17,812,400</b>	<b>17,812,400</b>

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	17,746,200	17,746,200	17,746,200	17,746,200
<b>Inflation</b>	240,900	245,120	245,120	245,120
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(4,220)	(4,220)	(4,220)
<b>Other Growth and Savings</b>				
- Budget Recovery Plan	0	(40,000)	(40,000)	(40,000)
<b>Budget Transfers</b>	(103,700)	(134,700)	(134,700)	(134,700)
<b>NET EXPENDITURE</b>	<b>17,883,400</b>	<b>17,812,400</b>	<b>17,812,400</b>	<b>17,812,400</b>

**EDUCATION STANDARDS AND INCLUSION**

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
EIS Overheads	110,200	400	400	400
School Participation & Improvement	1,514,900	1,648,900	1,593,900	1,593,900
Lifelong Learning	105,200	105,200	105,200	105,200
Pupil Services	68,200	68,200	68,200	68,200
S.E.N.D & Psychology Service	903,150	903,150	903,150	903,150
Special Education Needs & Disability Services	981,300	981,300	981,300	981,300
Schools Depreciation	3,030,700	3,030,700	3,030,700	3,030,700
	<b>6,713,650</b>	<b>6,737,850</b>	<b>6,682,850</b>	<b>6,682,850</b>

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	10,918,650	10,918,650	10,918,650	10,918,650
<b>Inflation</b>	147,200	160,040	160,040	160,040
<b>Demand Led Growth</b>				
- 20-202 (Jul 20) Smart Growth Recovery Plan	160,000	55,000	0	0
<b>Efficiency Savings</b>				
-Income, Contract and Departmental Efficiencies	0	(12,840)	(12,840)	(12,840)
<b>Budget Transfers</b>	(4,512,200)	(4,383,000)	(4,383,000)	(4,383,000)
<b>NET EXPENDITURE</b>	<b>6,713,650</b>	<b>6,737,850</b>	<b>6,682,850</b>	<b>6,682,850</b>

## FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

### SUMMARY BY SERVICE AREA

<u>SERVICE</u>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
General Services - Chief Executive and Other	3,643,200	1,907,900	1,812,600	1,804,600
General Services - Resources	(8,689,100)	(9,451,800)	(9,451,800)	(9,619,800)
Revenue Services	5,245,900	6,079,600	6,079,600	6,079,600
Property Services	(3,075,700)	(3,397,100)	(4,257,100)	(4,257,100)
Economic Development	1,836,800	1,467,100	1,570,700	1,470,700
Environmental Services and Regulatory Services	3,611,600	3,734,300	3,586,300	3,586,300
<b>Total Finance and Corporate Resources</b>	<b>2,572,700</b>	<b>340,000</b>	<b>(659,700)</b>	<b>(935,700)</b>

<u>Variation Analysis</u>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>2020/21 ORIGINAL BUDGET</b>	<b>(7,421,400)</b>	<b>(7,421,400)</b>	<b>(7,421,400)</b>	<b>(7,421,400)</b>
Inflation	649,300	671,320	671,320	671,320
Changes in Government Grants	0	(203,600)	(203,600)	(203,600)
Other Government or Outside Body Changes	(860,600)	207,400	207,400	207,400
Demand Led Growth	504,300	(83,700)	7,200	(92,800)
Efficiency Savings	0	(436,420)	(436,420)	(436,420)
Investment Priorities	1,725,000	1,134,200	43,600	(132,400)
Other Growth and Savings	2,101,200	3,097,500	3,097,500	3,097,500
Budget Transfers	5,874,900	3,374,700	3,374,700	3,374,700
<b>NET EXPENDITURE</b>	<b>2,572,700</b>	<b>340,000</b>	<b>(659,700)</b>	<b>(935,700)</b>

**FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY**

**SUBJECTIVE ANALYSIS**

	<u>2020/21</u> <u>Revised</u> <u>£</u>	<u>2021/22</u> <u>Budget</u> <u>£</u>	<u>2022/23</u> <u>Budget</u> <u>£</u>	<u>2023/24</u> <u>Budget</u> <u>£</u>
<b><u>Expenditure</u></b>				
Employees	7,221,100	7,035,400	6,916,400	6,640,400
Premises	2,208,000	804,500	804,500	804,500
Transport	52,200	52,200	52,200	52,200
Supplies & Services	14,152,500	8,893,400	8,173,400	8,173,400
Third Party Payments	6,145,800	5,915,300	5,754,600	5,754,600
Transfer Payments	174,936,700	174,716,700	174,716,700	174,716,700
Support Service Recharges	11,886,100	11,184,100	11,184,100	11,184,100
Depreciation & Impairment	(13,878,700)	(13,878,700)	(13,878,700)	(13,878,700)
<b>TOTAL EXPENDITURE</b>	<b>202,723,700</b>	<b>194,722,900</b>	<b>193,723,200</b>	<b>193,447,200</b>
<b><u>Income</u></b>				
Government Grants	(173,323,900)	(171,898,800)	(171,898,800)	(171,898,800)
Other Grants & Contributions	(282,900)	(437,900)	(437,900)	(437,900)
Customer & Client Receipts	(13,991,600)	(13,897,000)	(13,897,000)	(13,897,000)
Interest	(10,628,500)	(6,229,400)	(6,229,400)	(6,229,400)
Recharge Income	(18,900)	(14,600)	(14,600)	(14,600)
Internal charges	(1,905,200)	(1,905,200)	(1,905,200)	(1,905,200)
<b>TOTAL INCOME</b>	<b>(200,151,000)</b>	<b>(194,382,900)</b>	<b>(194,382,900)</b>	<b>(194,382,900)</b>
<b>NET EXPENDITURE</b>	<b>2,572,700</b>	<b>340,000</b>	<b>(659,700)</b>	<b>(935,700)</b>



## FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

### General Services - Chief Executive and Other

	<u>2020/21</u> <u>Revised</u>	<u>2021/22</u> <u>Budget</u>	<u>2022/23</u> <u>Budget</u>	<u>2023/24</u> <u>Budget</u>
	£	£	£	£
Corporate Initiatives	285,400	285,400	285,400	285,400
Community and Partnerships	1,406,000	1,291,600	1,278,900	1,278,900
Climate Change	365,900	122,100	39,500	31,500
Emergency Planning	227,600	227,500	227,500	227,500
Land Charges	(18,700)	(18,700)	(18,700)	(18,700)
SSA Programme	1,377,000	0	0	0
	<b>3,643,200</b>	<b>1,907,900</b>	<b>1,812,600</b>	<b>1,804,600</b>

	<u>2020/21</u> <u>Revised</u>	<u>2021/22</u> <u>Budget</u>	<u>2022/23</u> <u>Budget</u>	<u>2023/24</u> <u>Budget</u>
	£	£	£	£
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	2,011,800	2,011,800	2,011,800	2,011,800
<b>Inflation</b>	6,400	10,950	10,950	10,950
<b>Demand Led Growth</b>				
- Brexit Preparations (Citizens Advice Wandsworth)	4,300	12,700	0	0
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(3,650)	(3,650)	(3,650)
<b>Other Growth and Savings</b>				
-20-27 (Jan 20) Wandsworth Environmental & Sustainability Strategy	0	(123,800)	(206,400)	(214,400)
-20-208 (June 20) Wandsworth Grant Fund	105,000	0	0	0
-20-208 (June 20) Wandsworth Environmental & Sustainability Strategy	120,000	0	0	0
-20-208 (June 20) SSA Workspace Strategy and Systems	1,377,000	0	0	0
-20-208 (June 20) Brexit Costs (Grant Funded)	6,000	0	0	0
<b>Budget Transfers</b>	12,700	(100)	(100)	(100)
<b>NET EXPENDITURE</b>	<b>3,643,200</b>	<b>1,907,900</b>	<b>1,812,600</b>	<b>1,804,600</b>

## FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

### GENERAL SERVICES - RESOURCES

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Registration of Electors	700,900	685,900	685,900	685,900
General Services Finance	(484,800)	(583,100)	(583,100)	(751,100)
Apprenticeship Levy	419,200	419,200	419,200	419,200
Capital Financing Account	(14,208,100)	(14,208,100)	(14,208,100)	(14,208,100)
Corporate Management Costs	4,883,700	4,234,300	4,234,300	4,234,300
	<b>(8,689,100)</b>	<b>(9,451,800)</b>	<b>(9,451,800)</b>	<b>(9,619,800)</b>

<b>Variation Analysis</b>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>2020/21 ORIGINAL BUDGET</b>	<b>(16,686,300)</b>	<b>(16,686,300)</b>	<b>(16,686,300)</b>	<b>(16,686,300)</b>
<b>Inflation</b>	424,100	431,090	431,090	431,090
<b>Other Government or Outside Body Changes</b>				
- North East Surrey Crematorium Board Adjustment	(4,500)	(4,500)	(4,500)	(4,500)
<b>Demand Led Growth</b>				
- IT Microsoft Licences from Renewals Fund	600,000	0	0	0
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(6,990)	(6,990)	(6,990)
- Electoral Registration Efficiencies	0	(15,000)	(15,000)	(15,000)
- Review of Financial Management Division	0	(70,000)	(70,000)	(70,000)
- Chief Executive Business Support Efficiencies	0	(40,000)	(40,000)	(40,000)
<b>Investment Priorities</b>				
- 20-380 (Nov 20) IT Investment Strategy	0	250,000	250,000	82,000
- IT Desktop Strategy Drawn from Renewals Fund	780,000	0	0	0
<b>Other Growth and Savings</b>				
- Information Governance	0	(9,400)	(9,400)	(9,400)
- Interest on Investments	0	2,959,000	2,959,000	2,959,000
- Depreciation Realignment	77,800	77,800	77,800	77,800
- Written Back Cheques Realignment	0	75,000	75,000	75,000
- 20-208 (June 20) Council's Outturn and Financial Results	45,000	0	0	0
<b>Budget Transfers</b>				
- Realignment of Depreciation Budgets	3,574,800	3,587,500	3,587,500	3,587,500
- Transfer from Children's Services	2,500,000	0	0	0
<b>NET EXPENDITURE</b>	<b>(8,689,100)</b>	<b>(9,451,800)</b>	<b>(9,451,800)</b>	<b>(9,619,800)</b>

## FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

### REVENUE SERVICES

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Council Tax & NNDR Collection	1,349,300	1,115,300	1,115,300	1,115,300
Housing & Council Tax Benefits	3,896,600	4,964,300	4,964,300	4,964,300
	<b>5,245,900</b>	<b>6,079,600</b>	<b>6,079,600</b>	<b>6,079,600</b>

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	6,664,400	6,664,400	6,664,400	6,664,400
<b>Inflation</b>	111,400	118,510	118,510	118,510
<b>Other Government or Outside Body Changes</b>				
- Housing Benefit Administration Subsidy	38,400	38,400	38,400	38,400
- Housing Benefit Subsidy Prior Year Adjustment	(1,068,000)	0	0	0
<b>Demand Led Growth</b>				
-20-180 (June 20) Housing Annual Resources	(500,000)	(500,000)	(500,000)	(500,000)
<b>Efficiency Savings</b>				
- Council Tax and NNDR Joint Solution - Insourcing	0	(162,000)	(162,000)	(162,000)
- SO83(A) (FCR 708) Council Tax & NNDR IT System	0	(72,000)	(72,000)	(72,000)
- Income, Contract and Departmental Efficiencies	0	(7,110)	(7,110)	(7,110)
<b>Budget Transfers</b>	(300)	(600)	(600)	(600)
<b>NET EXPENDITURE</b>	<b>5,245,900</b>	<b>6,079,600</b>	<b>6,079,600</b>	<b>6,079,600</b>

## FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

### PROPERTY SERVICES

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Commercial Properties	(5,217,200)	(5,237,400)	(5,237,400)	(5,237,400)
Sustainability and Energy efficiency schemes	25,000	95,000	0	0
Operational Properties	1,818,500	1,547,300	782,300	782,300
Properties Pending Disposal	298,000	198,000	198,000	198,000
	<b><u>(3,075,700)</u></b>	<b><u>(3,397,100)</u></b>	<b><u>(4,257,100)</u></b>	<b><u>(4,257,100)</u></b>

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	(4,054,600)	(4,054,600)	(4,054,600)	(4,054,600)
<b>Inflation</b>	66,400	58,960	58,960	58,960
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(49,060)	(49,060)	(49,060)
<b>Investment Priorities</b>				
- 20-208&20-210 (July 20) Workspace Strategy	1,000,000	765,000	0	0
- 20-208 (July 20) Property Consultancy Costs	100,000	0	0	0
- 21-61 (Feb 21) Wandsworth Env Sustainability Strategy (Schoo	25,000	95,000	0	0
<b>Budget Transfers</b>	(212,500)	(212,400)	(212,400)	(212,400)
<b>NET EXPENDITURE</b>	<b><u>(3,075,700)</u></b>	<b><u>(3,397,100)</u></b>	<b><u>(4,257,100)</u></b>	<b><u>(4,257,100)</u></b>

## FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

### Economic Development

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Economic Development	790,300	570,400	470,400	370,400
Town Centres	1,046,500	896,700	1,100,300	1,100,300
	<b>1,836,800</b>	<b>1,467,100</b>	<b>1,570,700</b>	<b>1,470,700</b>

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	1,239,500	1,239,500	1,239,500	1,239,500
<b>Inflation</b>	27,200	34,190	34,190	34,190
<b>Changes in Government Grants</b>				
- Additional Restrictions Grant	0	(203,600)	0	0
<b>Demand Led Growth</b>				
- 20-202 (June 20) Smart Growth Recovery Plan	220,000	200,000	100,000	0
- 21-65 (Feb 21) High Street and Business Recovery	0	203,600	203,600	203,600
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(6,890)	(6,890)	(6,890)
<b>Other Growth and Savings</b>				
- 20-208 (June 20) Town Centres and Putney High Street	349,900	0	0	0
<b>Budget Transfers</b>	200	300	300	300
<b>NET EXPENDITURE</b>	<b>1,836,800</b>	<b>1,467,100</b>	<b>1,570,700</b>	<b>1,470,700</b>

## FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

### ENVIRONMENTAL SERVICES AND REGULATORY SERVICES

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Community Safety	734,500	709,500	709,500	709,500
Coroners' Court and Mortuary	721,600	721,600	721,600	721,600
Regulatory Services	2,155,500	2,303,200	2,155,200	2,155,200
	<b>3,611,600</b>	<b>3,734,300</b>	<b>3,586,300</b>	<b>3,586,300</b>

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	3,403,800	3,403,800	3,403,800	3,403,800
<b>Inflation</b>	13,800	17,620	17,620	17,620
<b>Other Government or Outside Body Changes</b>				
- Coroners Court Levy	169,000	169,000	169,000	169,000
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(3,720)	(3,720)	(3,720)
<b>Investment Priorities</b>				
- 21-61 (Feb 21) Wandsworth Env Sust Strat (Air quality)	0	148,000	0	0
<b>Other Growth and Savings</b>				
- 20-208 (June 20) Empowering Communities	25,000	0	0	0
- 20-382 (Nov 20) Revision of Charges	0	(1,900)	(1,900)	(1,900)
<b>Budget Transfers</b>	0	1,500	1,500	1,500
<b>NET EXPENDITURE</b>	<b>3,611,600</b>	<b>3,734,300</b>	<b>3,586,300</b>	<b>3,586,300</b>

## FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

### SUMMARY BY SERVICE AREA

#### CENTRAL SUPPORT

<u>SERVICE</u>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Central Services - Resources Directorate	18,775,600	18,168,600	18,168,600	17,968,600
Central Services - Chief Executives Group	6,603,350	6,403,850	6,403,850	6,403,850
Property Services Support Functions	8,292,900	8,276,600	8,276,600	8,276,600
	<b>33,671,850</b>	<b>32,849,050</b>	<b>32,849,050</b>	<b>32,649,050</b>

<u>Variation Analysis</u>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>2020/21 ORIGINAL BUDGET</b>	<b>31,465,750</b>	<b>31,465,750</b>	<b>31,465,750</b>	<b>31,465,750</b>
Inflation	562,000	642,670	642,670	642,670
Other Government or Outside Body Changes	(4,500)	(4,500)	(4,500)	(4,500)
Demand Led Growth	72,000	63,500	63,500	63,500
Efficiency Savings	0	(206,970)	(206,970)	(206,970)
Investment Priorities	780,000	300,000	300,000	100,000
Other Growth and Savings	0	(9,400)	(9,400)	(9,400)
Budget Transfers	796,600	598,000	598,000	598,000
<b>NET EXPENDITURE</b>	<b>33,671,850</b>	<b>32,849,050</b>	<b>32,849,050</b>	<b>32,649,050</b>

## FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

### SUBJECTIVE ANALYSIS

#### CENTRAL SUPPORT

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<u>Expenditure</u>				
Employees	21,216,150	21,223,950	21,223,950	21,023,950
Premises	5,989,500	5,968,200	5,968,200	5,968,200
Transport	128,000	128,000	128,000	128,000
Supplies & Services	9,687,200	8,827,900	8,827,900	8,827,900
Third Party Payments	2,330,700	2,369,200	2,369,200	2,369,200
Depreciation & Impairment	796,200	796,200	796,200	796,200
<b>TOTAL EXPENDITURE</b>	<b>40,147,750</b>	<b>39,313,450</b>	<b>39,313,450</b>	<b>39,113,450</b>
<u>Income</u>				
Government Grants	(170,300)	(170,300)	(170,300)	(170,300)
Other Grants & Contributions	(1,531,900)	(1,538,400)	(1,538,400)	(1,538,400)
Customer & Client Receipts	(3,575,500)	(3,557,500)	(3,557,500)	(3,557,500)
Internal charges	(1,198,200)	(1,198,200)	(1,198,200)	(1,198,200)
<b>TOTAL INCOME</b>	<b>(6,475,900)</b>	<b>(6,464,400)</b>	<b>(6,464,400)</b>	<b>(6,464,400)</b>
<b>TOTAL NET EXPENDITURE</b>	<b>33,671,850</b>	<b>32,849,050</b>	<b>32,849,050</b>	<b>32,649,050</b>



## FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

### CENTRAL SERVICES - RESOURCES DIRECTORATE

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Corporate Services	11,727,100	11,194,400	11,194,400	10,994,400
Resources Directorate and General Services	877,700	873,400	873,400	873,400
Financial Management	2,523,700	2,473,200	2,473,200	2,473,200
Financial Services	1,779,400	1,759,900	1,759,900	1,759,900
Revenues Services	1,867,700	1,867,700	1,867,700	1,867,700
	<b>18,775,600</b>	<b>18,168,600</b>	<b>18,168,600</b>	<b>17,968,600</b>

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	14,777,500	14,777,500	14,777,500	14,777,500
<b>Inflation</b>	415,900	458,770	458,770	458,770
<b>Other Government or Outside Body Changes</b>				
- North East Surrey Crematorium Board Charges	(4,500)	(4,500)	(4,500)	(4,500)
<b>Demand Led Growth</b>				
- Microsoft Licences	63,500	63,500	63,500	63,500
<b>Efficiency Savings</b>				
- Review of Financial Management Division	0	(70,000)	(70,000)	(70,000)
- Income, Contract and Departmental Efficiencies	0	(42,870)	(42,870)	(42,870)
<b>Investment Priorities</b>				
- 20-380 (Nov 20) IT Investment Strategy	0	300,000	300,000	100,000
- IT Desktop Strategy Drawn from Renewals Fund	780,000	0	0	0
<b>Budget Transfers</b>	2,743,200	2,686,200	2,686,200	2,686,200
<b>NET EXPENDITURE</b>	<b>18,775,600</b>	<b>18,168,600</b>	<b>18,168,600</b>	<b>17,968,600</b>

## FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY

### CENTRAL SERVICES - CHIEF EXECUTIVE'S GROUP

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Complaints, Consultations and FOI Team	345,850	327,950	327,950	327,950
Communications and Corporate Design	249,100	249,100	249,100	249,100
Member Services	2,029,000	1,887,400	1,887,400	1,887,400
Policy, Performance and Analysis	418,800	398,800	398,800	398,800
Chief Executive, Support and Trainees	3,560,600	3,540,600	3,540,600	3,540,600
	<b>6,603,350</b>	<b>6,403,850</b>	<b>6,403,850</b>	<b>6,403,850</b>

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	8,305,650	8,305,650	8,305,650	8,305,650
<b>Inflation</b>	82,100	130,880	130,880	130,880
<b>Demand Led Growth</b>				
- Brexit Preparations	8,500	0	0	0
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(88,780)	(88,780)	(88,780)
<b>Other Growth and Savings</b>				
- Information Governance	0	(9,400)	(9,400)	(9,400)
<b>Budget Transfers</b>	(1,792,900)	(1,934,500)	(1,934,500)	(1,934,500)
<b>NET EXPENDITURE</b>	<b>6,603,350</b>	<b>6,403,850</b>	<b>6,403,850</b>	<b>6,403,850</b>

**FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY**

**PROPERTY SERVICES**

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Borough Valuers	588,800	588,800	588,800	588,800
Building Costs	4,071,200	4,054,900	4,054,900	4,054,900
Schools and Building Capital	346,500	346,500	346,500	346,500
Facilities Management	3,286,400	3,286,400	3,286,400	3,286,400
	<b>8,292,900</b>	<b>8,276,600</b>	<b>8,276,600</b>	<b>8,276,600</b>

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	8,382,600	8,382,600	8,382,600	8,382,600
<b>Inflation</b>	64,000	53,020	53,020	53,020
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(5,320)	(5,320)	(5,320)
<b>Budget Transfers</b>	(153,700)	(153,700)	(153,700)	(153,700)
<b>NET EXPENDITURE</b>	<b>8,292,900</b>	<b>8,276,600</b>	<b>8,276,600</b>	<b>8,276,600</b>

## HOUSING AND REGENERATION

### SUMMARY BY SERVICE AREA

<b><u>SERVICE</u></b>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Housing Management and Service Strategy	262,100	184,300	184,300	184,300
Housing Services	8,735,700	8,919,000	8,919,000	8,919,000
Private Sector Housing	624,900	624,900	624,900	624,900
<b>Total Housing and Regeneration</b>	<b>9,622,700</b>	<b>9,728,200</b>	<b>9,728,200</b>	<b>9,728,200</b>

<b>Variation Analysis</b>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>2020/21 ORIGINAL BUDGET</b>	<b>6,713,000</b>	<b>6,713,000</b>	<b>6,713,000</b>	<b>6,713,000</b>
Inflation	61,300	71,470	71,470	71,470
Changes in Government Grants	0	(512,200)	(512,200)	(512,200)
Demand Led Growth	2,750,000	3,470,000	3,470,000	3,470,000
Efficiency Savings	(3,200)	(42,770)	(42,770)	(42,770)
Other Growth and Savings	70,800	(2,200)	(2,200)	(2,200)
Budget Transfers	30,800	30,900	30,900	30,900
<b>NET EXPENDITURE</b>	<b>9,622,700</b>	<b>9,728,200</b>	<b>9,728,200</b>	<b>9,728,200</b>

## HOUSING AND REGENERATION

### SUBJECTIVE ANALYSIS

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<u>Expenditure</u>				
Employees	5,578,500	5,620,200	5,620,200	5,620,200
Premises	795,300	795,400	795,400	795,400
Transport	27,500	27,500	27,500	27,500
Supplies & Services	1,519,700	857,000	857,000	857,000
Third Party Payments	27,640,700	30,409,200	30,409,200	30,409,200
Transfer Payments	1,376,000	1,379,000	1,379,000	1,379,000
Support Service Recharges	879,100	875,700	875,700	875,700
<b>TOTAL EXPENDITURE</b>	<b>37,816,800</b>	<b>39,964,000</b>	<b>39,964,000</b>	<b>39,964,000</b>
<u>Income</u>				
Government Grants	(4,983,500)	(4,530,000)	(4,530,000)	(4,530,000)
Other Grants & Contributions	(679,900)	(846,600)	(846,600)	(846,600)
Customer & Client Receipts	(19,885,800)	(22,214,300)	(22,214,300)	(22,214,300)
Interest	(20,000)	(20,000)	(20,000)	(20,000)
Recharge Income	(376,700)	(376,700)	(376,700)	(376,700)
Internal charges	(2,248,200)	(2,248,200)	(2,248,200)	(2,248,200)
<b>TOTAL INCOME</b>	<b>(28,194,100)</b>	<b>(30,235,800)</b>	<b>(30,235,800)</b>	<b>(30,235,800)</b>
<b>TOTAL NET EXPENDITURE</b>	<b>9,622,700</b>	<b>9,728,200</b>	<b>9,728,200</b>	<b>9,728,200</b>

## HOUSING AND REGENERATION

### HOUSING MANAGEMENT AND SERVICE STRATEGY

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Affordable Housing and Service Strategy	48,000	(25,000)	(25,000)	(25,000)
Animal Welfare	40,900	40,900	40,900	40,900
Graffiti Removal	228,500	223,800	223,800	223,800
House Purchase and Leaseholder Advances	(26,200)	(26,200)	(26,200)	(26,200)
Travellers Site	(12,900)	(12,800)	(12,800)	(12,800)
Warden Services, Watch and Telecare	(16,200)	(16,400)	(16,400)	(16,400)
	<b>262,100</b>	<b>184,300</b>	<b>184,300</b>	<b>184,300</b>

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	133,400	133,400	133,400	133,400
<b>Inflation</b>	11,200	12,380	12,380	12,380
<b>Changes in Government Grants</b>				
- 20-208 (June 20) Self and Custom Build Expenditure	73,000	0	0	0
<b>Other Government or Outside Body Changes</b>				
- Ex GLA Home Loans Unit Surplus Distribution	(2,200)	(2,200)	(2,200)	(2,200)
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(5,980)	(5,980)	(5,980)
<b>Budget Transfers</b>	46,700	46,700	46,700	46,700
<b>NET EXPENDITURE</b>	<b>262,100</b>	<b>184,300</b>	<b>184,300</b>	<b>184,300</b>

## HOUSING AND REGENERATION

### HOUSING SERVICES

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Individuals with no recourse to public funds (other destitutes)	439,100	458,500	458,500	458,500
Direct Homelessness Costs	5,429,700	4,847,200	4,847,200	4,847,200
Homelessness Prevention Schemes	627,400	1,373,800	1,373,800	1,373,800
Housing Services Administration	2,239,500	2,239,500	2,239,500	2,239,500
	<b>8,735,700</b>	<b>8,919,000</b>	<b>8,919,000</b>	<b>8,919,000</b>

<b>Variation Analysis</b>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>2020/21 ORIGINAL BUDGET</b>	5,955,100	5,955,100	5,955,100	5,955,100
<b>Inflation</b>	46,300	55,130	55,130	55,130
<b>Changes in Government Grants</b>				
- Homelessness Prevention Grant	0	(512,200)	(512,200)	(512,200)
<b>Demand Led Growth</b>				
- 20-180 (Jun 20) Annual Review of Housing Resources	2,750,000	3,470,000	3,470,000	3,470,000
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(33,330)	(33,330)	(33,330)
<b>Budget Transfers</b>	(15,700)	(15,700)	(15,700)	(15,700)
<b>NET EXPENDITURE</b>	<b>8,735,700</b>	<b>8,919,000</b>	<b>8,919,000</b>	<b>8,919,000</b>

## HOUSING AND REGENERATION

### PRIVATE SECTOR HOUSING

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Private Sector Housing	624,900	624,900	624,900	624,900
	<b>624,900</b>	<b>624,900</b>	<b>624,900</b>	<b>624,900</b>

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	624,500	624,500	624,500	624,500
<b>Inflation</b>	3,800	3,960	3,960	3,960
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	(3,200)	(3,460)	(3,460)	(3,460)
<b>Budget Transfers</b>	(200)	(100)	(100)	(100)
<b>NET EXPENDITURE</b>	<b>624,900</b>	<b>624,900</b>	<b>624,900</b>	<b>624,900</b>



## STRATEGIC PLANNING AND TRANSPORTATION

### SUMMARY BY SERVICE AREA

<b>SERVICE</b>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
ECS Management and Support	140,500	140,500	140,500	140,500
Planning and Transport	998,200	1,233,900	1,149,400	1,043,400
Traffic and Engineering	(3,213,300)	(4,123,200)	(7,203,300)	(5,223,300)
<b>Total Strategic Planning and Transportation</b>	<b>(2,074,600)</b>	<b>(2,748,800)</b>	<b>(5,913,400)</b>	<b>(4,039,400)</b>

<b>Variation Analysis</b>	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>2020/21 ORIGINAL BUDGET</b>	<b>(456,200)</b>	<b>(456,200)</b>	<b>(456,200)</b>	<b>(456,200)</b>
Inflation	142,800	187,340	187,340	187,340
Other Government or Outside Body Changes	89,800	(1,797,900)	(3,878,000)	(1,898,000)
Efficiency Savings	0	(230,140)	(230,140)	(230,140)
Investment Priorities	79,000	75,000	21,000	0
Other Growth and Savings	(2,015,000)	(607,100)	(1,637,600)	(1,722,600)
Budget Transfers	85,000	80,200	80,200	80,200
<b>NET EXPENDITURE</b>	<b>(2,074,600)</b>	<b>(2,748,800)</b>	<b>(5,913,400)</b>	<b>(4,039,400)</b>

## STRATEGIC PLANNING AND TRANSPORTATION

### SUBJECTIVE ANALYSIS

	<u>2020/21</u> <u>Revised</u> <u>£</u>	<u>2021/22</u> <u>Budget</u> <u>£</u>	<u>2022/23</u> <u>Budget</u> <u>£</u>	<u>2023/24</u> <u>Budget</u> <u>£</u>
<u>Expenditure</u>				
Employees	4,124,700	4,131,200	4,127,200	4,106,200
Premises	1,078,600	1,079,000	1,079,000	1,079,000
Transport	18,500	18,500	18,500	18,500
Supplies & Services	4,022,500	4,160,000	4,079,500	3,994,500
Third Party Payments	6,995,900	7,003,800	7,003,800	7,003,800
Transfer Payments	14,224,500	12,336,800	10,256,700	12,236,700
Support Service Recharges	2,764,900	2,761,600	2,761,600	2,761,600
Depreciation & Impairment	7,461,900	7,461,900	7,461,900	7,461,900
<b>TOTAL EXPENDITURE</b>	<b>40,691,500</b>	<b>38,952,800</b>	<b>36,788,200</b>	<b>38,662,200</b>
<u>Income</u>				
Other Grants & Contributions	(912,000)	(981,600)	(981,600)	(981,600)
Customer & Client Receipts	(41,444,600)	(40,391,100)	(41,391,100)	(41,391,100)
Recharge Income	(156,100)	(75,500)	(75,500)	(75,500)
Internal charges	(253,400)	(253,400)	(253,400)	(253,400)
<b>TOTAL INCOME</b>	<b>(42,766,100)</b>	<b>(41,701,600)</b>	<b>(42,701,600)</b>	<b>(42,701,600)</b>
<b>TOTAL NET EXPENDITURE</b>	<b><u>(2,074,600)</u></b>	<b><u>(2,748,800)</u></b>	<b><u>(5,913,400)</u></b>	<b><u>(4,039,400)</u></b>

**STRATEGIC PLANNING AND TRANSPORTATION**

**ECS MANAGEMENT AND SUPPORT**

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Precepts and Levies	140,500	140,500	140,500	140,500
	<b>140,500</b>	<b>140,500</b>	<b>140,500</b>	<b>140,500</b>

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	7,206,500	7,206,500	7,206,500	7,206,500
<b>Budget Transfers</b>				
Respread of Depreciation Budgets	(7,072,200)	(7,072,200)	(7,072,200)	(7,072,200)
<b>NET EXPENDITURE</b>	<b>140,500</b>	<b>140,500</b>	<b>140,500</b>	<b>140,500</b>

## STRATEGIC PLANNING AND TRANSPORTATION

### PLANNING AND TRANSPORT

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
Building Control	1,400	299,500	299,500	299,500
Development Management	(650,500)	(624,400)	(654,900)	(654,900)
Information & Business Support	162,700	162,700	162,700	162,700
Policy & Design	1,249,900	1,140,500	1,090,500	1,005,500
Transport Strategy	234,700	255,600	251,600	230,600
	<b>998,200</b>	<b>1,233,900</b>	<b>1,149,400</b>	<b>1,043,400</b>

	<u>2020/21</u> <u>Revised</u> £	<u>2021/22</u> <u>Budget</u> £	<u>2022/23</u> <u>Budget</u> £	<u>2023/24</u> <u>Budget</u> £
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	815,100	815,100	815,100	815,100
<b>Inflation</b>	69,100	78,270	78,270	78,270
<b>Efficiency Savings</b>				
- 16-138 (April 16) Shared Staffing Agreement	0	(194,000)	(194,000)	(194,000)
- Income, Contract and Departmental Efficiencies	0	(9,170)	(9,170)	(9,170)
<b>Investment Priorities</b>				
-20-210 (July 2020) Area Strategy Study	50,000	50,000	0	0
-Transport Strategy	4,000	25,000	21,000	0
<b>Other Growth and savings</b>				
- Wandle Delta SPD	0	30,500	0	0
- 20-341 (Nov) Revision of Charges	0	(5,100)	(5,100)	(5,100)
- 20-335 (Nov) Conservation and Urban Design Review	0	85,000	85,000	0
- Statutory Building Control Realignment of Budget	0	300,000	300,000	300,000
<b>Budget Transfers</b>	60,000	58,300	58,300	58,300
<b>NET EXPENDITURE</b>	<b>998,200</b>	<b>1,233,900</b>	<b>1,149,400</b>	<b>1,043,400</b>

## STRATEGIC PLANNING AND TRANSPORTATION

### TRAFFIC AND ENGINEERING

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
CCTV	470,900	470,600	470,600	470,600
Concessionary Fares	14,338,700	12,451,000	10,370,900	12,350,900
Engineering - Parking & Traffic	717,600	702,900	(297,100)	(297,100)
Engineering - Highways	2,559,500	2,568,700	2,568,700	2,568,700
Engineering - Road Safety	8,181,200	8,167,600	8,167,600	8,167,600
Parking Administration	2,551,300	2,551,300	2,551,300	2,551,300
Parking including Contract Management	(32,032,500)	(31,035,300)	(31,035,300)	(31,035,300)
	<b>(3,213,300)</b>	<b>(4,123,200)</b>	<b>(7,203,300)</b>	<b>(5,223,300)</b>

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
<b>Variation Analysis</b>				
<b>2020/21 ORIGINAL BUDGET</b>	(8,477,800)	(8,477,800)	(8,477,800)	(8,477,800)
<b>Inflation</b>	67,500	102,870	102,870	102,870
<b>Other Government or Outside Body Changes</b>				
- Concessionary Fares	89,800	(1,797,900)	(3,878,000)	(1,898,000)
<b>Efficiency Savings</b>				
- Income, Contract and Departmental Efficiencies	0	(26,970)	(26,970)	(26,970)
<b>Investment Priorities</b>				
Pedestrian Crossing Study	25,000	0	0	0
<b>Other Growth and Savings</b>				
- Traffic Enforcement - Moving Contraventions	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
- Parking - Cash Machine Replacement Programme	(500,000)	(500,000)	(500,000)	(500,000)
- Slow Recovery of Parking Income (Covid-19)	0	1,000,000	0	0
- 20-41 (Nov) Revision of Charges	0	(2,500)	(2,500)	(2,500)
- SCIL Infrastructure Maintenance	(515,000)	(515,000)	(515,000)	(515,000)
<b>Budget Transfers</b>	7,097,200	7,094,100	7,094,100	7,094,100
<b>NET EXPENDITURE</b>	<b>(3,213,300)</b>	<b>(4,123,200)</b>	<b>(7,203,300)</b>	<b>(5,223,300)</b>

**AS PROVIDED FOR UNDER SECTION 100B(4)(b) OF THE LOCAL GOVERNMENT ACT 1972, THE CHAIRMAN IS OF THE OPINION THAT THIS REPORT SHOULD BE CONSIDERED AT THIS MEETING AS A MATTER OF URGENCY, BY REASON OF THE SPECIAL CIRCUMSTANCES WHICH ARE THAT THE COUNCIL'S FINANCIAL REGULATIONS REQUIRE THE EXECUTIVE TO SUBMIT ITS PROPOSALS REGARDING CAPITAL BUDGETS TO THE COUNCIL MEETING ON 3RD MARCH 2021 SO CONSIDERATION OF THE MATTER CANNOT WAIT UNTIL THE NEXT CYCLE OF OVERVIEW AND SCRUTINY COMMITTEES**

PAPER NO. **21-64**

WANDSWORTH BOROUGH COUNCIL

FINANCE, RESOURCES AND CLIMATE SUSTAINABILITY OVERVIEW AND SCRUTINY COMMITTEE – 10TH FEBRUARY 2021

EXECUTIVE – 22ND FEBRUARY 2021

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

SUMMARY

This is the annual General Fund capital bids report.

It is proposed to add capital schemes costing £22.7 million gross to the capital programme in 2020/21, 2021/22 and future years, including £2.7 million being met by grants and contributions, £1.1 million being met by Section 106 contributions, £2.5 million being met by Nine Elms Funding, £3.9 million met by the Community Infrastructure Levy and £12.5 million met by capital receipts.

The net Council-financed additions would increase net revenue expenditure by £71,000 in a full year, equivalent to £0.52 Council Tax at Band D. A new budget framework for the General Capital Programme is therefore recommended for adoption by the Council.

## ***Proposed additions to the General Capital Programme***

### GLOSSARY

CIL	Community Infrastructure Levy
DfE	Department for Education
DIFS	Development Infrastructure Funding Study
GLA	Greater London Authority
HRA	Housing Revenue Account
NCIL	Neighbourhood Community Infrastructure Levy
PWLB	Public Works Loan Board
S106	Section 106 receipts
SCIL	Strategic Community Infrastructure Levy
TfL	Transport for London
VNEB	Vauxhall Nine Elms Opportunity Area
WESS	Wandsworth Environment and Sustainability Strategy

### **RECOMMENDATIONS**

1. The Finance, Resources and Climate Sustainability Overview and Scrutiny Committee are recommended to support the recommendations in paragraph 2. If they approve any views, comments or recommendations on the report, these will be submitted to the Executive or the appropriate regulatory and other committees for their consideration.
2. The Executive is recommended to:
  - (a) approve the additions to the General Capital Programme and revenue effects as set out in Appendix A to this report;
  - (b) approve the revised approach to funding the Council's £5 million commitment to investment in the Wandsworth Environment and Sustainability Strategy as detailed in paragraphs 5 and 6;
  - (c) recommend the Council to adopt the capital programme summarised in paragraph 36, and shown in full in Appendix B, the capital resources statement shown in paragraph 38, and the changes to the limit on the Executive's discretion described in paragraph 51, as the framework for the general (non-Housing Revenue Account) capital budget; and
  - (d) to approve the Council's Capital Strategy for 2021/22 as set out in Appendix C.

## ***Proposed additions to the General Capital Programme***

### **INTRODUCTION**

3. On 14th October 2020, on the recommendation of the Executive on 5th October 2020 (Paper No. 20-305), the Council adopted the General Capital Programme and its financing for the years 2020/21 to 2024/25. The Executive instructed all Directors to put forward any proposed additions for consideration in this cycle of meetings. This paper updates the previous review in the light of latest information on potential finance and of the additional spending now proposed.

### **CURRENT APPROVED PROGRAMME**

4. The table below shows the current approved capital programme totalling £243 million and its financing, before the additions and other changes subject to approval in this report:

#### **Current capital programme**

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
<b><u>Committee</u></b>				
Adult Care & Health	1,148	0	0	0
Community Services & Open Spaces	11,752	10,257	3,750	0
Education & Children's Services	11,255	29,370	719	0
Finance, Resources & Climate Sustainability	27,551	8,833	13,690	1,500
Housing & Regeneration (non-HRA)	3,375	3,930	0	0
Strategic Planning & Transportation	24,840	42,727	36,884	11,060
	<b>79,921</b>	<b>95,117</b>	<b>55,043</b>	<b>12,560</b>

#### **Financed By**

Grants & Contributions	33,879	15,071	719	0
S106 / SCIL	18,583	24,440	13,740	12,560
Nine Elms Funding	8,206	32,685	36,134	0
Capital Receipts	19,253	22,921	4,450	0
	<b>79,921</b>	<b>95,117</b>	<b>55,043</b>	<b>12,560</b>

***(Paper No. 21-64)***



### ***Proposed additions to the General Capital Programme***

5. £5 million was previously added to the capital programme (Paper No. 20-39 refers) to support the Wandsworth Environment and Sustainability Strategy (WESS), to be funded by SCIL receipts and Paper No. 21-61 elsewhere on this agenda updates on progress against the WESS action plan and identifies areas for investment, including additional revenue resources. As WESS workstreams have progressed during the year it has become clear that not all investment considered appropriate to deliver the WESS action plan would fulfil the CIL regulations' requirements for the use of receipts. Therefore, in order to remove this potential restriction, it is proposed that schemes considered appropriate in meeting the objectives of the WESS action plan be recommended for approval irrespective of funding source. This proposal creates greater flexibility around the types of schemes being proposed to deliver the WESS action plan, whilst still maintaining the Council's current level of commitment to investment in the WESS.
  
6. Some of the WESS schemes have at this stage been awarded funding for an initial period whilst officers establish whether alternative funding sources are available or whether there is demand for further rollout of the initiative. Details of individual schemes will continue to be developed and assessed in order to further allocate this budget or identify alternative funding, where appropriate.

### **FINANCING THE GENERAL CAPITAL PROGRAMME**

7. The potential sources of finance for the Council's capital expenditure are: -
  - (a) grants and other contributions 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) Strategic Community Infrastructure Levy (SCIL), Neighbourhood Community Infrastructure Levy (NCIL) and Section 106 payments;
  - (d) usable capital receipts and reserves (currently invested and generating revenue income);
  - (e) contributions from Council revenue accounts; and
  - (f) borrowing.
  
8. Using earmarked resources to finance capital spend has no financial cost to the Council as these resources are only to be used for this purpose. These are therefore the first source of finance for any qualifying schemes. Some resources are given for a specific project (e.g. TfL grant which is bid for using a list of proposed schemes) and some have a wider restriction (e.g.

## ***Proposed additions to the General Capital Programme***

CIL receipts, a Section 106 agreement may refer to provision of educational services rather than naming a school or ward) which gives the Council some scope to allocate them to finance priority schemes.

9. The use of grants or other contributions which are not earmarked or the Council's own receipts and reserves does have an opportunity cost, as they can only be used once. This cost is calculated as the loss of the interest that would have been received had this money been invested per the Council's Treasury Strategy.
10. If borrowing (either internal or external) is taken, then the Council will need to repay the cost of this borrowing which is a charge to revenue. In addition to paying interest charges on any debt it must also create a General Fund revenue "minimum revenue provision" (MRP) budget to contribute to paying down this debt. This is similar in concept to paying off the capital on a mortgage.

### **Grants and Reimbursements**

11. The revised capital programme shows grants and reimbursements expected to support the programme over future years total £214.0 million. The most significant of these are Section 106 and CIL contributions totalling £158.9 million. The table in Appendix B identifies significant grants and reimbursements associated with programmed capital schemes and summarises the proposed financing of the revised capital programme.
12. Transport for London (TfL) funding is provided to London boroughs to support local transport improvements that accord with the Mayor's Transport Strategy. Before the pandemic, TfL approved funding for projects submitted in the Council's Annual Spending Submission bid for 2020/21 but over the summer subsequently withdrew their allocations, resulting in a loss to Wandsworth of £2.15 million Local Improvement Plan (LIP) funding and £50,000 Flexible Funding. In their place, TfL confirmed they would still provide funding for sunk costs incurred on projects which had their funding withdrawn and, following TfL's financial settlement agreement with central government, TfL have confirmed reinstatement of some of the LIP allocation. To date agreement has been confirmed for allocations of £397,00 for sunk costs (£167,000 capital expenditure and £230,000 revenue expenditure) and £848,500 for LIP. The proportion of LIP funding for capital and revenue expenditure has not yet been confirmed and therefore the capital spend element of this funding has not yet been added into the capital programme. As ring fenced specific grant funding, this allocation will be added to the capital programme once it is confirmed, using

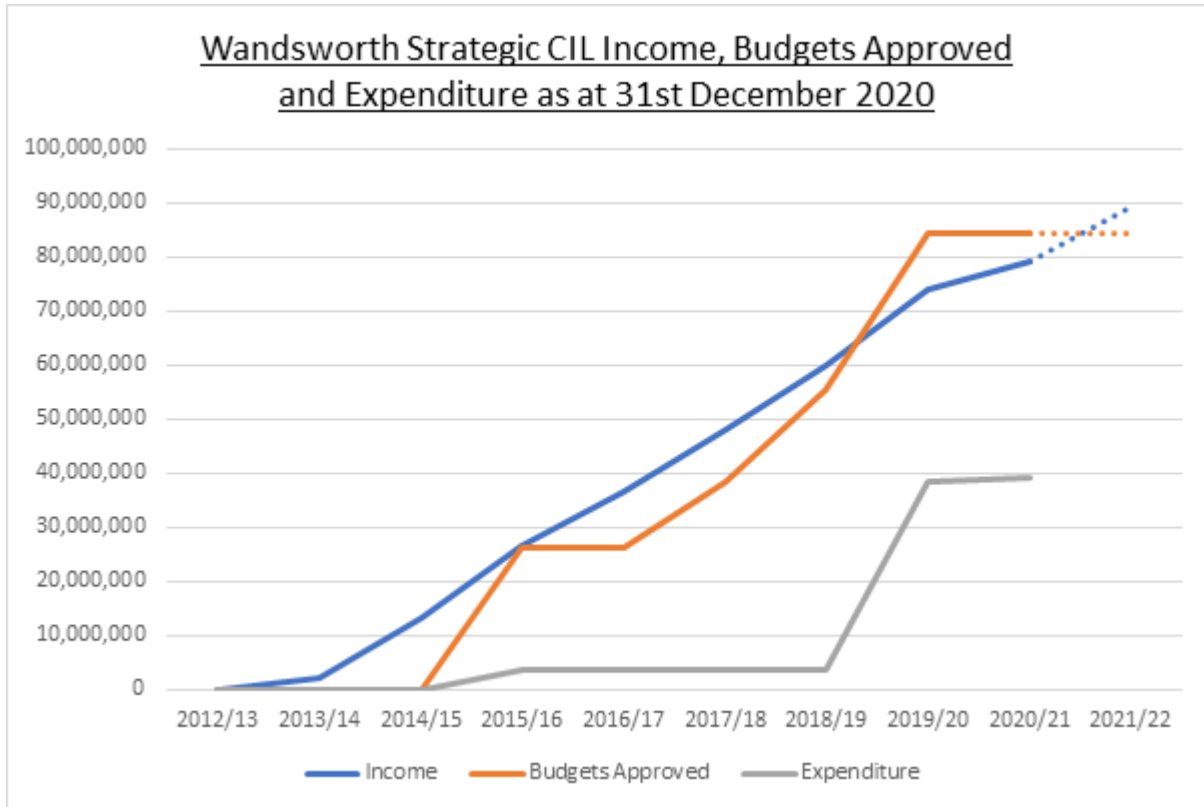
## ***Proposed additions to the General Capital Programme***

the Director of Resources' delegated authority, and details of the schemes reported to the relevant OSC where appropriate.

### **Community Infrastructure Levy**

13. CIL is a levy which local authorities can charge on new developments and use to fund infrastructure in the local area. This levy came into force in Wandsworth in November 2012. The CIL is a standard charge based on development size and location, and is index linked from the date that the scheme was introduced to the date of planning approval. Under the requirements of the legislation governing the CIL, at least 15% of all receipts must be earmarked for use in the local area (Neighbourhood CIL or NCIL) from where they are received. The arrangements for this in Wandsworth are implemented through the Wandsworth Local Fund. After a further deduction of an amount set aside for administration, capped at a maximum of 5%, outstanding CIL income is treated as general resources to fund general infrastructure works throughout the Borough, not ringfenced to the area of development. CIL income arising within the Vauxhall Nine Elms Opportunity (VNEB) Area will be subject to separate arrangements as set out in Paper No. 13-135 where the payments will be used to pay for relevant infrastructure within the Opportunity Area.
14. The use of SCIL receipts must fall within the CIL Regulations' definition of allowable expenditure and CIL spend must support the provision of infrastructure to support growth in the borough. As part of its Local Plan submission the Council must set out its approach to its prioritisation of SCIL use. The Planning Inspector will then consider how this relates to the provision of infrastructure as set out in the Council's Infrastructure Delivery Plan, and whether the delivery of that plan is achievable.
15. The actual level of SCIL receipts are affected by many varying factors outside the Council's control (such as general market conditions, the timing and phasing of developments and any subsequent revisions to planning applications). The Executive has already made decisions to commit SCIL to some schemes and expenditure in excess of receipts held. The table in Appendix D lists SCIL receipts to date, those schemes to be funded and spend to date. The following graph summarises the position:

## ***Proposed additions to the General Capital Programme***



16. The figures reflected above include the proposed use of an estimated £1 million per annum of SCIL receipts for the years 2019/20 to 2021/22 to fund revenue maintenance costs which fall within the CIL Regulations' definition of allowable expenditure. The actual value of SCIL applied to fund infrastructure maintenance costs in 2019/20 was calculated to be £896,299. Future SCIL receipts can be applied towards the costs of infrastructure maintenance from 2022/23, subject to further SCIL being received.
17. By the end of quarter three 2020/21, the gross amount of SCIL received was £78.972 million. Expenditure to date funded by SCIL is £40.685 million and future commitments already made to schemes approved to be funded by SCIL is a further £43.656 million. To date, therefore, £84.342 million of spend/ commitments have been made against actual receipts of £78.972 million resulting in a potential overcommitment of £5.370 million. In cash terms, however, there are £38.286 million of unspent receipts currently available, with the progress of some projects being dependent on factors outside of the Council's control.
18. The forecast for receipts in future years of £10.048 million is based on payment demand notices that have been issued to developers and where estimated due dates for payments are known, with a broader assumption of receipts made in later years. Whilst this forecast is prudent, receipts are not

## ***Proposed additions to the General Capital Programme***

guaranteed as actual levels are affected by many varying factors which are outside the Council's control such as general market conditions, the timing and phasing of developments and any subsequent revisions to planning applications. SCIL receipts for future years beyond 2021/22, whilst expected, have not been forecast in the table and graph above. Estimates suggest that these could continue at around £7.5 million per year. There is a risk that future receipts could be lower than estimated, which would directly impact on the funding resources available to deliver any further new schemes. In addition, the Government plans to review how developer contributions (through s106 and CIL) currently work. Given the uncertainty over level and timing of future SCIL receipts, careful consideration needs to be given to approving SCIL funded schemes to ensure funds are only spent once sufficient resources have actually been received.

19. There is therefore forecast to be £4.678 million of SCIL available up to the end of 2021/22, and potentially £27.353 million up to the end of 2024/25 that could be allocated to fund infrastructure schemes, including to meet the Council's climate change priorities. These figures are before any approvals included within this paper. As cashflows for both SCIL receipts and SCIL-funded schemes develop and more accurate spend profiles are available, future reports will provide updates on the forecast SCIL balance available for allocating to specific schemes.
20. There are further schemes which have not yet been approved, but for which plans are underway and which may be eligible to be funded by SCIL. Future capital bids are expected for these schemes, at which point financing will be considered, and proposed for approval at committee. Future bids may include, for instance, further spending on cycle infrastructure and public realm improvements.

### **Realisation of Investments**

21. 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 2021/22 shows expected total investments in excess of £540 million at 31st March 2021. The Council's total cash invested at the end of December 2020 was £642 million. These balances relate almost entirely to current liabilities and to General Fund and Housing Revenue Account (HRA) reserves for contingencies and specific purposes. The only investments available specifically for financing the general capital programme are those arising from General Fund capital receipts and an element of the Renewals Fund.
22. As the use of HRA receipts for capital spending in the General Fund is in most cases restricted by Regulation, forecast capital receipts shown in the

### ***Proposed additions to the General Capital Programme***

table in paragraph 24 include mainly estimates relating to sales of General Fund sites already identified as surplus, amounting to £40.9 million over the next five years. These figures include estimates of further receipts due largely to the Atheldene redevelopment and, in general, future receipts are estimated to be at much lower levels than have been received in recent years. Limited HRA receipts are anticipated to become available for General Fund use, particularly for estate regeneration schemes, and £1.5 million per year is included for these from 2021/22.

23. In addition to funding capital expenditure, capital receipts could also be used for revenue spend under the Government's "flexible use of capital receipts" initiative reported to this committee in Paper No. 20-305. This could contribute to alleviating the pressure on revenue resources but would however reduce the availability of resources for capital spending. So far the Director of Resources has not used this option, nevertheless this remains a potentially useful flexibility and could contribute to alleviating some of the pressure on revenue resources.
24. The Council's General Fund capital framework was amended in January 2015 (Paper No. 15-25) to extend its timeframe to five years and to amend the available resources limit so that annually the Council may commit to General Fund capital expenditure so long as a minimum level of capital receipts is retained. This allows the Council to incur capital expenditure on the acquisition of sites as part of wider redevelopment such as that at the Atheldene site so that it can at a later date accrue a larger capital receipt. The limit for 2020/21 was set at £10 million.
25. The table below compares the estimated capital resources with the capital expenditure to be financed before the inclusion of the new bids proposed in this report:

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Usable Capital Resources at start of year	29,985	24,169	9,091	(5,829)	6,362
Add: Grants and reimbursements	54,527	70,949	41,002	34,984	2,235
Add: New capital receipts	1,280	2,180	1,680	13,880	21,880
Less: Capital expenditure (adjusted for slippage)	(61,623)	(88,207)	(57,602)	(36,673)	(2,235)
Usable Capital Resources at end of year	<b>24,169</b>	<b>9,091</b>	<b>(5,829)</b>	<b>6,362</b>	<b>28,242</b>
					(10,000)
Less: minimum level of capital receipts to be retained					(10,000)
Capital receipts available for investment over the period					<b>18,242</b>

***(Paper No. 21-64)***

## ***Proposed additions to the General Capital Programme***

26. Based on the latest forecast of the level of resources available, additions to the capital programme funded by capital receipts over the next four years totalling £18.2 million can theoretically be afforded without breaching this minimum level of retained receipt.

### **Borrowing**

27. Over many years the Council has benefited from a steady flow of capital receipts as asset use has been reviewed/rationalised. As a result the Council is in the very unusual position of having so far avoided the need to borrow to fund capital investment. However, inevitably the potential to generate new capital receipts has diminished over time to the point now where capital receipts are at a relatively low level. Whilst the current forecast is for these to be topped up again in future years, this is reliant on market sales, the timing and value of which are particularly uncertain at this time.
28. The Council may need to consider borrowing to fund future General Fund capital expenditure that it wishes to pursue, unless other sources and/or external funding are identified. Any use of borrowing will add to future years' revenue costs at a time when future revenue support from central Government is uncertain and there are constraints on the level to which borrowing can be supported by council tax increases.
29. If borrowing is taken, then the Council will need to pay interest (charged to revenue) and create a General Fund revenue "minimum revenue provision" (MRP) budget to contribute to paying down this debt. This is similar in concept to paying off the capital on a mortgage. In total, for every £1 million of capital expenditure funded by external borrowing, there is an ongoing revenue cost in the region of £55,000 per annum at current (historically low) borrowing costs (equivalent to an increase in Band D council tax of £0.40).
30. It should also set prudential indicators and monitor these through the Council's treasury management strategy to ensure its overall level of borrowing remains financially sustainable.

### **Contributions from Revenue Accounts**

31. Contributions from Council revenue accounts are rarely available for the General Capital Programme because of the impact on council tax.
32. The Renewals Fund is a General Fund revenue reserve with a current balance of £27 million. Its balance has built up over time in order to fund (largely irregular) spend such as building refurbishment, computer hardware and vehicle and plant equipment. In theory this reserve could be

## ***Proposed additions to the General Capital Programme***

considered as a source of funding for future capital expenditure, notwithstanding it may be considered to be more appropriate to use it to help address the significant General Fund revenue budget gap.

### **ADDITIONS TO THE CAPITAL PROGRAMME**

33. Due to the current financial circumstances and the overall pressures on council tax in the next few years, the process that was adopted in 2013 in respect of additions to the capital programme has again been used. The general assumptions in relation to the funding of new capital schemes are as follows:
- (a) schools expenditure for repairs and new places (both primary and secondary) will normally be limited to that funded from either Government grant or from directly linked site sales. The Department for Education notification allocated the Council no basic need funding for 2021/22. If other grant funding is received, a list of prioritised schemes will be presented to the Education and Children's Services Overview and Scrutiny Committee with a recommendation to approve additions to the capital programme at that time;
  - (b) for non-housing and non school-related Council operational property, schemes will be restricted to those that are either critical to keeping a property in use, are required for health and safety reasons, will provide future revenue savings or will facilitate the Council's regeneration schemes. Schemes that are critical to keeping a property in use have been selected based upon the current condition information and maintenance forecast. These schemes are required to mitigate any health and safety issues (such as fire alarm replacement or electrical rewiring) or involve boiler/heating equipment at the end of its useful life. All schemes progressed will be conditional on retention of the properties for Council use beyond 2021. Total operational buildings bids are £0.25 million. Existing ongoing maintenance budgets (both revenue and capital) will be used to fund other works where appropriate;
  - (c) routine bids for Empty Properties Grants and Disabled Facilities Grants totalling £2.0 million are included in Appendix A and are funded from grant or other contributions and so have no impact on available General Fund capital receipts;
  - (d) highways and other related schemes bids include £10 million capital investment in carriageways and footways across the Borough over the whole of the capital framework period; and



## Proposed additions to the General Capital Programme

- (e) schemes to be funded from Section 106 contributions or Community Infrastructure Levy (CIL) will be assessed on their merits and, whilst these may initially be predicated on assumed levels of receipts, any successful bids will ultimately need to take account of actual resources available. Total Nine Elms CIL bids are £2.2 million.

Following consultation with Cabinet Members, additions to the General Fund capital programme have been included, taking account of the resulting revenue costs. Gross additions, including budget variations requested of £22.7 million, are included, with £5 million met by CIL and Section 106 receipts, £2.5m met by Nine Elms Funding, £2.7 million from grants and contributions and £12.5 million from capital receipts. The additions of £22.7 million now recommended are shown in Appendix A to this report and are summarised as follows:

Capital Bids Summary	Capital Costs				Full Year Revenue Effect £000
	2020/21 £000	2021/22 £000	2022/23 £000	Future Years £000	
<b><u>Committee</u></b>					
Adult Care & Health	0	420	0	0	0
Community Services & Open Spaces	100	511	0	0	1
Education & Children's Services	0	14	0	0	0
Finance, Resources & Climate Sustainability	177	0	0	121	0
Housing & Regeneration (non-HRA)	0	1,350	900	800	1
Strategic Planning & Transportation	798	4,898	3,500	9,155	69
	<b>1,075</b>	<b>7,193</b>	<b>4,400</b>	<b>10,076</b>	<b>71</b>
<b><u>Financed By</u></b>					
Grants & Contributions	0	1,520	400	800	
S106 / SCIL	798	3,714	500	0	
Nine Elms Funding	177	195	0	2,176	
Capital Receipts	100	1,764	3,500	7,100	
	<b>1,075</b>	<b>7,193</b>	<b>4,400</b>	<b>10,076</b>	

34. The proposed additions to the capital programme include CIL and DIFS (Development Infrastructure Funding Study) Nine Elms Section 106 contributions for schemes that are within the Vauxhall Nine Elms Opportunity (VNEB) Area. As residents continue moving into Nine Elms a range of projects are necessary to provide social and improved transport

## ***Proposed additions to the General Capital Programme***

infrastructure for the incoming population and to assist with place-making. Bids totalling £2.5 million are recommended for approval and are detailed in Appendix A. These include re-profiled budgets for already approved projects including play space improvements, co-ordination of utilities infrastructure delivery and improvements to walking and cycling routes and transport links.

### **REVISED CAPITAL PROGRAMME**

35. The programme approved in Paper No. 20-305 has been amended to reflect virements and budget variations subsequently, and budget variations for expenditure requested in this committee cycle (the addition of the schools' condition programme at no net cost to the Council: Paper No. 21-056 refers). Cashflows have been revised to latest estimates, where appropriate, and reductions to the programme have been made to reflect loss of LIP funding and lower than anticipated grant for school based schemes. The changes are shown in the following table:

	<b><u>2020/21</u></b>	<b><u>2021/22</u></b>	<b><u>2022/23</u></b>	<b><u>2023/24</u></b>	<b><u>2024/25</u></b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Programme as per Paper No. 20-305:	79,921	95,117	55,043	12,560	-
Approved additions to the programme:	2,389	2,650	-	1,589	-
New bids to be approved in this report:	1,075	7,193	4,400	6,076	4,000
Approved programme:	83,385	104,960	59,443	20,225	4,000
Revision of cashflows:	(14,701)	(4,206)	(7,441)	22,524	2,235
Reductions:	(986)	(354)	-	-	-
Revised programme following review of schemes:	<b>67,698</b>	<b>100,400</b>	<b>52,002</b>	<b>42,749</b>	<b>6,235</b>

***(Paper No. 21-64)***

### ***Proposed additions to the General Capital Programme***

36. The amended capital programme, together with the additions above, is shown in full in Appendix B (including future years) and would produce total capital expenditure and revenue effects as follows:

<b>Capital Programme Summary</b>	<b>Capital</b>				<b>Revenue Full Year Effect £000</b>
	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>	<b>Future Years £000</b>	
<b><u>Committee</u></b>					
Adult Care & Health	856	694	0	0	2
Community Services & Open Spaces	5,376	6,235	0	0	38
Education & Children's Services	11,505	29,256	819	1,350	4
Finance, Resources & Climate Sustainability	25,804	18,013	13,780	9,880	147
Housing & Regeneration (non-HRA)	1,150	7,564	900	800	1
Strategic Planning & Transportation	23,007	38,638	36,503	36,954	116
	<b>67,698</b>	<b>100,400</b>	<b>52,002</b>	<b>48,984</b>	<b>308</b>
<b><u>Financed By</u></b>					
Grants & Contributions	33,431	19,639	1,219	800	
S106 / NCIL	6,240	21,772	500	2,410	
SCIL	8,970	13,783	13,580	12,060	
Nine Elms Funding	6,861	21,184	26,603	24,925	
Capital Receipts/Borrowing	12,196	24,022	10,100	8,789	
	<b>67,698</b>	<b>100,400</b>	<b>52,002</b>	<b>48,984</b>	

37. Capital payments financed by grant have no revenue effect provided that the timing of the grant receipt is matched to the spend. Payments financed by the realisation of investments entail loss of interest on those investments.
38. The table below compares the estimated capital resources with the capital expenditure to be financed, based on the revised programme including the new capital bids summarised in paragraph 34:

**Proposed additions to the General Capital Programme**

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
	£'000	£'000	£'000	£'000	£'000
Usable Capital Resources at start of year	29,985	24,069	7,227	(11,193)	(2,502)
Add: Grants and reimbursements	55,502	76,378	41,902	37,560	2,635
Add: New capital receipts	1,280	2,180	1,680	13,880	21,880
Less: Capital expenditure	(67,698)	(100,400)	(52,002)	(42,749)	(6,235)
Adjustment for slippage	5,000	5,000	(10,000)	-	-
Usable Capital Resources at end of year	24,069	7,227	(11,193)	(2,502)	15,778
Less: minimum level of capital receipts to be retained					(10,000)
Capital receipts available for investment over the period					5,778

39. Based on the revised programme, the £30 million usable resources at the start of 2020/21 are expected to be expended in full in the short/ medium term but are set to recover as a result of receipts which, due to the nature of the particular schemes, materialise later in the framework period. Internal borrowing will be considered if a funding shortfall materialises at year end and officers will continue to refine spend and slippage assumptions, continuing to maximise the use of other funding sources (CIL, s106, grants, Renewals Fund etc) where appropriate.
40. Based on the latest forecast of the level of resources available, additions to the capital programme funded by capital receipts over the next four years totalling £5.8 million can theoretically be afforded without breaching this minimum level of retained receipt.

**REVENUE EFFECTS**

41. Capital payments financed by grant have no revenue effect provided that the timing of the grant receipt is matched to the spend. Payments financed by the realisation of investments entail loss of interest on those investments.
42. The revenue costs of the programme will be less than originally budgeted for in the current year because of the slippage shown in paragraph 38. The revenue effects, based on the loss of investment interest at the current budgeted rate, of the revised General Fund capital programme are shown in

## ***Proposed additions to the General Capital Programme***

the table in paragraph 36, with a full year annual impact of £308,000 equivalent to £2.26 Band D council tax. This includes the revenue effects of the additions now proposed and shown in paragraph 33, amounting to £71,000 in a full year (equivalent to £0.52 Band D Council Tax) and will be included as part of the 2021/22 Council Tax setting process.

## **FUTURE BIDS AND THE CAPITAL PIPELINE**

43. It is important to consider potential future demands when deciding how much new spend is considered affordable as there are some potentially large items of capital spend in the pipeline. On current estimates the availability of capital receipts to fund future bids is extremely limited and inevitably there will need to be an increasing reliance on other forms of funding such as SCIL and a need to borrow. All future bids will be subject to further due diligence and confirmation of positive business cases, suitable pay back periods and any available funding streams.
44. Further consideration will also need to be given to any potential capital investment linked to the retendering of the leisure centre contract and any other investment priorities identified such as the Wandsworth Town Hall WorkSpace Strategy, the beacon library programme, and in particular how any such investment might be funded. Other schemes which officers have already identified for potential further investment, but have not yet been brought forward as capital bids, include energy efficiency upgrades to commercial properties to enable them to continue to be let, plus potential further investment to support a Council-wide cycling strategy.
45. Any future capital schemes that emerge as part of service remodelling and deliver ongoing revenue savings tend to come forward for approval as and when, but such schemes will still need to be reviewed in detail before going through the approval process.
46. School schemes have not been included in this report. Schemes are expected to be funded by the Department for Education School Condition Allocation grant, with the balance met from schools, at no cost to the Council's General Fund. Exact amounts for 2021/22 are not yet known, and a report is expected to go to the Education and Children's Services Overview and Scrutiny Committee on 9th February 2021. In 2020/21 schemes totalled £2.0 million, with the majority of funding provided by grant and around £120,000 from schools, with the additional School Condition Allocation grant received in year adding a further £0.87 million to the programme.

## **GENERAL CAPITAL PROGRAMME FRAMEWORK**

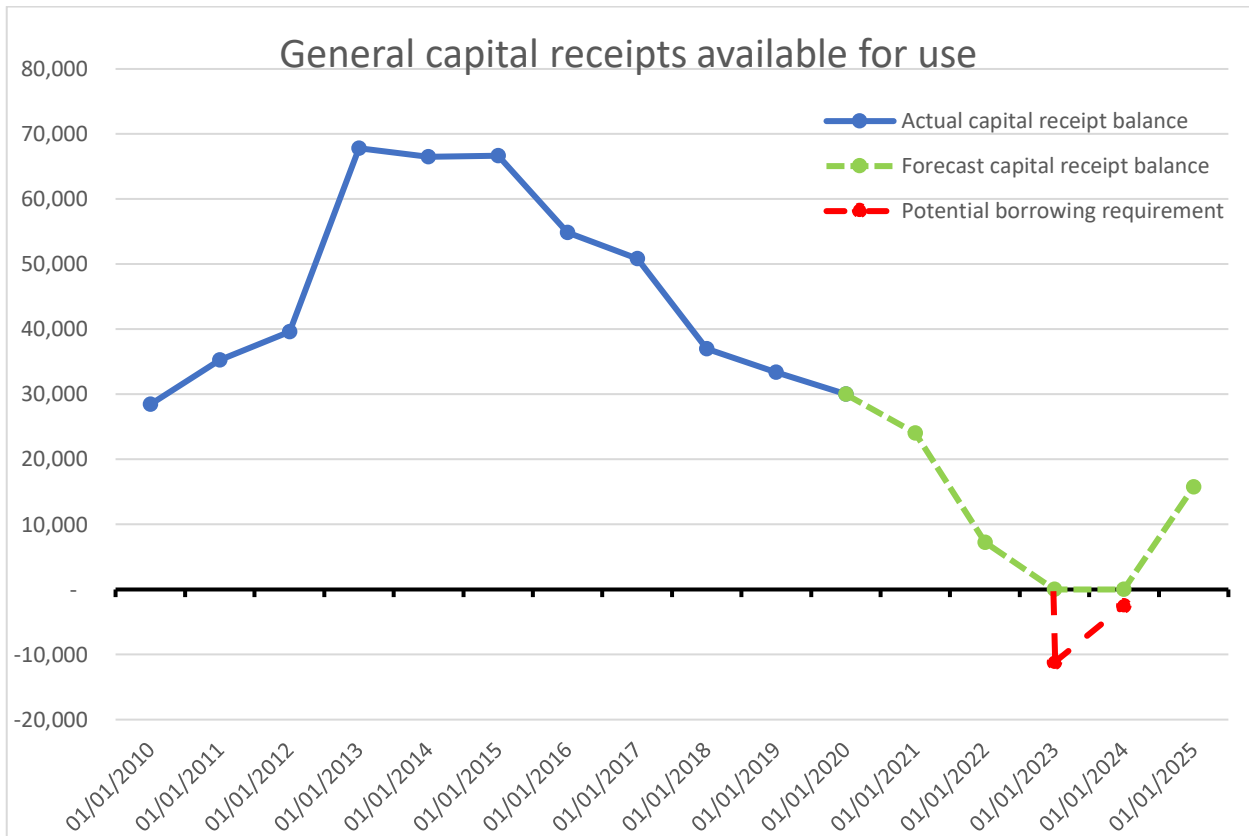
47. The table in paragraph 24 updates the general capital budget framework to take account of the latest forecast of spending, grants and receipts. It also includes reference to the financial years 2021/22, 2022/23, 2023/24 and

***Proposed additions to the General Capital Programme***

2024/25. To serve as the new framework, it needs to be adopted as such at a meeting of the full Council.

48. The current capital framework was approved by the Finance and Corporate Resources OSC in Paper No. 15-25 and approved by the Executive on 28th January 2015. The timescale of the capital framework was amended from three to five years and the available resources limit was also amended so that annually the Council may commit to capital expenditure in a similar way to within the HRA whereby a minimum level of capital receipts has to be retained.
49. In setting the level of balances required, the Council must balance the flexibility given by retaining capital resources against the cost of borrowing, whether internally from cash surpluses or externally in a formal debt instrument. The current projections show that capital resources are being used faster than new receipts are being generated. It is therefore likely that the Council will need to finance future capital schemes from borrowing in the medium term. The cost of borrowing will continue to be considered when approving additional spend which does not have external financing (such as earmarked grant or contributions) identified from the outset.
50. The graph below shows how capital receipts have been depleted since 2010 as the scale of Council investment has outstripped the reducing number of capital receipt opportunities that have become available. Based on the revised capital programme shown in this report and current estimates of capital resources, it projects movement to 2024/25, with receipt balances being exhausted temporarily before recovering to an estimated £15.8 million by the end of the capital framework period.
51. Without borrowing, assuming no further external funding is forthcoming, there will need to be a much-reduced capital programme in subsequent years. It is therefore recommended that the current resources limit of £10 million that is required to be maintained at the end of the framework period be removed, as expending capital receipts in full will help to minimise borrowing. In addition, further work will be done to improve the planning of expenditure over the period to minimise borrowing where deemed appropriate.

**Proposed additions to the General Capital Programme**



**APPROVALS UNDER DELEGATED AUTHORITY**

52. Members are reminded that the Council’s Constitution now allows for some capital schemes to be added to the approved capital programme by the Director of Resources under delegated authority in the following limited circumstances:

- a. Where schemes are fully funded by ringfenced specific funding, unless the proposed scheme is subject to public consultation (in which case consultation under SO83(A) is required); and
- b. For schemes up to £100,000 subject to a maximum total spend and within defined parameters around the types of schemes being approved as decided by the Council each year.

53. It is proposed that a maximum total spend of £0.5 million for non-ringfenced schemes be set for 2021/22 with any capital schemes which are to be approved via this route being reported to the Leader’s Meeting before the delegation is exercised. It is worth noting that only one scheme totalling £34,000 was added to the approved capital programme via this route during 2017/18, and £45,000 in 2018/19.

## ***Proposed additions to the General Capital Programme***

The Town Hall,  
Wandsworth,  
SW18 2PU.

MARK MAIDMENT  
Director of Resources

4th February 2021

### **Appendices**

Appendix A – Proposed Additions to General Fund Capital Programme (new bids)

Appendix B – Summary of revised five year capital programme

Appendix C – Capital Strategy 2021/22

Appendix D – Strategic CIL Receipts, Projects Committed to and Expenditure Incurred

### **Background papers**

There are no background papers to this report.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website ([www.wandsworth.gov.uk/moderngov](http://www.wandsworth.gov.uk/moderngov)) unless the report was published before May 2001, in which case the Democratic Services Officer can supply it if required.



**Appendix A to Paper No. 21-64**

**Proposed Additions to General Fund Capital Programme**

**Capital bids summary**

	Capital costs				Revenue Effects
	2020/21 £'000	2021/22 £'000	2022/23 £'000	Future Years £'000	Full Year £'000
<b>Committee</b>					
Adult Care & Health Services	-	420	-	-	-
Community Services & Open Spaces	100	511	-	-	1
Education & Children's Services	-	14	-	-	-
Finance, Resources & Climate Sustainability	177	-	-	121	-
Housing & Regeneration (non-HRA)	-	1,350	900	800	1
Strategic Planning & Transportation	798	4,898	3,500	9,155	69
<b>TOTAL</b>	<b>1,075</b>	<b>7,193</b>	<b>4,400</b>	<b>10,076</b>	<b>71</b>

**Financed By**

	2020/21 £'000	2021/22 £'000	2022/23 £'000	Future Years £'000	Total £'000
Grants & Contributions	-	1,520	400	800	2,720
S106 / SCIL	798	3,714	500	-	5,012
Nine Elms Funding	177	195	-	2,176	2,548
Capital Receipts	100	1,764	3,500	7,100	12,464
	<b>1,075</b>	<b>7,193</b>	<b>4,400</b>	<b>10,076</b>	<b>22,744</b>

**Appendix A to Paper No. 21-64****Proposed Additions to General Fund Capital Programme**

		Funded by	Capital costs				Revenue Effects
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Future Years £'000	Full Year £'000
<b>Adult Care &amp; Health Services</b>							
Adaptations for Disabled		Grant		330			-
Better at Home Improvement Scheme		Grant		90			-
<b>Total Adult Care &amp; Health Services</b>			<b>-</b>	<b>420</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Community Services &amp; Open Spaces</b>							
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Future Years £'000	Full Year £'000
Replacement of Parks Police Service vehicles		Receipts	100				1
Balham Leisure Centre - Entrance Security upgrade		SCIL		39			-
Entrance Security upgrades - Access control costs for Leisure Centres		SCIL		260			-
Latchmere Leisure Centre - Entrance Security upgrade		SCIL		39			-
Putney Leisure Centre : - Pool Roof Renewals		SCIL		42			-
Roehampton Sports Facility - Entrance Security upgrade		SCIL		32			-
Tooting Bec Lido - Entrance Security upgrade		SCIL		24			-
Tooting Leisure Centre - Entrance Security upgrade		SCIL		41			-
Wandle Leisure Centre - Entrance Security upgrade		SCIL		34			-
<b>Total Community Services &amp; Open Spaces</b>			<b>100</b>	<b>511</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Education &amp; Children's Services</b>							
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Future Years £'000	Full Year £'000
Safeguarding digitalisation: conference rooms		Receipts		14			-
<b>Total Education &amp; Children's Services</b>			<b>-</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Finance, Resources &amp; Climate Sustainability</b>							
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Future Years £'000	Full Year £'000
BPS 106 Sports and Playspace Improvements		Nine Elms CIL	177				-
Health Facilities		Nine Elms CIL				1	-
Utilities		Nine Elms CIL				120	-
<b>Total Finance &amp; Corporate Resources</b>			<b>177</b>	<b>-</b>	<b>-</b>	<b>121</b>	<b>-</b>
<b>Housing &amp; Regeneration</b>							
			2020/21 £'000	2021/22 £'000	2022/23 £'000	Future Years £'000	Full Year £'000
Disabled Facilities Grants		Grant		1,100			-
Empty Properties Grant		S106			500		-
Loans to Leaseholders		Leaseholder receipts			400	800	-
SSA wide, Replace access control system hardware and software		Receipts		250			1
<b>Total Housing &amp; Regeneration</b>			<b>-</b>	<b>1,350</b>	<b>900</b>	<b>800</b>	<b>1</b>

**Appendix A to Paper No. 21-64****Proposed Additions to General Fund Capital Programme****Strategic Planning & Transportation**

		2020/21	2021/22	2022/23	Future Years	Full Year
		£'000	£'000	£'000	£'000	£'000
Bedford Hill Public Realm and Road Safety	S106	250				-
Bedford Hill Public Realm and Road Safety - Phase 2	SCIL		171			-
Blocked Gullies & ongoing renewal to improve condition	Receipts				100	1
Cabul Road Underpass	S106	38				-
Capitalised Repairs: Footways	Receipts			1,000	2,000	17
Capitalised Repairs: Carriageways	Receipts			2,000	4,000	34
Capitalised Repairs: - Uplift	Receipts		500	500	1,000	11
Cyclical highways and footways investment	Receipts		1,000			6
Elmbourne Road Improvements	S106	200				-
Nine Elms Highways, Pedestrian and Public Realm	Nine Elms CIL				2,055	-
Putney Wharf Church & Brewhouse Lane	S106	110				-
Putney Wharf (extended to Putney Square)	SCIL		182			-
Putney High Street public realm & Environment Improvements (phase 1)	SCIL		800			-
Riverwalk	Nine Elms CIL		195			-
Wandsworth Bridge Corrosion Protection	SCIL		1,700			-
Wandsworth Bridge / Bridge end road	SCIL	200	350			-
<b>Total Strategic Planning &amp; Transportation</b>		<b>798</b>	<b>4,898</b>	<b>3,500</b>	<b>9,155</b>	<b>69</b>

**Appendix B to Paper No. 21-64****Proposed Additions to General Fund Capital Programme****Revised five year capital programme****Committee**

Adult Care & Health Services
Community Services & Open Spaces
Education & Children's Services
Finance, Resources & Climate Sustainability
Housing & Regeneration (non-HRA)
Strategic Planning & Transportation
<b>TOTAL GENERAL FUND CAPITAL PROGRAMME</b>

REVISED PROGRAMME				
2020/21	2021/22	2022/23	Future Years	Total
£'000	£'000	£'000	£'000	£'000
856	694	-	-	1,550
5,376	6,235	-	-	11,611
11,505	29,256	819	1,350	42,930
25,804	18,013	13,780	9,880	67,477
1,150	7,564	900	800	10,414
23,007	39,248	36,503	36,954	135,712
<b>67,698</b>	<b>101,010</b>	<b>52,002</b>	<b>48,984</b>	<b>269,694</b>

**Use of Capital Resources**

Grants & Contributions
S106 & NCIL
SCIL
Nine Elms CIL
Borrowing
Capital Receipts
<b>TOTAL USE OF CAPITAL RESOURCES</b>

33,431	19,639	1,219	800	55,089
6,240	21,772	500	2,410	30,922
8,970	14,393	13,580	12,060	49,003
6,861	21,184	26,603	24,925	79,573
0	2,773	8,420	0	11,193
12,196	21,249	1,680	8,789	43,914
<b>67,698</b>	<b>101,010</b>	<b>52,002</b>	<b>48,984</b>	<b>269,694</b>

## Appendix B to Paper No. 21-64

## Proposed Additions to General Fund Capital Programme

## Revised five year capital programme

		REVISED PROGRAMME				
		2020/21	2021/22	2022/23	Future Years	Total
		£'000	£'000	£'000	£'000	£'000
<b>ADULT CARE &amp; HEALTH SERVICES</b>						
	Adult Care & Health	856	694	0	0	1,550
	Adult Care & Health - NCIL	0	0	0	0	0
		<b>856</b>	<b>694</b>	<b>0</b>	<b>0</b>	<b>1,550</b>
<b>COMMUNITY SERVICES &amp; OPEN SPACES</b>						
	Leisure and Sports Services	1,125	1,348	0	0	2,473
	Libraries and Heritage	646	3,194	0	0	3,840
	Public Halls/Community Centres	47	0	0	0	47
	Parks and Open Spaces	1,926	331	0	0	2,257
	Neighbourhood CIL Schemes	970	1,362	0	0	2,332
	Cemetries and Crematoria	662	0	0	0	662
		<b>5,376</b>	<b>6,235</b>	<b>0</b>	<b>0</b>	<b>11,611</b>
<b>EDUCATION &amp; CHILDREN'S SERVICES</b>						
	Other Children's Services	464	402	0	0	866
	Other Primary Schemes	1,781	3,393	0	0	5,174
	Secondary Education	5,169	4,830	0	0	9,999
	Special Schools	718	2,722	819	0	4,259
	Additional Places	2,725	16,802	0	1,350	20,877
	Other Education Funded Schemes	648	1,107	0	0	1,755
		<b>11,505</b>	<b>29,256</b>	<b>819</b>	<b>1,350</b>	<b>42,930</b>
<b>FINANCE, RESOURCES &amp; CLIMATE SUSTAINABILITY</b>						
	Economic Development	0	0	0	0	0
	General Finance & Corporate Services	21,274	8,726	7,900	3,089	40,989
	IT Services	253	875	0	0	1,128
	Operational Buildings	2,684	1,764	500	0	4,948
	Property Services	130	5,008	0	0	5,138
	Schemes in the Nine Elms Regeneration Area	1,463	1,640	5,380	6,791	15,274
		<b>25,804</b>	<b>18,013</b>	<b>13,780</b>	<b>9,880</b>	<b>67,477</b>
<b>HOUSING &amp; REGENERATION</b>						
	Disabled Facilities Grants	700	1,709	0	0	2,409
	Empty Properties Grant	200	1,205	500	0	1,905
	Loans to Leaseholders	250	400	400	800	1,850
	Other Housing Schemes	0	4,250	0	0	4,250
		<b>1,150</b>	<b>7,564</b>	<b>900</b>	<b>800</b>	<b>10,414</b>
<b>STRATEGIC PLANNING AND TRANSPORTATION</b>						
	CCTV Schemes	1,115	310	0	0	1,425
	Planning services	175	35	0	0	210
	Highways Schemes	12,492	14,922	5,280	7,760	40,454
	Vauxhall and Nine Elms opportunity area	5,094	16,339	21,223	18,134	60,790
	S106 schemes	381	5,928	10,000	11,060	27,369
	Traffic and Engineering	3,750	1,696	0	0	5,446
	S278 Schemes	0	18	0	0	18
		<b>23,007</b>	<b>39,248</b>	<b>36,503</b>	<b>36,954</b>	<b>135,712</b>
<b>TOTAL GENERAL FUND CAPITAL PROGRAMME</b>						
		<b>67,698</b>	<b>101,010</b>	<b>52,002</b>	<b>48,984</b>	<b>269,694</b>

## Revised five year capital programme

<u>Scheme</u>	<u>Ward</u>	<u>Funded by</u>
<b>ADULT CARE &amp; HEALTH SERVICES</b>		
Adaptations for Disabled	Boroughwide	Grant
Better at Home Improvement Scheme	Boroughwide	Grant
Gwyneth Morgan Day Centre Refurbishment	Fairfield	Receipts
Occupational Therapist DFG	Boroughwide	Grant
Social Care system (Mosaic)	Boroughwide	Receipts
St Michael's Community Centre- redevelopment	Northcote	S106 & NCIL
<b>TOTAL ADULT CARE &amp; HEALTH SERVICES</b>		

REVISED PROGRAMME					Total Cost of Scheme
2020/21	2021/22	2022/23	Future Years		£'000
£'000	£'000	£'000	£'000		£'000
306	354	0	0		660
90	90	0	0		180
30	245	0	0		275
283	5	0	0		288
129	0	0	0		129
18	0	0	0		18
<b>856</b>	<b>694</b>	<b>0</b>	<b>0</b>		<b>1,550</b>

## COMMUNITY SERVICES &amp; OPEN SPACES

## LEISURE CENTRES AND SPORTS SERVICES

Latchmere Leisure Centre - Replacement of significantly leaning overflow car park boundary wall	Latchmere	Receipts
Putney Leisure Centre : - Pool Roof Renewals	Thamesfield	Receipts
Tooting Bec Lido - Amelioration works to the electric sub-station	Bedford	Grant
Tooting Lido - Poolside Surface Refurbishment	Bedford	Receipts
Tooting Bec - Structural Stabilisation & Filter House Replacement	Bedford	Receipts
Tooting Leisure Centre - Fire Alarm Renewal	Tooting	Receipts
Tooting Leisure Centre - Replacement of Failed Pool Basin Tiling	Tooting	Receipts
Tooting Bec Lido - Amelioration works to the electric sub-station	Bedford	Receipts
All Leisure Centres - Latchmere, Balham, Tooting Leisure, Wandle, Putney, Roehampton. Renewal of Sports and Studio Hall flooring	Boroughwide	SCIL
Tooting Bec Lido - Health & Safety Repairs (tidy up and relay pool drain surround)	Bedford	Receipts
Roehampton Leisure Centre - Renewal of roof coverings	Roehampton	SCIL
Wandle Recreation Centre - Replacement of Netting and Fences for the Artificial Pitches and Patch Repairs	Southfields	SCIL
Battersea Park - Expand Fountain toilets	Queenstown	SCIL
Latchmere Leisure Centre Boundary Wall Repairs	Latchmere	Receipts
Falcon Park Community Sports Centre - Additional safeguarding, security and facility management items installations	Latchmere	SCIL
Putney Leisure Centre : - Entrance Security upgrade	Thamesfield	SCIL
Tooting Leisure Centre - Entrance Security upgrade	Tooting	SCIL
Balham Leisure Centre - Entrance Security upgrade	Bedford	SCIL
Latchmere Leisure Centre - Entrance Security upgrade	Latchmere	SCIL
Wandle Leisure Centre - Entrance Security upgrade	Southfields	SCIL
Tooting Bec Lido - Entrance Security upgrade	Bedford	SCIL
Roehampton Sports Facility - Entrance Security upgrade	Roehampton	SCIL
Entrance Security upgrades - Access control costs for Leisure Centres	Boroughwide	SCIL

REVISED PROGRAMME					Total Cost of Scheme
2020/21	2021/22	2022/23	Future Years		£'000
£'000	£'000	£'000	£'000		£'000
3	65	0	0		68
23	0	0	0		23
0	103	0	0		103
10	39	0	0		49
524	0	0	0		524
0	91	0	0		91
77	0	0	0		77
60	269	0	0		329
139	0	0	0		139
10	40	0	0		50
132	38	0	0		170
12	90	0	0		102
90	0	0	0		90
5	102	0	0		107
40	0	0	0		40
0	42	0	0		42
0	41	0	0		41
0	39	0	0		39
0	39	0	0		39
0	34	0	0		34
0	24	0	0		24
0	32	0	0		32
0	260	0	0		260
<b>1,125</b>	<b>1,348</b>	<b>0</b>	<b>0</b>		<b>2,473</b>

## TOTAL LEISURE CENTRES AND SPORTS SERVICES

## PUBLIC HALLS &amp; COMMUNITY CENTRES

Civic Suite - Renewal of Roof Covering	Fairfield	Receipts
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## TOTAL PUBLIC HALLS &amp; COMMUNITY CENTRES

## PARKS &amp; OPEN SPACES

Battersea Park : - River Wall	Queenstown	Receipts
Battersea Park : - Improvements funded from Formula E	Queenstown	Receipts
Battersea Park : - Restoration of pedestrian gate access	Queenstown	S106
Beatrice Potter Allotment Boundary Wall Repairs	Wandsworth Common	Receipts
Huguenot Burial Ground -39-41 East Hill	Fairfield	S106
King George's Park	Southfields	S106
St Mary's Church Boundary Wall - Essential Repairs	St Mary's Park	SCIL
Paths Resurfacing in Parks	Boroughwide	Receipts
Resurfacing of Footpaths	Boroughwide	Receipts
Refurbishment and Replacement of Boundary Railings	Boroughwide	Receipts
Battersea Park - LED lighting	Queenstown	SCIL
Wandsworth Park Access improvement	Thamesfield	S106
Harroway Gardens redesign and landscape	St Mary's Park	S106
Replacement of Parks Police Service vehicles	Boroughwide	Receipts
Home composting promotion	Boroughwide	SCIL

## TOTAL PARKS &amp; OPEN SPACES

## CEMETERIES &amp; CREMATORIA

Putney Vale Crematorium - replacement of cremators	Roehampton	Receipts
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## TOTAL CEMETERIES &amp; CREMATORIA

## LIBRARIES &amp; HERITAGE

Balham Library - Boiler Replacement	Balham	Receipts
Battersea Library - Public Toilets	Shaftsbury	Receipts
Battersea Library - Boiler Replacement	Shaftsbury	Receipts

47	0	0	0		47
<b>47</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>47</b>
127	0	0	0		127
121	137	0	0		258
44	0	0	0		44
30	0	0	0		30
260	0	0	0		260
200	0	0	0		200
15	0	0	0		15
5	0	0	0		5
300	0	0	0		300
69	0	0	0		69
190	194	0	0		384
37	0	0	0		37
428	0	0	0		428
100	0	0	0		100
0	0	0	0		0
<b>1,926</b>	<b>331</b>	<b>0</b>	<b>0</b>		<b>2,257</b>
662	0	0	0		662
<b>662</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>662</b>
137	0	0	0		137
40	0	0	0		40
151	0	0	0		151

Putney Library - Boiler Replacement	Thamesfield	Receipts	118	0	0	0	118
Wandsworth Town Library Fit-Out (Fairfield)	Fairfield	Receipts	200	3,194	0	0	3,394
<b>TOTAL LIBRARIES &amp; HERITAGE</b>			<b>646</b>	<b>3,194</b>	<b>0</b>	<b>0</b>	<b>3,840</b>
<b>NEIGHBOURHOOD CIL SCHEMES</b>							
Battersea Arts Centre	Shaftsbury	NCIL	180	0	0	0	180
Battersea Park : - Playground Improvements	Queenstown	NCIL	120	170	0	0	290
Fishponds Playing Fields	Tooting	NCIL	3	0	0	0	3
NCIL Furzedown Rec Play equipment	Furzedown	NCIL	2	0	0	0	2
Fred Wells Garden refurbishment	St Mary's Park	NCIL & S106	304	0	0	0	304
Garratt Park playground refurbishments and replacement of equipment	Earlsfield	NCIL	30	0	0	0	30
Leaders Gardens - Playspace Improvements	Thamesfield	NCIL	5	0	0	0	5
Riverwalk Improvements and Riverside Lighting - Vicarage Gardens	St Mary's Park	Receipts	75	0	0	0	75
Roehampton Vale / Putney Vale cemetery resiting a block	Roehampton	NCIL	5	0	0	0	5
Swaby Gardens Improvements	Earlsfield	NCIL	22	0	0	0	22
Tours passage alleyway - streetscape & lighting improvements	Latchmere	NCIL	69	100	0	0	169
Wandsworth Common ballpen - upgrade	Northcote	NCIL	25	0	0	0	25
Wandsworth Park LED lighting	Thamesfield	NCIL	40	0	0	0	40
Windmill Gardens - playspace	Wandsworth Common	NCIL	-2	204	0	0	202
Battersea Park Trim Trail	Queenstown	NCIL	21	40	0	0	61
Shillington Park Playground & Outdoor Gym Improvements	Latchmere	NCIL	5	190	0	0	195
St Mary's Cemetery & St Mark's Wandsworth Common	Northcote	NCIL	25	96	0	0	121
Wandsworth Park Playground & Grassland Improvements	Thamesfield	NCIL	7	235	0	0	242
Putney Vale Allotment Path Improvements	Roehampton & Putney Heath	NCIL	4	182	0	0	186
NCIL Pleasance Play area	West Putney	NCIL	30	145	0	0	175
<b>TOTAL NEIGHBOURHOOD CIL SCHEMES</b>			<b>970</b>	<b>1,362</b>	<b>0</b>	<b>0</b>	<b>2,332</b>
<b>TOTAL COMMUNITY SERVICES &amp; OPEN SPACES</b>			<b>5,376</b>	<b>6,235</b>	<b>0</b>	<b>0</b>	<b>11,611</b>

					REVISED PROGRAMME				
					2020/21	2021/22	2022/23	Future Years	Total Cost of Scheme
					£'000	£'000	£'000	£'000	£'000
<b>STRATEGIC PLANNING &amp; TRANSPORT</b>									
<b>PLANNING SERVICES</b>									
Hosted Web Based Planning and Related Services IT System	Other	Receipts	175	35	0	0	0	210	
<b>TOTAL PLANNING SERVICES</b>			<b>175</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>210</b>	
<b>CCTV SCHEMES</b>									
Mobile CCTV to combat flytipping	Boroughwide	Receipts	15	0	0	0	15		
CCTV Westfield House (S106)	Southfields	S106	100	0	0	0	100		
Wandsworth CCTV Network Digital Upgrade	Boroughwide	SCIL & Receipts	1,000	310	0	0	1,310		
<b>TOTAL CCTV SCHEMES</b>			<b>1,115</b>	<b>310</b>	<b>0</b>	<b>0</b>	<b>1,425</b>		
<b>HIGHWAY SERVICES</b>									
Blocked Gullies & ongoing renewal to improve condition	Boroughwide	Receipts	80	219	100	200	599		
Capitalised Repairs: - Footways	Boroughwide	Receipts	999	1,000	1,000	2,000	4,999		
Capitalised Repairs: - Carriageways	Boroughwide	Receipts	2,744	2,000	2,000	4,000	10,744		
Capitalised Repairs: - Uplift	Boroughwide	Receipts	0	500	500	1,000	2,000		
Cyclical highways and footways investment	Boroughwide	Receipts	0	1,000	0	0	1,000		
Cycle Parking TfL	Boroughwide	Grant	47	0	0	0	47		
High Streets Safety Fund	Boroughwide	Grant	168	0	0	0	168		
Local Improvement Plan 2020/21	Boroughwide	Grant	580	0	0	0	580		
Signs & Poster Boards - boroughwide	Boroughwide	Receipts	150	0	0	0	150		
Street Trees	Boroughwide	Receipts	95	0	0	0	95		
Boroughwide - Tree Works	Boroughwide	SCIL	150	175	175	0	500		
Putney High Street public realm & Environment Improvements (phase 2)	Thamesfield	SCIL	1,000	864	0	0	1,864		
Putney Wharf (extended to Putney Square)	Thamesfield	SCIL	0	182	0	0	182		
Social Distancing Town Centres	Boroughwide	Grant	244	0	0	0	244		
Social Distancing Low Traffic	Boroughwide	Grant	320	0	0	0	320		
Social Distancing Strategic Cycling	Boroughwide	Grant	350	0	0	0	350		
Upper Richmond Road and Putney Stations	Thamesfield	SCIL	0	2,000	0	0	2,000		
Cycle Parking at Railway Stations	Boroughwide	SCIL	300	200	0	0	500		
St Johns Hill Bridge Refurbishment	Northcote	SCIL	0	443	0	0	443		
Wandsworth Bridge Corrosion Protection	St Mary's Park	SCIL	3,500	3,679	0	0	7,179		
Flood Alleviation Works - SUDS	Boroughwide	SCIL	200	200	300	300	1,000		
Transport Strategy	Boroughwide	S106	400	0	0	0	400		
One way streets conversion to 2 way cycling	Boroughwide	SCIL	30	130	80	260	500		
Trewint Street Bridge adoption and improvement	Earlsfield	SCIL	0	466	1,125	0	1,591		
Wandsworth Bridge / Bridge end road	Fairfield	SCIL	200	350	0	0	550		
Active Travel DfT	Boroughwide	Grant	50	0	0	0	50		
TfL Sunk Costs	Boroughwide	Grant	167	0	0	0	167		
<b>TOTAL HIGHWAY SERVICES</b>			<b>11,774</b>	<b>13,408</b>	<b>5,280</b>	<b>7,760</b>	<b>38,222</b>		
<b>SCHEMES FUNDED BY SECTION 106 OR CIL IN THE VAUXHALL AND NINE ELMS OPPORTUNITY AREA</b>									
Riverwalk	Queenstown	Nine Elms CIL	500	1,250	0	0	1,750		
Increased Bus Capacity and Pump Priming New Services	Queenstown	Nine Elms CIL	0	4,010	1,000	0	5,010		

Improvement to Battersea Park Station	Queenstown	Nine Elms CIL & S106	1,000	1,500	9,593	0	12,093
Nine Elms Highways, Pedestrian and Public Realm	Queenstown	Nine Elms CIL & S106	2,394	7,715	7,780	7,010	24,899
Queenstown Road Corridor Scheme (Nine Elms Element)	Queenstown	Nine Elms CIL	150	100	1,000	750	2,000
Queenstown Road footways and cycle facilities	Queenstown	Nine Elms CIL	0	0	350	0	350
Key Gateways	Queenstown	Nine Elms CIL	150	850	1,500	0	2,500
Thessaly Road	Queenstown	Nine Elms CIL	900	914	0	0	1,814
Nine Elms Park	Queenstown	Nine Elms CIL	0	0	0	10,374	10,374
<b>TOTAL SCHEMES FUNDED BY SECTION 106 OR CIL IN THE VAUXHALL AND NINE ELMS OPPORTUNITY AREA</b>			<b>5,094</b>	<b>16,339</b>	<b>21,223</b>	<b>18,134</b>	<b>60,790</b>
<b>SECTION 106 AGREEMENTS UNDER THE TOWN &amp; COUNTRY PLANNING ACT 1990 OTHER SCHEMES</b>							
ASDA Clapham Junction	Shaftsbury	S106	81	0	0	0	81
Upper Richmond Road 77-83	East Putney	S106	50	0	0	388	438
Upper Richmond Road 84-88	East Putney	S106	100	0	0	672	772
Wandsworth One Way System	Fairfield	S106 & CIL	150	5,928	10,000	10,000	26,078
<b>TOTAL SECTION 106 AGREEMENTS UNDER THE TOWN &amp; COUNTRY PLANNING ACT 1990 OTHER SCHEMES</b>			<b>381</b>	<b>5,928</b>	<b>10,000</b>	<b>11,060</b>	<b>27,369</b>
<b>OTHER HIGHWAYS SCHEMES</b>							
Electric Charging points - SCIL	Boroughwide	SCIL	250	250	0	0	500
Electric Charging points - OLEV grant	Boroughwide	Grant	293	264	0	0	557
Low emission Highways Mtc fleet vehicles	Boroughwide	SCIL	175	1,000	0	0	1,175
<b>TOTAL OTHER HIGHWAYS SCHEMES</b>			<b>718</b>	<b>1,514</b>	<b>0</b>	<b>0</b>	<b>2,232</b>
<b>TOTAL HIGHWAYS SCHEMES</b>			<b>19,257</b>	<b>37,534</b>	<b>36,503</b>	<b>36,954</b>	<b>130,248</b>
<b>TRAFFIC AND ENGINEERING</b>							
Bedford Hill Public Realm and Road Safety	Bedford	NCIL & S106	632	0	0	0	632
Bedford Hill Public Realm and Road Safety - Phase 2	Bedford	SCIL	0	781	0	0	781
Battersea High Street Public Realm - phase 2	St Mary's Park	NCIL	95	115	0	0	210
Battersea Church Road traffic calming	St Mary's Park	NCIL	0	180	0	0	180
Cabul Road Underpass	Latchmere	S106	38	0	0	0	38
Doddington Square	Queenstown	NCIL	250	0	0	0	250
Dover House Road Parade - Streetscape Enhancements	West Putney	NCIL	320	0	0	0	320
Elmbourne Road Improvements	Bedford	NCIL & S106	335	0	0	0	335
Heathbrook Youth Centre / Elays Network Scheme	Queenstown	NCIL	49	0	0	0	49
Lavender Gardens Access Path	Shaftsbury	NCIL	79	0	0	0	79
Old York Road - Public Realms	Fairfield	NCIL	30	0	0	0	30
Ornamental Heritage & Riverside Ltq - Battersea	St Mary's Park	NCIL	113	0	0	0	113
Ornamental Heritage & Riverside Ltq - Wandsworth	Fairfield	NCIL	38	0	0	0	38
Putney Bridge Floodlighting	Thamesfield	Receipts	6	0	0	0	6
Putney High Street Improvements	Thamesfield	NCIL	253	0	0	0	253
Putney Park Lane improvements	West Putney	NCIL	54	85	0	0	139
Putney Wharf Church & Brewhouse Lane	Thamesfield	NCIL & S106	252	0	0	0	252
Southfields Public Realm Upgrade	Southfields	NCIL	773	0	0	0	773
Street improvements Doddington parade	Queenstown	NCIL	145	0	0	0	145
Wandle Valley Park - Improved Gateways	Earlsfield	NCIL	123	0	0	0	123
Wandsworth Bridge floodlighting	St Mary's Park	NCIL	135	475	0	0	610
West Putney Area Through Traffic Study	West Putney	NCIL	30	60	0	0	90
<b>TOTAL TRAFFIC AND ENGINEERING</b>			<b>3,750</b>	<b>1,696</b>	<b>0</b>	<b>0</b>	<b>5,446</b>
Osiers Road S278	Thamesfield	S278	0	18	0	0	18
<b>TOTAL STRATEGIC PLANNING &amp; TRANSPORT</b>			<b>23,007</b>	<b>39,248</b>	<b>36,503</b>	<b>36,954</b>	<b>135,712</b>

REVISED PROGRAMME					Total Cost of Scheme		
2020/21	2021/22	2022/23	Future Years		£'000		
£'000	£'000	£'000	£'000		£'000		
<b>EDUCATION &amp; CHILDREN'S SERVICES</b>							
<b>PRIMARY EDUCATION</b>							
<b>Expansion</b>							
Brandlehow Primary School (Additional 0.5FE)	Thamesfield	Grant	2,000	441	0	0	2,441
Oasis Academy Putney School (New Build)	Thamesfield	Grant	52	99	0	0	151
Floreat/Atheldene - Primary School (New Build)	Earlsfield	Grant	50	92	0	0	142
Heathmere Primary School (Dining Hall Facilities)	Roehampton	Contribution	188	1,886	0	0	2,074
St George's Primary School Expansion	Queenstown	S106	0	0	0	1,350	1,350
Nursery for St Michael's CE Primary School	East Putney	SCIL	135	0	0	0	135
Primary School (Nine Elms)	Queenstown	S106 & Nine Elms CIL	300	14,284	0	0	14,584
			<b>2,725</b>	<b>16,802</b>	<b>0</b>	<b>1,350</b>	<b>20,877</b>
<b>Planned Maintenance</b>							
Alderbrook Primary School Roof Replacement	Balham	Grant	181	0	0	0	181
Broadwater Primary School Boiler Replacement	Tooting	Grant	8	0	0	0	8



Falconbrook Primary School Replacement Electrical Distribution Boards	Latchmere	Grant	30	0	0	0	30
Fircroft Primary School - Toilets	Tooting	Grant	45	39	0	0	84
Heathmere Primary School Replace Mesh Fence	Roehampton	Grant	105	32	0	0	137
Heathmere Primary School Roof/Guttering & Window Replacement	Roehampton	Grant	364	105	0	0	469
John Burns Primary School - Replacement Light Fittings	Shaftesbury	Grant & Contribution	138	0	0	0	138
Sellincoourt Primary School EY Build Refurb	Graveney	Grant	5	0	0	0	5
Southmead Primary School Boiler Replacement	West Hill	Grant	5	16	0	0	21
Conditions Survey	Boroughwide	Grant	30	0	0	0	30
Design Development	Boroughwide	Grant	30	0	0	0	30
Sheringdale Primary School - Phase 2 Window Replacement	Southfields	Grant & Contribution	10	247	0	0	257
Sheringdale Primary School - Ventilation	Southfields	Grant	189	0	0	0	189
Allfarthing Primary School - Boiler Repairs	Fairfield	Grant & Contribution	68	0	0	0	68
Swaffield Primary School - Update CCVT & Main Office Relocation	Wandsworth Common	Grant & Contribution	179	0	0	0	179
Alderbrook Primary School - Internal Damp Works	Balham	Grant & Contribution	78	0	0	0	78
Alderbrook Primary School - Phase 2 Works	Balham	Grant & Contribution	106	0	0	0	106
Smallwood Primary School - Replacement of TMV valves throughout the building	Tooting	Grant & Contribution	10	1	0	0	11
Smallwood Primary School - Repair floor of intake cupboard	Tooting	Grant & Contribution	48	0	0	0	48
Schools Planned Maintenance	Boroughwide	Grant & Contribution	2	2,953	0	0	2,955
Urgent Health & Safety Works	Boroughwide	Grant	50	0	0	0	50
Programme Contingency	Boroughwide	Grant	100	0	0	0	100
			1,781	3,393	0	0	5,174
<b>TOTAL PRIMARY EDUCATION</b>			4,506	20,195	0	1,350	26,051
<b>SECONDARY EDUCATION</b>							
<b>Expansion</b>							
Ark Putney Academy (Former Elliott School) (Additional 2FE with 6th form)	West Putney	Grant & CIL	1,150	0	0	0	1,150
Chestnut Grove Academy (Additional 1FE)	Nightingale	Grant	2,275	1,957	0	0	4,232
St. Cecilia's Church of England School (Additional 1FE)	West Hill	Grant	1,000	2,873	0	0	3,873
Ashcroft Academy (Additional 1FE)	East Putney	Grant	429	0	0	0	429
			4,854	4,830	0	0	9,684
<b>Planned Maintenance</b>							
Ernest Bevin College - Roof Hall Replacement Ph1	Wandsworth Common	Grant & Contribution	315	0	0	0	315
			315	0	0	0	315
<b>TOTAL SECONDARY EDUCATION</b>			5,169	4,830	0	0	9,999
<b>SPECIAL SCHOOLS</b>							
<b>Expansion</b>							
Greenmead/Ronald Ross - School Places	West Hill & West Putney	Grant	9	30	0	0	39
Paddock School Expansion	Roehampton	Grant	0	2,156	819	0	2,975
Paddock School – Provision for Expansion (Phase 3 & 4)	Roehampton	Grant	50	0	0	0	50
			59	2,186	819	0	3,064
<b>Planned Maintenance/Other</b>							
Bradstow School Cold Water Storage and Distribution System	Out of Borough	Grant	9	0	0	0	9
Paddock School Kitchen	Roehampton	Grant	20	121	0	0	141
Paddock School Replacement Boilers/Pipework & Radiators	Roehampton	Grant	68	0	0	0	68
Oak Lodge Special School Boilers and Pipework	Nightingale	Contribution	202	0	0	0	202
Paddock Primary School Roofing	West Putney	Grant & Contribution	300	257	0	0	557
Oakdene - Internal Refurbishment and Remodelling	Graveney	Grant	60	158	0	0	218
			659	536	0	0	1,195
<b>TOTAL SPECIAL SCHOOLS/OTHER</b>			718	2,722	819	0	4,259
<b>OTHER EDUCATION FUNDED SCHEMES</b>							
Schools Devolved Capital	Boroughwide	Grant	633	1,107	0	0	1,740
Healthy Pupils	Boroughwide	Grant	15	0	0	0	15
<b>TOTAL OTHER EDUCATION FUNDED SCHEMES</b>			648	1,107	0	0	1,755
<b>TOTAL EDUCATION</b>			11,041	28,854	819	1,350	42,064
<b>OTHER CHILDREN'S SERVICES</b>							
Conversion/Extension Foster Carers' Properties	Boroughwide	Receipts	140	94	0	0	234
Tooting Hub, St Peter's Church Installation of Chain Link Fencing	Tooting	Receipts	0	44	0	0	44
Falcon Grove Family Assessment Centre - Internal refurbishment and remodelling	Latchmere	Receipts	48	0	0	0	48
Devas Youth Club	Shaftesbury	NCIL	27	0	0	0	27
Various Retention Payments	Boroughwide	Receipts	119	227	0	0	346
Lady Allen Playground: fencing, renovation and security	Northcote	SCIL	130	23	0	0	153
Safeguarding digitalisation: conference rooms	Boroughwide	Receipts	0	14	0	0	14
<b>TOTAL OTHER CHILDREN'S SERVICES</b>			464	402	0	0	866

## TOTAL EDUCATION &amp; CHILDREN'S SERVICES

11,505	29,256	819	1,350	42,930
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					REVISED PROGRAMME				
					2020/21	2021/22	2022/23	Future Years	Total Cost of Scheme
					£'000	£'000	£'000	£'000	£'000
<b>FINANCE, RESOURCES &amp; CLIMATE SUSTAINABILITY</b>									
<b>OPERATIONAL BUILDINGS</b>									
Emergency Plant and Equipment In Core Buildings	Boroughwide	Receipts		503	500	0	0	1,003	
Operational Property Plant Renewal	Boroughwide	Receipts		1,000	489	0	0	1,489	
Statutory Compliance Remedial Works Core Buildings	Boroughwide	Receipts		605	500	500	0	1,605	
Air Conditioning to IT Server Centre in Town Hall	Fairfield	Receipts		77	0	0	0	77	
Reed House - Lift and Drainage	Fairfield	Receipts		180	25	0	0	205	
Wandsworth Preparatory School - Roof Replacement	Wandsworth Common	Receipts		81	0	0	0	81	
Cyclical Roof and Fabric Replacement/Repairs	Boroughwide	Receipts		238	250	0	0	488	
<b>TOTAL OPERATIONAL BUILDINGS</b>				<b>2,684</b>	<b>1,764</b>	<b>500</b>	<b>0</b>	<b>4,948</b>	
<b>IT SERVICES</b>									
ICT Infrastructure	Fairfield	Receipts		253	875	0	0	1,128	
<b>TOTAL IT SERVICES</b>				<b>253</b>	<b>875</b>	<b>0</b>	<b>0</b>	<b>1,128</b>	
<b>PROPERTY SERVICES</b>									
Acquisition of Atheldene and Surrounding Sites	Earlsfield	Receipts		70	5,008	0	0	5,078	
The Venue - Doddington Estate	Queenstown	Receipts		30	0	0	0	30	
Wood and Palladino House	Graveney	Receipts		30	0	0	0	30	
<b>TOTAL PROPERTY SERVICES</b>				<b>130</b>	<b>5,008</b>	<b>0</b>	<b>0</b>	<b>5,138</b>	
<b>SCHEMES IN THE NINE ELMS REGENERATION AREA</b>									
Project Development Fees	Queenstown	Nine Elms CIL		75	0	0	0	75	
Utilities	Queenstown	Nine Elms CIL		138	40	40	240	458	
South London Innovation Corridor	Boroughwide	Grant		0	1,300	0	0	1,300	
Health Facilities	Queenstown	Nine Elms CIL		1,100	0	5,340	6,551	12,991	
BPS 106 Sports and Playspace Improvements	Queenstown	Nine Elms CIL		150	300	0	0	450	
<b>TOTAL SCHEMES IN THE NINE ELMS REGENERATION AREA</b>				<b>1,463</b>	<b>1,640</b>	<b>5,380</b>	<b>6,791</b>	<b>15,274</b>	
<b>GENERAL FINANCE &amp; CORPORATE SERVICES</b>									
Loans to Other Bodies	Boroughwide	Receipts		100	0	0	0	100	
Royal College of Art expansion	St Mary's Park	Grant		19,550	578	0	0	20,128	
St Anne's Primary / Ark John Archer / Highview - green screen	Fairfield	NCIL		20	0	0	0	20	
Chesterton Primary School green screen	Latchmere	NCIL		27	0	0	0	27	
£5m Emerging environmental strategy fund	Boroughwide	SCIL/receipts		200	1,400	1,900	1,500	5,000	
Cromwell House Community Space	Queenstown	S106		161	0	0	0	161	
Wandsworth Carbon Neutral CREW	Boroughwide	NCIL		32	0	0	0	32	
Green Homes Grant	Boroughwide	Grant		300	248	0	0	548	
Northcote library & assoc site	Northcote	Receipts		884	6,500	6,000	1,589	14,973	
<b>TOTAL GENERAL FINANCE &amp; CORPORATE SERVICES</b>				<b>21,274</b>	<b>8,726</b>	<b>7,900</b>	<b>3,089</b>	<b>40,989</b>	
<b>TOTAL FINANCE, RESOURCES &amp; CLIMATE SUSTAINABILITY</b>				<b>25,804</b>	<b>18,013</b>	<b>13,780</b>	<b>9,880</b>	<b>67,477</b>	

					REVISED PROGRAMME				
					2020/21	2021/22	2022/23	Future Years	Total Cost of Scheme
					£'000	£'000	£'000	£'000	£'000
<b>HOUSING &amp; REGENERATION</b>									
Disabled Facilities Grants	Boroughwide	Grant		700	1,709	0	0	2,409	
Empty Properties Grant	Boroughwide	S106		200	1,205	500	0	1,905	
Loans to Leaseholders	Boroughwide	Receipts		250	400	400	800	1,850	
<b>Other Housing Schemes</b>									
Wandsworth Affordable Housing Programme	Boroughwide	S106		0	4,000	0	0	4,000	
SSA wide, Replace access control system hardware and software	Other	Receipts		0	250	0	0	250	
<b>TOTAL HOUSING &amp; REGENERATION</b>				<b>1,150</b>	<b>7,564</b>	<b>900</b>	<b>800</b>	<b>10,414</b>	

<b>TOTAL APPROVED CAPITAL PROGRAMME</b>	<b>67,698</b>	<b>101,010</b>	<b>52,002</b>	<b>48,984</b>	<b>269,694</b>
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**Proposed Additions to the General Capital Programme**

APPENDIX C  
to Paper No. 21-64

**WANDSWORTH BOROUGH COUNCIL****THE COUNCIL'S CAPITAL STRATEGY 2021/22**

1. This capital strategy is in response to CIPFA's Prudential Code and Treasury Management Code and sets out the long-term context within which capital expenditure, borrowing and investment decisions are made. It is to be approved by full Council. The overall aim of the framework is to demonstrate that such decisions properly take account of stewardship, prudence, value for money, sustainability and affordability.

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

**Overview of Governance Process**

- 2.1 The General Fund (non-HRA) capital programme is one of the Council's four financial frameworks, as detailed in the Council's Medium Term Financial Strategy. It is based upon the approved capital schemes, Treasury Management Strategy, Asset Management strategy, capital resources projections and an annual process for prioritising additions which recognises cost in use and sustainability issues.
- 2.2 It contains currently approved spending and assesses commitments in the context of reserves and resources anticipated in the medium-term outlook.
- 2.3 The overall programme is reviewed and approved by the Full Council in September or October and then again before the start of the financial year after additions are made to the programme. Individual schemes may be approved and added to the programme during other committee cycles.
- 2.4 Capital spend and the availability of resources to finance that spend are monitored by the Director of Resources on a monthly basis.

**Long-term view of capital spending plans**

- 2.5 The General Fund capital programme considers the programme and available resources for the current year and four subsequent years. The Council's ability to finance capital spending is restricted only by its own view on affordability, subject to the Government's possible imposition of limits on local authority borrowing for macro-economic reasons.

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## ***Proposed Additions to the General Capital Programme***

- 2.6 Due to the current pressures on the Council's finances and council tax, potential capital schemes are considered in the context of whether any specific capital resources will be available to contribute towards the funding of the scheme and the revenue impact of the scheme. General assumptions are as follows:
- a) expenditure for repairs and new pupil places will normally be limited to that funded from either Government grant or from directly linked site sales.
  - b) For non-housing and non-school related Council operational property, schemes are restricted to those that will either provide future revenue savings, are essential to deliver the Council's priorities (including in relation to climate change mitigation), are critical to keeping a property in use, or will facilitate the Council's regeneration schemes. Schemes that are critical to keeping a property in use are selected based upon the current condition information and maintenance forecast.
  - c) Schemes to be funded from Section 106 or Community Infrastructure Levy (CIL) are assessed on their merits and the actual resources available and any restrictions within specific development agreements on the funding's use.
  - d) Highways type schemes and other areas where there is a regular annual budget are considered in the light of available resources including possible grant contributions.
- 2.7 It is important to consider potential future demands when deciding how much new spend is considered affordable as there are some potentially large items of capital spend in the pipeline. Any future capital schemes that emerge as part of service remodelling and deliver ongoing revenue savings tend to come forward for approval as and when, but such schemes will still need to be reviewed in detail before going through the approval process.
- 2.8 The potential sources of finance for the General Fund capital programme are:
- a) *Grants* – either earmarked for specific schemes or services, or available for any scheme. There is no revenue effect, provided that the receipt of grant is not significantly delayed.
  - b) *CIL and Section 106 receipts* – can be used to finance capital infrastructure works. There is no revenue effect.
  - c) *Revenue and Renewals Fund* – other than specific schemes from the Renewals Fund this is rarely used because of the impact upon council tax.
  - d) *Capital Receipts* freely available to the General Fund – these are used where resources from the above three categories are not available. There is a loss of investment interest associated with their use. The Council has an active policy of rationalising and disposing of under-utilised assets and has used the proceeds extensively over time to support the capital

## ***Proposed Additions to the General Capital Programme***

programme. The framework takes account of the forecast availability of capital receipts in determining the size of the capital programme that is affordable. There is also the possibility of capital receipts being used for revenue spend in limited circumstances under the Government's "flexible use of receipts" initiative. This could contribute to alleviating the pressure on revenue resources but would reduce the availability of resources for capital spending.

- e) *Borrowing* – this is currently not used other than in the limited circumstances of internal borrowing for a school spend-to-save scheme. However, the potential to generate new capital receipts has diminished over time to the point now where capital receipts are at a relatively low level. Whilst the current forecast is for these to be topped up again in future years, this is reliant on market sales, the timing and value of which are particularly uncertain at this time. The Council will therefore need to consider borrowing to fund future General Fund capital expenditure unless other sources and/or external funding are identified. If borrowing is taken, then the Council will need to pay interest (charged to revenue) and create a "minimum revenue provision (MRP) budget to contribute to paying down this debt.

- 2.8 The table below compares the current estimated capital resources with the capital payments to be financed and shows a reduction in the available usable capital receipts over the five year period, with £15.8 million expected to be available at the end of the five years and potentially borrowing (likely to be internal borrowing) required before then.

<b>Table: Capital Resources Statement</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Usable Capital Resources at start of year	29,985	24,069	7,227	(11,193)	(2,502)
Add: Grants and reimbursements	55,502	76,378	41,902	37,560	2,635
Add: New capital receipts	1,280	2,180	1,680	13,880	21,880
Less: Capital expenditure (after slippage)	(62,698)	(95,400)	(62,002)	(42,479)	(6,235)
Usable Capital Resources at end of year	<u>24,069</u>	<u>7,227</u>	<u>(11,193)</u>	<u>(2,502)</u>	<u>15,778</u>

## ***Proposed Additions to the General Capital Programme***

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

#### **Overview of Governance Process**

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

#### **Long-term view of capital spending plans**

- 3.4 In addition to the four-year budget framework of spend and resources the HRA capital programme considers estimated spend and affordable resources over the 30-years of the Business Plan.
- 3.5 The potential sources of finance for the HRA capital programme are in some cases similar to those for the General Fund programme but with other notable differences: -
- a) *Grants and reimbursements* – Section 106 grants (specifically for Affordable Housing), other capital grants and reimbursements, in particular from leaseholders.
  - b) *Right to Buy capital receipts* – the residual receipts from Right to Buy sales that are retained by the Council, as per the agreement with the Government, to be used for one-for-one replacement build.
  - c) *Non-RTB capital receipts* – receipts arising from disposals of HRA sites or from vacant property sales not subject to Right to Buy pooling arrangements.

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### ***Proposed Additions to the General Capital Programme***

- d) *Borrowing* – this currently represents internal borrowing for one-for-one replacement build. The Government restricts the use of Right to Buy receipts for one-for-one replacement to a maximum of 30% of the cost of the replacement build, and this generally represents the other 70% of the scheme costs. It is assumed the external borrowing will begin to be required from 2021/22. HRA borrowing, whether internal or external, increases HRA debt. HRA debt in Wandsworth is currently £232 million largely as a result of the HRA subsidy buy-out in 2012. The Council's planned regeneration and self-build schemes will lead to a significant increase in HRA borrowing over the next 5-10 years with the current estimate that an additional £500 million will be required.
- e) *Major Repairs Reserve* – this is used where resources from the above four categories are not available. Any amount used must be affordable within the 30-year business plan.

3.6 The overriding aim of the HRA capital programme is to maintain an investment level consistent with that assumed in the stock condition survey in order to keep, as a minimum standard, the housing stock decent. The risk of changes to the assumptions used in the business plan and the effect on reserves are considered.

3.7 The following table shows the estimated HRA capital spend and its financing as in the currently approved framework.

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24 onwards</u>
	£'000	£'000	£'000	£'000
<b>Total Expenditure</b>	<b><u>114,309</u></b>	<b><u>171,537</u></b>	<b><u>191,911</u></b>	<b><u>156,774</u></b>
Financed By:				
Capital Receipts	16,000	1,000	1,000	1,000
Right to Buy 1-4-1 Receipts	1,950	2,500	1,628	311
S106 Receipts	13,000	6,066	745	720
Capital Grants	10,945	8,188	1,450	4,210
Leaseholder Major Works Charges	3,000	4,581	4,868	4,769
Borrowing	4,550	35,833	148,799	120,726
Major Repairs Reserve	64,864	113,369	33,421	25,038
<b>Total Financing</b>	<b><u>114,309</u></b>	<b><u>171,537</u></b>	<b><u>191,911</u></b>	<b><u>156,774</u></b>

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## ***Proposed Additions to the General Capital Programme***

### **4. Investment**

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

#### **Treasury Management Investments**

4.2 These are investments that arise from the Council's cash flows and ultimately represent balances which need to be invested until the cash is required for use in the course of business.

4.3 The Council's policy on Treasury Management Investments is submitted to the Finance, Resources and Climate Sustainability Overview and Scrutiny Committee, the Executive and approved by the full Council. The overall arrangements and strategy for the ensuing financial year are reviewed and approved in the Treasury Policy Statement at this committee (as Appendix A), an Annual Report after the end of the financial year in June and a mid-year review report in November. From time to time the Director of Resources may submit additional reports recommending changes in Policy for approval if circumstances require.

4.4 The Director of Resources' responsibilities for Treasury Management are prescribed in the Council's Financial Regulations. Treasury Management activities and issues are reviewed monthly by a meeting within the Resources Directorate, attended by the Director of Resources. Day to day Treasury Management activities are handled by the Financial Management Division of the Resources Directorate in accordance with a Treasury Procedure Document. Treasury Management staff attend training courses to ensure they maintain sufficient knowledge and keep up to date with current developments.

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

4.6 The Council's detailed investment policy is contained within the Treasury Policy Statement as Appendix A. Its overriding purpose is the control of risk. It specifies the types of investments that may be used and the limits of their use. These limits relate to the maximum time period for each investment type and to the maximum amount that may be held at any one time. The choice of limits is governed by the requirement to safeguard the security of the Council's portfolio and to spread risk through suitable diversification. The Council uses credit rating information from the three main credit rating agencies (Fitch, Moody's and Standard and Poor's) and this data is supplemented by other available information where appropriate. The limits also consider liquidity requirements and finally the yield that may be obtained.

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## ***Proposed Additions to the General Capital Programme***

- 4.7 The Council held investments of £642 million at the end of December 2020 and the average rate of return for 2020/21 as at end of December is 1.10% (excluding the joint venture loan and investment property). The Council is budgeting to begin 2021/22 with investments in excess of £540 million and the estimated movements for the following two years based upon current cash flows show that investments are likely to reduce as the HRA Regeneration schemes progress and other balances fall.

### **Investments that are not part of Treasury Management Activity**

- 4.8 The Council may invest in other financial assets and property primarily for financial return that are not part of Treasury Management activity. These activities are subject to similar assessments of risk as for Treasury Management investments. They are approved as part of the capital programme as described in Sections 2 or 3 of this Capital Strategy.
- 4.9 Investment Property. The Council's Corporate Asset Strategy was approved by the Executive in November 2015. One of its aims was to identify opportunities to generate General Fund revenue income by acquiring commercial property in strategic locations and in some cases transferring surplus operational properties to the investment portfolio. Legal advice confirmed that it is legal for the Council to invest in property in or out of the Borough; in particular Section 12 of the Local Government Act 2003 enables the Council to invest "for the purposes of the prudent management of its financial affairs".
- 4.10 All asset strategy schemes are part of the Council's rigorous value for money appraisals and require Executive approval in the same way as other Council capital spending proposals. Any budget for acquisition of investment properties is only added to the General Fund capital programme after consideration of affordability in the light of the available capital resources. All schemes are financed by capital receipts generally available to support the capital programme in the usual way. No borrowing has been taken up to facilitate such investments.
- 4.11 Suitable properties for purchase by the Council are selected after going through robust procedures to assess the security of the investment in the short, medium and longer term, that the risk of not achieving satisfactory rental returns is minimised and that there are the best prospects of future rental and capital growth. The Council's budget for property purchases limits acquisitions to small retail, office or industrial units that are easy to let and does not allow for investment in large industrial parks or shopping centres.
- 4.12 The Council's valuers are supported through the acquisition process by specialist property investment surveyors and legal advisers. The Council may contact agents in the market to help identify potential investment properties for sale as these are not frequently widely marketed, or commission its specialist property advisers to undertake a search for specific suitable properties. The adviser undertakes negotiations with the vendor for the acquisition subject to

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## ***Proposed Additions to the General Capital Programme***

approval by officers. A set of assessment criteria are used in evaluating the suitability of properties. These criteria are as follows: -

- a) Location
- b) Tenancy strength/strength of covenant
- c) Length of tenure
- d) Occupier's lease length
- e) Repairing terms/obligations
- f) Lot size (value of the investment)

- 4.13 These criteria are assessed against weighting factors ranging from Excellent to Unacceptable.
- 4.14 If a property is considered to meet the Council's investment criteria, the Council commissions a Property Investment Surveyor (not the same one used to identify the property) to provide a market report on the property. This report will include commentary on the credit worthiness of the tenant, an opinion of value and a recommendation in respect of the provisionally agreed acquisition price. This is undertaken in accordance with the Royal Institute of Chartered Surveyors Red Book.
- 4.15 Prior to acquiring any properties, officers also undertake a further due diligence exercise including reviewing the leases, commissioning a building survey and report, a mechanical and electrical survey, a valuation report, and ensuring that there is an Energy Performance Certificate in place with a rating of at least D. Solicitors also undertake legal due diligence with a further review of the leases, the planning position and a report on title, highlighting any potential title defects.
- 4.16 All investment properties are revalued annually at fair value as part of the Council's preparation of final accounts and audit process. Consideration is given at the end of each financial year as to whether impairment of any properties is required.
- 4.17 Between 2014/15 and 2017/18, £30 million was added to the capital programme for the acquisition of investment properties. Eight properties were acquired under the policy during this period. The Sergeant Industrial Estate was subsequently acquired in 2019/20. The overall portfolio is due to generate revenue income of £2.1 million in 2020/21. Due to the nature of these assets and tenants the coronavirus pandemic has not had a major impact on the performance of the portfolio although arrears continue to be monitored closely. The scale of this activity is considered to be proportionate in relation to the overall size of the capital programme and has all been financed from available resources with no borrowing. The revenue income earned is also considered to be proportionate in terms of the overall revenue budget of the authority and the authority is not over reliant on this source of income.

## ***Proposed Additions to the General Capital Programme***

- 4.18 **Loans supporting Service Outcomes.** The Council may make loans to organisations such as Staff Mutuals, other Service Providers, Voluntary Organisations or start up loans to Wandsworth based Business Improvement Districts. The Council's Treasury Policy Statement includes the terms under which such investments can be made. If the loan is for cash flow or revenue purposes it is reported as part of the Council's treasury investments. Amounts invested are small and at the end of 2019/20 only £0.081 million was outstanding. Loans can also be made for capital purposes, and such loans are approved as part of the capital programme. The main element of this is loans to leaseholders to allow them to pay their share of major works and at the end of 2019/20 there was £0.578 million outstanding.

### **5 Borrowing**

- 5.1 **External Borrowing.** The Council's only external long-term borrowing is the Public Works Loan Board (PWLB) debt taken up for the HRA Subsidy Buy-Out in 2012. This is repayable in equal instalments of principal and is due to be fully repaid in 2025. The original loan was for £223 million and £69 million will be outstanding at the end of the financial year. The interest due is fully charged to the Council's HRA. The Council also offers deposit facilities to other bodies such as the North East Surrey Crematorium Board and the Western Riverside Waste Authority. As per Appendix D, at 31st December £9.6m was held for WRA and £0.8m for NESCB. The Council's General Fund has no external debt other than any amounts relating to these deposit facilities.
- 5.2 **Internal Borrowing.** This arises where capital expenditure is neither financed by those sources of finance other than borrowing described in paragraphs 2.7 and 3.5, nor matched by a corresponding increase in external borrowing. In recent years the Council has had substantial cash balances, and these have been used to support internal borrowing where required as it is cheaper than external borrowing. The HRA borrowed £210 million internally for the HRA subsidy buy-out in 2012 to supplement the £223 million external borrowing. This has been partially repaid and it is anticipated that £105 million will remain outstanding at the end of 2020/21. The HRA has also borrowed internally to support 70% of the spend for one-for-one replacement as detailed in 3.5 d). This borrowing is repaid in the year following its advance. The General Fund has not internally borrowed for many years other than for a school spend to save scheme as mentioned in 2.7 c). Cash balances for internal borrowing are only available to the extent that the Council has reserves that have not yet been required for their original purpose and the availability may well reduce over the next few years.

### ***Proposed Additions to the General Capital Programme***

- 5.3 The following table shows estimates of the Council's External and Internal Borrowing outstanding balances based upon the currently approved capital programme.

	<u>31 March</u> <u>2021</u> £000	<u>31 March</u> <u>2022</u> £000	<u>31 March</u> <u>2023</u> £000	<u>31 March</u> <u>2024</u> £000
Current External Borrowing	68,807	51,605	34,404	17,202
Estimated Internal Borrowing	131,478	122,258	109,722	111,148
	<u>200,285</u>	<u>173,863</u>	<u>144,126</u>	<u>128,650</u>

- 5.4 **Minimum Revenue Provision.** Regulations issued under the Local Government Act 2003 require local authorities to calculate an annual amount of minimum revenue provision (MRP) to be set aside from revenue for the repayment of debt that is "prudent". The MRP should not take account of capital expenditure on HRA assets. The Council has an MRP to repay the internal borrowing by the Dedicated Schools Budget (DSB) for a spend-to-save scheme as referred to in 2.7c). This was originally to be repaid over nine years but has been extended for a further twelve years, will be fully charged to the DSB and will more than cover any minimum required under guidance. The annual statement on the Council's MRP policy is contained within the Treasury Policy Statement and approved by full Council in February or March.
- 5.5 **Voluntary Revenue Provision.** Although the HRA is not required by regulation to provide an MRP, an equivalent amount has been prudently charged to the HRA on an annual basis as a voluntary revenue provision. For the HRA in Wandsworth the policy is to charge an annual amount to reflect both the actual repayment of the HRA's external debt and the repayment of its internal borrowing over agreed time periods.
- 5.6 **Authorised and Operational Borrowing Limits.** Section 3 of Part 1 of the Local Government Act 2003 requires local authorities to set a borrowing limit and operational boundary each year. This is contained within the Treasury Policy Statement and approved by full Council in February or March each year. The limit was set at £108 million in February 2020 for 2020/21 and a limit of £120 million is proposed for 2021/22.
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***Proposed Additions to the General Capital Programme***

APPENDIX D  
to Paper No. 21-64

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

***(Paper No. 21-64)***

## ***Proposed Additions to the General Capital Programme***

### **Strategic CIL Receipts, Projects Committed to and Expenditure Incurred**

<b><u>SCIL Receipts</u></b>	<b>£</b>		
Total SCIL Receipts to 31st December 2020	<b>-78,972,125</b>		
<b>Projects to be funded by SCIL</b>	<b>SCIL Budget Committed £</b>	<b>Expenditure Incurred to date £</b>	<b>Net Remaining Budget £</b>
All Leisure Centres - Renewal of Sports and Studio Hall flooring	139,000	0	139,000
Ark Putney Academy	3,325,000	2,460,848	864,152
Battersea Park - Fountain Toilets Expansion	90,000	0	90,000
Battersea Park - LED Lighting Improvements	384,000	0	384,000
Boroughwide - Tree Works	500,000	0	500,000
CCTV Network Digital Upgrade	1,000,000	0	1,000,000
Cremorne Footbridge	99,260	99,260	0
Cycle Parking at Railway Stations	500,000	0	500,000
Electric Vehicle Charging Points	500,000	34,444	465,556
Falcon Park Community Sports Centre Installations	40,000	425	39,575
Lady Allen Playground: Fencing, Renovation and Security	153,000	5,106	147,894
Low Emission Highways Maintenance Fleet	1,175,000	0	1,175,000
Nursery for St Michael's CE Primary School	135,000	100,000	35,000
One Way Streets - Conversion to Two Way for Cycling	500,000	0	500,000
Putney High Street - Public Realm & Environment Improvements	406,000	0	406,000
Putney High Street Phase 2	1,119,250	1,034,944	84,306
Refinancing of Historic Infrastructure Expenditure	33,232,502	33,232,502	0
Roehampton Leisure Centre - Renewal of Roof Coverings	170,000	0	170,000
SCIL Infrastructure Maintenance (revenue)	3,000,000	896,299	2,103,701
St John Bosco College	1,120,000	1,120,000	0
St Johns Hill Refurbishment	450,000	13,577	436,423
Trewint Street Bridge Improvements	1,591,000	0	1,591,000
Upper Richmond Road & Putney Stations	2,000,000	0	2,000,000
Wandle Recreation Centre - Artificial Pitch Repairs	102,000	2,909	99,091
Wandsworth Bridge Corrosion Protection	6,000,000	1,685,318	4,314,682
Wandsworth Environmental and Sustainability Strategy	5,000,000	0	5,000,000
Wandsworth One Way System	21,611,000	0	21,611,000
<b>Total Approved SCIL Funded projects</b>	<b>84,342,012</b>	<b>40,685,382</b>	<b>43,656,380</b>

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**Proposed Additions to the General Capital Programme**

Value of SCIL Receipts Over Committed to date	<b>5,369,887</b>		
Forecast of further CIL receipts by 31.3.2022	-10,048,252		
<b>Forecast Value of SCIL Receipts Uncommitted by 31.3.2022</b>	<b>-4,678,365</b>		
<b>Cash Balance of SCIL Receipts unspent to date</b>		<b>-38,286,493</b>	

**SECTION 2**  
**TREASURY MANAGEMENT**

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WANDSWORTH BOROUGH COUNCILFINANCE, RESOURCES AND CLIMATE SUSTAINABILITY OVERVIEW AND  
SCRUTINY COMMITTEE – 21ST JANUARY 2021EXECUTIVE – 25TH JANUARY 2021COUNCIL – 3RD FEBRUARY 2021Report by the Director of Resources on the Council's Treasury Policy for 2021/22SUMMARY

This report reviews the Treasury Management activities so far during 2020/21 and makes proposals for 2021/22 for approval by the full Council, in accordance with CIPFA's revised Treasury Management Code, the Council's Treasury Policy Statement and the Local Government Act 2003.

Approval is now sought for an updated Treasury Policy Statement for 2021/22, including the determination of the Council's borrowing limit and operational boundary, and the minimum revenue provision policy for the financial year 2021/22.

Investments have increased during 2020/21 from £592 million to £642 million at the end of December 2020 and are expected to remain above £540 million at the end of March 2021. The average return on investments in 2019/20 was 1.68% and for 2020/21 this is expected to be 1.10% or lower if rates continue to fall. Long term investments in pooled funds have also decreased in capital value in 2019/20 and 2020/21 to date due to the Covid-19 pandemic.

External debt has reduced to £77 million at the end of December 2020 and will be £69 million at 31st March 2021 as the planned repayment of the HRA subsidy buy out debt continues.

GLOSSARY

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

MRP	Minimum Revenue Provision
PWLB	Public Works Loan Board

## RECOMMENDATIONS

1. The Finance, Resources and Climate Sustainability Overview and Scrutiny Committee are recommended to support the recommendations to the Executive in paragraph 2. If they approve any views, comments or recommendations on the report, these will be submitted to the Executive for consideration.
2. The Executive to recommend the Council -
  - (a) to authorise the Director of Resources to determine the Council's Treasury Policy Statement for 2021/22 based on the Statement in Appendix A;
  - (b) to approve, as required under Section 3 of Part 1 of the Local Government Act 2003, for the financial year 2021/22 an authorised borrowing limit and operational boundary of £120 million as shown in paragraph 25; and
  - (c) to approve, as recommended under Guidance issued under the Local Government Act 2003, a minimum revenue provision (MRP) for 2021/22 to repay internal borrowing by the Dedicated Schools Budget (DSB) over a period of twelve years, as shown in paragraphs 26 to 28.

## INTRODUCTION

3. The Council's Treasury Policy Statement defines both the overall arrangements for treasury management and the expectations for the ensuing financial year. These arrangements are in accordance with the 'Treasury Management Code' issued by CIPFA in 2002, and subsequently revised in 2011 and late 2017. They also have regard to the 'Prudential Code,' issued by CIPFA, and considered by the Council based on Paper No. 04-129 in January 2004, and to Investment Guidance issued under Section 15 of the Local Government Act 2003 by the Ministry for Housing, Communities and Local Government (MHCLG). The amendments in late 2017 to the Treasury Management Code relate to investments that are not part of treasury management activity and do not arise from cash flows and debt management. These are commercial investments such as purchase of investment properties, investments in subsidiaries or investments for service objectives including regeneration.
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 2020 (Paper No. 20-102) and a mid-year review was more recently produced in Paper No. 20-381 in December 2020. The updated Statement for 2021/22 is attached as Appendix A to this report. Subsequent paragraphs comment on experience to date in 2020/21, and policy for 2021/22 and later years.

## **Treasury Policy Statement 2021/22**

### **TREASURY MANAGEMENT EXPERIENCE IN 2020/21**

#### **ECONOMIC BACKGROUND**

5. The coronavirus pandemic continued to engulf economies globally at the start of the 2020/21 financial year. The UK economy suffered its biggest slump on record between April and June 2020 as coronavirus lockdown measures pushed the country officially into recession when the economy shrank 20.4% compared with the final quarter of 2019/20.
6. Through the summer of 2020 markets edged their way back up, however this growth has faded somewhat with the UK entering second and third lockdowns in November 2020 and January 2021. It is still hoped that the measures introduced throughout the year to fight the virus, the roll out of the coronavirus vaccines, as well as the breadth and depth of government and central bank support measures, will help to reduce economic damage in the long term. However, it is currently estimated that the UK economy is still over 9% smaller than before the pandemic, and about the same size as it was in 2014. January 2021 predictions range from 18 months to 3 years for the economy to reach its pre-pandemic levels.
7. Lengthened negotiations around trade arrangements for the UK leaving the European Union also caused fluctuations and uncertainty in markets throughout the year. Whilst the Trade and Cooperation Agreement was signed as at 31st December 2020, it is not yet known how this will affect the pace of the UK economy's recovery going forward.
8. The Bank of England Base Rate continues to be at 0.1% since 19th March 2020.

#### **INVESTMENTS**

9. The Council's investments have increased at 31st December 2020 to £642 million compared to £592 million at the start of the year. This figure is greater compared to £613 million at 31st December 2019 and the budgeted average for the year of £620 million. The current 2020/21 average daily investment position is £641 million which is slightly increased from the September mid year review reported in Paper No. 20-381. The level of investment during the year has remained above £600 million and has peaked at just over £660m in July and November. The size and composition of the Council's investments at 31st March 2020 and 31st December 2020 is shown in [Appendix C](#).
10. The Council's overall average interest rate for investments is expected to be a maximum of 1.10% for 2020/21 as summarised in the below table. Short term deposits are specifically analysed in paragraphs 12 to 13 below and also in a graph at [Appendix B](#).

	31-Dec-20		
	% of investment portfolio	£m	Average return
Fixed Term Deposits	40.18%	258.00	0.92%
MMFs (same day)	28.75%	184.60	0.12%
MMF (+1 day)	7.78%	49.94	0.16%
Mixed Asset Pooled Funds	7.63%	49.02	3.73%
Royal London Cash Plus Fund	1.56%	10.03	0.53%
CCLA	3.79%	24.33	3.88%
DMADF	1.55%	10.00	0.00%
Bank	7.70%	49.43	0.01%
Winstanley/York Road Joint Venture	1.06%	6.80	
<b>Subtotal</b>	<b>100.00%</b>	<b>642.15</b>	<b>1.10%</b>
Less amount invested on behalf of:			
- Western Riverside Waste Authority		-9.59	
- North East Surrey Crematorium Board		-0.75	
<b>Total</b>		<b>631.81</b>	

11. The 2020/21 investments are still benefitting from relatively high rates for fixed term deposits with other local authorities that were made in 2019/20 but encompass 2020/21. The difference on rate percentages is shown in the below table. The rate percentages at 31st December 2020 will cause significantly lower rates of return in 2021/22. Rates have fallen due to the interest rate cuts in March 2020 but also the surge of cash received by local authorities due to the majority of Covid-19 grants from Government being paid ahead of spend being incurred.

Fixed Term Deposit Rates available at:	31st December 2019	31st December 2020
Two years	1.30%	0.45%
One year	0.97%	0.20%
Six months	0.65%	0.10%
Three months	0.25%	0.05%

12. A higher proportion of investments are still being held in Money Market Funds (MMFs) due to reduced fixed term deposits being available. The Council holds a plus one day access MMF and the aim throughout 2020/21 has been to use this up to the limit allowed by the Treasury Management Strategy (£50m). This MMF should derive a higher return than the alternative fixed rate deposits and also has a varying capital value which the Council can also redeem at one day's notice. The fund value is currently £49.94m from an initial investment of £49.50m. Whilst this is still the highest rated MMF the rate is now trading at

**Treasury Policy Statement 2021/22**

0.07% as at 31st December which is considerably lower than 0.68% as at 31st March 2020.

13. Same day access MMFs also continue to drastically fall. Same day access MMF budgets for 2020/21 were set at 0.60% whereas rates had already fallen to 0.48% for in use MMFs by the end of March 2020. These rates then carried on falling each month and as at 31st December 2020 £184.6 million was held in MMFs at rates between 0%-0.01%. As at 31st December 2020 £81m of this total was held in MMFs earning no interest. Through the autumn MMFs had hovered at a constant level around 0.02%, however as they started to go beneath this level proactive action was taken to remove investments from MMFs where alternative options were available such as the Government's Debt Management Account Deposit Facility (DMADF) which itself however has intermittently negative, neutral or marginally positive rates.
14. Pooled funds including CCLA and Royal London have shown signs of recovery in the first half of 2020/21. The original investment was £85m which retracted to £78m as at 31st March 2020. These funds have now partially recovered to hold a capital value of £83m as at 31st December 2020. Royal London and Fidelity are the only two funds as at 31st December 2020 that are above their original investment value.
15. Following its Joint Venture (JV) with Taylor Wimpey the Council agreed to lend up to £50 million to aid the cash flow of the Winstanley and York Road regeneration scheme. The investment return is linked to LIBOR at the time the funding is requested (via a monthly draw down) and represents a comparable rate to commercial finance. Peak borrowing of the JV loan was £35.7 million. £28.9 million was repaid in December 2020 with further repayments due shortly.
16. In addition to its treasury management activity, the Council has direct property investment, having purchased ten properties between 2015/16 and 2018/19 for financial return as part of a planned strategy taking into account location, strength of covenant, lot size, lettability, yield, etc. The aim is again to generate ongoing income for the Council. The purchase of these properties was funded from Council resources and so does not present the same risk as those funded directly from borrowing, for which several councils have recently received adverse publicity. Officers continue to manage all properties and the relationship with the tenants with the aim of supporting businesses to trade but also balancing that with the need to prevent rent arrears from increasing uncontrollably. The Covid-19 crisis has so far had minimal impact on the performance of the portfolio. Whilst some tenants have asked to change from quarterly to monthly payments or short rent deferrals, no large arrears have occurred to date.
17. A full report on the 2020/21 treasury management performance will be made to committee in July 2021, in accordance with the arrangements prescribed in the Policy Statement.

**DEBT**

18. The size and composition of the Council's debt at 31st March 2020 and 31st December 2020 is shown in Appendix D. Gross debt has reduced from £92 million to £88 million reflecting repayments of Public Works Loans Board (PWLB) debt. A further repayment will be made before the end of 2020/21. No new long-term borrowing has been undertaken, and none is expected for the remainder of the year.

**REGULATIONS**

19. The use of Money Market Funds by local authorities as non-capital expenditure is governed by regulation which refers to European legislation. The governance and wording of this regulation has been amended to take effect from the date the United Kingdom ceases to be a member of the European Union as The Money Market Funds (Amendment) (EU Exit) Regulations 2019 No. 394.
20. The IFRS9 accounting standard on (measurement of) Financial Instruments was updated from 2018/19. This change meant that annual gains or losses arising from changes in fair value of pooled investments such as the CCLA Property Fund and the Multi-Asset Funds would be charged to revenue in the General Fund. However, after representations from local authorities, the Government introduced a mandatory statutory override commencing in 2018/19 for a period of five years requiring local authorities to reverse out all unrealised fair value movements from pooled investment funds. This means that the General Fund and Council Tax payers will continue to be protected from such valuation fluctuations until the end of 2022/23.

**PROPOSED UPDATED TREASURY POLICY STATEMENT**

21. The Covid-19 pandemic has resulted in falling interest rates alongside a surplus of cash available in the market. As a result the Council currently has high levels of balances invested at very low rates and this is expected to continue into the coming year. It is therefore proposed that two changes are made to the Treasury Policy Statement for 2021/22 to increase flexibility and spread the risk on the investments held. These are:
- a. The Council may, on occasion, need to hold surplus cash in its bank account longer than 'overnight'. For instance, where it receives a short term surge in cash such as a Government grant received in full or where MMF rates offered are lower than the bank's rate. In these circumstances no more than £50 million will be held (including balances held in any notice fund). This change is described in Appendix A at paragraph 3.2.2 (i).
  - b. Short Term Notice Funds with nationalised or part nationalised UK banks (currently banks within the NatWest Group: NatWest, Royal Bank of Scotland, Ulster Bank) do not currently meet the Council's criteria for investment which is determined by credit ratings. However Government support means these institutions effectively take on the credit risk of the Government itself. It is therefore proposed that the policy is amended to

## **Treasury Policy Statement 2021/22**

permit investments with such institutions. It is then proposed that a 35 day Notice Fund is opened with the Council's bank (NatWest). This fund currently offers a 0.1% return which is higher than other institutions, including the Government's DMADF. This change is described in Appendix A at paragraph 3.2.3 (h).

22. In addition, a change is proposed to the policy in relation to Joint Venture arrangements (such as Winstanley York Road) to specify a maximum investment limit of £100m. This change is described in Appendix A at paragraph 3.2.4 (iv).

### **TREASURY MANAGEMENT STRATEGY FOR 2021/22**

23. The Strategy for 2021/22 considers the outlook for investment and debt levels for the period 2021/22 to 2023/24, taking into account estimates of major cash flow movements. These estimates are shown in the table in paragraph 4.1 in Appendix A.
24. The Council is projecting to begin the year with investments in excess of £540 million. Repayments of £17.2 million of PWLB loans taken up for the Housing Revenue Account (HRA) on 28th March 2012 will fall due during the year. The estimated movements for the following two years based upon current cash flows show that investments are likely to reduce as the HRA regeneration schemes progress and other balances fall.
25. Authorised Borrowing Limit and Operational Boundary for 2021/22 The Council has to set a borrowing limit and operational boundary for 2021/22 under Section 3 of Part 1 of the Local Government Act 2003. This limit refers only to gross borrowing, ignoring investments, and it is intended that it reflects the maximum amount that a local authority decides that it can borrow without further reference back to Council. This limit was set at £108 million in February 2020, reflecting the existing long-term borrowing of £86 million at 1 April 2020, and allowing for the possibility of borrowing for a "spend-to-save" scheme, and short-term fluctuations in cash flows, including deposit facilities offered to other bodies and external funds, such as the North East Surrey Crematorium Board and Western Riverside Waste Authority. Long-term borrowing is expected to be £69 million at 1st April 2021 and £30 million of long-term borrowing is currently planned. A limit of £120 million is therefore proposed for the borrowing limit and operational boundary for 2021/22, reflecting the existing borrowing, and allowing for other possible requirements.
26. MRP Statement for 2021/22 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.

27. For Wandsworth a “prudent” MRP was, until 2017/18, nil, reflecting the fact that the Council’s debt relates to the Housing Revenue Account. However, in 2016/17 internal borrowing of £7 million took place to partially fund the scheme to develop Greenmead/Ronald Ross schools to be charged to the Dedicated Schools Budget (DSB).
28. It was proposed that the Council would have an MRP, commencing in 2017/18 and charged to the DSB, to repay any such internal borrowing, at the equivalent to the PWLB rate for nine years. For 2018/19 onwards, the repayment period has been extended to twelve years. This will still more than cover any minimum required under guidance for a “prudent” MRP.

## **CAPITAL STRATEGY**

29. The requirement to produce an annual Capital Strategy was introduced in 2018 by amendments to CIPFA’s Prudential Code. The Prudential Code allows local authorities to set their own limits on borrowing as part of the freedoms and flexibilities introduced in the 2003 Local Government Act. This is achieved by setting limits to ensure that spending is affordable, prudent and sustainable. The addition of a Capital Strategy to this framework gives further context and direction to these decisions. This has recently been enhanced by the CIPFA Prudential Property Investment guidance which specifically addresses the decision making process for investing in property.
30. The proposed Capital Strategy for 2021/22 will be reported to this Committee and the Executive in February for approval by full Council in March.

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The Town Hall  
Wandsworth  
SW18 2PU

MARK MAIDMENT  
Director of Resources

13th January 2021

### **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](http://www.wandsworth.gov.uk/moderngov)) unless the report was published before May 2001 in which case the Democratic Services Officer can supply a copy if required.



WANDSWORTH BOROUGH COUNCILTREASURY POLICY STATEMENT - JANUARY 2021**1. SCOPE OF CORPORATE TREASURY MANAGEMENT**

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

**2. ADMINISTRATION**

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

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(b) to administer the Council's external debt within the ambit of any policy as to borrowing which the Council may have from time to time determined, and specifically:

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

(ii) to enter into any collateral agreements necessary to facilitate effective debt management; and

(iii) to negotiate and enter into leasing agreements in order to finance the acquisition of vehicles, plant and equipment and to enter into any collateral agreements necessary to facilitate an effective leasing policy.

2.3. The Director of Resources shall submit for the approval of the full Council by 31st March of each year, a Treasury Policy Statement defining the overall arrangements and strategy for the ensuing financial year, a report on the exercise of 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, Resources and Climate Sustainability Overview and Scrutiny Committee, the Executive and the Council. The Director may depart from the policy to act upon the lowest credit rating of the three credit rating agencies when making investment decisions, following consultation with the Cabinet Member for Finance 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 Debt Management Account Deposit Facility (DMADF).

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

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

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

### 3. GENERAL STRATEGY

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

#### 3.2. Investment:

3.2.1. Cash Balances. The Council shall not borrow in order to make financial investments. Investment of the Council's surplus cash balances (other than the exceptions listed under longer term investments) shall be for up to 364 days through brokers in the sterling money market, through an investment firm in Certificates of Deposit (CDs), directly through the Government's DMADF, directly with sterling AAA rated Money Market Funds (MMFs), or directly with sterling A rated Notice Funds at banks owned 20% or more by the UK Government (e.g. NatWest Group). Investments may also be placed directly with institutions where more attractive interest rates can be obtained than by investing through brokers. Where MMFs are used, the choice of fund shall be determined at the monthly Treasury Management meeting within the Resources Department, as described in paragraph 2.5 above. Around £80 million of the portfolio shall be invested for 3 months or less, and the remaining balance shall be invested for periods of between 3 months and 364 days, except in the case of longer-term investments referred to in paragraph 3.2.4.

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

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

### **Treasury Policy Statement**

- (a) up to £50 million with UK or non-UK institutions with a Fitch credit rating of at least F1+ short-term, AA- long-term, and a short-term watch that is not negative, (or equivalent under Moody's or Standard and Poor's), and where generally no more than £30 million is placed for periods longer than 6 months;
- (b) up to £100 million with other UK local authorities or precepting authorities;
- (c) up to £20 million for a maximum of 6 months with UK or non-UK institutions with a Fitch credit rating of at least F1+ short-term, AA- long-term, and a short-term watch that is negative (or equivalent under Moody's or Standard and Poor's);
- (d) up to £20 million with UK or non-UK institutions with a Fitch credit rating of at least F1+ short-term, A long-term, and a short-term watch that is not negative (or equivalent under Moody's or Standard and Poor's);
- (e) up to £10 million for a maximum of 6 months with UK or non-UK institutions with a Fitch credit rating of at least F1+ short-term, A long-term, and a short-term watch that is negative (or equivalent under Moody's or Standard and Poor's);
- (f) up to £10 million with UK or non-UK institutions with a Fitch credit rating of at least F1 short-term, A long-term, and a short-term watch that is not negative (or equivalent under Moody's or Standard and Poor's);
- (g) up to £5 million for a maximum of 6 months with UK or non-UK institutions with a Fitch credit rating of at least F1 short-term, A+ long-term, and a short-term watch that is negative (or equivalent under Moody's or Standard and Poor's);
- (h) up to £10 million with UK or non-UK institutions for a maximum of 3 months where 2 out of 3 credit rating agencies have a Fitch credit rating of at least F1 short-term, A long-term, and a short-term watch that is not negative (or equivalent under Moody's or Standard and Poor's); and
- (i) up to £50 million with **banks owned 20% or more by the UK Government** (e.g. NatWest Group). **Included in this limit is any balance held in notice funds held with these institutions.**

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

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

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

**Treasury Policy Statement**

- (a) These Funds may be either short dated funds with daily liquidity or slightly longer dated funds with a short notice period. Where MMFs are used this is to be determined at the monthly Treasury Management meeting within the Resources Department, as described in paragraph 2.5 above. Daily operation of the funds will be managed by the Treasury Management Team within the Financial Management Division.
- (b) The maximum overall limit for the use of MMFs and Short Dated Income Funds shall be 50% of total investments.
- (c) The maximum limit for each counterparty with AAA rating shall be £50 million.
- (d) Each MMF shall have as a minimum AAA credit rating from one of the three main credit rating agencies and, if the Fund has more than one rating, each rating shall be AAA.
- (e) Each Short Dated Income Fund shall have as a minimum AA credit rating from one of the three main credit rating agencies.
- (f) The maximum investment placed in any Fund shall not exceed 7.5% of the total assets under management in the Fund.
- (g) For an AA rated Short Dated Income Fund, the maximum investment in any Fund shall not exceed £5 million, or 7.5% of assets under management, whichever is the lower.
- (h) **Short Dated Income Funds held at a bank which is 20% or more owned by the UK Government (e.g. NatWest Group) are exempt from the criteria in paragraphs 3.2.3 (e-g) but subject to the restriction in paragraph 3.2.2 (i).**

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

- (a) Investments shall be for no longer than two years, unless specifically identified as one of the exceptions under b) below. The amount that can prudently be invested for longer than 364 days, but for no longer than two years must relate to forecasts of investments taking into account foreseeable net spending needs and allowing for adequate reserves and contingencies. As investment levels are expected to remain above ~~£350~~ **£300** million for the next two years, a prudent limit for the maximum amount to be invested for longer than 364 days but for no longer than two years is £100 million. Investments over 364 days shall not exceed £50 million with any individual counterparty.
- (b) Investments may be placed for periods longer than two years as follows. Any such investments will not count against the £100 million limit in a) above.
  - (i) Up to £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

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maturity period of no longer than three years and will have a credit rating of AAA from at least one of the three credit rating agencies. If the bond issuer is one of the institutions on the Council's investment list this investment will not count against the limit for that counterparty under paragraph 3.2.2.

- (iii) Loans may be made to Staff Mutuals, other Service Providers or Voluntary Organisations at market rates of interest. The detailed terms of each loan will be determined on an individual basis by the Director of Resources, subject to an overall maximum limit of £5 million per loan.
- (iv) Loans may be made through bond instruments issued by any Joint Venture arrangement, development partner or vehicle set up for the purpose of regenerating the Council's housing estates. Any such investment shall not exceed £50 million per bond issue **and £100m in total**.
- (v) Loans may be made to Wandsworth based Business Improvement Districts (BIDS) for start-up loans at up to market rates of interest to an overall maximum limit of £1 million.
- (vi) Investments may be made from the Pensions Resilience Reserve and other cash balances up to an aggregate limit of £50 million for around five years, subject to meeting the criteria do not count as capital expenditure. The following classes of assets may be utilised – Individual Corporate Bonds (grade BBB and above), Fixed Income Funds, Equity Funds and Mixed Asset Funds (including Multi Asset Credit). In addition investments may be made in products akin to those currently used by the Pension Fund. Where practicable, suitable hedging arrangements will be made on all such investments; however it is recognised that hedging (outside a fund) against downside risk will often be cost prohibitive therefore risk management will focus on diversification. The total amount invested with any one manager shall not exceed £20 million unless capital appreciation takes an initial investment over that value.
- (vii) The investment of amounts set aside from HRA reserves for repayment of long-term PWLB loans which may be invested for longer periods, as long as the maturity date is no later than the maturity date of the long-term PWLB loan.

3.3. No credit arrangements shall be undertaken except:

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

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

4. STRATEGY FOR 2021/22

4.1. The following table considers the outlook for investment and debt levels for the period 2021/22 to 2023/24 considering estimates of major cash flow movements.

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	£'m	£'m	£'m
Estimated investments 1st April	540.4	417.4	393.2
Estimated debt 1st April	-68.8	-51.6	-34.4
Estimated new borrowing	-30.0	-198.5	-397.5
Deposit facilities for other bodies & funds	-10.3	-10.3	-10.3
<u>Net investments/debt 1st April</u>	<u>431.3</u>	<u>157.0</u>	<u>-49.0</u>
<b>Deduct</b>			
Capital payments - General	-90.9	-51.5	-44.3
Capital payments - HRA	-186.5	-232.8	-340.6
Payment of capital receipts to Government (Pooling)	-2.6	-2.6	-2.6
Net Movement in funds, reserves & provisions - General	-2.1	-21.0	-36.3
Net Movement in funds, reserves & provisions – general - HRA	20.9	26.7	36.3
<b>Add</b>			
New borrowing receipts	30.0	170.0	220.0
Capital receipts	2.2	1.7	13.9
HRA capital receipts	22.3	27.5	97.6
Capital grants	68.7	41.5	39.2
Revenue provision for capital & credit liabilities	32.3	35.0	41.5
In-year net cash movement before loans	<u>-105.8</u>	<u>-5.5</u>	<u>24.7</u>
Net investments/debt 31st March	<u>325.5</u>	<u>151.5</u>	<u>-24.3</u>
Estimated investments 31st March	417.4	393.2	379.7
Estimated (existing) long-term debt 31st March	-51.6	-34.4	-17.2
Deposit facilities for other bodies	-10.3	-10.3	-10.3
Repayment of existing debt	17.2	17.2	17.2
Repayment of new borrowing	0.0	1.5	21.0
Change in use of deposit facilities	0.0	0.0	0.0

### **Treasury Policy Statement**

4.2. The Council is expected to begin the year with investments in excess of £540 million. Repayments of £17.2 million of new PWLB loans taken up for the HRA on 28th March 2012 fall due during the year. The estimated movements for the following two years based upon current cash flows show that investments are likely to fall as the HRA Regeneration schemes progress and the level of other balances reduces.

4.3. Authorised Borrowing Limit and Operational Boundary for 2021/22 The Council has to set a borrowing limit and operational boundary for 2021/22 under Section 3 of Part 1 of the Local Government Act 2003. This limit refers only to gross borrowing, ignoring investments, and it is intended that it reflects the maximum amount that a local authority decides that it can borrow without further reference back to Council. This limit was set at £108 million in February 2020, reflecting the existing long-term borrowing of £86 million at 1 April 2020, and allowing for the possibility of borrowing for a “spend-to-save” scheme, and short-term fluctuations in cash flows, including deposit facilities offered to other bodies and external funds, such as the North East Surrey Crematorium Board or Western Riverside Waste Authority. Long-term borrowing is expected to be £69 million at 1st April 2021 and £30 million of long-term borrowing is currently planned. A limit of £120 million is therefore proposed for the borrowing limit and operational boundary for 2021/22, reflecting the existing borrowing, and allowing for other possible requirements.

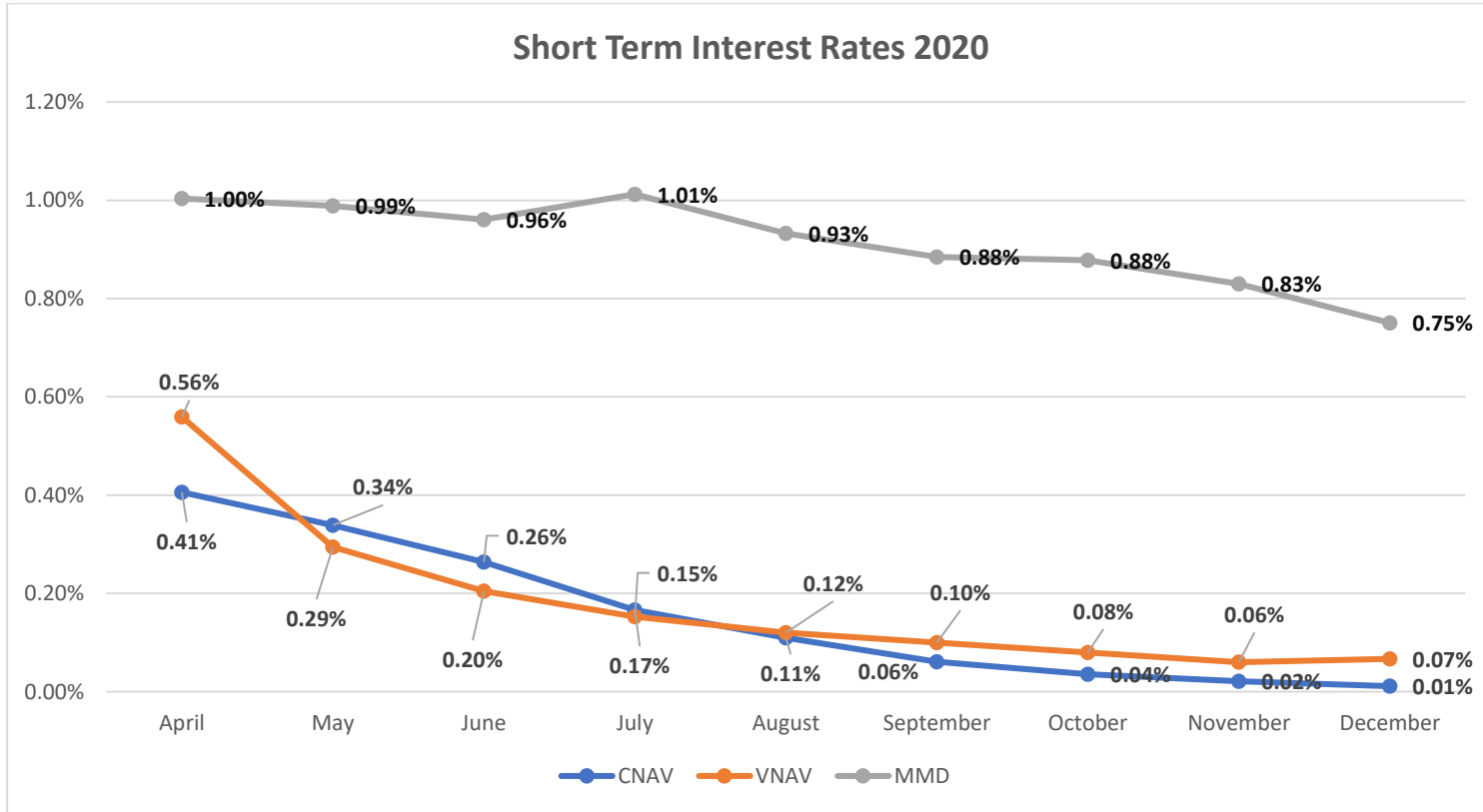
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The Town Hall  
Wandsworth  
SW18 2PU

13th January 2020



**Appendix B**  
**Paper No. 21-9**



	Value £m	Interest Rate	Fitch Ratings		
			Long Term	Short Term	Short Term Outlook
<b><u>Bank Balance</u></b>					
National Westminster Bank Plc	49.4	0.01%	A+	F1	Negative
<b><u>Money Market Funds</u></b>					
Aberdeen Liquidity Fund (CNAV)	46.5	0.01%	AAA		
Deutsche Platinum Fund (CNAV)	50.0	0.01%	AAA		
Insight Liquidity Fund (CNAV)	25.0	0.00%	AAA		
JP Morgan Liquidity Fund (CNAV)	36.2	0.00%	AAA		
Morgan Stanley Liquidity Fund (CNAV)	26.9	0.00%	AAA		
Federated Global Cash Plus (VNAV)	49.9	0.07%	AAAf		
<b><u>DMADF</u></b>	10.00	0.00%	n/a		
<b><u>Fixed - Under 3 Months Remaining</u></b>					
Ashford Borough Council	10.0	0.50%	n/a		
Birmingham City Council	5.0	1.10%	n/a		
Cambridgeshire County Council	10.0	1.40%	n/a		
Cardiff Council	10.0	1.05%	n/a		
City of Lincoln Council	7.0	1.40%	n/a		
Falkirk Council	5.0	1.00%	n/a		
Great Yarmouth Borough Council	11.0	0.52%	n/a		
Plymouth City Council	5.0	1.25%	n/a		
Slough Borough Council	10.0	0.50%	n/a		
Stockport MBC	5.0	1.00%	n/a		
Suffolk County Council	5.0	1.00%	n/a		
West Dunbartonshire Council	5.0	1.20%	n/a		
Wokingham Borough Council	10.0	1.45%	n/a		
<b><u>Fixed - 3 to 6 Months Remaining</u></b>					
Cambridgeshire County Council	20.0	1.05%	n/a		
Dorset Council	10.0	0.50%	n/a		
Rotherham Metropolitan Borough Council	10.0	0.40%	n/a		
Rotherham Metropolitan Borough Council	10.0	1.00%	n/a		
West Dunbartonshire Council	10.0	0.95%	n/a		
West of England Combined Authority	10.0	0.10%	n/a		
<b><u>Fixed - 6 Months to 1 Year Remaining</u></b>					
Barnsley Metropolitan County Council	5.0	1.40%	n/a		
Cambridgeshire County Council	5.0	0.55%	n/a		
Doncaster Metropolitan Borough Council	5.0	0.75%	n/a		
Lancashire County Council	10.0	1.20%	n/a		
Lancashire County Council	10.0	1.30%	n/a		
Rotherham Metropolitan Borough Council	10.0	0.45%	n/a		
Rotherham Metropolitan Borough Council	10.0	0.58%	n/a		
South Ayrshire Council	5.0	0.45%	n/a		
Wokingham Borough Council	5.0	0.20%	n/a		
Wokingham Borough Council	10.0	0.22%	n/a		
<b><u>Fixed - Over 1 Year Remaining</u></b>					
London Borough of Hillingdon	5.0	0.60%	n/a		
Wokingham Borough Council	10.0	0.55%	n/a		

**Longer Term Investments**

<b>CCLA Property Fund</b>	<b>24.3</b>	
<b>Royal London Cash Plus Fund (VNAV)</b>	<b>10.0</b>	AAAF
<b>Multi Asset Income Funds</b>		
Fidelity Multi Asset Income Fund (MAIIG)	20.1	
JPM Multi-Asset Income Fund (Share Class X)	14.8	
Artemis Monthly Distribution Fund (Class I Units)	14.1	
<b>Winstanley and York Road Regeneration</b>	<b>6.8</b>	
<b>TOTAL INVESTMENTS 31ST DECEMBER 2020</b>	<b>642.1</b>	

**INVESTMENTS AT 31ST MARCH 2020**

	Value £m	Interest Rate	Fitch Ratings		
			Long Term	Short Term	Short Term Outlook
<b>Overnight/Weekend Bank Balance</b>					
National Westminster Bank Plc	1.5	0.05%	A+	F1	Not negative
<b>Money Market Funds</b>					
Aberdeen Liquidity Fund (CNAV)	21.9	0.48%	AAA		
Federated Global Cash Plus (VNAV)	29.7	0.68%	AAA		
<b>Fixed - Under 3 Months Remaining</b>					
Australia and New Zealand Banking Group Ltd.	20.0	1.12%	AA-	F1+	Negative
First Abu Dhabi Bank PJSC	10.0	1.10%	AA-	F1+	Not Negative
Goldman Sachs International Bank	10.0	1.00%	A	F1	Not Negative
Highland Council	2.5	1.30%	n/a		
Lancashire County Council	10.0	1.00%	n/a		
Lancashire County Council	10.0	1.10%	n/a		
Lloyds Bank Plc	5.0	1.25%	A+	F1	Negative
Thurrock Council	10.0	1.07%	n/a		
Thurrock Council	6.0	1.10%	n/a		
West Dunbartonshire Council	10.0	1.00%	n/a		
<b>Fixed - 3 to 6 Months Remaining</b>					
Aberdeenshire Council	10.0	0.90%	n/a		
Australia and New Zealand Banking Group Ltd.	10.0	1.02%	AA-	F1+	Negative
Cambridgeshire County Council	10.0	0.93%	n/a		
Corby Borough Council	7.5	0.90%	n/a		
First Abu Dhabi Bank PJSC	10.0	0.98%	AA-	F1+	Not Negative
Glasgow City Council	15.0	0.85%	n/a		
Great Yarmouth Borough Council	11.0	1.25%	n/a		
North Ayrshire Council	5.0	0.93%	n/a		
Plymouth City Council	20.0	0.90%	n/a		
Plymouth City Council	10.0	0.92%	n/a		
Salford Council	5.0	0.90%	n/a		
Thurrock Council	10.0	0.95%	n/a		
West Dunbartonshire Council	8.0	0.95%	n/a		
<b>Fixed - 6 Months to 1 Year Remaining</b>					
Cambridgeshire County Council	20.0	0.98%	n/a		
Cambridgeshire County Council	10.0	1.40%	n/a		
Cardiff Council	10.0	1.05%	n/a		
City of Lincoln Council	7.0	1.40%	n/a		
Falkirk Council	5.0	1.00%	n/a		
First Abu Dhabi Bank PJSC	20.0	1.00%	AA-	F1+	Not Negative
Highland Council	15.0	0.95%	n/a		
Lancashire County Council	10.0	0.95%	n/a		
Lancashire County Council	10.0	1.40%	n/a		
London Borough of Croydon	20.0	0.80%	n/a		
London Borough of Waltham Forest	10.0	1.02%	n/a		
North Lanarkshire Council	5.0	0.92%	n/a		
North Tyneside Metropolitan Borough Council	7.0	0.95%	n/a		
Plymouth City Council	5.0	1.25%	n/a		
Stockport Metropolitan Borough Council	10.0	1.00%	n/a		
Suffolk County Council	5.0	1.00%	n/a		
West Dunbartonshire Council	5.0	1.20%	n/a		
Wokingham Borough Council	10.0	1.45%	n/a		

**Fixed - Over 1 Year Remaining**

Barnsley Metropolitan County Council	5.0	1.40%	n/a
Lancashire County Council	10.0	1.20%	n/a
Lancashire County Council	10.0	1.30%	n/a

**Longer Term Investments**

<b>CCLA Property Fund</b>	<b>25.3</b>		
<b>Royal London Cash Plus Fund (VNAV)</b>	<b>10.0</b>		AAA
<b>Multi Asset Income Funds</b>			
Artemis Monthly Distribution Fund (Class I Units)	11.9		
JPM Multi-Asset Income Fund (Share Class X)	12.7		
Fidelity Multi Asset Income Fund (MAIIG)	17.9		
<b>Winstanley and York Road Regeneration</b>	<b>32.3</b>		
<b>TOTAL INVESTMENTS 31ST MARCH 2020</b>	<b>597.2</b>		

**APPENDIX D**  
**Paper No. 21-9**

**TOTAL DEBT**

	<b>Maturity Date</b>	<b>Rate of Interest</b>	<b>Balance 31/03/2020</b>	<b>Balance 31/12/2020</b>
			<b>%</b>	<b>£'000</b>
				<b>£'000</b>
<b><u>Long-Term Debt</u></b>				
Public Works Loan Board - Equal Instalments of Principal Loans	28/03/2025	1.69%	86,009	77,408
<b>Total Long-Term Debt</b>			<b><u>86,009</u></b>	<b><u>77,408</u></b>
<b><u>Deposit Facilities for other Bodies</u></b>				
North East Surrey Crematorium Board			810	750
Western Riverside Waste Authority			4,938	9,588
<b><u>TOTAL DEBT</u></b>			<b><u>91,757</u></b>	<b><u>87,746</u></b>

**SECTION 3  
COUNCIL HOUSING BUDGETS**

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WANDSWORTH BOROUGH COUNCILHOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE –  
11TH FEBRUARY 2021EXECUTIVE – 22ND FEBRUARY 2021COUNCIL – 3RD MARCH 2021Joint Report by the Director of Resources and the Director of Housing and Regeneration on the  
Housing Revenue Account Rents for Council Dwellings and Non-Residential ChargesSUMMARY

In January or February each year the Council has a duty under the Local Government and Housing Act 1989 to formulate proposals for expenditure and income for its housing stock for the following financial year which will ensure that no debit balance occurs for that year on the Housing Revenue Account. Consequently, this report reviews various matters appertaining to the Housing Revenue Account, including Council housing rents and charges, the housing capital programme and the overall Housing Revenue Account budget framework for the years 2020/21 to 2023/24.

The report first recommends additions to the Housing Revenue Account capital programme of £254.213 million as set out in Appendix B to this report before turning to proposals for revenue expenditure and income. Insofar as proposals for income are concerned, the Council has a duty to review Council housing rents.

The report recommends minor amendments to the Council's Rent Setting Policy as set out in Appendix D.

Taking account of all relevant factors, including the revisions to the Council's policy on Rent Setting, the Cabinet Member for Housing recommends that rent increases of a maximum of CPI + 1% are applied to the social rented housing stock and affordable rent properties to take effect from the first Monday in April 2021 producing an estimated average rent of £127.56 per week. By way of comparison it should be noted that the equivalent level in 2015/16 (prior to the four year period of rent reductions) was £127.84 per week. Had rents continued to increase in line with inflation since then the average rent level would currently be £11.49 (9%) per week higher at £139.05 per week.

The Cabinet Member for Housing also proposes general increases in non-residential charges of 2.1% as set out in Appendix E, again to take effect from the first Monday in April 2021.

Finally, Appendix F shows the revised budget framework that reflects the proposals in this report and Appendix G graphically reflects the revised Housing Revenue Account business plan forecast over 10 years. On the forecast parameter used, the business plan demonstrates that the Council continues to be in a position to finance future expenditure plans, including the two large-scale regeneration projects and the expanded Council-build development programme and continues to maintain the Decent Homes standard on existing stock.

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

### GLOSSARY

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

### **RECOMMENDATIONS**

1. The Housing and Regeneration Overview and Scrutiny Committee are recommended to support the recommendations in paragraph 3.
2. If the Overview and Scrutiny Committee approve any views, comments or recommendations on this report, these will be submitted to the Executive for their consideration.
3. The Cabinet Member for Housing recommends the Executive to recommend to the Council as follows: -
  - (a) that the Housing Revenue Account capital programme additions totalling £254.213 million as set out in Appendix B to the report be approved and that accordingly the total capital programme over the Housing Revenue Account budget framework period as set out in Appendix C to the report be adopted as the Housing Revenue Account approved capital programme;
  - (b) that the procurement governance arrangements in relation to the Housing Revenue Account capital programme as set out in paragraph 24 be approved;
  - (c) to approve the proposed amendments to the Council's Rent Setting policy as shown in Appendix D;
  - (d) to approve that rents for all existing tenants in social rented properties be increased from the first Monday in April 2021 by the maximum allowed under the statutory framework and in line with the Council's revised rent policy, namely 1.5% (September 2020 CPI +1%);
  - (e) to approve that rents for existing tenants in affordable rented properties be increased from the first Monday in April 2021 by the maximum allowed, namely 1.5% (September 2020 CPI + 1%);
  - (f) that for properties sold under the Right to Part Buy scheme a rent increase of 1.5% (September 2020 CPI + 1%) be approved to take effect from the first Monday in April 2021;
  - (g) that for properties previously sold under other Equity Share schemes a rent increase of 1.5% (September 2020 CPI + 1%) be approved to take effect from the first Monday in April 2021;



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

- (h) to note that tenants' service charges will continue to be set on a cost recovery basis, with a general individual cap applied of 1.5% (September 2020 CPI + 1%), except in exceptional cases where costs have increased significantly due to exceptional inflationary increases for the specific charge or a change in service specification;
- (i) to note that an over-riding restriction is maintained that all tenants with combined rent and service charges in excess of an amount equivalent to 45% of the total welfare benefit cap (currently £199 per week) have their rent frozen at its current level;
- (j) that the Director of Housing and Regeneration be authorised to serve notices upon tenants of Housing Revenue Account dwellings, advising that the changes in rents and service charges will be applied from the first Monday in April 2021 where applicable;
- (k) that the non-residential charges as set out in Appendix E to the report be approved with effect from the first Monday in April 2021;
- (l) that the Director of Housing and Regeneration be authorised to serve notices upon tenants of Housing Revenue Account dwellings, advising that the changes in rents and service charges will be applied from the first Monday in April 2021 where applicable;
- (m) that the raising of water charges to relevant tenants of Council garages is delegated to the Director of Resources, in the event that Thames Water should decide to reverse their recent decision to cease charging for this supply;
- (n) that the estimates shown in Appendix F to the report for the Housing Revenue Account for the financial years 2020/21 to 2023/24 be adopted as the Housing Revenue Account budget framework, subject to any budget variations subsequently approved by the Executive within the overriding restriction that the Housing Revenue Account reserves shown for 31st March 2024 should not be forecast by the Director of Resources to reduce by more than £40 million; and,
- (o) that the Director of Resources be authorised to prepare the statutory Housing Revenue Account statement for 2021/22 showing the estimates made on the basis of the foregoing proposals.

## **HOUSING REVENUE ACCOUNT AND BUSINESS PLAN REVIEW**

4. Under Part VI of the Local Government and Housing Act 1989, each local authority is required to keep a Housing Revenue Account (HRA) in accordance with proper practices and detailed directions by the Secretary of State. The Act also requires that: -
  - (a) during January or February each year, the Council must formulate proposals for expenditure and income for its housing for the following year, which will ensure, on the best assumptions that can be made at that time, that the HRA for that year does not show a debit balance;

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

- (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 2021/22, but more importantly in the context of the HRA business planning process, that the Council has prepared longer-term plans for the management of its housing stock that are affordable. The requirement for monitoring, described in (b) above is delegated to the Director of Housing and Regeneration. The requirement to make available the statement referred to in (c) above is met by including the HRA budget framework within the Council's budget publication, which is then available for reference in public libraries in the borough and on the Council's website. The HRA budget framework is also made available online as part of this report.

### **HRA CAPITAL**

#### **HRA Estimates and Business Plan – proposals for capital expenditure**

6. The HRA capital expenditure estimates have been based on the current cash flows for the approved capital programme adjusted for slippage as approved in the HRA Business Plan update in September 2020 (Paper No. 20-246) and any budget virements and budget variations approved since as summarised in Appendix A to this report.
7. The Director of Resources and the Director of Housing and Regeneration propose additions totalling £254.213 million as summarised below and as set out in detail in Appendix B for consideration.

<b>Programme Area</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24 onwards</b>	<b>Total</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Repairs & Improvements	-	2,048	11,530	17,878	<b>31,456</b>
Estate Improvements	-	-	511	147	<b>658</b>
Site Developments	1,827	24,600	55,127	55,718	<b>137,272</b>
Regeneration	1,350	22,693	22,250	34,034	<b>80,327</b>
Purchase of Properties	-	-	-	500	<b>500</b>
House Purchase Grants	-	-	1,500	2,500	<b>4,000</b>
<b>TOTAL</b>	<b>3,177</b>	<b>49,341</b>	<b>90,918</b>	<b>110,777</b>	<b>254,213</b>

#### **Repairs and Improvements**

8. The HRA Business Plan includes funding for assumed levels of capital spend over the next 30 years based on a statistical survey of the Council's housing stock condition. The stock condition survey undertaken in 2012 identified that on average £25 million (at 2012 prices, equivalent to approximately £31 million at current prices)

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

would need to be invested in the stock to maintain Council owned housing stock to the basic decency standard. This equated to an average expenditure of £1,465 per property per annum for the tenanted stock or £44,000 per property over the life of the 30-year business plan.

9. The current approved programme includes provision to update the stock condition survey baseline information and data. As part of this process it will allow the Council to consider any additional works that may need to be undertaken to meet any new decent homes requirements identified as a result of the Government's Social Housing Green Paper, any new health and safety requirements and to identify any cost for works that might be undertaken to improve the energy efficiency of the Council's existing housing stock and to contribute towards wider carbon reduction initiatives and targets.
10. The proposed capital additions include all foreseeable works derived from the current stock condition survey, both in terms of meeting and maintaining the Decent Homes standard and delivering a programme of "Decent Homes Plus" works at a total cost of £31.456 million. The level of bids submitted is broadly in line with the expenditure requirements assumed in the HRA business plan when considering the resources made available in the previous years.
11. In total £18.731 million of the bids submitted relates to window and roof renewal schemes and the replacement of individual and communal boiler and heating systems. All of these bids will deliver, to some degree, improvements in energy efficiency and assist in meeting carbon reduction targets. A key factor in identifying works to improve energy efficiency will be identifying, through the stock condition survey, works with the maximum positive impact.

### **Regeneration Schemes**

12. Capital bids on the Winstanley/York Road and Alton regeneration schemes totalling £80.327 million are included for approval. These include bids for the Regeneration Project Team's ongoing running costs and for specialist consultancy services in relation to the procurement of the Alton scheme and the Winstanley / York Road compulsory purchase order totalling £4.075 million overall.
13. Further bids relating to Acquisitions / Compulsory Purchase Order (CPO) costs on both schemes totalling £53.818 million are also recommended for approval. These bids establish a phased working fund available to complete the acquisition of predominantly residential properties required for the schemes in advance of any required CPO. The Council is under an obligation to try and acquire by negotiation under the CPO Guidance and, for residential properties, to meet its offer to resident and non-resident owners.
14. Additionally a separate £10 million bid is proposed for the acquisition of leaseholder interests in relation to the buyback of properties at both Penge House and Inkster House following recent decisions taken (Paper No. 20-007). This links into the acquisition of Block 5A of the Winstanley / York Road scheme and decant of Penge House residents to Block 5A.
15. Finally a bid of £13.034 million is recommended for approval in relation to the Winstanley / York Road residential affordable units that the Council is funding directly from the HRA for costs to be incurred in 2023/24, adding to the existing

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

approvals. It will be recalled that these costs are capped at the overall £150 million investment agreed as part of the Joint Venture proposals and will allow existing secure tenants and resident homeowners to relocate within the scheme. This will facilitate completion of 71 units at Blocks 5B and 5C, Blocks 6 & 7, 63 & 75 units respectively, and 80 units at Block 10.

16. All costs relating to the regeneration schemes are considered to be project costs included in the overall scheme costs and are within the projected cash flows currently assumed in the HRA Business Plan.
17. Proposals relating to budgets and cash flows on both the Alton and Winstanley/York Road regeneration schemes (as seen elsewhere on this agenda) have been incorporated where known. These will be reviewed again as part of the September 2021 HRA Business Plan update as the proposals become more certain.

### **New Build and Site Developments**

18. In view of the Council's desire to bring forward a number of the affordable housing sites being delivered under the 1,000 Homes Programme the Director of Housing and Regeneration proposes a significant number of new bids and top up bids for the expanded development programme totalling £137.272 million. This includes a bid for the purchase of Block 5A on the Winstanley / York Road estate where the accommodation is proposed to be used as decant units for Penge House and will be added to the Council's rented and leasehold stock.
19. The expectation is that overall the expanded programme will still be contained within the £80 million envelope originally proposed, although based on the latest review of the consolidated position the net cost has increased at this stage to £120 million and the HRA Business Plan revised accordingly. This overall capital investment position does not include affordable housing grant which the Council has been successful in securing or the positive impact of additional revenue income being factored into the HRA business plan.

### **Other HRA Capital Bids**

20. In addition to these bids the Director of Housing and Regeneration has included an Environmental Improvement bid of £658,000 for playgrounds, playground refurbishments and other smaller environmental improvement works.
21. The House Purchase Grant scheme contains the flexibility of bringing funds forward from future years, by looking at the scheme as a 3-year rolling programme, so to manage the build-up of any waiting list and manage demand. As a consequence £1.5 million of previously approved funding is being brought forward to 2020/21 making an overall budget provision of £6.642 million. To maintain resources at the previously assumed level an additional new bid is proposed totalling £4 million.
22. A standard Purchase of Property bid of £500,000 is proposed for 2023/24 for any other small scale acquisitions, for instance where the Council might be compelled by the lease to repurchase a share of a property previously sold under a shared ownership scheme.
23. The resulting capital programme over the HRA budget framework period is shown in summary below with the full detail contained in [Appendix C](#). The total planned

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

capital expenditure over the budget period 2020/21 – 2023/24 totals £634.531 million.

<b>Programme Area</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24 onwards</b>	<b>Total</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Repairs & Improvements	18,384	61,047	50,394	40,527	<b>170,352</b>
Estate Improvements	483	350	1,014	521	<b>2,368</b>
Site Developments	9,422	39,637	73,414	62,211	<b>184,684</b>
Regeneration	54,675	66,003	62,589	50,515	<b>233,782</b>
Purchase of Properties	24,703	500	500	500	<b>26,203</b>
House Purchase Grants	6,642	4,000	4,000	2,500	<b>17,142</b>
<b>TOTAL</b>	<b>114,309</b>	<b>171,537</b>	<b>191,911</b>	<b>156,774</b>	<b>634,531</b>

24. With regards to the procurement of works and services in relation to the HRA capital bids and more generally across the HRA capital programme, details of the proposed procurement approach will continue to be considered by the officer-led Procurement Board on a scheme by scheme basis, so no further Housing and Regeneration Overview and Scrutiny Committee or Executive approvals will be necessary unless the Procurement Board agrees otherwise. Final contract awards will be made under the Council's SO83(a) procedure unless positive budget variations are necessary in which case they will require Executive approval in the normal way.

### **HRA Estimates and Business Plan – proposals for capital income**

25. On existing policies, the financing of the HRA capital programme comes from several sources as follows: -
- (a) Current government regulations allow any housing capital receipts resulting from land and property sales other than statutory Right to Buy sales to be retained by the Council. Current projections are that usable receipts of £16 million will be generated in 2020/21 which, based on current Council policy, includes income from the sale of vacant properties that is to be reinvested into future purchases for low cost rent. Based on receipts to date it is anticipated that there will be a further £15 million made available for re-provision in 2021/22 with actual figures confirmed and approved by the Housing and Regeneration Overview and Scrutiny Committee and the Executive as part of the annual review of resources report in June/July 2021. In addition, the business plan generally assumes an ongoing level of receipts from the disposal of minor sites and at around £1 million per year;
  - (b) Capital receipts from Right to Buy sales are covered by a voluntary agreement between the Council and the Ministry for Housing, Communities and Local Government (MHCLG) whereby retained receipts from Right to Buy sales over an assumed level must be utilised to fund no more than 30% of the replacement and development cost of re-provision of low cost social housing within three years of receiving those receipts. The business plan assumes £1.95 million of capital receipts (known as Right to Buy one-for-one replacement receipts) are applied in 2020/21 and £2.5 million in 2021/22 as generally the level of retained receipts has now been exhausted with only those receipts forecast to be received in year being recycled into re-provision;

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

- (c) As approved in the September 2015 HRA Business Plan update (Paper No. 15-315) the Council has the option of funding the social and affordable housing elements of the two regeneration schemes from section 106 affordable housing contributions, grant funding or additional Right to Buy one-for-one replacement receipts insofar as they are available. The current business plan therefore assumes that £20.531 million of the future regeneration re-provision cost of the development of Shuttleworth Road is met from section 106 affordable housing contributions;
- (d) Available grant funding. The HRA Business Plan includes future grant of £9.195 million from the Greater London Authority (GLA) for the cost of the replacement cladding at Sudbury House and Castlemaine Tower and £15.598 million of grant from the GLA towards the cost of new units at Shuttleworth Road and through the "Building Council Housing for London" programme. The total grant funding becoming available is estimated at £10.945 million in 2020/21 and £8.188 million in 2021/22 with the remainder becoming due in future years;
- (e) Where capital expenditure is incurred in relation to properties previously sold on long leases the costs are chargeable to the leaseholder as part of the annual service charge bill. The estimated level of leaseholder major works contributions is £3 million in 2020/21 and £4.581 million in 2021/22;
- (f) Internal and External Borrowing. Short-term internal borrowing is utilised to fund the balance of expenditure on Right to Buy re-provision schemes with longer term external borrowing likely to be taken on to fund the regeneration schemes and the expanded programme delivery. The assumption is that £4.55 million of new internal borrowing will be required in 2020/21 and £5.833 million in 2021/22 to support current ongoing re-provision commitments. Over the 30-year business plan it is currently assumed that around £550 million of new external debt will be required with the majority of this being required over the next ten years. This first £30 million of this external borrowing is forecast for 2021/22; and
- (g) Contributions to or from the Major Repairs Reserve consisting of a revenue charge for depreciation, as defined by accounting regulations, that continues to be put into the HRA's major repairs capital reserve and is used to fund capital works. The charge, which takes into account actual inflation levels, stock movements and depreciation on non-dwellings such as garages, is estimated to contribute £23.658 million in 2020/21 and £24.395 million in 2021/22 towards funding future capital works; and the HRA's capital and revenue reserves, which totalled £309.912 million at the beginning of 2020/21, insofar as these continue to remain available.

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

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

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24 onwards</b>	<b>Total</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Total Expenditure	114,309	171,537	191,911	156,774	<b>634,531</b>
Financed By:					
(a) Capital Receipts	16,000	1,000	1,000	1,000	<b>19,000</b>
(b) Right to Buy 1-4-1 Receipts	1,950	2,500	1,628	311	<b>6,389</b>
(c) S106 Receipts	13,000	6,066	745	720	<b>20,531</b>
(d) Capital Grant	10,945	8,188	1,450	4,210	<b>24,793</b>
(e) Leaseholder Major Works Charges	3,000	4,581	4,868	4,769	<b>17,218</b>
(f) Borrowing	4,550	35,833	148,799	120,726	<b>309,908</b>
(g) Contribution to (-) / from (+) Major Repairs Reserve	+64,864	+113,369	+33,421	+25,038	<b>+236,692</b>
Total Financing	114,309	171,537	191,911	156,774	<b>634,531</b>

27. Based on the estimated levels of capital expenditure and the anticipated sources of capital financing the balance on the Major Repairs Reserve is expected to reduce from a current position of £180 million (opening balance 2020/21) to essentially being fully exhausted by the end of 2021/22 when the first tranche of borrowing is expected to be required as evidenced by the increasing levels of borrowing shown in the table above. The position regarding financing will continue to be kept under review by the Director of Resources to ensure the most effective and prudent use of available resources, including maximising the use of internal borrowing where possible and appropriate.

### **HRA REVENUE**

#### **Review of the Council's Policy for Social Rent Tenants**

28. In January 2020 (Paper No. 20-04) the Council approved a new rent policy for the setting of rents on HRA properties, to reflect the new statutory regime applying from April 2020, requiring all councils to set rents in line with a new "Rent Standard", with councils now for the first time having their rents regulated by the Housing Regulator. The new Rent Standard significantly impacts on the flexibility to adopt local rules for rents, forcing the Council in effect to take account of the longstanding national policy of "formula rents" which previously had only ever had the status of guidance.
29. As noted in January 2020, the new statutory regime limits the ability of the Council to increase social rents in line with the levels previously assumed within the HRA Business Plan (i.e. CPI inflation + 1% each year for all properties) as those with properties with rents in excess of formula rent (plus a built in 'flexibility level' of 5%) are now limited to annual increases equivalent to CPI inflation only.

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

30. It should be noted that independently of this, the Council has continued to maintain its own policy of an additional local “freeze” on rent increases for all properties charged total rents (i.e. including tenants’ service charges) in excess of £199 per week – linked to the national welfare benefit cap – whilst retaining protection for tenants with rents in excess to access Discretionary Housing Payments (DHP).
31. The approved rent policy therefore adopts the Rent Standard in addition to the local £199 per week freeze on rents. The short term impact of this in 2020/21 was to reduce the average rent increase (which would have been 2.7% under the Council’s previous rent policy and business plan assumptions) to 2.2%, due mainly to restrictions imposed on increases for properties charged higher than the calculated Formula Rent figures. It also results in a longer term trend of harmonisation of rent levels across the borough as rent increases for current tenants are restricted and there is a requirement to let vacant/new properties in line with the Rent Standard on the natural turnover of stock (as opposed to the previous policy which involved much more localised rent levels linked to market values).
32. As written, the Rent Standard refers to the Formula Rent Cap being a maximum ceiling on formula rents in the context of “initial” or “new” tenancies/lettings but not in relation to existing tenancies. The Council’s current approved rent policy therefore allows those rents currently above the Formula Rent Cap to increase by up to CPI + 1%. Officers have sought clarity on this anomaly and the intention behind the drafting of the Rent Standard and, as a result, it is proposed that the Council’s rent policy is amended so that those rents above this capped level are frozen.
33. In addition to this there are other minor amendments to the existing policy as originally approved in Paper No. 20-04 which are recommended to provide clarification only. Changes to the policy are incorporated into the revised wording shown in bold text and underlined in the Appendix D.

### **HRA Estimates and Business Plan – proposals for revenue expenditure**

#### **Supervision, Management & Maintenance Expenditure**

34. The updated business plan allows for inflation in 2021/22 of 2% on salaries, 1% on general running costs and inflationary increases in line with the CPI or other relevant index where those costs are linked to specific contracts. The budgeted level of spend on the management and revenue maintenance of properties in 2021/22 is £3,239 per dwelling after adjusting for leasehold and tenants’ service charges income. This average management and maintenance cost for 2021/22 includes all budget variations approved by the Executive in this year to date and other budget adjustments proposed in this cycle and within the development budget process.
35. This included the costs of the Housing Management staffing review, the new electrical testing contract and the re-establishment of the Housing trainees scheme as referenced elsewhere on this agenda.
36. Going forward, expenditure at broadly these levels has been anticipated in the HRA business plan, although this element of spend must be kept under constant review to ensure the long-run viability of the business plan. To put into context an ongoing increase in expenditure of just £100,000 per annum would reduce the estimated overall reserves after 30 years by £5 million when taking into account inflation and the future loss of compounded interest on this additional expenditure. This highlights



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

the significant impact that relatively small annual expenditure adjustments have on the overall long-term financial position and the sensitivity of the business plan and stresses the need to generally match additional expenditure proposals with efficiency savings elsewhere to compensate.

### **Capital Financing Costs**

37. 2012/13 saw an end to the national HRA subsidy system which saw a quarter of all Wandsworth rents pass to other local authorities. The subsidy system was replaced with self-financing. Self-financing required the Council to take on a significant sum of debt as the necessary price of “buying out” of the HRA subsidy system and in lieu of all future payments it made into the national pot. The final settlement figure for Wandsworth required a one-off buyout cash payment to the government of £434 million. This was initially funded by borrowing from the government’s Public Works Loan Board (£224 million to be fully repaid over 13 years) and using £210 million of Council reserves (referred to as “internal borrowing”).
38. As approved in Paper No. 15-315, and in response to the amended financial outlook for the HRA business plan at that time, the borrowing term of the internal borrowing element of the outstanding debt was extended and is currently estimated to be repaid by 2031/32.
39. Based on the interest rates borrowed at for this self-financing debt, together with the ongoing servicing of the existing debt in the HRA and the financing of new borrowing for the Right to Buy re-provision and other capital schemes where needed, borrowing is estimated to cost the HRA £3.69 million in interest and require principal loan repayments totalling £37.946 million during 2020/21 reducing to £3.336 million in interest and £32.254 million for repayments in 2021/22. This has been incorporated within the business plan and budget framework. As previously highlighted, significant levels of external borrowing are anticipated over the next ten years to support the Council’s regeneration schemes and expanded delivery programme and are included in current projections. The first tranche of new external borrowing is currently forecast to be required in 2021/22 and consideration will need to be given to the debt repayment profile of any new and existing debt in order to best meet the ongoing strategic aims and financial viability of the HRA business plan.

### **Other Expenses**

40. Other expenses include provision for bad debts and other miscellaneous costs incurred in the HRA. The budget for 2020/21 has been set at £4.146 million in line with current estimates increasing to £4.283 million in 2021/22. The bad debt provision for rents and service charges has been increased from the 2020/21 original budget by £886,000 to reflect a potential increase in arrears as a result of the COVID-19 pandemic and the continuing transition from housing benefit to universal credit.

## **HRA Estimates and Business Plan – proposals for revenue income**

### **Tenants’ Rents and Service Charges**

41. The average Council basic dwelling rent for social rent properties in Wandsworth is currently £126.43 per week. There are significant variations within these averages,

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

ranging from £38.75 to £366.51 per week. Current rent levels reflect relative size and location of a property plus the cumulative effect of historic annual protections on how much an individual tenant's rent could increase each year.

42. The Rent Officer currently sets, for Housing Benefit purposes, Local Housing Allowance (LHA) rates to set the level of benefit payments made to tenants in the private rented sector. As a comparison, in Wandsworth the LHA rates currently range from £241.64 for a one bedroom property to £593.75 for 4 bedrooms or more, excluding service charges, depending on where the property is situated. Wandsworth's own rent levels are still therefore significantly below the market rate for equivalent properties available on the private rental market.

### **The Total Welfare Benefit Cap**

43. When first introduced in 2013, the total welfare benefit cap was set at £26,000 per annum in London, equivalent to £500 per week. For rent and service charges to be affordable it was considered that such costs should be no more than 45% of the benefit cap. Accordingly, the Council's rent policy applicable at that time restricted those rents above £225 per week.
44. The Welfare Reform and Work Act 2016 (the 2016 Act) reduced the benefit cap further to £23,000 per annum for existing claimants in London from December 2016. 45% of this equates to a total rent and service charge level of £199 per week to be considerable affordable. The Council's current Discretionary Housing Payments (DHP) policy awards DHP, on receipt of an application, to those households with children affected by the benefit cap where the eligible rent is in excess of 45% of the households capped benefit income. The Council currently has around 1,164 properties currently charged weekly rent and service charges higher than £199 per week.
45. The Council will continue to use its ability to recycle HRA resources into funding DHP to protect those on benefits affected by the benefit cap whilst those that have the ability to pay continue to pay and/or receive benefits to assist with covering rent and service charges. However, this will need to be reviewed in the event of the Council no longer being able to recycle HRA funds to pay DHP as the Council has to apply for an annual Direction to enable it to do so which is not guaranteed beyond 2020/21 at this time. The Direction is generally applied for early in the respective financial year.

### **Impact of Welfare Reform on Housing Benefit Claimants**

46. Prior to 2013, any increase in rents for those tenants on Housing Benefit was fully covered by a corresponding increase in Housing Benefit. This enabled the Council to make rent decisions, without affecting those on benefits who might have been deemed unable to pay any increased rent themselves. However, since the government's welfare reforms introduced Universal Credit, maximum benefit caps and benefit reductions for those Council tenants deemed to be under occupying, this is no longer the case. There are currently 589 (689 last year) Council tenants affected who have had their housing benefit reduced as a result of under occupation, of which 25 (23 last year) are currently receiving a DHP to top up their benefit. The total welfare benefit cap affects 54 (62 last year) Council tenants, of which 7 (12 last year) are receiving a DHP to help cover their rent charge.

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

### **The Government's Direction on Rent Setting from April 2020**

47. As referred to above from April 2020, the Government brought all registered social housing providers (including local housing authority landlords) under the remit of the Regulator of Social Housing which sets the Rent Standard for such providers to follow. The Rent Standard applies from 2020/21 onwards for a period of five years and stipulates the requirements with regards to social rents.
48. The Rent Standard replaced the provisions within the 2016 Act which included a requirement that all social housing registered providers must reduce social housing rents by 1% each year for four years (2016/17 – 2019/20). This rent reduction was mandatory whereas the Government's previous directions to stock holding councils on rent setting were all based on guidance only.
49. As a result of the Rent Standard, which outlines a new statutory framework within which local authorities must act when making their annual rent decision, the recommendations for 2021/22, proposed in consultation with the Cabinet Member for Housing and Regeneration, are outlined in the following paragraphs.

### **Social Rent Properties**

50. It is recommended that the Council applies the maximum rent increase allowable under the statutory framework, subject to a local freeze for properties where combined rent and service charge exceeds the assumed housing element of the Government's benefit cap (£199 per week). This increase is variable based on the current rent charged to a property to be applied from the first Monday in April of 1.5% (September CPI +1%).
51. Rents would increase by no more than 1.5%. It should be noted that due to the provisions in the amended rent policy 11% of tenants would benefit from a rent freeze, 32% would have an increase limited to CPI only (0.5%) with the remaining cohort of 57% having increases applied of between CPI (0.5%) and CPI + 1% (1.5%). The **average increase being 1.01% or £1.13 per week**, generating estimated additional income of £0.974 million per annum. The estimated average rent for social rent properties post applying the proposed 2021/22 rent increase would be £127.56 per week.
52. It should be noted that the HRA Business Plan as approved in September 2020 (Paper No. 20-246) made assumptions on future income in line with this and applying lower increases would adversely affect future resources at a time when the Council is engaging in a significant programme of regeneration and other development and investment programmes which rely on these resources, the future costs for which are uncertain and carry risk. Furthermore, it is worth noting that inflation levels remain historically low and, overall, proposed rents for next year would still be less than they were in 2015/16. The average social rent in 2015/16 (Paper No. 16-9) was £127.84 per week compared to the proposed 2021/22 level of £127.56 per week. Had rents continued to increase in line with inflation (using the September CPI of the relevant year) the average rent level would currently be some £11.49 per week (9%) higher at £139.05 per week. The business plan also assumes rents continuing to be set in line with the new Rent Standard over the life of the plan,

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

although it should be noted that there has been no Government commitment on rent levels beyond 2025/26.

### **Affordable Rent Properties**

53. There are currently 556 Council properties let on affordable rent terms (rather than social rents). In line with Government requirements, this includes properties that have been developed as part of the GLA Affordable Housing Programme, those associated conversions from social rent to support development costs and those that have been acquired using Right to Buy one-for-one replacement receipts, both in and out of borough. Generally rents in these properties are slightly higher than those for social rent properties with the average rent currently charged being £196.97 per week. Unlike for social rent properties for most of these properties the rent charge is inclusive of service charges, but this is changing as for new properties rents are set with reference to the Mayor's "London affordable rents" which doesn't include service charges.
54. The Rent Standard in relation to affordable rent properties sets an absolute cap on rent increases of CPI + 1% and it is similarly recommended that the full increase now be applied for tenants in such properties, similarly subject to the rent freeze policy for combined rents and service charges in excess of the assumed housing element of the benefit cap (£199 per week). It is therefore proposed that rents for tenants in affordable rent properties be increased by 1.5% from the first Monday in April 2021.
55. Similar to the social rent proposals the provisions in the amended rent policy would lead to 60% of tenants in affordable rent properties benefiting from a rent freeze whilst 40% would get an increase of CPI + 1% (1.5%). The average increase for tenants in these properties would be 0.59% or £0.95 per week, generating additional income of around £25,600 per annum. The estimated average rent for affordable rent properties post applying the proposed 2021/22 rent increase would be £197.92 per week.

### **Right to Part Buy**

56. Under the Council's own Right to Part Buy scheme (Paper No. 16-427), initial rent levels are based on a proportion of the current rent charged at the time of purchase which is then subject to annual increases at CPI + 1%. It is therefore proposed that any properties sold under the Right to Part Buy scheme also have rents increased by 1.5% from the first Monday in April 2021. Equally, this level of increase will apply to any other properties previously sold under Equity Share arrangements where agreements allow.

### **Rent Increase Overall Financial Summary (All Properties)**

57. Current forecast estimates suggest that applying the increase as proposed will result in an approximate average rent increase of 1.00%. The Council's average rent (excluding service charges) would be £129.67 per week.
58. An average 1.00% rent increase will yield a further £1.0 million of rental income per annum (before adjustments for changes in stock levels) and is in line with assumptions contained within the HRA Business Plan. This follows the loss of £10 million of annual rental income following four years of statutory rent reductions, the

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

impact of which is being absorbed within the HRA Business Plan. It is worth noting that the Council took on significant debt in 2012 as part of the buyout of the HRA subsidy system with an expectation at the time that future rental income streams would be linked to a rate in excess of inflation each year and therefore protected in real terms.

59. Whilst the overall Wandsworth HRA Business Plan remains healthy (as confirmed within this report) largely as a result of prudent budgeting over many years whilst continuing high levels of investment in Council stock, decisions must be mindful of the longer term outlook, especially given the ambitious regeneration programmes currently being undertaken which are projected to have an effect on Council reserves in the short to medium term and rely on assumptions of continuing growth in rental income in coming years, plus the current uncertain economic climate.

### **Tenants' Service Charges**

60. In addition to rent, some tenants currently pay a service charge. Whilst rent generally covers charges associated with the occupation of a dwelling such as maintenance and general housing management, service charges usually reflect additional services connected to the upkeep of communal facilities rather than particular occupation of a dwelling. Tenants therefore receive different types of services, paid for via tenants' service charges, depending on the property in which they live.
61. Individual service charges for tenants were first introduced in 2004/05 as part of the then Government's rent restructuring "unpooling" policy and recovered costs which were previously included in the rent charge. Tenant service charges are calculated each year using a calculation broadly equivalent to that used to calculate leaseholders' service charges. All the service charges unpooled to date are eligible for housing benefit on the same basis as housing rents. Since 2016/17 service charges have been calculated, in line with all other local authorities and housing associations, on an actual cost basis and represent a real variable cost to tenants separate to their core rent charge.
62. The current average weekly charges are shown in the table below: -

<b>Service Charge</b>	<b>No. of Properties Charged</b>	<b>Average Charge (Per Week)</b>	<b>Lowest Weekly Charge</b>	<b>Highest Weekly Charge</b>
Estate Cleaning	13,767	£2.79	£0.04	£14.00
Garden Maintenance	14,404	£0.61	£0.01	£3.98
Block Cleaning	13,036	£2.75	£0.02	£12.38
Communal Electricity	13,694	£1.33	£0.01	£10.20
Paladins	12,763	£0.36	£0.10	£1.22
Aerials	6,729	£0.04	£0.01	£0.27
Entrycall	11,244	£0.36	£0.01	£2.23
Sheltered Wardens	1,076	£26.15	Flat Fee £26.15	
<b>Overall Average</b>		<b>£9.03</b>		

63. 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

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

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.

64. The 2003 Guide to Social Rent Reforms in the Local Authority Sector which first introduced the concept of unpooling tenants' service charges and the 2014 Guidance on Rents for Social Housing state that authorities are expected to set reasonable and transparent service charges which reflect the service being provided to tenants. The guidance reiterates that service charges are not governed by the same factors as rent charges, however authorities should endeavour to keep increases for service charges within the previous limit on rent changes, of CPI + 1%, to help keep charges affordable. The only exception to this expectation is where new or extended services are introduced, where an additional charge may need to be made, although the Council reserves the right to also implement larger increases in particularly volatile areas like energy costs.
65. Where there is a new or extended service being introduced, authorities are expected to consult appropriately with tenants before introducing new or extended services and associated charges. There are currently no proposals to introduce any new service charges for 2021/22.
66. Tenants will continue to receive charges only for the particular services they receive, to be fully covered by housing benefit where tenants are eligible. Where tenants have been moved onto Universal Credit, protection is still provided by the service charges being included within the capped limit above which Council policy allows a tenant to be eligible for DHP.
67. The estimate for tenants' service charge income falls under the Other Income heading within the HRA framework. The estimated level of income is £7.052 million in 2020/21 and £7.158 million in 2021/22.

### **Leaseholder Service Charge Income**

68. As set out within the respective leases, leaseholders are required to contribute their relative share of repairs and maintenance as part of the annual service charge billing process. The estimated level of leaseholder revenue service charge contributions is £14.323 million in 2020/21 which is based on the bills raised to date in 2020/21 and an estimate of those still to be billed, and £15.11 million in 2021/22.

### **Other Income**

69. Other Income covers a range of other income sources to the HRA, including tenants' service charge income and interest earned on HRA balances as well as other miscellaneous income streams.
70. With regards to interest on balances the HRA's balances are invested on a pooled arrangement as part of the Council's overall investment strategy to obtain the best possible return. The current rate of interest is estimated at 1.17% for 2020/21 and 0.77% in 2021/22 reflecting the prolonged period of historically low interest rates and current uncertainty in the economy. The estimated level of investment income is £5.629 million in 2020/21 and reduces to £3.967 million in 2021/22. The reduction in

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

2021/22 reflects the anticipated running down of the HRA balances as referred to throughout this report as well as the reduction in the investment interest rate.

### **HRA NON-RESIDENTIAL CHARGES**

71. The current policy on the setting of non-residential charges for garages, parking lots and storsheds was approved by the Executive in July 2002 (Paper No. 02-594), with charging criteria established with the aim of ensuring charges reflect relative quality and desirability of sites and are sensitive and responsive to market demand. Following that decision, revised charges were implemented from October 2002 and have been further reviewed each year since as part of the January Committee cycle, with the most recent review in January 2020 (Paper No. 20-05).
72. The average “take-up” of lettable garages is unchanged at 85% when compared to the level at the time of the previous review, which demonstrates a continued high demand for sites. However, overall there has been a reduction in income as there has been a reduction in overall stock due to the decommissioning of some sites for development as part of the Council’s Affordable Housing development programme.
73. 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 2.1%, in line with the Council’s current charging policy linked to the Retail Prices Index (RPI), with effect from the first Monday in April 2021. The current and proposed new weekly net rent price banding for garages are shown in Appendix E, Table 1.
74. Some garages have a supply of running water and/or drainage connected to the mains sewers for which a charge has historically been levied on a pass through basis from the water provider. However, Thames Water have recently advised their intention to cease charging the Council for this supply (backdated to April 2020) and therefore there is no longer a cost to pass on to tenants. This decision to backdate will necessitate the processing of credits to individuals’ rent accounts. This exercise will involve around 2,160 individual accounts with a total annual value of around £39,000 to be credited. Should the application of the credits result in accounts going into overall credit, then the intention would be to offer refunds upon request.
75. Thames Water have advised that they reserve the right to reverse this decision in future should there be a noticeable change in observed usage levels, and therefore it is requested that the Executive delegates the decision to the Director of Resources to reintroduce the charges on a pass through basis should this occur.
76. Charges for storsheds were banded in January 2005 (Paper No. 05-94), again to ensure charges reflect relative desirability. As with garages it is proposed that charges for all categories be increased by an average 2.1%. It is proposed also that prices for motorcycle garages, parking lots and cycle lockers be increased on the same basis. These charges, as set out in Appendix E, Table 2, are recommended to take effect from the first Monday in April 2021.
77. There are a number of other charges made for replacement permits, keys and door entry fobs, as well as a charge the Council levies for pre-assignment enquiries in respect of leaseholders selling their property. It is proposed that with effect from the first Monday in April 2021, these prices also be increased by an average 2.1% for

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

replacement permits, keys and door entry fobs and pre-assignment income as set out in [Appendix E, Table 3](#).

78. The total estimated increase in budgeted income arising from the proposed non-residential charges is £9,000 in 2021/22 and subsequent years once allowing for the reduction in garage stock as referenced above and has been incorporated in the HRA budget framework presented as part of this report for approval.

### **HRA BUDGET FRAMEWORK**

79. The HRA business plan and budget framework is approved by the Council each year together with a controlling parameter to limit the annual expenditure and the consequential reduction in the forecast capital and revenue reserve levels that the Executive can commit to within each framework period. In January 2017 this controlling parameter was set at a level of £40 million (Paper No. 17-9).
80. The HRA business plan and budget framework reported to this Committee and the Executive in September 2020 (Paper No. 20-246) has been adjusted to take account of the recommendations in this report, including the additions to the capital programme, the recommendations on rents and service charges, the increase in non-residential charges together with any other budget variations being recommended for approval this cycle. [Appendix F](#) to this report sets out the HRA budget framework that reflects the proposals in this report covering the period to 31st March 2024, before which time predicted HRA reserves must not be reduced by more than £40 million from the presently predicted £180.055 million.
81. If at any point the level of HRA reserves are predicted to fall below this minimum level the HRA framework would require revision and approval by full Council.
82. The HRA business plan graph provides an overview of HRA trends for the coming years and the latest forecast of reserves is shown at [Appendix G](#). The graphical representation takes into account the latest estimates of revenue spend and capital expenditure in line with the stock condition survey and assumes that all self-financing existing debt is repaid by 2031/32.
83. In previous years the reserve position also used to be demonstrated over a longer 30-year business planning period but in view of the sensitive nature of the long term assumptions underpinning the business plan, the assumptions on which it is based and the external factors that can and do influence the position significantly, projected surpluses needed be viewed with caution and could therefore not be relied on. The total reserves position projected over a shorter term (over 10 years) should therefore be a more accurate representation, and generally more reliable.
84. Total reserves start at £310 million and generally reduce throughout the extended repayment term of the self-financing borrowing and the regeneration and development programme to an estimated £80 million over the 10 year period. This graph therefore confirms that, based on the recommendations contained within this report, the HRA business plan continues to remain viable whilst highlighting that further expenditure growth (of both capital and revenue nature) needs to continue to be tightly controlled to ensure ongoing viability.



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

85. These future forecast surpluses involve a raft of assumptions on future spend and income levels which if varied can have a significant effect on available resources. In addition, the Localism Act 2011 includes provision for the Secretary of State to re-open the self-financing settlement “if there has been a change in any matter that was taken into account” in the settlement; quite what circumstances this could cover is not certain. There is therefore a risk of over-reliance on future projected surpluses which could throw the HRA business plan out of balance and necessitate additional borrowing, higher rents (if permissible) or reduced service provision in future years.
86. The Director of Resources and the Director of Housing and Regeneration consider that this HRA business plan and framework similarly updated would demonstrate that the Council is in a strong position to finance future expenditure plans and to continue to maintain the decent homes standard.

### **CABINET MEMBER FOR HOUSING**

87. As referenced in paragraph 49, the Cabinet Member for Housing has been consulted and, taking all matters into account, considers an average rent increase of a maximum 1.50% equating to an overall average 1.00% or £1.12 per week increase for properties within the Council’s tenanted stock, subject to lower rises for individual properties due to caps and freezes in line with the latest legislation and the Council’s proposed amendments to the rent policy, to be necessary and appropriate. The Cabinet Member also supports the approach to ensuring that service charges applied to estates, blocks and dwellings are fully transparent and reflect the cost of services provided. Finally, the Cabinet Member considers that the proposed increases in non-residential charges as set out in Appendix E to this report are appropriate.
88. 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 G to this report.

### **CONCLUSION**

89. Taking into account the previously approved HRA Business Plan Update (Paper No. 20-246) it is now recommended that a maximum 1.5% increase equating to an average increase of 1.00% be applied to the Council’s social and affordable rents with effect from the first Monday in April 2021 in line with the proposed amendments to the Council’s Rent Setting Policy. It is also recommended that non-residential charges are increased generally by 2.1%, also with effect from the first Monday in April 2021.
90. The report proposes £254.213 million of new HRA capital bids which, when added to the existing approved programme, creates an overall capital commitment of £634.531 million over the framework period, demonstrating the Council’s ongoing commitment to keeping existing stock at decent levels and to invest in the delivery of new affordable housing through both the estate regeneration schemes and the expanded development programme.

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

91. 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 projected surpluses which could throw the HRA business plan out of balance in the short-term.
92. The graphical representation of balances in Appendix G shows that whilst the HRA is projected to be in surplus in the short to medium term the position remains finely balanced. As a result, any demand for additional expenditure or reduction in assumed income levels will need to continue to be mitigated elsewhere within the HRA business plan to maintain and ensure ongoing viability.

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MARK MAIDMENT  
Director of Resources

BRIAN REILLY  
Director of Housing and Regeneration

The Town Hall  
Wandsworth  
SW18 2PU

3rd February 2021

### **Background Papers**

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

1. The Council's budget book publication - 2020/21
2. ODPM - A Guide to Social Rent Reforms in the Local Authority Sector - Feb 2003
3. DCLG - The Government's Guidance on Rents for Social Housing – May 2014
4. Secretary of State - The Direction on the Rent Standard – Feb 2019
5. MHCLG - Policy statement on rents for social housing – Feb 2019

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](http://www.wandsworth.gov.uk/moderngov)) unless the report was published before May 2001, in which case the Democratic Services Manager (Ms Thayyiba Shaah – tel: 020 8871 6039; email [thayyiba.shaah@richmondandwandsworth.gov.uk](mailto:thayyiba.shaah@richmondandwandsworth.gov.uk)) can supply it if required.

**Housing Revenue Account - Approved Capital Programme & Virements**

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
MAJOR REFURBISHMENT OF ESTATES	9,366	30,996	33,107	22,616
RE-LIFTING	960	8,276	1,894	278
RE-WIRING	953	4,574	2,055	28
HEATING IMPROVEMENTS	791	2,739	1,335	-
HEATING REPAIRS	956	4,455	1,054	16
SPECIAL REPAIRS	1,899	3,697	120	-
SHELTERED HOUSING	611	2,383	338	-
ADAPTATIONS FOR DISABLED	1,550	1,550	-	-
ENTRYCALL & CCTV	1,484	1,228	217	-
<b>TOTAL REPAIRS AND IMPROVEMENTS</b>	<b>18,570</b>	<b>59,898</b>	<b>40,120</b>	<b>22,938</b>
ENVIRONMENTAL & ESTATE IMPROVEMENTS	483	350	503	374
SITE DEVELOPMENTS & EXPANDED PROGRAMME	7,595	15,037	18,287	6,493
REGENERATION PROJECTS	53,325	43,310	45,309	25,181
<b>TOTAL ENVIRONMENTAL, NEW BUILD &amp; REGENERATION</b>	<b>61,403</b>	<b>58,697</b>	<b>64,099</b>	<b>32,048</b>
PURCHASE OF PROPERTIES	24,703	500	500	-
HOUSE PURCHASE GRANTS	6,642	4,000	2,500	-
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>111,318</b>	<b>123,095</b>	<b>107,219</b>	<b>54,986</b>

**APPENDIX B****Housing Revenue Account - Proposed Additions to the Capital Programme**

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b><u>MAJOR REFURBISHMENT OF ESTATES</u></b>				
<b>Alton Estate (Roehampton)</b>				
Farnborough House, Kimpton House, Rushmere House, Somborne House Garage refurbishment	-	-	27	107
<b>Antrim House (Shaftesbury)</b>				
Roof renewal	-	-	20	78
<b>Argyle Esher Estate (West Hill)</b>				
Bisley House Roof renewal	-	-	21	186
<b>Henry Prince Estate (Earlsfield)</b>				
St Johns Drive 1a, 9-24, 33-40, 41-56, 64-72, 73-88 Roof renewal	-	-	135	1,215
<b>Herlwyn Gardens 19-22, 17, 23 &amp; 24 (Tooting)</b>				
Roof renewal	-	-	31	123
<b>Hollies Way Estate (Balham)</b>				
Cladding Replacement	-	1,000	-	-
<b>Lennox Estate (Roehampton)</b>				
Ludovick Walk 2-10, 11-35, 36-66 Phase 2 Roof renewal	-	-	49	441
<b>Newlands Estate (Bedford)</b>				
Barringer Square 22-164 Even, 7-109 Odd, Tooting Bec Road 174-212 Even Treherne Court 1-35 Cons, 40-55 Cons Roof renewal	-	-	353	1,059
<b>Southmead Estate (West Hill)</b>				
Augustus Road 63, 67, 73, Beaumont Road 1-47, Princes Way 43,45,53 Southmead Road 14-60, 62-108,, Urmston Drive 2-48, 50-96 Phase 2 Roof renewal	-	-	200	1,135
<b>Wendelsworth Estate (Fairfield)</b>				
Bembridge House, Binstead House, Bowyer House, Culver Court, Domelton House, Linstone Court, Vectis Court Window renewal	-	-	315	2,106
<b>William Willison Estate (West Hill)</b>				
Beaumont Road 177, Castlecombe Drive 1,5,11,23 & 31, 33-81, 2-234, Littlecote Close 2,9,18,20 & 22 Stourhead Close 6 Phase 2 Window renewal	-	25	1,000	520
<b>Kitchens and Bathrooms</b>				
Phase 11A - Southlands East	-	223	724	167
Phase 16 - Doddington West	-	-	490	3,429
Phase 17 - Badric Court	-	-	147	1,031
External decorations conversion to window renewal	-	-	1,000	-
<b>TOTAL MAJOR REFURBISHMENT OF ESTATES</b>	-	1,248	4,512	11,597

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

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b><u>RELIFTING</u></b>				
<b>East Hill Estate (Latchmere)</b> Dungeness House, Filey House, Lerwick House	-	-	101	209
<b>Edgecome Hall Estate (West Hill)</b> William Harvey House	-	-	95	197
<b>Fitzhugh Estate (Wandsworth Common)</b> Gernigan House, Morville House, St Quentin House, Skipsea House, Woodhall House	-	-	128	967
<b>Harwood Court (West Putney)</b>	-	-	52	143
<b>Winstanley Estate (Latchmere )</b> Weekley Square, Carmicheal Close, Fenner Square, Holliday Square, John Parker Square, Thomas Baines Road Phase 1	-	-	214	297
<b>TOTAL RELIFTING</b>	-	-	590	1,813
<b><u>REWIRING</u></b>				
<b>Boroughwide</b> Block Emergency Lighting Phase 4	-	-	394	591
Individual Rewires	-	-	275	-
<b>TOTAL REWIRING</b>	-	-	669	591
<b><u>HEATING IMPROVEMENTS</u></b>				
Heating system upgrades (Boroughwide)	-	-	961	641
Individual installations	-	-	360	-
<b>TOTAL HEATING IMPROVEMENTS</b>	-	-	1,321	641
<b><u>HEATING REPAIRS</u></b>				
<b>Riplington Court/Yew Tree Lodge - Sheltered Accommodation</b> Replacement of communal heating system	-	-	61	91
<b>Upper Richmond Road 125 F1-F43 (East Putney)</b> Replacement of communal heating system	-	-	30	46
<b>Boroughwide</b>				
Cold water boosters phase 2	-	-	209	314
Communal ventilation updgrade	-	-	547	1,644
Water tank renewals phase 4	-	-	89	89
<b>TOTAL HEATING REPAIRS</b>	-	-	936	2,184
<b><u>SPECIAL REPAIRS</u></b>				
<b>Acquired Properties</b> Roofs, decoration, damp proofing	-	-	300	-
<b>Extensions/conversions future schemes</b>	-	700	-	-
<b>Provision for urgent schemes</b>	-	-	1,000	-
<b>TOTAL SPECIAL REPAIRS</b>	-	700	1,300	-

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

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b><u>SHELTERED HOUSING</u></b>				
<b>Alton (Roehampton)</b>				
Fontley Way 21-35, Greatham Walk 2-16				
Hyacinth Road 1-8, Foxcombe Road 1-33				
Alton Club Room				
Electrical Upgrades	-	-	153	228
<b>Hepplestone Close, Sclater Close (West Putney)</b>				
Grosse Way 1-34 and Hepplestone 1-14, 20-32 Close				
Electrical Upgrades	-	-	309	462
Boroughwide Electrical Upgrades	-	100	100	-
<b>TOTAL SHELTERED HOUSING</b>	<b>-</b>	<b>100</b>	<b>562</b>	<b>690</b>
<b><u>ADAPTATIONS FOR THE DISABLED</u></b>				
Conversion of vacant properties	-	-	850	-
Future years provision	-	-	700	-
<b>TOTAL ADAPTATIONS FOR THE DISABLED</b>	<b>-</b>	<b>-</b>	<b>1,550</b>	<b>-</b>
<b><u>ENTRYCALL &amp; CCTV</u></b>				
<b>Alton Estate ( Roehampton)</b>				
Binley House, Charcott House, Dunbridge House,				
Replacement of door entry system	-	-	25	102
<b>Carey Gardens ( Queenstown)</b>				
Carey Gardens 2-44, 264-296e, 46-66e, 68-86e, 88-120e,				
122-174,176-226,228-262, 123-185,187-255, 59-89				
Condell Road 1-89, 91-121, 123-137				
Replacement of door entry system	-	-	65	260
<b>TOTAL ENTRYCALL &amp; CCTV</b>	<b>-</b>	<b>-</b>	<b>90</b>	<b>362</b>

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

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b><u>ENVIRONMENTAL &amp; ESTATE IMPROVEMENTS</u></b>				
<b>Chelverton Court (Thamesfield)</b>				
Environmental Improvements	-	-	100	-
<b>Henry Prince Estate (Earlsfield)</b>				
Environmental Improvements	-	-	43	18
<b>Totterdown Fields - Cowick Road</b>				
Environmental Improvements	-	-	300	100
Future Playground Refurbishment	-	-	68	29
<b>TOTAL ENVIRONMENTAL &amp; ESTATE IMPROVEMENTS</b>	<b>-</b>	<b>-</b>	<b>511</b>	<b>147</b>
<b><u>SITE DEVELOPMENTS &amp; EXPANDED PROGRAMME</u></b>				
<b>Battersea Church Road (St Mary's Park)</b>	600	6,500	12,000	19,400
<b>Kersfield (East Putney)</b>	-	-	-	1,500
<b>Patmore Street (Queenstown)</b>	400	3,000	6,000	10,500
<b>Platt Estate South (Thamesfield)</b>	-	-	-	318
<b>Putney Vale (Roehampton &amp; Putney Heath)</b>	-	-	-	100
<b>Randall Close (St Mary's Park)</b>	600	7,600	18,000	12,900
<b>The Alders (Furzedown)</b>	227	1,500	7,000	5,000
<b>Winstanley / York Road - Block 5A (Latchmere)</b>	-	6,000	12,000	6,000
Feasibility Studies	-	-	127	-
<b>TOTAL SITE DEVELOPMENTS &amp; EXPANDED PROGRAMME</b>	<b>1,827</b>	<b>24,600</b>	<b>55,127</b>	<b>55,718</b>
<b><u>REGENERATION PROJECTS</u></b>				
Regeneration Project Costs	-	125	2,000	-
<b>ROEHAMPTON SCHEME</b>				
Phase 1 - Acquisitions	-	3,197	4,500	4,500
Procurement of Specialist Services	350	750	250	-
<b>WINSTANLEY &amp; YORK ROAD ESTATE SCHEME</b>				
In Phase Acquisitions	-	10,398	7,700	6,600
Out of Phase Acquisitions	-	3,123	3,300	9,900
Procurement of Specialist Services	-	600	-	-
Residential Development Costs	-	-	-	13,034
<b>York Road (Latchmere)</b>				
Penge House & Inkster House - Acquisitions	1,000	4,500	4,500	-
<b>TOTAL REGENERATION PROJECTS</b>	<b>1,350</b>	<b>22,693</b>	<b>22,250</b>	<b>34,034</b>
<b>PURCHASE OF PROPERTIES</b>	-	-	-	500
<b>HOUSE PURCHASE GRANTS</b>	-	-	1,500	2,500
<b>TOTAL ADDITIONS</b>	<b>3,177</b>	<b>49,341</b>	<b>90,918</b>	<b>110,777</b>

**APPENDIX C****Housing Revenue Account - Revised Capital Programme**

	<b><u>2020/21</u></b>	<b><u>2021/22</u></b>	<b><u>2022/23</u></b>	<b><u>2023/24</u></b>
	<b><u>£ '000</u></b>	<b><u>£ '000</u></b>	<b><u>£ '000</u></b>	<b><u>£ '000</u></b>
<b>MAJOR REFURBISHMENT OF ESTATES</b>	9,180	31,345	36,363	33,924
<b>RE-LIFTING</b>	960	8,276	2,484	2,091
<b>RE-WIRING</b>	953	4,574	2,724	619
<b>HEATING IMPROVEMENTS</b>	791	2,739	2,656	641
<b>HEATING REPAIRS</b>	956	4,455	1,990	2,200
<b>SPECIAL REPAIRS</b>	1,899	4,397	1,420	-
<b>SHELTERED HOUSING</b>	611	2,483	900	690
<b>ADAPTATIONS FOR DISABLED</b>	1,550	1,550	1,550	-
<b>ENTRYCALL &amp; CCTV</b>	1,484	1,228	307	362
<b>TOTAL REPAIRS AND IMPROVEMENTS</b>	<b>18,384</b>	<b>61,047</b>	<b>50,394</b>	<b>40,527</b>
<b>ENVIRONMENTAL &amp; ESTATE IMPROVEMENTS</b>	483	350	1,014	521
<b>SITE DEVELOPMENTS &amp; EXPANDED PROGRAMME</b>	9,422	39,637	73,414	62,211
<b>REGENERATION PROJECTS</b>	54,675	66,003	62,589	50,515
<b>TOTAL ENVIRONMENTAL, NEW BUILD &amp; REGENERATION</b>	<b>64,580</b>	<b>105,990</b>	<b>137,017</b>	<b>113,247</b>
<b>PURCHASE OF PROPERTIES</b>	24,703	500	500	500
<b>HOUSE PURCHASE GRANTS</b>	6,642	4,000	4,000	2,500
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>114,309</b>	<b>171,537</b>	<b>191,911</b>	<b>156,774</b>



	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b><u>MAJOR REFURBISHMENT OF ESTATES</u></b>				
<b>Alton Estate (Roehampton)</b>				
C Block				
Durford Crescent 3,5,8 Horndean Close 5,6,8,14 Norley Vale 12-14 Wanborough Drive 1,5,7				
Roof renewal	534	-	-	-
E Blocks				
Chilcombe House, Crondall House, Farnborough House, Kimpton, Kimpton House, Rushmere House				
Phase 2 Window renewal	15	-	-	-
Norley Vale 1-31				
Remove and replace external staircase	1	46	-	-
F Blocks				
Binley House, Charcot House, Denmead House, Dunbridge House, Winchfield House				
Window renewal	38	3,800	2,834	-
Farnborough House, Kimpton House, Rushmere House, Somborne House				
Garage refurbishment	-	-	27	107
<b>Antrim House (Shaftesbury)</b>				
Roof renewal	-	-	20	78
<b>Argyle Esher Estate (West Hill)</b>				
Bisley House				
Roof renewal	-	-	21	186
<b>Arndale Estate (Southfields)</b>				
Sudbury House				
Remedial Works to Cladding Panels	1,567	-	-	-
Front Entrance Hall Improvements	50	540	14	-
<b>Ashburton Chartfield Estate (East Putney)</b>				
Westleigh Avenue 34 flats A-H				
Roof renewal	48	-	-	-
<b>Ashburton South Estate (West Putney)</b>				
Innes Gardens 1-22,23-52,53-64,65-94,95-116,117-156				
Phase 2 Roof renewal	667	-	-	-
Cortis Rd 6-20,22-88,90-184,186-244,246-274, 280-308 Pullman Gardens 13-27				
Phase 3 Roof renewal	100	-	-	-
<b>Auckland Estate (Northcote)</b>				
Window renewals	-	500	116	-
<b>Augustus Road 7-9 (West Hill)</b>				
Window renewal and associated repairs	26	78	-	-
<b>Bedgebury Gardens (West Hill)</b>				
Bedgebury Gardens 8-9				
Roof and window renewal	90	29	-	-
<b>Carey Gardens Estate (Queenstown)</b>				
Blore Close cons, 1-33 Carey Gardens 1-121 odd, Condell Road 1-133 odd, Thessaly Road 1-53 odd				
Phase 1 Roof renewal	447	587	80	-
Carey Gardens 2-44, 46-66, 68-86, 88-120, 122-174, 176-226, 228-262, 264-296 even, 123-185, 187-225 odd				
Phase 2 Roof renewal	-	500	660	100

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

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b>Dounesforth Gardens Estate (Southfields)</b> Roof renewal and external decorations	200	200	-	-
<b>Elsenham Street 36-50, 172-178, 169-183 (Southfields)</b> Roof and window renewal	14	-	-	-
<b>Ethelburga Estate (St Mary's Park)</b> Henty Close, Heron House, Parkgate Road 20-38, Searles Close 1-42, 43-60, Worfield Street 40-56 Phase 2 Roof renewal	1,257	866	-	-
Ethelburga Tower Phase 3 Roof renewals	-	-	40	1,036
<b>Fairfield Court (Fairfield)</b> External decorations conversion to window renewal	5	320	70	-
<b>Felsham Road (Thamesfield)</b> Greville House, Felsham Road, Henry Jackson House, John Keall House Roof renewal	-	90	355	15
<b>Fernlea Road Estate (Balham)</b> Ethelbert Street 2-18, Fernlea Road 65, 67 Roof renewal	158	315	-	-
<b>Harwood Court (West Putney)</b> Roof renewal	26	-	-	-
<b>Henry Prince Estate (Earlsfield)</b> St Johns Drive 1a, 9-24, 33-40, 41-56, 64-72, 73-88 Roof renewal	-	-	135	1,215
<b>Herlwyn Gardens 19-22, 17, 23 &amp; 24 (Tooting)</b> Roof renewal	-	-	31	123
<b>Hibbert Street Estate (Latchmere)</b> Sheridan House & York Road 251-265 Roof and window renewal	675	-	-	-
<b>Hollies Way Estate (Balham)</b> Cladding Replacement	-	1,000	-	-
<b>Larpent Avenue 33 (West Putney)</b> Roof and window renewal	-	25	58	-
<b>Latchmere Estate (Latchmere)</b> Burns Road, Matthews Street, Joubert Street, Odger Street, Sheepcote Lane Freedom Street, Reform Street Window renewal	100	4,111	400	-
<b>Lennox Estate (Roehampton)</b> Arabella Drive 7-17, 19-29, 31-53,55-77,79-89 2-76, 80-102, 106-128, 130-186, 188-244 Phase 1 Roof renewal	-	88	930	30
Ludovick Walk 2-10, 11-35, 36-66 Phase 2 Roof renewal	-	-	49	441
<b>McCarthy Court Estate (St Mary's Park)</b> McCarthy Court 1-42, 43-78 Roof renewal	-	49	512	18
<b>Melrose Court (East Putney)</b> Roof and window renewal	21	64	-	-

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b>Newlands Estate (Bedford)</b> Barringer Square 22-164 Even, 7-109 Odd, Tooting Bec Road 174-212 Even Treherne Court 1-35 Cons, 40-55 Cons Roof renewal	-	-	353	1,059
<b>Patmore Estate (Queenstown)</b> Ashcroft House, Banister House, Drury House, Locke House, Morgan House, Statham House, Strudel House, Woods House Phase 4 Roof renewal	5	1,000	452	-
<b>Putney Vale Estate (Roehampton)</b> Frenchman Drive, Stroud Crescent Partial brick removal and replacement	4	-	-	-
Stroud Crescent 34-80,82-128,130-176 Roof renewal	19	600	56	-
<b>Queensmere Estate (West Hill)</b> Blincoe Close 1-29, 2-24, 26-44, 31-45 Murfett Close 1-23, 2-48 Sawkins Close 1-43, 2-20 Roof renewal	497	420	-	-
All tenanted houses Roof renewal	140	344	21	-
<b>Ranelagh Estate (Thamesfield)</b> Hewett House, Lancaster House, Pearson House Roof renewal	-	175	262	-
<b>Rollo Estate (Queenstown)</b> Alfreda Court, Newtown Court, Ravenet Court, Rawson Court, Rollo Court Roof renewals	-	-	178	1,256
Bank Court Roof renewal	194	5	-	-
<b>Salcott Rd 1-15 (Northcote)</b> External decorations conversion to window renewal	103	10	-	-
<b>Seymour Road 32-34 (West Putney)</b> Roof renewal	-	42	112	4
<b>Shoreham Close Estate (Fairfield)</b> Roof renewal	5	-	-	-
<b>Southmead Estate (West Hill)</b> Westhouse Close 1-16, 17-28, 29-36 Southmead Road 2-12 Roof renewal	-	53	276	25
Augustus Road 63, 67, 73, Beaumont Road 1-47, Princes Way 43,45,53 Southmead Road 14-60, 62-108,, Urmston Drive 2-48, 50-96 Phase 2 Roof renewal	-	-	200	1,135
<b>St James Grove Estate (Latchmere)</b> Castlemaine Replacement of over-cladding system	564	-	-	-
<b>Upper Richmond Road 328 F1-2 (Thamesfield)</b> Roof renewal	-	24	35	-
<b>Wandsworth Common West Side 40 (Wandsworth Common)</b> Window renewal	50	2	-	-
<b>Wendelsworth Estate (Fairfield)</b> Bembridge House, Binstead House, Bowyer House, Culver Court, Domelton House, Linstone Court, Vectis Court Window renewal	-	-	315	2,106

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

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b>William Willison Estate (West Hill)</b>				
Stoford Cl 1-76, Beaumont Rd 49-111, Southmead Rd Window renewal				
Phase 1 Window renewal/external decorations	100	1,901	100	-
Beaumont Road 177, Castlecombe Drive 1,5,11,23 & 31, 33-81, 2-234, Littlecote Close 2,9,18,20 & 22 Stourhead Close 6 Phase 2 Window renewal	-	25	1,000	520
<b>Wimbledon Park Estate (West Hill)</b>				
Replacement of tenant front entrance doors	-	54	-	-
<b>York Road Estate (Latchmere)</b>				
Chesterton Houses, Inkster House, Penge House Window refurbishment	600	267	-	-
<b>Kitchen and Bathrooms Programme</b>				
Phase 7 - Boroughwide	20	-	-	-
Phase 8 - Latchmere Estate, Putney Vale Estate, Ranelagh Estate	164	-	-	-
Phase 9 - Kersfield Road, Orchard Estate, Southmead Estate, Totterdown Fields	300	4,763	159	-
Phase 10 - Totterdown Fields 2nd phase, Totteridge House	150	4,345	299	-
Phase 11 - Arndale Estates 1st phase Albon House, Edwyn House and Knowles House	50	450	1,500	687
Phase 11A - Arndale Estates 2nd phase, Southlands East	-	549	1,784	412
Phase 12 - Balham Hill East & West, Aldrington North & South, Edgecombe Hall	-	-	700	2,904
Phase 13 - Alton E Blocks 1-6,17-23 Allenford House, Bramley House, Chilcombe House, Cronall House, Farnborough House, Kimpton House, Penwood House, Rushmere House, Somborne House, Shalden House, Swaythling House, Tatchbury House, Warnford House	-	500	3,417	300
Phase 14 - Doddington East	-	-	1,689	149
Phase 15 - Hazelhurst and Holborn Estates	-	-	1,450	1,202
Phase 16 - Doddington West	-	-	490	3,429
Phase 17 - Badric Court	-	-	147	1,031
Patmore Estate	76	-	-	-
<b>Boroughwide</b>				
Installation of sprinkler systems to high rise blocks	-	498	11,500	12,000
Sprinkler systems to sheltered & short term lets	100	1,110	1,519	1,682
Replacement of communal fire doors phase 1	-	-	417	225
Replacement of communal fire doors phase 2	-	-	580	449
External decorations conversion to window renewal	-	1,000	1,000	-
<b>TOTAL MAJOR REFURBISHMENT</b>	<b>9,180</b>	<b>31,345</b>	<b>36,363</b>	<b>33,924</b>

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b><u>RE-LIFTING</u></b>				
<b>Aboyne Estate (Earlsfield)</b> Deeside Road, Strathdon Drive	3	896	17	-
<b>Alton Estate (Roehampton)</b> Blendworth Point	38	200	-	-
<b>Anne Kerr Court (East Putney)</b>	-	42	38	-
<b>Argyle (Esher) (West Hill)</b> Esher Gardens 1-105	243	-	-	-
<b>Argyle (Glen Albyn) (West Hill)</b> Glen Albyn Road 1-200	479	-	-	-
Chobham Gardens 1-36, 37-65, 66-95	-	63	544	252
<b>Argyle (Limpsfield) (West Hill)</b> Greenfield House, Oakman House	8	895	20	-
<b>Argyle (Smithwood) (West Hill)</b> Smithwood Close 25-63, Weydown Close 13-37, 62-86	2	-	-	-
<b>Argyle (Winterfold) (West Hill)</b> Winterfold Close 1-22, 94-118	5	-	-	-
<b>Arndale Estate (Southfields)</b> Albon House, Edwyn House, Knowles House Phase 1	10	954	30	-
Sudbury House phase 2	-	87	349	11
<b>Carnie Lodge (Bedford)</b>	40	73	-	-
<b>Convent Estate (Fairfield)</b> Francis Snary Lodge	63	50	-	-
<b>East Hill Estate (Latchmere)</b> Dungeness House, Filey House, Lerwick House	-	-	101	209
<b>Edgecome Hall Estate (West Hill)</b> Edgecombe House	3	269	-	-
William Harvey House	-	-	95	197
<b>Fitzhugh Estate (Wandsworth Common)</b> Gernigan House, Morville House, St Quentin House, Skipsea House, Woodhall House	-	-	128	967
<b>Goulden House (St Mary's Park)</b>	-	324	-	-
<b>Harwood Court (West Putney)</b>	-	-	52	143
<b>Kersfield Road Estate (East Putney)</b> Classinghall House, Lusher House	-	66	133	5
<b>Lochinvar Estate (Balham)</b> Caistor House, Ivanhoe House, Rokeby House	-	383	-	-
<b>Lurline Gardens Estate (Queenstown)</b> All Saints Court 1-38 cons	8	180	14	-
<b>Maysoule Road Estate (Latchmere)</b> Holmleigh Court	18	113	-	-
<b>Orchard Estate (West Hill)</b> Andrew Reed House	2	308	20	-

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

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b>Rollo Estate (Queenstown)</b> Newtown Court, Rollo Court	-	208	-	-
<b>St Johns Avenue 2 (East Putney)</b>	23	86	-	-
<b>Sutherland Grove Estate (East Putney)</b> Strathan Close 40-71	-	66	133	5
<b>The Platt Estate (Thamesfield)</b> Phelps House	-	57	151	5
<b>Wendelsworth Estate (Fairfield)</b> Domelton House, Bowyer House Phase 1	5	1,157	-	-
Bembridge House, Binstead House Phase 2	-	760	445	-
<b>Winstanley Estate (Latchmere)</b> Weekley Square, Carmicheal Close, Fenner Square, Holliday Square, John Parker Square, Thomas Baines Road Phase 1	-	-	214	297
<b>Yew Tree Lodge (Furzedown)</b>	10	139	-	-
<b>Boroughwide</b> Installation of lift monitoring equipment	-	900	-	-
<b>TOTAL RE-LIFTING</b>	<u>960</u>	<u>8,276</u>	<u>2,484</u>	<u>2,091</u>

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b><u>RE-WIRING</u></b>				
<b>Ashburton Chartfield Estate (East Putney)</b>				
Dulcie House, Halford House, Humphrey House Inglis House, Jellicoe House, Kinnaird House, Mildmay House, Mullens House, Stanhope House, Waldegrave House, Westleigh Avenue 34, Wharnclyffe House, Whitehead House, Whitnell Court Individual rewires	131	116	-	-
<b>Copeland House (Tooting)</b>				
Individual rewires, lateral mains and distribution boards	172	11	-	-
<b>Doddington Estate (Queenstown)</b>				
Park Court Communal rewire and lighting replacement	-	35	43	-
<b>Gowrie Road 11-33 (Shaftesbury)</b>				
Individual rewires and lateral mains	28	1	-	-
<b>Hazelhurst Estate (Tooting)</b>				
Individual rewires and distribution boards	5	347	-	-
<b>Newlands Estate (Bedford)</b>				
Individual rewires and distribution boards	100	180	-	-
<b>Wimbledon Park Estate (West Hill)</b>				
All blocks Full rewire excluding lateral mains	-	38	246	23
<b>Wynter Street Estate (Latchmere)</b>				
Renewal of distribution boards	58	55	-	-
<b>Boroughwide</b>				
Block emergency lighting phase 1	10	2,334	-	-
Block emergency lighting phase 2	4	530	800	-
Block emergency lighting phase 3	-	647	966	5
Block emergency lighting phase 4	-	-	394	591
Allenswood, Ambleside, Ericcson Close, Fernwood, Jenkins House, Marmion House, Selbourne, Tildesley Road 2-100, Tildesley Road 102-164, Upper Richmond Road 125 Lightning protection system	170	5	-	-
Individual rewires	275	275	275	-
<b>TOTAL REWIRING</b>	<b>953</b>	<b>4,574</b>	<b>2,724</b>	<b>619</b>

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b><u>HEATING IMPROVEMENTS</u></b>				
<b>Alton Estate (Roehampton)</b>				
Replacement of obsolete boilers	-	2,003	1,335	-
<b>Central Area - Wandsworth, Balham, Tooting</b>				
Phase 2 - Replacement of obsolete boilers	237	120	-	-
<b>Eastern Area - Battersea</b>				
Phase 2 - Replacement of obsolete boilers	194	256	-	-
<b>Boroughwide</b>				
Heating system upgrades	-	-	961	641
Individual Installations	360	360	360	-
<b>TOTAL HEATING IMPROVEMENTS</b>	<u>791</u>	<u>2,739</u>	<u>2,656</u>	<u>641</u>



	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b><u>HEATING REPAIRS</u></b>				
<b>Convent Estate (Fairfield)</b>				
Francis Snary Lodge Replacement of communal heating system	-	22	33	-
<b>Fitzhugh Estate (Wandsworth Common)</b>				
Replacement of communal heating system	25	902	143	-
<b>George Wyver Close (West Hill)</b>				
Beaumont Road 34-62 even, 64-92 even Replacement of communal heating system	-	114	188	10
<b>Lennox Estate (Roehampton)</b>				
Dowdeswell Close 6-40, Rockingham Close 13-27 Replacement of communal heating system	61	-	-	-
Burke Close 28-54 Replacement of communal heating system	-	22	32	-
<b>Nursery Close Estate (East Putney)</b>				
Nursery Close 31-49 Replacement of communal heating system	-	22	32	-
<b>Riplington Court/Yew Tree Lodge - Sheltered Accommodation</b>				
Replacement of communal heating system	-	-	61	91
<b>Smallwood Road South Estate (Tooting)</b>				
Smallwood Road 53 - 59 odd Replacement of communal heating system	-	68	113	6
<b>St James Grove Estate (Latchmere)</b>				
Castlemaine Replacement of communal heating system	99	1,228	48	-
<b>Upper Richmond Road 125 F1-F43 (East Putney)</b>				
Replacement of communal heating system	-	-	30	46
<b>Ackroydon Estate East &amp; West (West Hill)</b>				
Cold water booster replacement	-	109	59	-
<b>Barringer Square, Bisley House, Edgecombe House Meecham Court, William Harvey House</b>				
Cold water booster replacement	-	137	73	-
<b>Fitzhugh Estate (Wandsworth Common)</b>				
Cold water booster replacement	5	258	-	-
<b>Winstanley Estate (Latchmere)</b>				
Sendall Court, Sporle Court Cold water booster replacement	124	30	-	-
<b>Colson Way Estate (Furzedown)</b>				
Replacement of communal extract fans	-	300	76	-
<b>Goulden House (St Mary's Park)</b>				
Replacement of communal extract fans	151	552	-	-
<b>Battersea Park Estate (Latchmere)</b>				
Atkinson House, Berry House, Dresden House MacDonald House, Walden House Installation of dry rises	200	47	-	-

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

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b>Boroughwide</b>				
Communal Boiler Houses				
Replacement of building energy management systems	291	166	-	-
Cold water boosters phase 2	-	-	209	314
Communal ventilation upgrade	-	-	547	1,644
Water tank renewals phase 2	-	273	147	-
Water tank renewals phase 3	-	205	110	-
Water tank renewals phase 4	-	-	89	89
<b>TOTAL HEATING REPAIRS</b>	<u>956</u>	<u>4,455</u>	<u>1,990</u>	<u>2,200</u>

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b><u>SPECIAL REPAIRS</u></b>				
<b>Chelverton Court (Thamesfield)</b>				
Communal lighting upgrade	20	-	-	-
<b>Glenthorpe Estate (West Putney)</b>				
1-18, 36-71 Glenthorpe				
Fire alarm system upgrade	50	-	-	-
<b>Goulden House (St Mary's Park)</b>				
Entrycall renewal	-	80	40	-
<b>Longhedge Street (Latchmere)</b>				
Green Homes Grant - Efficiency Works	20	-	-	-
<b>Patmore Estate (Queenstown)</b>				
Fowler House				
Resurfacing access road to rear of block	-	100	-	-
<b>William Willison Estate (West Hill)</b>				
Keevil Drive				
Boundary wall	32	-	-	-
<b>Sheltered Properties</b>				
Hill Lodge, Francis Snary Lodge, Carey Gardens				
63-125 Westleigh Avenue, Rambler Close				
Electrical installation testing	40	-	-	-
Various Sheltered Properties - Storage	-	83	-	-
<b>Boroughwide</b>				
Acquired Properties				
Roofs, decoration, damp proofing	600	600	300	-
Extension/conversion				
1 Carminia Road , 1 Chepstow Road, 8 Durford Crescent				
83 Nimrod Road , 6 Norley Vale, 12 North Drive ,				
30 Openview, 8 Pullman Gardens, 77 Swaby Road, 28 Swinburn Road	777	1,373	-	-
LED street & pathway lighting	100	600	80	-
Provision for urgent schemes	260	1,396	1,000	-
Stock Condition Survey	-	165	-	-
<b>TOTAL SPECIAL REPAIRS</b>	<b>1,899</b>	<b>4,397</b>	<b>1,420</b>	<b>-</b>

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b><u>SHELTERED HOUSING</u></b>				
<b>Althorpe Grove Estate (St Mary's Park)</b>				
Althorpe Mews, Battersea Church Road, Sunbury Lane, Kitchen renewal	5	257	-	-
<b>Alton (Roehampton)</b>				
Fontley Way 21-35, Greatham Walk 2-16 Hyacinth Road 1-8, Foxcombe Road 1-33 Alton Club Room Electrical Upgrades	-	-	153	228
<b>Carey Gardens Estate (Queenstown)</b>				
All communal sheltered areas Electrical upgrade	-	212	115	-
<b>Convent Estate (Fairfield)</b>				
Francis Snary Lodge Dwellings and communal areas Electrical upgrade	-	249	134	-
<b>Hepplestone Close, Sclater Close (West Putney)</b>				
Grosse Way 1-34 and Hepplestone 1-14, 20-32 Close Electrical Upgrades	-	-	309	462
<b>Maysoule Road Estate (Latchmere)</b>				
Holmleigh Court Window renewal	5	730	-	-
<b>Rambler Close Estate (Furzedown)</b>				
Rambler Close 1-16, 17-32 Dwellings and communal areas Electrical upgrade	-	165	89	-
<b>Wendelsworth Estate (Fairfield)</b>				
Kirton Lodge Refurbishment	596	-	-	-
<b>Boroughwide</b>				
Boyd Court, Cortis Road 285-311 and 317-365 Cortis Terrace 1-16, James Searles Lodge Westleigh Avenue 63-125 and 135-165 Phase 7 Installation of overhead showers	5	770	-	-
Boroughwide Electrical Upgrades	-	100	100	-
<b>TOTAL SHELTERED HOUSING</b>	<b>611</b>	<b>2,483</b>	<b>900</b>	<b>690</b>

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b><u>ADAPTATIONS FOR THE DISABLED</u></b>				
<b>Boroughwide</b>				
Conversion of vacant properties	850	850	850	-
Future years provision	700	700	700	-
<b>TOTAL ADAPTATIONS FOR THE DISABLED</b>	<u>1,550</u>	<u>1,550</u>	<u>1,550</u>	<u>-</u>

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b><u>ENTRYCALL &amp; CCTV</u></b>				
<b>Alton Estate (Roehampton)</b>				
Chilcombe House, Crondall House, Farnborough House, Rushmere House, Sombourne House Replacement of door entry system	-	148	-	-
Brockbridge House, Finchdean House, Egbury House, Hurstbourne House, Redenham House Penwood House, Tatchbury House E blocks Replacement of door entry system	-	83	124	-
Binley House, Charcott House, Dunbridge House, Replacement of door entry system	-	-	25	102
<b>Ashburton South Estate (West Putney)</b>				
Innes Gardens 1-156 Replacement of door entry system	2	78	-	-
<b>Battersea Park Estate (Latchmere)</b>				
Replacement of door entry system	194	10	-	-
<b>Bevill Allen Close Estate (Graveney)</b>				
Bevil Allen Close 1-24, 25-36, 37-48 Installation of door entry system	-	45	64	-
<b>Carey Gardens ( Queenstown)</b>				
Carey Gardens 2-44, 264-296e, 46-66e, 68-86e, 88-120e, 122-174,176-226,228-262, 123-185,187-255, 59-89 Condell Road 1-89, 91-121, 123-137 Replacement of door entry system	-	-	65	260
<b>Cunliffe Estate (Furzedown)</b>				
Cunliffe Street 2-32 Even Replacement of door entry system	3	6	-	-
<b>Doland Court (Graveney)</b>				
Replacement of door entry system	25	-	-	-
<b>Ethelburga Estate (St Mary's Park)</b>				
Ethelburga Tower Replacement of door entry system	13	21	-	-
<b>Galleons Estate (West Hill)</b>				
Beaumont Road 20-32 Replacement of door entry system	6	1	-	-
<b>Holgate Avenue (Latchmere)</b>				
Replacement of door entry system	120	-	-	-
<b>Robertson Street Estate (Queenstown)</b>				
Scott Court 1-24 Installation of door entry system	-	11	17	-
<b>Surrey Lane Estate (St Mary's Park)</b>				
Cranmer House, Compton House, Gardiner House Replacement of door entry system	39	67	-	-
<b>Wendelsworth Estate (Fairfield)</b>				
Replacement of door entry system	50	298	-	-

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

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b>William Willison Estate (West Hill)</b>				
Castlecombe Drive 33-61, 146-174, 176-204, 206-334				
Stapleford Close 1-34, 35-66				
Replacement of door entry system	10	100	12	-
<b>Boroughwide</b>				
CCTV Upgrade	1,022	360	-	-
<b>TOTAL ENTRYCALL &amp; CCTV</b>	<u>1,484</u>	<u>1,228</u>	<u>307</u>	<u>362</u>

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b><u>ENVIRONMENTAL &amp; ESTATE IMPROVEMENTS</u></b>				
<b>Battersea High Street (St Mary's Park)</b>				
Environmental Improvements	62	-	-	-
<b>Bellamy House Estate (Tooting)</b>				
Environmental Improvements	-	-	32	300
<b>Chelverton Court (Thamesfield)</b>				
Environmental Improvements	-	-	100	-
<b>Doddington Estate (Queenstown)</b>				
Doddington Square	262	53	-	-
<b>Fitzhugh Estate (Wandsworth Common)</b>				
Environmental Improvements	-	-	471	74
<b>Gideon Road/Tyneham Close (Shaftesbury)</b>				
Environmental Improvements	1	197	-	-
<b>Henry Prince Estate (Earlsfield)</b>				
Environmental Improvements	-	-	43	18
<b>Nightingale Square (Nightingale)</b>				
Environmental Improvements	40	-	-	-
<b>Totterdown Fields - Cowick Road</b>				
Environmental Improvements	-	-	300	100
<b>Waylands Road Estate (Latchmere)</b>				
Environmental Improvements	18	-	-	-
<b>Boroughwide</b>				
Playground Refurbishment	100	100	68	29
<b>TOTAL ENVIRONMENTAL &amp; ESTATE IMPROVEMENTS</b>	<u>483</u>	<u>350</u>	<u>1,014</u>	<u>521</u>



	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b><u>SITE DEVELOPMENTS</u></b>				
Aldrington South & Streatham Park (Furzedown)	675	1,150	51	-
Arnal Crescent 1-8 (West Hill)	457	620	25	-
Arnal Crescent 37-53 (West Hill)	-	80	350	640
Arnal Crescent/Bell Drive (West Hill)	10	-	-	-
Beaumont Road/Whitlock Drive (West Hill)	40	1,813	1,567	413
Deeley Road/Tidbury Road/Thessaly Road (Queenstown)	1,190	52	-	-
Fordyce House (Furzedown)	25	1,516	500	66
Gaskarth Road (Balham)	13	-	-	-
Nutwell Street (Graveney)	10	-	-	-
Rayners Road/Carlton Drive (East Putney)	3	-	-	-
Rowditch Lane (Latchmere)	231	-	-	-
Salter House (Furzedown)	10	250	1,750	43
Stag House (Roehampton)	573	20	-	-
Whitlock Drive 145-147 (West Hill) - Self & Custom Build Housing	-	-	30	1,218
<b><u>EXPANDED PROGRAMME</u></b>				
Badric Court (St Mary's Park)	10	700	1,100	251
Battersea Church Road (St Mary's Park)	600	6,500	12,000	19,400
Kersfield Estate (East Putney)	2,548	6,516	6,216	2,400
Patmore Street (Queenstown)	400	3,000	6,000	10,500
Platt Estate North (Thamesfield)	10	450	1,025	40
Platt Estate South (Thamesfield)	10	750	1,800	880
Putney Vale (Roehampton & Putney Heath)	80	120	3,000	2,460
Randall Close (St Mary's Park)	600	7,600	18,000	12,900
The Alders (Furzedown)	227	1,500	7,000	5,000
Winstanley / York Road - Block 5A (Latchmere)	-	6,000	12,000	6,000
Other Schemes/Feasibilities	800	1,000	1,000	-
Build Contingencies	900	-	-	-
<b>TOTAL SITE DEVELOPMENTS &amp; EXPANDED PROGRAMME</b>	<b>9,422</b>	<b>39,637</b>	<b>73,414</b>	<b>62,211</b>

	<u>2020/21</u> <u>£ '000</u>	<u>2021/22</u> <u>£ '000</u>	<u>2022/23</u> <u>£ '000</u>	<u>2023/24</u> <u>£ '000</u>
<b><u>REGENERATION PROJECTS</u></b>				
Project Team Costs	1,835	1,975	2,000	-
<b>ROEHAMPTON SCHEME</b>				
Phase 1 - Acquisitions	6,000	4,500	4,500	4,500
Procurement of Specialist Services	475	875	250	-
Residential Development Costs	3,551	12,934	11,646	-
Reprovision of Community Facilities	318	-	-	-
<b>Bessborough Road (Roehampton)</b>				
Satellite Site Development	2,400	461	275	-
<b>Fontley Way (Roehampton)</b>				
Satellite Site Development	450	500	4,800	397
<b>WINSTANLEY &amp; YORK ROAD ESTATE SCHEME</b>				
In Phase Acquisitions	8,000	15,400	7,700	6,600
Out of Phase Acquisitions	4,000	4,400	3,300	9,900
Procurement of Specialist Services	125	725	-	-
Residential Development Costs	2,803	5,130	19,995	25,627
Reprovision of Community Facilities	9,218	2,535	-	-
<b>Gideon Road (Shaftesbury)</b>				
Satellite Site Development	1,500	4,000	1,532	-
<b>Lavender Hill (Shaftesbury)</b>				
Satellite Site Development	-	-	1,048	222
<b>Shuttleworth Road (St Mary's Park)</b>				
Satellite Site Development	13,000	8,068	745	720
<b>Tyneham Close (Shaftesbury)</b>				
Satellite Site Development	-	-	298	2,549
<b>York Road (Latchmere)</b>				
Penge House & Inkster House - Acquisitions	1,000	4,500	4,500	-
<b>TOTAL REGENERATION PROJECTS</b>	<u>54,675</u>	<u>66,003</u>	<u>62,589</u>	<u>50,515</u>

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

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<b><u>PURCHASE OF PROPERTIES</u></b>				
Auction Replacement Acquisitions	24,203	-	-	-
Other Purchases	500	500	500	500
<b>TOTAL PURCHASE OF PROPERTIES</b>	<u>24,703</u>	<u>500</u>	<u>500</u>	<u>500</u>

**Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges****APPENDIX D****COUNCIL POLICY FOR SOCIAL RENT TENANTS (as amended)****Preamble:**

1. From 2020/21 the Council has been required to follow statutory directions requiring local authorities to set rents in line with the Rent Standard set by the Regulator of Social Housing.
2. The statutory directions set maximum levels for annual rent increases and rent levels for newly let properties and include a level of flexibility allowing discretion dependent on local circumstances.

**Council Policy from 2021/22 (amended from 2020/21):**

3. The Council will comply with the Rent Standard set by the Regulator of Social Housing.
4. When considering changes to rents paid by tenants in social rent properties it will take decisions in accordance with the following:
  - i) for tenants whose current rent levels **(inclusive of service charges)** fall above the (Council defined) affordability level linked to the overall benefit cap, there will be no increase applied. **Where the calculation for service charges would imply an increase, the basic rent would be adjusted downwards to compensate.**
  - ii) tenants in i) in receipt of benefits and subject to the overall benefit cap will be considered eligible for Discretionary Housing Payments (DHP) to mitigate the excess rents charged, as covered by the Council's DHP policy.
  - iii) **notwithstanding tenants covered by the provisions of i) any tenants with rents currently above the statutory Formula Rent Cap level linked to property size will be subject to a freeze or commensurately lower rise until such time as they are brought back within the capped level.**
  - iv) tenants, excluding those in i) and iii), whose rent levels fall above the 'rent flexibility level' of the Formula Rent in relation to their property + 5% (10% for supported housing properties) shall be subject to a maximum increase of the Consumer Price Index (CPI) (based on September CPI of the preceding year), **or other such variable increase up to CPI + 1% as is possible until such time as they are brought back within the flexibility level.**
  - v) all other tenants in social rent properties shall be subject to a maximum rent increase of CPI + 1%.

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

5. When setting initial rents for new occupants of social rent properties, such rents will by default be set in accordance with the following:
  - i) for all properties, with the exception of supported housing properties, rent shall be set at the Formula Rent for that property + 5%, **capped at the relevant Formula Rent Cap for size of property.**
  - ii) for supported housing properties, reflecting the fact that tenants pay a specific service charge for the supported housing element, the rent shall be set at the Formula Rent for that property, **capped at the relevant Formula Rent Cap for size of property.**
6. Notwithstanding the default rent levels outlined in 5 (above), initial rents for new occupants may on a case by case basis be set at lower levels (under delegations granted to the Director of Resources, in consultation with the Director of Housing and Regeneration) should this be deemed to be necessary to deliver other approved Council policies and objectives.
7. Where tenants are occupying Affordable Rent properties, but at social rent levels (and therefore not statutorily subject to social rent requirements under the Rent Standard), all decisions in relation to their rents will be aligned with the policy for tenants in Social Rent properties as outlined above, subject to this not conflicting with the Rent Standard in relation to Affordable Rent properties.

**Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges****APPENDIX E****HOUSING REVENUE ACCOUNT NON-RESIDENTIAL CHARGES****Table 1 – Garages (per week)**

	<b><u>Current Charge</u></b>	<b><u>Proposed Charge</u></b>
	<b>£</b>	<b>£</b>
Band A+	31.65	32.35
Band A	28.65	29.25
Band B	17.05	17.45
Band C	12.25	12.55
Band D	9.10	9.30
Water Rate	n/a	n/a

**Table 2 – Other Property (per week)**

	<b><u>Current Charge</u></b>	<b><u>Proposed Charge</u></b>
	<b>£</b>	<b>£</b>
Store shed - Band A	3.40	3.50
Store shed - Band B	2.65	2.75
Store shed - Band C	1.70	1.75
Motorcycle sheds	7.05	7.20
Parking Lots/Other non-domestic sites	9.30	9.50
Parking lots at Lockyer House	17.05	17.45
Cycle lockers	1.70	1.75

**Table 3 – Other Charges**

	<b><u>Current Charge</u></b>	<b><u>Proposed Charge</u></b>
	<b>£</b>	<b>£</b>
Replacement door entry fob	19.75	20.15
Replacement resident's parking permit	20.70	21.15
Replacement or additional sets of keys	Cost plus 20.70	Cost plus 21.15
Pre-assignment enquiries	180.10	183.90

**Notes**

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

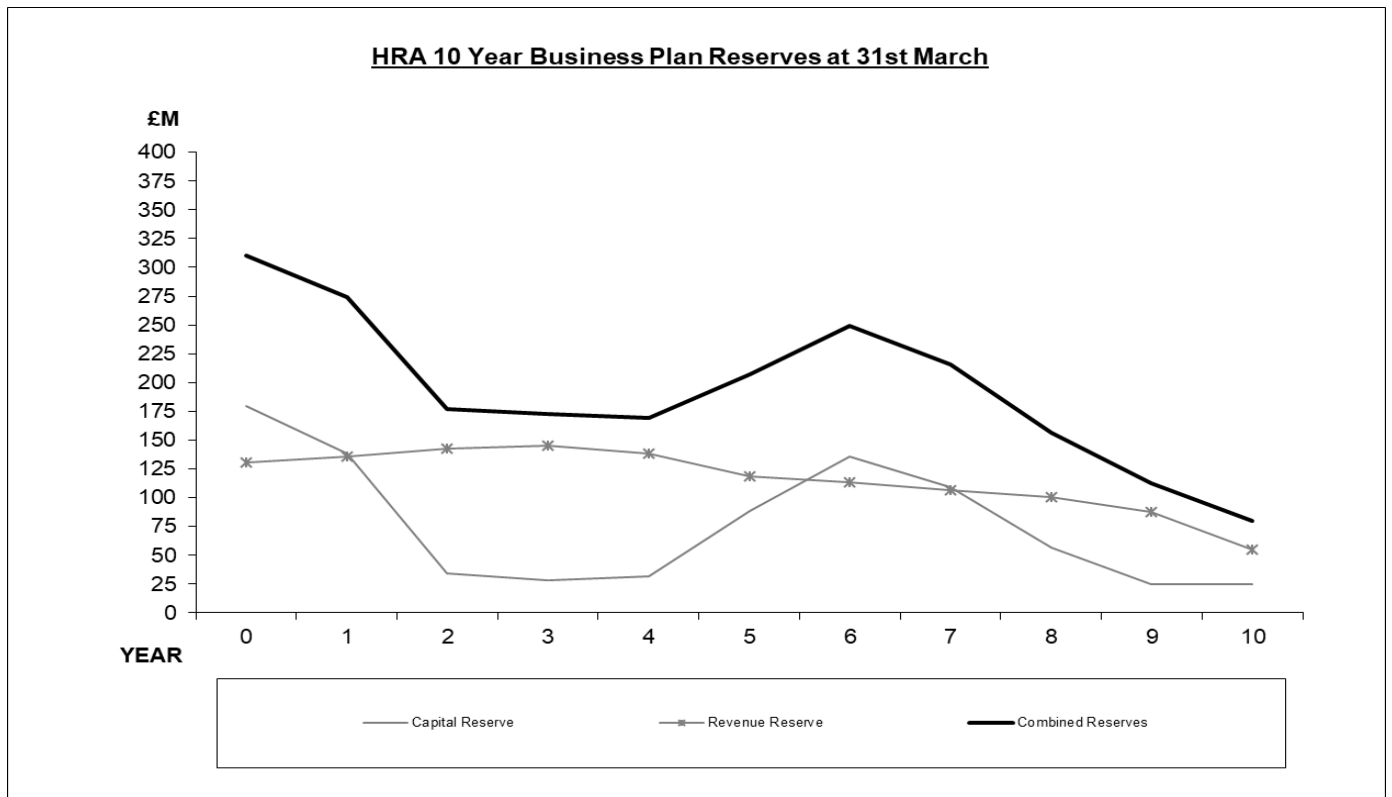
**Housing Revenue Account Rents for Council Dwellings and Non-Residential Charges****APPENDIX F****COUNCIL HOUSING BUDGET FRAMEWORK**

	Original Budget 2020/21 £'000	Revised Budget 2020/21 £'000	Budget 2021/22 £'000	Budget 2022/23 £'000	Budget 2023/24 £'000
<b><u>EXPENDITURE</u></b>					
<b>REVENUE</b>					
Supervision, Management & Maintenance					
Repairs & Maintenance	26,954	26,956	28,512	29,229	29,929
General Management	32,430	32,395	33,735	35,278	36,249
Special Services	16,102	15,762	16,009	16,435	16,838
Capital Financing Costs	38,278	41,636	35,590	40,261	50,625
Other Expenses	3,309	4,146	4,283	4,844	5,032
Depreciation (Contribution to Capital)	22,200	23,658	24,395	25,066	25,706
<b>TOTAL REVENUE EXPENDITURE</b>	<b>(139,273)</b>	<b>(144,553)</b>	<b>(142,524)</b>	<b>(151,113)</b>	<b>(164,379)</b>
<b>CAPITAL</b>					
Repairs and Improvements	59,298	18,384	61,047	50,394	40,527
Environmental, New Build & Regeneration	91,860	64,580	105,990	137,017	113,247
Purchase of Properties	10,092	24,703	500	500	500
House Purchase Grants	4,000	6,642	4,000	4,000	2,500
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>(165,250)</b>	<b>(114,309)</b>	<b>(171,537)</b>	<b>(191,911)</b>	<b>(156,774)</b>
	<b>304,523</b>	<b>258,862</b>	<b>314,061</b>	<b>343,024</b>	<b>321,153</b>
<b><u>INCOME</u></b>					
<b>REVENUE</b>					
Gross Rents – Dwellings	112,522	112,523	114,798	118,005	121,330
Gross Rents – Non-Dwellings	4,972	4,986	5,056	5,182	5,312
Leaseholder Service Charges	14,346	14,323	15,110	15,444	15,785
Other Income	16,912	18,010	14,506	14,775	15,434
<b>TOTAL REVENUE INCOME</b>	<b>(148,752)</b>	<b>(149,842)</b>	<b>(149,470)</b>	<b>(153,406)</b>	<b>(157,861)</b>
<b>CAPITAL</b>					
Contribution from Revenue (Depreciation)	22,200	23,658	24,395	25,066	25,706
Capital Receipts	4,000	17,950	3,500	2,628	1,311
Capital Grants & Reimbursements	36,804	23,945	14,254	2,195	4,930
Leaseholder Major Works Charges	6,170	3,000	4,581	4,868	4,769
Borrowing	4,667	4,550	35,833	148,799	120,726
<b>TOTAL CAPITAL INCOME</b>	<b>(73,841)</b>	<b>(73,103)</b>	<b>(82,563)</b>	<b>(183,556)</b>	<b>(157,442)</b>
	<b>222,593</b>	<b>222,945</b>	<b>232,033</b>	<b>336,962</b>	<b>315,303</b>
Total reserves at beginning of year	301,151	309,912	273,995	191,967	185,905
Surplus / (Deficit) in year	(81,930)	(35,917)	(82,028)	(6,062)	(5,850)
Total reserves at end of year	219,221	273,995	191,967	185,905	180,055

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

## APPENDIX G

### HRA 10 Year Business Plan Reserves Position





**SECTION 4  
PENSION FUND**

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WANDSWORTH BOROUGH COUNCILJOINT PENSIONS COMMITTEE – 17TH MARCH 2021Report on Pension Fund Budget 2020-2024 and Cash ManagementSUMMARY

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

The report proposes noting the estimated outturn for 2020/21, approving the merged Fund budget for 2021/22 and noting the projected budget of the fund for 2022/23 and 2023/24.

The report comments on the Fund's requirement to hold cash at the higher end of the asset allocation range and proposes options to maximise return on this holding while maintaining required liquidity.

**GLOSSARY**

LCIV	London Collective Investment Vehicle
MMF	Money Market Fund
NT	Northern Trust
VNAV	Variable Net Asset Value
LVNAV	Low Volatility Net Asset Value
CD	Certificate of Deposit
Tbill	UK Treasury Bill
Repo	Repurchase agreement
CPI	Consumer Price Index
AfC	Achieving for Children

**RECOMMENDATIONS**

1. The Joint Pensions Committee is recommended to:
  - (a) note the estimated outturn on the Pension Fund Revenue Budget for 2020/21;
  - (b) approve the Pension Fund Budget for 2021/22;
  - (c) note the projected budget for 2022/23 and 2023/24; and

## ***Pension Fund Budget and Cash Management***

- (d) agree to go overweight in equity and/or delegate authority to the Assistant Director of Resources (Financial Services) to open and use additional liquidity products for the purposes of maximising return on the Fund's cash allocation.

### **INTRODUCTION**

2. The Fund is required to set a budget as best practice. The purpose of the budget is to make formal projections of the likely cash flows of the Fund for the next three years. This demonstrates cash flow planning and management within the Fund. These high level projections are further supported by detailed daily cash flow monitoring to maintain sufficient cash in the Fund's bank and monitoring of cash held by the custodian and fund managers to ensure sufficient liquidity is maintained.
3. The Budget shown in Appendix A is based on the following information:
  - Contribution rates set in the 2019 valuation (including 2023/24 which would be the first year to use 2022 valuation rates).
  - Assumptions on pay awards (which impact contributions) and Consumer Price Index (CPI) inflation (benefits).
  - Trends in values for "one off" costs such as transfers into and out of the fund and strain costs. 2020/21 is not a typical year and is not included in trend data.
  - Returns and growth on pension fund investments being in line with the valuation target of 4.5%.
4. The budget shows that the net cash flow from dealing with members is consistently negative. This means that an element of the Fund's investment return needs to be used to support these payments, as well as the costs of administration, governance and investment management. This information will be used by Investment Consultants in setting asset allocations which provide sufficient cash returns to cover this shortfall, either from contractual cash flows or redemptions.
5. The budget includes estimates of regular payments, or payments where we can look at an ongoing trend. It does not include significant one off payments, such as bulk transfers between funds, unless there is certainty on the amount and date of the transfer. This means the transfer of staff from Royal Windsor and Maidenhead to Achieving for Children (AfC) is not currently included as the date and final value is not yet known.
6. Investment revenue returns are included here, although the Fund has a mix of accumulation and redemption instructions to manager for dealing with returns. This means that returns are not all currently available as cash, although it is possible to change instructions to managers if additional cash is needed. Any unrealised return (change in the value of investments held) is excluded.

## ***Pension Fund Budget and Cash Management***

### **PROJECTIONS FOR 2020/21**

7. The original surplus estimated for 2020/21 is now forecast to be higher than anticipated. The majority of this change is due to the low value lump sum retirement benefits being taken, which is due to the impact of Covid on people's retirement decisions, and similarly reduced strain costs are due to fewer redundancy situations. The value of transfers into and out of the fund have both reduced by compensating amounts, again due to low staff mobility. The other significant change is the increase in investment income, which shows the impact of the Fund's use of revenue generating investments in infrastructure and private debt to manage its cash flows. The projections for returns on investments are mostly in line with budget, except for custody fees where the budget did not take into account the additional costs of administering the infrastructure and private debt managers.

### **FUTURE ESTIMATES**

8. The Pension Fund is continuing to mature with increasing withdrawals from dealings with members. The recent asset allocation review increased the Fund's investments in asset classes with contractual income streams to protect the Fund from liquidity concerns. However, these new investments have a lead in time until they are fully funded, with the managers appointed in 2018 not having started to generate significant cash flows until 2020.
9. While benefit payments and employer contributions are fairly predictable, with the main driver for change being inflationary increases, other areas such as investment income and expenses can be more challenging due to their link to market performance.

### **CASH MANAGEMENT**

10. The Fund holds low cash balances with its bank with most of the cash allocation held with its custodian, Northern Trust (NT). The cash balance is derived from revenue returns from investments and currency hedging. The purpose of this cash is to cover the operational deficit identified in the budget, future capital calls from the infrastructure and private debt funds, and to pay any costs of the currency hedge at month end.
11. The Fund has a 1% asset allocation (range of 0.5%-3%) to cash. There are capital calls expected from infrastructure and private debt managers of around £93m over the next 12 months. Higher cash balances are needed while these investments are still in the draw down stage and the Committee agreed to exceed the 3% upper limit (currently approx. £80m) with this and potential hedge settlement values in mind.
12. NT cash is currently invested in a same day liquidity Money Market Fund (MMF). The return on such funds is commensurate with the high liquidity and certainty of value that they offer. The pooled investment will include highest grade liquid debt

## ***Pension Fund Budget and Cash Management***

instruments. The balance held with NT is currently around £100m and the return from the MMF is currently around 0.00% with the potential to become negative. This is in line with similar products used by the councils for their own daily liquidity.

13. The Fund does not normally require daily liquidity with Northern Trust. Therefore, there is scope to split the cash held between the current daily liquidity MMF and one or more short access cash equivalent product to improve the return on cash held. There is a trade off between liquidity and return so moving cash to a less liquid option would generate more income for the Fund. Balances would need to be monitored and notice given to ensure cash is available when needed.
14. Monthly cash flows are not fully predictable because call notice timing and value and the impact of hedging are not predictable. However, the likely maximum use of cash in a month is £20m based on historic data. Therefore, there is no need to hold the full £100m with same day liquidity. The cash balance could be split between same day and short term access requirements. Based on up to £20m cash requirement per month, £50m should cover 3 months of cash requirements. This would currently leave £50m which could be invested short term.
15. Councils manage their cash with similar objectives, using cash flow projections to choose from a range of cash investment options to maximise return while maintaining liquidity and principal. This is undertaken by Treasury Management teams, working within an agreed Treasury Investment Strategy, with day to day decision making (in line with the agreed Strategy) delegated to council officers. While the Fund is running significantly higher cash balances, it should consider a similar delegation of cash management to its investment team. Officers in the team have the relevant skill set and experience to undertake this if required.
16. The following table compares the current MMF with some alternative options for liquid investments. It should be noted that the current returns are very low across all products, and the 1 year historic data is more typical of returns for these products :

Product	Duration	Underlying Assets	Return		
			Benchmark	Current	1 year
Current NT same day (LVNAV MMF)	Ongoing with same day access	Cash and cash type debt instruments (CD, TBills, repos, etc)	7 day LIBID	0.00%	0.17%
Notice account	Ongoing with 1 month notice	Bank account	Bank Rate	0.10%	0.10%
Enhanced Money Market Fund (VNAV)	Ongoing with 1 day notice	Debt instruments used by LVNAV but also with longer duration	e.g. FTSE GBP EuroDep	0.03%	0.22%
Short Funds (VNAV)	Ongoing with 2 day notice but recommend 3-9 months	A mix of cash and less liquid instruments which can include ABS	e.g. Gilts	-0.03%	0.99%

17. The current NT MMF gives same day liquidity with very minimal risk of change to value of the investment. To achieve this it uses highly rated corporate or government issued instruments with short dates and an active market. Returns will therefore vary with market value for these instruments. This low risk low duration approach makes it highly suitable for managing daily liquidity needs, but limits the return it can generate.

## ***Pension Fund Budget and Cash Management***

18. Notice accounts have the same security as the bank used. A notice account could be opened very quickly with the Fund's bank, and the rate shown above the NatWest rate. NatWest is approved by the council for up to £50m investment. Rates for these accounts generally track Bank Rate and therefore would not normally generate a return comparable to the other options, but in recent months these have compared very favourably with daily liquidity funds. The link to Bank Rate gives higher stability in rates. It should be noted that the notice period covers customer withdrawals and a change of rate by the bank, therefore allowing customers to avoid suffering negative rates should these be set. While notice accounts may require classification as investments in the Fund's Accounts, they would still fall under the cash allocation in the ISS.
19. Enhanced MMF are used by the Council to maximise return with short liquidity. They have short notice periods like T+1 so like all notice funds are used with same day liquidity options. These funds tend to have a longer average duration of underlying assets which increases their volatility while giving enhanced returns over the period invested. This enhance return comes with a risk of capital loss if funds are drawn at a time when returns are low.
20. Short term funds use a wider range of underlying investments than MMF, and therefore have higher volatility and higher risk of capital loss. NT offer a Sterling Conservative Ultra Environmental Social Governance Fund which could also be set up very easily and managed under existing arrangements with the custodian. This product targets outperformance of gilts, and therefore has more volatility than the other options, but also should give a higher average return. The liquidity is trade date + 2 days with daily trading. The latest available fact sheet for this account is attached at Appendix B showing very favourable historic returns, and this product did outperform the other options for the whole of 2020. This option is likely to give a significantly better return than a bank account over the medium term but with more risk and volatility (as demonstrated in the current negative return) which may make it less acceptable for short term cash management.
21. Although not generally used in cash management, equities are a highly liquid asset class. The Fund has passive global equity managers who have T+3 liquidity, so there is the option to make use of the existing arrangements to access equity returns. The drawback of this option is that equities are volatile so there is significant price risk involved, even if officers have several weeks notice of the need for cash. While there is always the option to sell equities to meet liquidity, this will crystallise any market gain or loss at that date. The Fund is currently overweight in equity as it transitions out of its UK equity mandates to the lower total equity allocation, so this option would require the Committee to accept a slight increase in this overweight position.
22. It should be noted that while T+2 liquidity qualifies the short funds as a cash equivalent, they hold underlying assets which are not cash, and with longer duration than the MMF already used. These funds also have some volatility and therefore increased risk of loss, compared to pure cash investments which have low risk of principal (based on the credit rating of the counterparty) but give a commensurately lower return. This report assumes the Committee are comfortable holding these assets within its cash allocation, as they are being held for cash management and liquidity purposes and not as long term investments.

## ***Pension Fund Budget and Cash Management***

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The Town Hall  
Wandsworth  
SW18 2PU

Fenella Merry  
Director of Resources

9th March 2021

### **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](http://www.wandsworth.gov.uk/moderngov)) unless the report was published before May 2001, in which case the Committee Secretary (Emma Calvert - 020 8891 7780; email: [emma.calvert@richmondandwandsworth.gov.uk](mailto:emma.calvert@richmondandwandsworth.gov.uk)) can supply it if required.

## Pension Fund Budget and Cash Management

### APPENDIX A

#### Pension Fund Revenue Budget and Projections 2020/21 to 2023/24

	Actual Outturn 2019/20 £000	Original Estimate 2020/21 £000	Projected Outturn 2020/21 £000	Projected Variance 2020/21 %	Budget Estimates		
					2021/22 £000	2022/23 £000	2023/24 £000
<b>Contributions</b>							
Contributions Receivable from:							
Employees	15,607	15,700	15,571	-1%	15,760	15,920	16,080
Employers Normal	46,873	46,900	46,292	-1%	47,340	47,810	48,290
Employers Strain costs	2,396	1,400	673	-52%	1,400	1,410	1,420
Transfer In	8,632	8,100	2,768	-66%	8,180	8,260	8,340
<b>Benefits Payable</b>							
Pensions	-67,042	-69,300	-68,247	-2%	-69,410	-70,590	-71,790
Lump Sum Retirement Benefits	-11,429	-13,200	-8,509	-36%	-8,590	-8,680	-8,770
Lump Sum Death Benefits	-1,154	-800	-1,138	42%	-1,150	-1,160	-1,170
Transfers Out	-18,793	-9,100	-3,989	-56%	-9,190	-9,280	-9,370
<b>Net Additions/Withdrawals from Dealing with Members</b>	<b>-24,910</b>	<b>-20,300</b>	<b>-16,579</b>	<b>-18%</b>	<b>-15,660</b>	<b>-16,310</b>	<b>-16,970</b>
<b>Returns on Investments</b>							
Investment Income (revenue only)	39,505	41,800	44,000	5%	45,760	47,590	49,490
Investment Management Expenses	-8,165	-9,300	-9,300	0%	-9,670	-10,060	-10,460
Establishment	-946	-900	-950	6%	-960	-970	-980
Custody	-50	-35	-60	71%	-60	-60	-60
Legal & Consultancy	-177	-150	-139	-7%	-160	-210	-160
<b>Total</b>	<b>5,257</b>	<b>11,115</b>	<b>16,972</b>	<b>-166%</b>	<b>19,250</b>	<b>19,980</b>	<b>20,860</b>