

# COUNCIL BUDGETS

2017-2018





## WANDSWORTH BOROUGH COUNCIL – BUDGET BOOK 2017/18

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**SECTION 1**  
**COUNCIL'S REVENUE BUDGET AND COUNCIL TAX**

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This section sets out how the 2017/18 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 18th January 2017 and 22nd February 2017, and by the Council on the 8th March 2017. The section contains appendices summarising the budgetary effect of developments and of repricing from November 2015 to 2016, levies from other public bodies, special reserves, and the council tax base.



AS PROVIDED FOR UNDER SECTION 100B(4)(b) OF THE LOCAL GOVERNMENT ACT 1972, THE CHAIRMAN OF THE COMMITTEE IS OF THE OPINION THAT THIS REPORT SHOULD BE CONSIDERED AT THE MEETING AS A MATTER OF URGENCY, BY REASON OF SPECIAL CIRCUMSTANCES WHICH ARE THAT THE COUNCIL IS REQUIRED TO CALCULATE ITS BUDGET REQUIREMENT AND THE AMOUNTS OF COUNCIL TAX FOR EACH CATEGORY OF DWELLINGS IN ITS AREA BEFORE 11TH MARCH 2017.

PAPER NO: **17-96**

WANDSWORTH BOROUGH COUNCIL

FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY  
COMMITTEE – 22ND FEBRUARY 2017

EXECUTIVE – 27TH FEBRUARY 2017

Report by the Director of Finance on the Council Tax Requirement and Council  
Tax for 2017/18

SUMMARY

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£m	£m	£m	£m
Council Tax Requirement	50.786	<b>53.890</b>	59.308	67.162
Average Band D Tax amount:	£	£	£	£
Council	403.91	<b>420.02</b>	455.85	509.18
Greater London Authority	276.00	<b>280.02</b>	280.02	280.02
TOTAL	679.91	<b>700.04</b>	735.87	789.20
Total for majority of Borough	674.22	<b>694.00</b>	729.77	783.02
Total for Conservators' area	701.19	<b>722.61</b>	759.09	813.08

GLOSSARY

DCLG	-	Department for Communities and Local Government
GLA	-	Greater London Authority
LPFA	-	London Pension Fund Authority
NNDR	-	National Non-Domestic Rate

RSG	-	Revenue Support Grant
SFA	-	Settlement Funding Assessment
W&PCC	-	Wimbledon and Putney Commons' Conservators

## RECOMMENDATIONS

1. The Finance and Corporate Resources Overview and Scrutiny Committee are recommended to support the recommendations of the Cabinet Member for Corporate Resources, shown in paragraph 2. If they approve any views, comments or recommendations on this report, they will be submitted to the Executive for their consideration.
2. The Cabinet Member for Finance and Corporate Resources recommends the Executive as follows: -
  - (a) to approve the General Fund and HRA budget variations and further spending requirements shown in paragraph 8 and in Appendix D;
  - (b) to endorse the proposals for reserves as described in paragraphs 15 to 19 and as summarised in Appendix F;
  - (c) to approve accordingly the proposed council tax requirement and the proposed council tax amounts for 2017/18 as described in paragraphs 30 and 34;
  - (d) to recommend the Council, in the form shown in Appendix G and Appendix H, to give effect to the council tax requirement and council tax amounts for 2017/18 so determined;
  - (e) to recommend the Council to adopt the budget framework shown in Appendix J, subject to any variations subsequently approved by the Executive within the overriding restrictions that unearmarked reserves should not be forecast to fall below £6.75 million in 2017/18 nor the council tax band D forecast for the next two years rise by more than a further £52.61 (paragraph 41);
  - (f) to agree that, should it be necessary following the meeting of the Greater London Authority (GLA) on 20th February, the Director of Finance be authorised to update the content of this report for any changes to the GLA's band D council tax and related GLA budget reported within this report, for the approval of full Council at its meeting on 8th March 2017.

## INTRODUCTION

3. Section 32 of the Local Government Finance Act 1992 requires the Council to calculate its budget requirement before 11th March, and Section 30 requires that by the same date the Council sets amounts of council tax for each category of dwellings in its area. The Council's Constitution requires the Executive to submit to the Council, in February or early March, after having regard to the advice of the



Director of Finance, its estimates in relation to revenue budgets for the current financial year, the revenue budgets for future financial years including allocation to different services and projects, and reserves for specified and general contingencies for the forthcoming financial year, the budget requirement and basic amounts of tax.

4. For these calculations, this paper updates the revenue budget for 2017/18 approved in January in Paper No.17-18 to include the latest estimates of expenditure and notified levies and precepts. The revenue budget is set out in paragraph 9. The financial reserves appropriate for specific purposes are reviewed in paragraphs 15 to 19 and paragraph 21 refers to the need for a general reserve appropriate to meet contingencies. The calculation of the council tax requirement is described in paragraph 29. Paragraphs 31-35 present the calculations of the Council's share of council tax, and discuss the risks of the requirement for a council tax referendum. Paragraph 36 sets out the requirements of the Greater London Authority. The results for taxpayers in 2017/18, allowing for this precept, are set out in paragraphs 37 and 38. The prospects for taxpayers in subsequent years and the recommended revenue budget framework are discussed in paragraph 41. Appendix A shows the number of taxpayers in each valuation band (as in the tax-base calculation by the Director of Finance under delegated authority), and the impact on taxpayers (before council tax support) of each £1 million added to the budget requirement.

## **COUNCIL NET REVENUE EXPENDITURE**

### **Service Revenue Budgets**

5. In January 2017 the Executive approved an aggregate budget for 2017/18 of £177.642 million at November 2016 prices after allowing for certain budget variations (Paper No. 17-18). A copy of the report by the Director of Finance on the Council's budget plans for 2017/18 and future years was placed on the Economic Development Office business home page on the Council's website. Written comments were invited by 8th February in order to be considered by the Finance and Corporate Resources Overview Committee and the Executive. No comments were received.
6. Since the approval of the budget in Paper No 17-18, a number of other adjustments have been accommodated, including changes in levies and charges as notified by bodies empowered to make levies or charges upon the Council, changes in specific grants and other technical accounting adjustments. The details of all the levies and charges are given in Appendix C.
7. The allowance recommended for inflation from November 2016 prices through to 2017/18 outturn is £4.9 million. Further increases for 2018/19 and 2019/20 of £6.956 million and £6.768 million respectively are also recommended.
8. Budget variations at committee meetings in this cycle, together with budget variations approved under Standing Order procedures, are detailed in Appendix D. This includes capital and Housing Revenue Account budget variations.

### Council's Revenue Expenditure

9. Subject to approval of the revenue budget variations, the Council's net expenditure for 2017/18 through to 2019/20 is as follows:

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£m	£m	£m
Budgets as per Paper No. 17-18 (as adjusted)	176,869	170,319	171,384
Budget variations (Appendix D)	-34	-520	-520
Provision for inflation	4,905	11,861	18,629
<b>Revised committee budgets</b>	<b>181,740</b>	<b>181,660</b>	<b>189,493</b>
New Homes Bonus	-13,288	-11,474	-10,831
Non-Service Specific Grants	-2,138	-	-
Improved Better Care Fund	-1,964	-8,152	-13,349
<b>Council Net Expenditure</b>	<b>164,350</b>	<b>162,034</b>	<b>165,313</b>

10. The committee budgets total for 2017/18 is analysed by committee and by income and expenditure categories in Appendix B. The Executive approved the aggregate budget (Paper No 17-18), consolidating budget variations approved during the year, developments and budget transfers. The net effect of inflation is £4.9 million and the level of levies and charges included within committee budgets is outlined in Appendix C. Further developments are recommended in paragraph 8 and Appendix D which reduce committee budgets by £34,000.

### Adult Social Care "Precept"

11. The Government's spending review announced last year that for the rest of the current Parliament authorities responsible for adult social care would be "given an extra 2% flexibility on their current council tax referendum threshold to be used entirely for social care". As part of the Provisional Local Government Finance Settlement issued on 16th December 2016 the Secretary of State indicated that local authorities could, if they could demonstrate improvements in adult social care, increase the adult social care precept in 2017/18 from 2% to 3%. This additional 1% charge on council tax would generate £0.5 million of income per year. The Improved Better Care Fund and the Adult Social Care Support Grant allocation for 2017/18 together with a 2% precept raise in excess of £4 million. This is sufficient to fund existing known spending pressures in adult social care, including inflationary pressures. In light of this it is not recommended that the social care precept be raised by 3% in 2017/18 but that the precept for the coming year be a further 2%. The precept will be shown on the face of council tax bills and in the information supplied with the demand notice.

### New Homes Bonus

12. The New Homes Bonus was introduced in 2011 and provides a Government grant equivalent to the increase in council tax revenues that would otherwise be

**(Paper No. 17-96)**

generated from new housing stock, but calculated using national council tax rates. Originally the grant was payable on cumulative growth in housing stock for the previous six years. However, following a review of the arrangements, the Government has announced that for 2017/18 payments will be based on the previous five years' growth and for 2018/19 onwards for the previous four years. In both cases this is after a deduction for assumed housing growth. Despite these adjustments the Council has received an increased New Homes Bonus figure of £13.288 million for 2017/18. For budgeting purposes a reduced level of grant has been reflected in future years.

### **Improved Better Care Fund**

13. The Government has announced indicative funding for the Improved Better Care Fund which, together with the 2% adult social care precept from council tax payers, is expected to assist with pressures within social care. The Council's allocation for 2017/18 is £1.96 million with further indicative allocations of £8.2 million in 2018/19 and £13.3 million in 2019/20. In line with the Council's usual arrangements these grant allocations have been included in the budget for each year. No formal guidance on the use of this funding has yet been received from central government and therefore any subsequent need for budget variations resulting from guidance on expected expenditure or spending pressures will be dealt with through the usual arrangements.

### **GENERAL FUND REVENUE RESERVES**

14. The calculation of the Council's requirements has to include the amount of financial reserves which it will be appropriate to raise or use in the financial year. The Council has no need for reserves for two of the purposes which it is obliged to consider: to cover deficits remaining from any earlier financial year (as there are none), and to cover 2018/19 expenditure to be incurred before revenues for that year are available (as this can be met within the Council's temporary borrowing limit).

### **Special Reserves**

15. The special reserves are those appropriate for meeting future expenditure in performing the Council's functions. The reserves, their purposes and the expected change in their balances under existing policies are shown in Appendix F, although those relating to the Housing Revenue Account and schools are not directly relevant. There are however a number of changes to reserves which need to be highlighted due to changes in future use of reserves.
16. The first is with regard to pensions. The Council currently has three identified specific reserves to deal with potential pension related future costs. These are the Employer's Pensions Contributions Reserve, the Enhanced Pension Fund Reserve and the London Pensions Fund Authority (LPFA) Deficit Reserve. As at 31st March 2016 the total balance on these three reserves was £53.204 million with planned use of £1.9 million in 2016/17. In the past twelve months a number of changes have taken place which are relevant when considering these reserves. Firstly, as reported to the Pensions Committee in Paper No. 17-40, the Wandsworth Council element of the Pension Fund is now fully funded. Secondly,

negotiations between the London boroughs and the LPFA are close to reaching a conclusion on how to deal with the ex-GLC/ILEA liabilities and thirdly the Schools' Forum has agreed to pay for the schools' element of teachers' pensions liabilities not covered by the teachers' pension scheme. It should be noted that although the Wandsworth element of the Pension Fund is fully funded as at the valuation date of 31st March 2016 there is no guarantee that this will be the case following subsequent valuations (the next ones being due in 2019 and 2022). It would in my view therefore be imprudent to release all of this reserve. However, the current Medium Term Financial Strategy proposed that the reserve be utilised to fund the deficit funding element equivalent to 3% of employer's contributions. Although there is no deficit contribution now the increase in the active employer's contribution is 2%, equivalent to £1.2 million per annum. It is therefore proposed to transfer £6 million from the Employer's Pensions Contributions Reserve to the Financial Resilience Reserve to enable the increase in the active employers' rate to be borne without recourse to council tax.

17. Taking into account other movements in year this would leave a balance on the three funds of £44.454 million as at 31st March 2017 and it is now proposed that these balances are combined to create a single Pensions Resilience Reserve which will meet the costs of payments to the LPFA and the costs previously charged to the Enhanced Pension Fund Reserve. It is also recognised that these funds will in all probability not be required until at least 2022, and in light of this it is proposed to invest these funds over a longer term to maximise returns that the current treasury management policy allows in investments akin to those currently used by the Pension Fund itself. The Treasury Management Policy (Paper No. 17-95 elsewhere on this agenda) includes these changes. The net impact of these changes will be to increase investment income by £640,000 per annum which is included in the net budget requirement.
18. There are also three changes to reserves arising from the implementation of the shared staffing arrangement with Richmond Council. The first relates to the Council's long standing practice of allowing support services to carry forward surplus balances of up to 5% of turnover each year. As at 31st March 2016 this amounted to £0.89 million. In order to avoid any potential cross subsidy with Richmond Council it is now proposed that these balances be returned to the General Fund working balance. The second change relates to the balances of accrued surpluses from the Council's Operational Services and Design Service Direct Service Organisations (DSOs). These surpluses are used to enable future investment in plant and equipment or to meet redundancy costs if they arise. As at 31st March 2016 these balances amounted to £3.857 million. It is proposed to formally set up a DSO Reserve to cover this. The third item also relates to the Operational Services DSO and deals with the additional income accruing to the Council from charging the DSO a quasi-market rent for premises rather than cost and to date this has accrued £775,000. It is proposed that this balance is transferred to the General Fund working balance and that in future years this rental income is credited directly to the General Fund creating an ongoing reduction in the budget requirement of £100,000.
19. The Cabinet Member for Finance and Corporate Resources has been consulted and supports the proposed changes to these specific reserves as detailed above.

**General Reserves**

20. The general reserves at 31st March 2017, on the basis of previous reports and the current outlook for 2016/17, would then be:

	Original £m	Revised £m	£m
Estimated General Fund balance 01/04/16			14.000
General Fund balance 01/04/16	14.000	15.748	1.748
Use of Balances and Reserves:			
Renewals Fund	0.051	0.731	0.680
Specific Grant Reserve	0	1.400	1.400
Finite Services Fund	0	0.200	0.200
Business Rates Volatility Reserve	-0.554	-0.554	0
LPFA Deficit Reserve	-0.150	0	0.150
Financial Resilience Reserve	6.800	6.800	0
Employers Pension Contribution Reserve	1.900	1.900	0
Children's Services Recovery Reserve	0	4.600	4.600
Service Transformation Reserve	5.000	5.000	0
Enhanced Pension Fund Reserve	0	0.850	0.850
Recognition of In Year Balance Transfers	0	1.665	1.665
Committee Budgets 2016/17	-179.423	-188.911	-9.488
Planned Contribution to General Reserve			-1.546
Estimated General Fund balance 31/03/17			<u>14.259</u>
Recommended for contingencies for 2017/18			<u>13.500</u>
Excess over required contingency			<u>0.759</u>

21. The Council must make an appropriate prudent allowance for contingencies for the forthcoming year. In addition, under Section 25 of the Local Government Act 2003, the Council's Chief Financial Officer must report to the Council on the following matters:
- (a) The robustness of the estimates made for the purposes of the calculations; and
  - (b) The adequacy of the proposed financial reserves, having considered the proposals within this paper.
22. The Director of Finance considers the estimates to be robust and that it would be prudent to retain a general reserve for contingencies of all kinds of about £13.5 million. This is £0.5 million less than in previous years and reflects the reducing net budget requirement. The full range of uncertainties in the next financial year is indicated by the items shown in Appendix E. With the estimates shown above and a projected in year underspend, £1.359 million is available to reduce the council

tax requirement for 2017/18. The Cabinet Member for Finance and Corporate Resources has been consulted and concurs with this proposal.

## USE OF BALANCES AND RESERVES

23. The Council's net expenditure is reduced by drawing on balances and reserves as follows:

<u>Use of Balances and Reserves</u>	2017/18 £m	2018/19 £m	2019/20 £m
Council's Net Expenditure (para.9)	164.350	162.034	165.313
Use of balances:			
General Fund Working Balance	-1.359		
Renewals Fund	-0.097	-0.097	-0.097
Use of earmarked reserves:			
Financial Resilience Reserve	-1.200	-1.200	-1.200
 Net Expenditure after Use of Balances and Reserves	 161.695	 160.737	 164.016

## LOCAL AUTHORITY FINANCE SETTLEMENT

### Settlement Funding Assessment (SFA)

24. 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. The four year SFAs contained in the 2016/17 settlement (as subsequently adjusted) and accepted by the Council are as follows:

<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
£114.6m	£106.037m	£101.429m	£96.854m

25. The provisional SFA for 2017/18 is broadly in line with expectations and £8.6m less than the 2016/17 settlement. It is not anticipated that this figure will be amended by the Final Local Government Finance Settlement.
26. The SFA includes the Council's share of retention of Business Rates which based on Government assumptions for 2017/18 would amount to £34.48 million. This

has been adjusted to take account of the national revaluation of Business Rates which has seen an increase in assumed retained business rates of £2.2m and a corresponding reduction in business rates top up to retain the overall SFA at previously agreed levels. The position on the Council's estimated Business Rates yield for 2017/18 as calculated on the statutory return (NNDR1) indicates the yield to be £114.058 million, with the Council's 30% share being £34.217 million. The NNDR1 calculation is the basis for payments from the Collection Fund to the Council's General Fund (30%), the GLA (37%) and the DCLG (33%). The Government in January 2017 issued the Local Government Finance Bill which contains the enabling legislation for the re-localisation of Business Rates. Virtually all of the details on the arrangements which are anticipated to come into effect from April 2020 will be contained in regulations that are yet to be published and as such it is not possible to give a definitive view at this time of the impact of the new funding regime on the Council's funding post 2020.

### **Small business and other rate reliefs**

27. The Government announced an extension of the increased relief for small businesses that impact on the Council's business rate yield. This has been compensated for by Government grant of £1.51 million and has been included within the budget requirement.

## **CALCULATION OF COUNCIL TAX AMOUNTS**

### **Collection Fund**

28. The tax requirements of the Council are aggregated with those of the precepting authorities within the Collection Fund. The Council's part represents its budget requirement less its share of retained Business Rates and RSG, and any Collection Fund surplus or deficit. With regard to the council tax element, it is estimated that the Collection Fund will have a surplus of £3.115 million at 31st March 2017. Of this amount £1.851 million will be credited to the Council's General Fund in 2017/18. The remainder is passed to the GLA. Local Business Rates due are also credited to the Collection Fund and were shared between the Council (30%), the GLA (20%) and the DCLG (50%) in 2016/17. The estimated deficit on the Collection Fund in respect of Business Rates at 31st March 2017 is £6.05 million (of which the Council's share is £1.815 million) which is a reduction on the previous year's deficit of £9.1 million. The Council's share of this deficit will be met by a transfer from the Business Rates Volatility Reserve. The 2017 revaluation has caused a degree of uncertainty due to the unknown impact of appeals and the Council has prepared its estimates of income from business rates including a significant contribution to the provision for appeals. In light of this it is not proposed to replace the amounts applied against the deficit in the Business Rates Volatility Reserve.

### **Wandsworth Council Tax Requirement**

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

Council Tax 2017/18

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£m	£m	£m	£m
Net Expenditure after use of balances and reserves	164.830	161.695	160.737	164.016
Collection Fund Surplus (-)/Deficit (+)	0.335	-2.035		
	<u>165.165</u>	<u>159.659</u>	<u>160.737</u>	<u>164.016</u>
Less:				
Retained Business Rates	-31.402	-34.217	-35.594	-36.860
Business Rates Top-Up	-36.021	-34.538	-35.650	-36.918
Revenue Support Grant	-46.957	-37.014	-30.185	-23.076
	<u>-114.380</u>	<u>-105.770</u>	<u>-101.429</u>	<u>-96.854</u>
<b>Wandsworth Council Tax Requirement</b>	<b>50.786</b>	<b>53.890</b>	<b>59.308</b>	<b>67.162</b>

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

**Council Tax Base**

31. The Council tax bases are calculated annually by the Director of Finance following delegation of the determination by the Council at its meeting on 4th February 2004. These have now been determined as 128,303 for the borough as a whole, and 27,090 for the Wimbledon and Putney Commons Conservators' (W&PCC) area. The figures for 2016/17 were 125,734 and 26,536. Growth of 1,800 properties per annum has been assumed for future years. The tax base figures incorporate the effect of Council Tax Support on the tax base.

**Wimbledon and Putney Commons Conservators (W&PCC)**

32. The Council is required to treat as a special expense the levy of the W&PCC, and formally resolved to do so for successive financial years at its meeting on 10th March 1993. For 2017/18 this levy amounts to £775,008, an increase of £59,459 on the levy for 2016/17. As a special expense it must be charged only to taxpayers within the Conservators' area, who will therefore have tax amounts £28.61 (£26.97 in 2016/17) higher than elsewhere in the Borough at band D (applying the 27,090 tax base figure for the Conservators' area and after allowing for roundings in calculations), with proportionate differences in other bands. The Conservators' total levies, including those parts of their area in other boroughs, amounts to £1.136 million in 2017/18, an increase of £80,300 (7.6%). For those tax payers affected in Wandsworth, the increase at band D is £1.64.
33. The Council has to calculate first an average band D tax element (dividing the tax needs shown in paragraph 29 by the 128,303 tax base figure), and then separate amounts for the majority of the Borough (excluding the special expenses) and for the Conservators' levy area. The statutory form of statement is shown in [Appendix H](#) and the amounts are:



	<b>Average</b>	<b>Majority</b>	<b>W&amp;PCC</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>2017/18</b>	<b>420.02</b>	<b>413.98</b>	<b>442.59</b>
<i>2016/17</i>	<i>403.91</i>	<i>398.22</i>	<i>425.19</i>

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

### **Council Tax Referenda**

35. The Government has confirmed the council tax referendum thresholds for 2017/18 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 by up to 2% for each year between 2017/18 and 2019/20 or, in defined circumstances, by up to 3% in some but not all of those years (capped at a total increase over the three year period of no more than 6%).

### **Greater London Authority**

36. The Mayor of London has issued a consultation document on the GLA budget requirement and precepts which shows the total GLA precept increasing from £276 to £280.02 (an increase of 1.5%) for 2017/18. The GLA is due to consider its final budget on 20th February 2017 i.e. after the agenda for this meeting has been despatched but before the meeting itself. Should the GLA change their provisional budget and/or council tax requirement, the relevant changes will be incorporated in this report for consideration by the Council when considering the council tax requirement.

### **COUNCIL TAX AMOUNTS**

37. Combining this Council's tax amount with that of the GLA produces total band D amounts as follows for 2017/18:

	<b>Average</b>	<b>Majority</b>	<b>Conservators'</b>
	<b>£</b>	<b>£</b>	<b>Area</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Wandsworth Council	420.02	413.98	442.59
Greater London Authority	280.02	280.02	280.02
	<u>700.04</u>	<u>694.00</u>	<u>722.61</u>

38. The amounts for all valuation bands are shown in Appendix H part (f). The amounts for 2017/18 should remain as the lowest average council tax bills in the country.

### **Council Tax Bills**

39. The consequential bills for each valuation band, and the increases compared with 2016/17, are shown in Appendix I. After taking account of discounts, exemptions and the distribution of properties over valuation bands, the average bill for all dwellings in the Borough is estimated to be around £645.

### **EQUALITY IMPACT AND NEEDS ANALYSIS**

40. 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 K.

### **FUTURE YEARS BUDGET FRAMEWORK**

41. 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 £456 in 2018/19 and £509 in 2019/20. These represent increases of 8.5% and 11.7% respectively, compared with the preceding year. If Government referendum criteria required increases of no more than 2% and the Adult Social Care "precept" continues at 2%, the council tax requirement would have to be reduced by £2.5 million in 2018/19 and £7.3 million in 2019/20 based upon current assumptions on Government support. With the assumed GLA precept, the total average band D amount would rise to £736 in 2018/19 and £789 in 2019/20. The budget framework showing these amounts is given in Appendix J. In accordance with the Council's constitution, the Council should be recommended to adopt the framework in Appendix J on the basis that the Executive may then approve budget variations within the overriding restrictions that unearmarked reserves should not be forecast to fall below £6.75 million (50% of that set aside for contingencies) in 2017/18, nor the council tax band D forecast for the next two years rise by more than a further £52.61.
42. The detailed budget by Overview and Scrutiny Committee for 2016/17 to 2019/20 is available In the Members' On Line Library and will be published as part of the Council's Budget Book.
43. The gap indicated between available resources and expenditure highlighted in paragraph 41 will need to be addressed by the Council in its Medium Term Financial Strategy due to be published in June 2017.

The Town Hall  
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CHRIS BUSS  
Director of Finance

16th February 2017

### **Background Papers**

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

1. The Council's Budget Book 2016/17
2. Budget variations approved by the Executive in this financial year
3. Service committees' budget variation requests in this cycle
4. Local Authority Finance Settlement notification
5. GLA precept and levying bodies' documents.

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

**APPENDIX A**

**IMPACT OF EACH ADDITIONAL £1 MILLION COUNCIL TAX**

<u>Circumstances/Band</u>	<u>Major Part</u>	<u>No. of Dwellings W&amp;PCC Levy Area</u>	<u>Borough</u>	<u>Increase per Household Before Council Tax Support</u>
				£
<b>2+ Adults</b>				
A	1,766	1,104	2,870	5.19
B	4,264	1,586	5,850	6.06
C	18,743	4,478	23,221	6.92
D	19,472	4,326	23,798	7.79
E	13,738	3,301	17,039	9.52
F	10,270	1,983	12,253	11.25
G	8,681	2,576	11,257	12.98
H	1,361	1,086	2,447	15.58
	(78,295)	(20,440)	(98,735)	
<b>1 Adult</b>				
A	1,798	1,282	3,080	3.89
B	4,648	1,722	6,370	4.55
C	10,378	2,140	12,518	5.19
D	6,887	1,824	8,711	5.84
E	4,095	1,169	5,264	7.14
F	2,301	708	3,009	8.44
G	1,152	507	1,659	9.74
H	146	94	240	11.69
	(31,405)	(9,446)	(40,851)	
<b>Exempt A-H</b>	-2,166	-678	-2,844	NIL
<b>TOTALS</b>	<b>107,534</b>	<b>29,208</b>	<b>136,742</b>	

ANALYSIS OF SERVICE BUDGETS 2017/18

£'000	ADULT CARE & HEALTH SERVICES	COMMUNITY SERVICES	EDUCATION & CHILDREN'S SERVICES	FINANCE & CORPORATE RESOURCES	HOUSING & REGENERATION	GENERAL FUND TOTAL	DEDICATED SCHOOLS BUDGET	HOUSING REVENUE ACCOUNT	TOTAL
<b>EXPENDITURE - at November 2016 prices for General Fund</b>									
Salaries	11,357	7,212	22,257	4,012	1,496	46,334	129,433	5,949	181,716
Indirect Employee Expenses	144	80	471	55	17	767	522	58	1,347
Premises	32	6,509	541	649	113	7,844	13,627	39,975	61,446
Use of Transport	1,444	163	3,519	14	23	5,163	153	53	5,369
Concessionary Fares	-	13,746	-	-	-	13,746	-	-	13,746
Supplies and Services	1,302	299	3,148	787	33	5,569	7,805	-	13,374
- Funding to Voluntary Bodies	1,847	6,067	3,006	4,725	428	16,073	21,925	4,212	42,210
Third Party Payments	-	15,500	1,514	691	-	17,705	1,157	-	18,862
- Precepts, Levies and Charges	95,931	53,024	22,931	1,206	11,458	184,550	28,935	16,924	230,409
- Other	-	-	-	-	-	-	-	-	-
Transfer Payments	-	-	-	189,636	8,434	198,070	7	214	198,291
- Housing Benefits etc	8,484	7,384	12,511	8,862	653	37,894	3,477	5,622	46,993
Central & Technical Support	111	9,009	6,787	526	-	16,433	-	24,501	40,934
Depreciation and Impairment	-	-	-	-	-	-	-	-	-
Capital Financing Charges	-	-	-	-	-	-	-	54,160	54,160
- Capital Charges to Users	-	-	-	-	-	-	-	23	23
- Leasing Charges	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>120,652</b>	<b>118,993</b>	<b>76,685</b>	<b>211,163</b>	<b>22,665</b>	<b>550,148</b>	<b>207,041</b>	<b>151,691</b>	<b>908,880</b>

**ANALYSIS OF SERVICE BUDGETS 2017/18 (Continued)**

£'000	ADULT CARE & HEALTH SERVICES	COMMUNITY SERVICES	EDUCATION & CHILDREN'S SERVICES	FINANCE & CORPORATE RESOURCES	HOUSING & REGENERATION	GENERAL FUND TOTAL	DEDICATED SCHOOLS BUDGET	HOUSING REVENUE ACCOUNT	TOTAL
<b>INCOME - at November 2016 prices for General Fund</b>									
Government Grants	36,810	40	1,126	186,257	7,518	231,751	165,100	-	396,851
Rents	211	182	-	3,284	74	3,751	-	114,805	118,556
Fees/Charges & Other Income	15,637	77,326	2,100	28,000	9,452	132,515	41,941	27,136	201,592
Interest Received	-	-	-	5,270	26	5,296	-	1,676	6,972
Contribution from Reserves	-	-	-	-	-	-	-	8,074	8,074
<b>TOTAL</b>	52,658	77,548	3,226	222,811	17,070	373,313	207,041	151,691	732,045
<b>NET EXPENDITURE</b>	67,994	41,445	73,459	-11,648	5,585	176,835	-	-	176,835
New Homes Bonus Funding						-13,288			
Non-Service Specific Grants						-2,138			
Improved Better Care Fund						-1,964			
General Fund inflation from November 2016 to end of 2017/18						4,905			
<b>Net Committee Budgets</b>						<u>164,350</u>			

**SUMMARY OF LEVIES AND CHARGES**

	<b>£</b>	<b>Change</b>
<b>Levies</b>		
Western Riverside Waste Authority - levy	2,125,000	-3.28%
Environment Agency - Flood Defence	291,049	1.84%
London Pensions Fund Authority		
- Greater London	470,330	2.00%
- Inner London	1,544,364	2.00%
Lee Valley Regional Park Authority	336,946	-6.20%
Wimbledon and Putney Commons Conservators	775,008	8.31%
<b>Total Levies</b>	<b>5,542,696</b>	<b>0.18%</b>
<b>Charges</b>		
Western Riverside Waste Authority - charges	11,579,160	2.33%
London Councils		
- Concessionary Fares	13,750,125	-4.60%
- Grants Scheme	278,074	-10.70%
Transport for London - Traffic Signal Maintenance	388,014	3.49%
Port of London Authority	6,300	0.00%
London Pensions Fund Authority		
- Deficit	37,347	-30.65%
<b>Total Charges</b>	<b>26,039,020</b>	<b>-1.65%</b>
<b>Total Levies and Charges</b>	<b>31,581,716</b>	<b>-1.33%</b>

**APPENDIX D**

**General Revenue Budget Variations**

	CAPITAL			REVENUE			
	2016/17 £'000	2017/18 £'000	2018/19 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
<u>EDUCATION AND CHILDREN'S SERVICES – 09/02/2017</u>							
Health Visiting (Paper No. 17-49)					-125	-500	-500
SEN Strategic Review (Paper No. 17-50)				-111	+111		
<u>FINANCE AND CORPORATE RESOURCES – 22/02/2017</u>							
Nine Elms Arts Centre Lease (Paper No. 17-99)		+180					
<u>BUDGET VARIATIONS ARISING FROM DECISIONS MADE VIA SO83(A) PROCESS</u>							
Community Transport and Shopmobility Services Contract (CS 257)					-20	-20	-20
<b>Total General Fund Budget Variations</b>		<b>+180</b>		<b>-111</b>	<b>-34</b>	<b>-520</b>	<b>-520</b>



**Housing Revenue Account Budget Variations**

CAPITAL		REVENUE				
2016/17 £'000	2017/18 £'000	2018/19 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
		+3,660	+160			
	<b>+3,660</b>	<b>+160</b>				

**HOUSING AND REGENERATION – 20/02/2017**

Regeneration Governance (Paper No. 17-66)

**Total HRA Budget Variations**

**Implications of the Housing Revenue Account variations on the HRA budget framework to 31 March 2019 \***

	2016/17 £'000	2017/18 £'000	2018/19 £'000	Cumulative total to 31st March 2019 £'000
Effect of Budget variations shown above				
Capital		+3,660	+160	+3,820
Revenue				<b>+3,820</b>
Threshold for referral to Council				+40,000

\* positive figures represent an increase in expenditure and therefore a reduction in available reserves as at 31<sup>st</sup> March 2019

**APPENDIX E**

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

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

**APPENDIX F****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>2016</u> £'000	Budgeted Change <u>2016/17</u> £'000	Balance 1st April <u>2017</u> £'000	Budgeted Change <u>2017/18</u> £'000	Balance 1st April <u>2018</u> £'000
<b>Renewals Fund</b>					
Net use - Revenue		-1,206		-572	
Net use - Capital		-214		0	
Net use - Other		46		46	
Increase in Fund		475		475	
	28,942	-899	28,043	-51	27,992
This fund is for "loans" to services with unusually large requirements for building refurbishment, energy conservation schemes, computer software and vehicle and plant replacements. The planned expenditure is chiefly for IT hardware and software.					
<b>Finite Services Fund</b>	1,410	-200	1,210	0	1,210
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>	2,400	-1,400	1,000	0	1,000
This reserve is for potential over-estimates or losses of specific Government grants for General Fund services. It was agreed at outturn 2015/16 that £1.4m of this will be utilised in 2016/17 to account for revised estimates of housing benefit subsidy to be received from the Government.					
<b>Services Transformation Reserve</b>	22,484	-5,000	17,484	0	17,484
This reserve was established in 2010/11 to meet the short-term costs of service restructuring including redundancy and will be used to fund part of the deficit arising from the shortfall in Government funding in future years. £5m is to be utilised in 2016/17 to fund the costs of establishing the Shared Staffing Arrangement with Richmond Council.					
<b>Insurance Reserve</b>	7,389	0	7,389	0	7,389
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>2016</u> £'000	Budgeted Change <u>2016/17</u> £'000	Balance 1st April <u>2017</u> £'000	Budgeted Change <u>2017/18</u> £'000	Balance 1st April <u>2018</u> £'000
<b>Employer's Pensions Contributions Reserve</b>	41,400	-41,400	0	0	0
<p>This reserve was established to mitigate the impact of future increases in employer's pension contributions. 2016/17 movement includes planned use of the reserve to fund deficit contributions. As per paragraph 17 above and taking into account the latest Pension Fund valuation which shows the fund is fully funded the balance on this reserve is to be consolidated within the newly established Pensions Resilience Reserve.</p>					
<b>Enhanced Pension Fund Reserve</b>	5,137	-5,137	0	0	0
<p>This Fund provides for pensions enhancements which fall outside statutory pension schemes, and mainly relates to teachers. As per paragraph 17 above the balance is to be consolidated within the newly established Pensions Resilience Reserve.</p>					
<b>LPFA Deficit Funding Reserve</b>	6,667	-6,667	0	0	0
<p>This Fund provides for any deficit to be funded for those pensions falling under the remit of the London Pension Fund Authority. As per paragraph 17 above the balance is to be consolidated within the Pensions Resilience Reserve.</p>					
<b>Pensions Resilience Reserve</b>					
Use of Reserve		-2,750			
Transfer From Other Reserves:					
Employers Pension Contribution Reserve		+41,400			
Enhanced Pension Fund Reserve		+5,137			
LPFA Deficit Funding Reserve		+6,667			
Transfer to Other Reserves:					
Financial Resilience Reserve		-6,000			
Total	0	44,454	44,454	0	44,454
<p>This reserve is newly established and consolidates the balances on the three pension related reserves detailed above. This reserve will continue to meet the cost of payments to the LPFA and costs previously charged to the Enhanced Pension Fund Reserve which includes £1.8m per year in 2017/18 and two subsequent years as approved as part of the Medium Term Financial Strategy.</p>					
<b>DSO Reserve</b>	0	3,857	3,857	0	3,857
<p>Reserve balances relating to accrued surpluses of the Design Service and Operational Services Direct Service Organisation (DSO) are, as detailed in paragraph 19, used to enable future investment in plant and equipment or to meet redundancy costs if they arise. This surplus was previously included within "Other Balances" below.</p>					

	Balance	Budgeted	Balance	Budgeted	Balance
	1st April	Change	1st April	Change	1st April
	2016	2016/17	2017	2017/18	2018
	£'000	£'000	£'000	£'000	£'000
<b>Business Rates Volatility Reserve</b>	6,446	554	7,000	-2,000	5,000
This reserve was established in 2011/12 in recognition of the volatility of the new arrangements for future local government funding. The reserve is used to meet any shortfall in business rate yield compared with that included in the Settlement Funding Assessment, together with any estimated surplus or deficit arising on the Collection Fund in respect of business rates. £2m of this is to be utilised to cover the Council's share of the anticipated 2016/17 deficit.					
<b>Financial Resilience Reserve</b>	33,138	-800	32,338	-1,200	31,138
This reserve was established in 2014/15 in recognition of the substantial pressures on budgets and diminishing Government support. The 2016/17 council tax setting exercise assumed the utilisation of £6.8m of this reserve. Further, as detailed in paragraph 17, £6m is to be transferred to this reserve from the 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 in 2017/18.					
<b>Children's Services Recovery Reserve</b>	14,500	-4,600	9,900	0	9,900
This reserve was established at 2015/16 outturn to forward fund the anticipated short to medium term pressures relating to increased demand for children's specialist services. £4.6m of this reserve is to be utilised to meet pressures in 2016/17. Any required use of this reserve to meet pressures in 2017/18 and future years will be determined as part of the 2016/17 outturn exercise when the latest impact on service budgets will be known.					
<b>Other Balances</b>	6,369	-4,632	1,737	0	1,737
As detailed in paragraph 19 above, £0.775m of this balance relating to accrued rental surplus is to be transferred to the General Fund working balance and £3.857m is to be transferred to the DSO Reserve.					
<b>TOTAL REVENUE RESERVES AVAILABLE FOR COUNCIL TAX PURPOSES</b>	176,282	-21,870	154,411	-3,250	151,161
<b>Housing Revenue Account/ Housing Repairs Account</b>	292,066	19,875	311,941	-10,554	301,387
The Housing Revenue Account is maintained under statutory provisions and the balances relating to this account are ring-fenced and cannot be used for General Fund purposes.					
<b>Education Balances</b>	24,947	0	24,947	0	24,947

Council Tax 2017/18

	Balance	Budgeted	Balance	Budgeted	Balance
	1st April	Change	1st April	Change	1st April
	<u>2016</u>	<u>2016/17</u>	<u>2017</u>	<u>2017/18</u>	<u>2018</u>
	£'000	£'000	£'000	£'000	£'000
Schools generally have statutory rights to carry forward unspent balances of delegated budgets so these are not available for any other purposes.					
<b>TOTAL USABLE REVENUE</b>					
<b>RESERVES</b>	493,295	-1,995	491,299	-13,804	477,495

**APPENDIX G****Amounts to be calculated by the Council for the purposes of  
Section 31A of the Local Government Finance Act 1992  
for the year 2017/18**

	<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;	894,712	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	<hr/> 908,212 <hr/>	
<u>LESS</u>		
(a) The income which it estimates will accrue to it in the year and which it will credit to a revenue account, other than a BID Revenue Account, for the year in accordance with proper practices;	801,451	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;	34,716	

Council Tax 2017/18

- (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. 18,155    2

SUB-TOTAL	854,322	
DIFFERENCE (Council Tax Requirement)	53,890	

<u>Note 1</u>	<u>Expenditure</u> £'000	<u>Income</u> £'000
Gross Expenditure/Income as in Appendix B	908,880	749,435
Central Government Funding & Localised Business Rates		71,552
less internal recharges	-19,273	-19,273
plus inflation to end of 2017/18	5,105	200
less credit from Collection Fund shown separately		-463
	894,712	801,451

<u>Note 2</u>	£'000
General reserves available (paragraph 20)	14,859
Less drawings from special reserves (Appendix F)	3,296
	18,155



**APPENDIX H**

**FORM OF COUNCIL RESOLUTION**

- (a) That the revised revenue estimates for the year 2016/17 referred to in Paper No. 17-18 as adjusted and the revenue estimates for 2017/18 as summarised in Appendix B of this paper be approved;
- (b) That the details of the council tax requirement for the year 2017/18, as set out in Appendix G of this paper, be approved;
- (c) That it be noted that the following amounts for the year 2017/18<sup>2017</sup> 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) 128,303 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) 27,090 being the amount calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amount of its council tax base for the year for dwellings in the Wimbledon and Putney Commons Conservators' Levy Area;
- (d) That it be noted in accordance with Section 25 of the Local Government Act 2003 that the Director of Finance has reported that the estimates are sufficiently robust for the purposes of the calculations and that the proposed financial reserves are adequate, and the following amounts be now calculated by the Council for the year 2017/18 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:
- (i) £908,212,085 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A of the Act;
  - (ii) £854,322,085 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;
  - (iii) £53,890,000 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) £420.0214 being the amount at (d)(iii) divided by the amount at (c)(i) above, calculated by the Council in accordance with Section 33(1) of the Act as the basic amount of its council tax for the year;

- (v) £775,008.29 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) £413.9809 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) £442.5900 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' Levy Area</b>	<b>All other parts of the Council's Area</b>
	£	£
A	295.06	275.99
B	334.24	321.99
C	393.41	367.98
D	442.59	413.98
E	540.94	505.97
F	639.30	597.97
G	737.65	689.97
H	885.18	827.96

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 2017/18 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	186.68
B	217.79
C	248.91
D	280.02
E	342.25
F	404.47
G	466.70
H	560.04

- (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 2017/182017 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	481.74	462.67
B	562.03	539.78
C	642.32	616.89
D	722.61	694.00
E	883.19	848.23
F	1,043.77	1,002.44
G	1,204.35	1,156.67
H	1,445.22	1,387.99

**APPENDIX I**

**COUNCIL TAX BILLS**

<u>Band</u>	<u>No. of Households</u>	<u>Council Tax</u> £	<u>Increase</u> £
<b>2+ Adults Major Part of the Borough</b>			
A	1,766	462.67	13.19
B	4,264	539.78	15.39
C	18,743	616.89	17.58
D	19,472	694.00	19.78
E	13,738	848.22	24.17
F	10,270	1,002.44	28.56
G	8,681	1,156.67	32.97
H	1,361	1,388.00	39.56
 <b>2+ Adults W&amp;PCC Part</b>			
A	1,104	481.74	14.27
B	1,586	562.03	16.66
C	4,478	642.32	19.04
D	4,326	722.61	21.42
E	3,301	883.19	26.18
F	1,983	1,043.77	30.94
G	2,576	1,204.35	35.70
H	1,086	1,445.22	42.84

**APPENDIX J****GENERAL REVENUE BUDGET FRAMEWORK**

	<u>2016/17</u> <u>Revised</u> £m	<u>2017/18</u> £m	<u>2018/19</u> £m	<u>2019/20</u> £m
Committee Budgets at 2016 prices				
Adult Care & Health	71.974	67.994	69.081	68.265
Education & Children's Services	82.521	73.459	70.533	70.200
Community Services	42.391	41.445	39.121	38.601
Housing and Regeneration	6.370	5.585	5.585	5.585
Finance & Corporate Resources	1.988	-11.648	-14.521	-11.787
Inflation to outturn prices		4.905	11.861	18.629
	<b>205.244</b>	<b>181.740</b>	<b>181.660</b>	<b>189.493</b>
New Homes Bonus	-12.958	-13.288	-11.474	-10.831
Non-Service Specific Grants	-3.375	-2.138	0.000	0.000
Improved Better Care Fund		-1.964	-8.152	-13.349
<b>Total</b>	<b>188.911</b>	<b>164.350</b>	<b>162.034</b>	<b>165.313</b>
Use of Balances	-3.885	-2.855	-0.097	-0.097
Use of Earmarked Reserves	-20.196	-1.200	-1.200	-1.200
Net Expenditure	164.830	161.695	160.737	164.017
Less:				
Collection Fund surplus	0.335	-2.035		
Retained Business Rates	-31.402	-34.217	-35.594	-36.860
Business Rates "Top-up"	-36.021	-34.538	-35.650	-36.918
Revenue Support Grant	-46.956	-37.014	-30.185	-23.076
Council Tax Requirement	50.786	53.890	59.308	67.163
Band D Council Tax	£	£	£	£
Wandsworth Council	403.91	420.02	455.85	509.18
Greater London Authority	276.00	280.02	280.02	280.02
<b>Total</b>	<b>679.91</b>	<b>700.04</b>	<b>735.87</b>	<b>789.20</b>
Increase in Wandsworth Council Tax		3.99%	8.5%	11.7%
Budget reductions or use of reserves needed in future years to maintain Wandsworth "relevant basic amount" to within 3.99%			<b>2.481m</b>	<b>7.251m</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 has been split based upon historic budget proportions of both councils. The 2016/17 approved budget for each Council, adjusted for previously planned changes, has been used as the initial basis for apportioning costs/ setting budgets.

In accordance with the Operational Budget Protocol agreed by both Councils, these budget apportionments shall 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 will take 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.

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. The estimated General Fund annual cost of shared salary expenditure for Wandsworth in April 2017 is £15.5 million.

DIRECTORATE	SERVICE	RICHMOND %	WANDSWORTH %	RATIONALE FOR SPLIT OF SALARY COSTS	WANDSWORTH ESTIMATED £000
<b>COMMUNITY SERVICES OVERVIEW &amp; SCRUTINY COMMITTEE</b>					
Chief Executive	COMMUNITY SAFETY	46%	54%	Wandsworth picks up slightly more of the cost due to borough size differential	229
Chief Executive	PRIVATE SECTOR HOUSING SUPPORT	52%	48%	Based on historic salary budgets which reflect economies of scale in Wandsworth where one team supported the whole of environmental services	14
Environment	ENVIRONMENT & COMMUNITY SERVICES DIRECTORATE	37%	63%	Average Chief Officer apportionment across both councils based on historic salary costs	480
Environment	FINANCE & BUSINESS SUPPORT	73%	27%	Wandsworth has outsourced its leisure, culture and library services therefore SSA staff do not provide direct support to these services.	100
Environment	ADMINISTRATION HUBS	82%	18%	Wandsworth therefore only incurs contract monitoring costs	38
Environment	LIBRARIES & CULTURAL SERVICES	71%	29%	Wandsworth therefore only incurs contract monitoring costs	94
Environment	PLANNING ENFORCEMENT	45%	55%	Wandsworth picks up slightly more of the cost due to borough size differential	140
Environment	TRANSPORT POLICY, STRATEGY & SUPPORT	42%	58%	Wandsworth picks up slightly more of the cost due to borough size differential in relation to	793



DIRECTORATE	SERVICE	RICHMOND %	WANDSWORTH %	RATIONALE FOR SPLIT OF SALARY COSTS	WANDSWORTH ESTIMATED £000
				inner/outer London transport issues	
Environment	WASTE & STREET CLEANSING MANAGEMENT	45%	55%	Wandsworth picks up slightly more of the cost due to borough size differential	240
Environment	ENGINEERING & PARKING POLICY	50%	50%	Based on historic salary budgets these costs are split equally across the two councils	977
Environment	INSPECTION & ENFORCEMENT	50%	50%		514
Environment	PARKING CONTRACT MANAGEMENT	22%	78%	Wandsworth picks up more of the cost due to borough size differential	242
<b>ADULT CARE AND HEALTH OVERVIEW &amp; SCRUTINY COMMITTEE</b>					
Adults	ADULT SOCIAL SERVICES DIRECTORATE	37%	63%	Average Chief Officer apportionment across both councils based on historic salary costs	603
Adults	BUSINESS RESOURCES	34%	66%	Wandsworth picks up more of the cost due to borough size differential	3,066
Adults	COMMISSIONING SERVICES MANAGEMENT	52%	48%	Based on historic salary budgets these management costs are split almost equally across the two councils	603
Adults	ADULT SOCIAL CARE	40%	60%	Wandsworth picks up more of the cost due to borough size differential	2,506

DIRECTORATE	SERVICE	RICHMOND %	WANDSWORTH %	RATIONALE FOR SPLIT OF SALARY COSTS	WANDSWORTH ESTIMATED £000
Chief Executive	PUBLIC HEALTH CORE	38%	62%	Wandsworth picks up more of the cost due to borough size differential	1,043
<b>HOUSING AND REGENERATION OVERVIEW &amp; SCRUTINY COMMITTEE</b>					
Housing	HOUSING & REGENERATION DIRECTORATE	37%	63%	Average Chief Officer apportionment across both councils based on historic salary costs	391
Chief Executive	PRIVATE SECTOR HOUSING	38%	62%	Wandsworth picks up more of the cost due to borough size differential	304
Housing	FINANCE & BUSINESS SUPPORT	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	678
Housing	POLICY & STRATEGY	25%	75%		161
Housing	HOMELESSNESS & ASYLUM	34%	66%	Wandsworth picks up more of the cost due to borough size differential	3,387
<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	571
Chief Executive	CHIEF EXECUTIVE'S DIRECTORATE	37%	63%		448
Chief Executive	PARTNERSHIPS & VOLUNTARY SECTOR	80%	20%	The majority of the Wandsworth activity is grant funded or locality specific and therefore not	34

DIRECTORATE	SERVICE	RICHMOND %	WANDSWORTH %	RATIONALE FOR SPLIT OF SALARY COSTS	WANDSWORTH ESTIMATED £000
Chief Executive	CORPORATE COMPLAINTS & FREEDOM OF INFORMATION	50%	50%	The complaints and FOI team work equally across both councils	232
Chief Executive	CUSTOMER SERVICES MANAGEMENT	50%	50%	Management time is split equally across the two councils	44
Chief Executive	CUSTOMER SERVICES IMPROVEMENT & TRANSFORMATION	37%	63%	The historic salary budgets in Wandsworth are larger, driven by volume caseload	91
Chief Executive	ENTERPRISE MANAGEMENT TEAM	50%	50%	Management time is split equally across the two councils	32
Chief Executive	ECONOMIC DEVELOPMENT SUPPORT TEAM	30%	70%	The Wandsworth programme is larger in scale, requiring a higher proportion of support costs	129
Chief Executive	POLICY & PERFORMANCE	50%	50%	The corporate policy team's time is split equally across the two councils	503
Chief Executive	BUSINESS SUPPORT	50%	50%	Administration support is split equally across the two councils	220
Environment	REGISTRARS	28%	72%	Average volumes within Richmond are much lower than in Wandsworth and the historic salary costs reflect this	846
Resources	BENEFITS SERVICE – TECHNICAL SUPPORT & MANAGEMENT	26%	74%	The historic budgets in each council are driven by	445

DIRECTORATE	SERVICE	RICHMOND %	WANDSWORTH %	RATIONALE FOR SPLIT OF SALARY COSTS	WANDSWORTH ESTIMATED £000
Resources	PARKING SUPPORT TEAM	34%	66%	volume caseload where Wandsworth is larger	187
Resources	COUNCIL TAX AND BUSINESS RATES	32%	68%		595
Resources	FINANCIAL MANAGEMENT	46%	54%	The team supports Wandsworth's Housing Revenue Account whereas Richmond does not have any housing stock	1,180
Resources	ICT SERVICES	38%	62%	The split of these support services reflect the average split of historic salary costs from the two councils	3,796
Resources	HR & PAYROLL	38%	62%		2,074
Resources	PROCUREMENT	38%	62%		489
Resources	PENSION FUND INVESTMENT	50%	50%	This relates to management of pension investments only and, based on historic salary costs, is split equally across the two councils	28
Environment	EMERGENCY PLANNING	50%	50%	The emergency planning service is split equally across the two councils	47

Summary of SSA related General fund salary expenditure:

£'000	ADULT CARE & HEALTH SERVICES	COMMUNITY SERVICES	EDUCATION & CHILDREN'S SERVICES	FINANCE & CORPORATE RESOURCES	HOUSING & REGENERATION	GENERAL FUND TOTAL
General Fund Salaries excluding Central Support	11,357	7,212	22,257	4,012	1,496	46,334
Central Support Services Salaries	5,787	5,036	8,533	6,045	445	25,846
<b>Total Salaries</b>	<b>17,144</b>	<b>12,248</b>	<b>30,790</b>	<b>10,057</b>	<b>1,941</b>	<b>72,180</b>
<b>Shared SSA budgets as at April 2017</b>	<b>8,330</b>	<b>4,108</b>	-	<b>2,516</b>	<b>1,405</b>	<b>16,359</b>
The following are Wandsworth specific services, not shared with Richmond:						
Environmental Services	-	981	-	-	-	981
Wandsworth Member Support	-	-	-	67	-	67
Economic Development Grant Funded	-	-	-	361	-	361
Education & Children's Services	-	-	30,790	-	-	30,790
Fraud Shared Service	-	-	-	429	-	429
Pensions Shared Service	-	-	-	1,048	-	1,048
Communications Team	-	-	-	190	-	190
Electoral Services	-	-	-	229	-	229
<b>Total Wandsworth specific services</b>	-	<b>981</b>	<b>30,790</b>	<b>2,324</b>	-	<b>34,096</b>
To become SSA shared services in future years	8,814	7,159	-	5,217	536	21,726

## SUMMARY OF SERVICE BUDGETS

	<u>2016/17 REVISED BUDGET</u>				<u>2017/18 BUDGET</u>		
	<u>2016/17</u>	<u>INFLATION</u>	<u>DEVEL-</u>	<u>TOTAL</u>	<u>INFLATION</u>	<u>DEVEL-</u>	<u>TOTAL</u>
	<u>ORIGINAL</u>						
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Salaries	53,502	521	5,576	59,599	480	-7,648	46,334
Indirect Employee Expenses	606	-	-4	602	-	161	767
Premises	7,649	28	76	7,753	-28	223	7,844
Use of Transport	5,876	-	66	5,942	-	-713	5,163
Concessionary Fares	14,413	-	-	14,413	-	-667	13,746
Supplies and Services							
- Grants to Voluntary Bodies	6,693	9	-1,028	5,674	9	-1,133	5,569
- Other	23,263	101	1,901	25,265	102	-7,292	16,073
Third Party Payments							
- Precepts, Levies and Charges	17,063	120	68	17,251	120	522	17,705
- Other	172,123	266	19,798	192,187	713	11,714	184,550
Transfer Payments - Hsg Benefits etc.	204,775	-	-3,518	201,257	-	-6,705	198,070
Central and Technical Support	40,949	10	724	41,683	5	-3,060	37,894
Depreciation and Impairment	13,932	-	2,501	16,433	-	2,501	16,433
<b>GROSS EXPENDITURE</b>	<b>560,844</b>	<b>1,055</b>	<b>26,160</b>	<b>588,059</b>	<b>1,401</b>	<b>-12,097</b>	<b>550,148</b>
Government Grants	-242,673	-	2,251	-240,422	-	10,922	-231,751
Rents	-2,054	-6	-118	-2,178	-6	-1,691	-3,751
Fees, Charges and Other Income	-118,744	-333	-15,512	-134,589	-501	-13,270	-132,515
Interest Received	-5,616	-	-10	-5,626	-	320	-5,296
<b>INCOME</b>	<b>-369,087</b>	<b>-339</b>	<b>-13,389</b>	<b>-382,815</b>	<b>-507</b>	<b>-3,719</b>	<b>-373,313</b>
<b>NET EXPENDITURE</b>	<b>191,757</b>	<b>716</b>	<b>12,771</b>	<b>205,244</b>	<b>894</b>	<b>-15,816</b>	<b>176,835</b>
<b>REVENUE EXPENDITURE BY SERVICE</b>							
Adult Care and Health Services	71,495	-27	506	71,974	387	-3,888	67,994
Community Services	42,356	355	-320	42,391	132	-1,043	41,445
Education and Children's Services	71,360	232	10,929	82,521	271	1,828	73,459
Finance and Corporate Resources	201	101	1,686	1,988	83	-11,932	-11,648
Housing and Regeneration	6,345	55	-30	6,370	21	-781	5,585
<b>NET EXPENDITURE</b>	<b>191,757</b>	<b>716</b>	<b>12,771</b>	<b>205,244</b>	<b>894</b>	<b>-15,816</b>	<b>176,835</b>

## SUMMARY OF SERVICE BUDGETS

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET at November 2015 price levels	191,757	191,757	191,757	191,757
INFLATION TO NOVEMBER 2016	716	894	894	894
2016/17 ORIGINAL BUDGET REPRICED	<u>192,473</u>	<u>192,651</u>	<u>192,651</u>	<u>192,651</u>
<b>DEVELOPMENTS</b>				
Adult Care and Health Services	506	-3,888	-2,801	-3,617
Community Services	-320	-1,043	-3,367	-3,887
Education and Children's Services	10,929	1,828	-1,098	-1,431
Finance and Corporate Resources	1,686	-11,932	-14,805	-12,071
Housing and Regeneration	-30	-781	-781	-781
NET EFFECT OF DEVELOPMENTS	<u>12,771</u>	<u>-15,816</u>	<u>-22,852</u>	<u>-21,787</u>
NET EXPENDITURE at November 2016 Prices	<u>205,244</u>	<u>176,835</u>	<u>169,799</u>	<u>170,864</u>
<b>ANALYSIS BY SERVICE</b>				
Adult Care and Health Services	71,974	67,994	69,081	68,265
Community Services	42,391	41,445	39,121	38,601
Education and Children's Services	82,521	73,459	70,533	70,200
Finance and Corporate Resources	1,988	-11,648	-14,521	-11,787
Housing and Regeneration	6,370	5,585	5,585	5,585
NET EXPENDITURE at November 2016 Prices	<u>205,244</u>	<u>176,835</u>	<u>169,799</u>	<u>170,864</u>
New Homes Bonus	-12,958	-13,288	-11,474	-10,831
Non-Service Specific Grants	-3,375	-2,138	-	-
Improved Better Care Fund	-	-1,964	-8,152	-13,349
Inflation to outturn prices	-	4,905	11,861	18,629
NET EXPENDITURE with inflation to outturn	<u>188,911</u>	<u>164,350</u>	<u>162,034</u>	<u>165,313</u>





**ADULT CARE AND HEALTH SERVICES**

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

	<u>2016/17 REVISED BUDGET</u>				<u>2017/18 BUDGET</u>		
	<u>2016/17</u>	INFLATION TO NOV. '16	DEVELOP- MENTS	TOTAL	INFLATION TO NOV. '16	DEVELOP- MENTS	TOTAL
	<u>ORIGINAL BUDGET</u>						
Salaries	14,099	123	702	14,924	120	-2,862	11,357
Indirect Employee Expenses	149	-	-5	144	-	-5	144
Premises	40	-	-	40	-	-8	32
Use of Transport	1,393	-	18	1,411	-	51	1,444
Supplies and Services							
- Contracts with Voluntary Bodies	1,309	1	-	1,310	1	-8	1,302
- Other	1,638	4	474	2,116	4	205	1,847
Third Party Payments	95,988	8	576	96,572	426	-483	95,931
Central and Technical Support	8,422	-	413	8,835	-	62	8,484
Depreciation and Impairment	80	-	31	111	-	31	111
Government Grants	-35,957	-	-1,763	-37,720	-	-853	-36,810
Rents	-211	-	-	-211	-	-	-211
Other Income	-15,455	-163	60	-15,558	-164	-18	-15,637

**NET EXPENDITURE**  
at November 2016 prices

	71,495	-27	506	71,974	387	-3,888	67,994
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**REVENUE EXPENDITURE BY SERVICE**

Older People and Physical Disability	27,436	-96	360	27,700	62	-779	26,719
Learning Disability	38,431	18	102	38,551	220	-55	38,596
Mental Health	10,049	20	-74	9,995	77	-283	9,843
Other Services	19,737	11	155	19,903	9	-2,826	16,920
Public Health	-24,158	20	-37	-24,175	19	55	-24,084

**NET EXPENDITURE**  
at November 2016 prices

	71,495	-27	506	71,974	387	-3,888	67,994
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**ADULT CARE AND HEALTH SERVICES OVERVIEW AND SCRUTINY COMMITTEE  
SUMMARY**

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/2017 ORIGINAL BUDGET at November 2015 prices	71,495	71,495	71,495	71,495
INFLATION TO NOVEMBER 2016	-27	387	387	387
2016/2017 ORIGINAL BUDGET REPRICED	<u>71,468</u>	<u>71,882</u>	<u>71,882</u>	<u>71,882</u>
<b>DEVELOPMENTS</b>				
Older People and Physical Disability	360	-779	-1,946	-2,198
Learning Disability	102	-55	-84	-239
Mental Health	-74	-283	-426	-635
Other Services	155	-2,826	-1,589	-1,788
Public Health	-37	55	1,244	1,243
NET EFFECT OF DEVELOPMENTS	<u>506</u>	<u>-3,888</u>	<u>-2,801</u>	<u>-3,617</u>
NET EXPENDITURE at November 2016 prices	<u>71,974</u>	<u>67,994</u>	<u>69,081</u>	<u>68,265</u>
 <b>ANALYSIS BY SERVICE</b>				
Older People and Physical Disability	27,700	26,719	25,552	25,300
Learning Disability	38,551	38,596	38,567	38,412
Mental Health	9,995	9,843	9,700	9,491
Other Services	19,903	16,920	18,157	17,958
Public Health	-24,175	-24,084	-22,895	-22,896
NET EXPENDITURE at November 2016 prices	<u>71,974</u>	<u>67,994</u>	<u>69,081</u>	<u>68,265</u>

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£'000	£'000	£'000	£'000
2016/2017 ORIGINAL BUDGET at November 2015 prices	27,436	27,436	27,436	27,436
INFLATION TO NOVEMBER 2016	-96	62	62	62
2016/2017 ORIGINAL BUDGET REPRICED	<u>27,340</u>	<u>27,498</u>	<u>27,498</u>	<u>27,498</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
13-24 (Jan 13) Independent Professional Advocacy Services	-	-	-83	-83
15-101 (Feb 15) Review of Finance Department	-	-5	-5	-5
15-252 (June 15) Shared Management Structure Richmond	-	-38	-38	-38
15-413 (Nov 15) Commissioning Options with Voluntary Organisations	-	-9	-17	-17
16-42 (Feb 16) Removal of Temporary Transfer to Children's Services Division	-	850	850	850
Income & Contract Review & Departmental Efficiencies	-	-846	-1,692	-1,696
<b><u>This Year Budget Variations</u></b>				
16-138 (Apr 16) Shared Staffing Arrangement	-	-618	-856	-1,112
16-144 (Apr 16) Ofsted Improvement Plan	136	-	-	-
16-235 (Jul 16) Care Act Implementation	1,229	-	-	-
ACH 213 (Jul 16) Visual Impairment Service	-70	-70	-70	-70
16-420 (Nov 16) Revision of Charges	-	-79	-79	-79
<b><u>Transfers between Committees</u></b>				
Depreciation	52	52	52	52
Youth Services:- Bring in-house	31	59	59	59
Central Support Recharge Spread	-10	-21	-21	-21
CSS former DESS	208	208	208	208
<b><u>Other Technical/Volume Adjustments</u></b>				
Independent Living Fund	-240	-230	-222	-214
Pay Award	-66	-66	-66	-66
Specific Grant Changes :-				
Social Care in Prisons	13	13	13	13
Care Act	-1,236	-	-	-
Income & Contract Review & Departmental Efficiencies	-1	-2	-2	-2
NDR April 2017	-	-8	-8	-8
<b>Transfers within Committee</b>	<b>314</b>	<b>31</b>	<b>31</b>	<b>31</b>
NET EFFECT OF DEVELOPMENTS	<u>360</u>	<u>-779</u>	<u>-1,946</u>	<u>-2,198</u>
NET EXPENDITURE at November 2016 prices	<u>27,700</u>	<u>26,719</u>	<u>25,552</u>	<u>25,300</u>
<b>ANALYSIS BY SERVICE</b>				
Access Team	663	664	664	664
Older People and Physical Disability East Area Team	3,145	2,971	2,966	2,964
Older People and Physical Disability West Area Team	2,151	2,150	2,147	2,146
Occupational Therapy	536	424	424	424
Purchasing - Older People	19,003	18,602	17,769	17,480
Purchasing - Physical Disability	4,193	4,536	4,544	4,552
Contracts with Voluntary Bodies and Better Care	-5,763	-5,771	-5,779	-5,779
Older People Commissioning - JCU, Public Health	363	363	363	363
Other Services	3,409	2,780	2,454	2,486
NET EXPENDITURE at November 2016 prices	<u>27,700</u>	<u>26,719</u>	<u>25,552</u>	<u>25,300</u>

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/2017 ORIGINAL BUDGET at November 2015 prices	38,431	38,431	38,431	38,431
INFLATION TO NOVEMBER 2016	18	220	220	220
2016/2017 ORIGINAL BUDGET REPRICED	<u>38,449</u>	<u>38,651</u>	<u>38,651</u>	<u>38,651</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
15-46 (Feb 15) LD Service and Development of Staff Mutual	-	-35	-57	-57
15-101 (Feb 15) Review of Finance Department	-	-1	-1	-1
15-252 (June 15) Shared Management Structure Richmond Income & Contract Review & Departmental Efficiencies	-	-37	-37	-37
	-	-9	-16	-21
<b><u>This Year Budget Variations</u></b>				
16-138 (Apr 16) Shared Staffing Arrangement	-	-	-	-150
16-144 (Apr 16) Ofsted Improvement Plan	63	-	-	-
<b><u>Transfers between Committees</u></b>				
Depreciation	17	17	17	17
Commissioning Services	-70	-70	-70	-70
Transitions Team	-249	-249	-249	-249
Youth Services:- Bring in-house	4	9	9	9
Central Support Recharge Spread	-43	-58	-58	-58
CSS former DESS	90	90	90	90
<b><u>Other Technical/Volume Adjustments</u></b>				
Independent Living Fund	-40	-40	-40	-40
Pay Award	-9	-9	-9	-9
Specific Grant Changes :-				
Local Reform & Community Voices	-2	-2	-2	-2
Care Act	282	-	-	-
Income & Contract Review & Departmental Efficiencies	-1	-1	-1	-1
<b><u>Transfers within Committee</u></b>	<u>60</u>	<u>340</u>	<u>340</u>	<u>340</u>
<b>NET EFFECT OF DEVELOPMENTS</b>	<u>102</u>	<u>-55</u>	<u>-84</u>	<u>-239</u>
<b>NET EXPENDITURE at November 2016 prices</b>	<u>38,551</u>	<u>38,596</u>	<u>38,567</u>	<u>38,412</u>
<b>ANALYSIS BY SERVICE</b>				
Learning Disability Teams	38,241	38,286	38,257	38,102
Learning Disability Management	256	256	256	256
Contracts with Voluntary Bodies	18	18	18	18
Retained Costs - Transferred Services	36	36	36	36
<b>NET EXPENDITURE at November 2016 prices</b>	<u>38,551</u>	<u>38,596</u>	<u>38,567</u>	<u>38,412</u>

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£'000	£'000	£'000	£'000
2016/2017 ORIGINAL BUDGET at November 2015 prices	10,049	10,049	10,049	10,049
INFLATION TO NOVEMBER 2016	20	77	77	77
2016/2017 ORIGINAL BUDGET REPRICED	10,069	10,126	10,126	10,126
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
15-101 (Feb 15) Review of Finance Department	-	-2	-2	-2
15-252 (June 15) Shared Management Structure Richmond	-	-8	-8	-8
Income & Contract Review & Departmental Efficiencies	-	-5	-11	-13
<b><u>This Year Budget Variations</u></b>				
16-138 (Apr 16) Shared Staffing Arrangement	-	-175	-312	-519
16-144 (Apr 16) Ofsted Improvement Plan	27	-	-	-
16-235 (Jul 16) Care Act Implementation	30	-	-	-
<b><u>Transfers between Committees</u></b>				
Depreciation	4	4	4	4
Commissioning Services	-85	-85	-85	-85
Youth Services:- Bring in-house	11	23	23	23
Central Support Recharge Spread	-3	-8	-8	-8
CSS former DESS	55	55	55	55
<b><u>Other Technical/Volume Adjustments</u></b>				
Pay Award	-19	-19	-19	-19
Specific Grant Changes :- Care Act	-30	-	-	-
<b>Transfers within Committee</b>	-64	-63	-63	-63
<b>NET EFFECT OF DEVELOPMENTS</b>	-74	-283	-426	-635
<b>NET EXPENDITURE at November 2016 prices</b>	<b>9,995</b>	<b>9,843</b>	<b>9,700</b>	<b>9,491</b>
<b>ANALYSIS BY SERVICE</b>				
Mental Health Teams	7,346	7,196	7,053	6,844
Purchasing Management	78	78	78	78
Specialist Teams	2,085	2,082	2,082	2,082
Contracts with Voluntary Bodies	506	506	506	506
Other Services	-20	-19	-19	-19
<b>NET EXPENDITURE at November 2016 prices</b>	<b>9,995</b>	<b>9,843</b>	<b>9,700</b>	<b>9,491</b>

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£'000	£'000	£'000	£'000
2016/2017 ORIGINAL BUDGET at November 2015 prices	19,737	19,737	19,737	19,737
INFLATION TO NOVEMBER 2016	11	9	9	9
<b>2016/2017 ORIGINAL BUDGET REPRICED</b>	<b>19,748</b>	<b>19,746</b>	<b>19,746</b>	<b>19,746</b>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
15-101 (Feb 15) Review of Finance Department	-	-1	-1	-1
15-252 (June 15) Shared Management Structure Richmond	-	-23	-23	-23
16-26 (Jan 16 ) Shared Staffing Arrangement	-	-223	-223	-223
16-56 (Feb 16 ) Substance Misuse Treatment Base	-	-148	-148	-148
<b><u>This Year Budget Variations</u></b>				
16-138 (Apr 16) Shared Staffing Arrangement	-	-800	-867	-1,066
16-235 (Jul 16) Care Act Implementation	971	-	-	-
<b><u>Transfers between Committees</u></b>				
Depreciation	-24	-24	-24	-24
Commissioning Services	-53	-53	-53	-53
Youth Services:- Bring in-house	5	11	11	11
Public Health Services	30	-	-	-
Central Support Recharge Spread	-2	-3	-3	-3
CSS former DESS	57	57	57	57
<b><u>Other Technical/Volume Adjustments</u></b>				
Pay Award	-7	-6	-6	-6
Specific Grant Changes :-				
Care Act	-511	-	-	-
Adult Social Care Support Grant	-	-1,303	-	-
Income & Contract Review & Departmental Efficiencies	-	-1	-1	-1
<b><u>Transfers within Committee</u></b>	<b>-311</b>	<b>-309</b>	<b>-308</b>	<b>-308</b>
<b>NET EFFECT OF DEVELOPMENTS</b>	<b>155</b>	<b>-2,826</b>	<b>-1,589</b>	<b>-1,788</b>
<b>NET EXPENDITURE at November 2016 prices</b>	<b>19,903</b>	<b>16,920</b>	<b>18,157</b>	<b>17,958</b>
<b>ANALYSIS BY SERVICE</b>				
Contracts with Voluntary Bodies	535	75	75	75
Supporting People	5,377	5,362	5,362	5,362
Sexual Health Commissioning - JCU, Public Health	7,777	7,747	7,747	7,747
Substance Misuse Commissioning - JCU, Public Health	4,614	4,468	4,468	4,468
Other Commissioning - JCU, Public Health	500	500	500	500
Other Services	1,100	-1,232	5	-194
<b>NET EXPENDITURE at November 2016 prices</b>	<b>19,903</b>	<b>16,920</b>	<b>18,157</b>	<b>17,958</b>

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/2017 ORIGINAL BUDGET at November 2015 prices	-24,158	-24,158	-24,158	-24,158
INFLATION TO NOVEMBER 2016	20	19	19	19
<b>2016/2017 ORIGINAL BUDGET REPRICED</b>	<b>-24,138</b>	<b>-24,139</b>	<b>-24,139</b>	<b>-24,139</b>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
15-252 (June 15) Shared Management Structure Richmond	-	-49	-49	-49
Income & Contract Review & Departmental Efficiencies	-	-1	-2	-3
Public Health Grant Reduction	-	709	1,589	1,589
<b><u>This Year Budget Variations</u></b>				
16-138 (Apr 16) Shared Staffing Arrangement	-	-463	-153	-153
<b><u>Transfers between Committees</u></b>				
Central Support Recharge Spread	-2	-2	-2	-2
Depreciation	3	3	3	3
CSS former DESS	-18	-38	-38	-38
<b><u>Other Technical/Volume Adjustments</u></b>				
Pay Award	-22	-20	-20	-20
Smoking Cessation	-	-84	-84	-84
<b>Transfers within Committee</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET EFFECT OF DEVELOPMENTS</b>	<b>-37</b>	<b>55</b>	<b>1,244</b>	<b>1,243</b>
<b>NET EXPENDITURE at November 2016 prices</b>	<b>-24,175</b>	<b>-24,084</b>	<b>-22,895</b>	<b>-22,896</b>

**ANALYSIS BY SERVICE**

Public Health Advice	2,634	2,564	2,564	2,564
NHS Health Checks	450	450	450	450
Health Protection	35	35	35	35
Obesity	25	25	25	25
Sexual Health	626	626	626	626
Smoking and Tobacco	395	311	311	311
Substance Misuse	16	16	16	16
Miscellaneous	365	-99	210	209
Public Health Grant	-28,756	-28,047	-27,167	-27,167
Physical Activity	35	35	35	35
<b>NET EXPENDITURE at November 2016 prices</b>	<b>-24,175</b>	<b>-24,084</b>	<b>-22,895</b>	<b>-22,896</b>





**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE  
SUMMARY**

	<u>2016/17 REVISED BUDGET</u>				<u>2017/18 BUDGET</u>		
	<u>2016/17 ORIGINAL BUDGET</u>	<u>INFLATION TO NOV.'16</u>	<u>DEVEL- OPMENTS</u>	<u>TOTAL</u>	<u>INFLATION TO NOV.'16</u>	<u>DEVEL- OPMENTS</u>	<u>TOTAL</u>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	9,234	81	-694	8,621	80	-2,102	7,212
Indirect Employee Expenses	84	-	4	88	-	-4	80
Premises	6,655	31	-124	6,562	-21	-125	6,509
Use of Transport	177	-	-14	163	-	-14	163
Concessionary Fares	14,413	-	-	14,413	-	-667	13,746
Supplies and Services							
- Contracts with Voluntary Organisations	334	-	-15	319	-	-35	299
- Other	6,618	96	-135	6,579	94	-645	6,067
Third Party Payments	39,409	199	12,996	52,604	199	13,416	53,024
Precepts and Levies	15,238	120	68	15,426	120	142	15,500
Central and Technical Support	7,131	4	261	7,396	3	250	7,384
Depreciation and Impairment	8,573	-	436	9,009	-	436	9,009
Government Grants	-40	-	-	-40	-	-	-40
Rents	-176	-6	-	-182	-6	-	-182
Other Income	-65,294	-170	-13,103	-78,567	-337	-11,695	-77,326
<b>NET EXPENDITURE</b> at November 2016 prices	<b>42,356</b>	<b>355</b>	<b>-320</b>	<b>42,391</b>	<b>132</b>	<b>-1,043</b>	<b>41,445</b>
<b>REVENUE EXPENDITURE BY SERVICE</b>							
Community Safety	1,013	5	-45	973	4	-131	886
Environmental Services	2,825	18	-25	2,818	18	-161	2,682
Waste Management	23,538	285	175	23,998	284	325	24,147
Leisure, Culture and Bereavement	7,758	-112	-637	7,009	-312	1,358	8,804
Parking & Traffic Management	-21,310	20	370	-20,920	17	-1,659	-22,952
Planning Services	1,582	25	26	1,633	23	-230	1,375
Engineering, Maintenance and Transport Services	26,950	114	-184	26,880	98	-545	26,503
<b>NET EXPENDITURE</b> at November 2016 prices	<b>42,356</b>	<b>355</b>	<b>-320</b>	<b>42,391</b>	<b>132</b>	<b>-1,043</b>	<b>41,445</b>

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE  
SUMMARY**

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET at November 2015 Prices	42,356	42,356	42,356	42,356
INFLATION TO NOVEMBER 2016	355	132	132	132
2016/17 ORIGINAL BUDGET REPRICED	<u>42,711</u>	<u>42,488</u>	<u>42,488</u>	<u>42,488</u>
<b>DEVELOPMENTS</b>				
Community Safety	-45	-131	-131	-131
Environmental Services	-25	-161	-471	-471
Waste Management	175	325	-186	-186
Leisure, Culture and Bereavement	-637	1,358	1,204	1,184
Parking & Traffic Management	370	-1,659	-1,747	-1,747
Planning Services	26	-230	-574	-574
Engineering, Maintenance and Transport Services	-184	-545	-1,462	-1,962
NET EFFECT OF DEVELOPMENTS	<u>-320</u>	<u>-1,043</u>	<u>-3,367</u>	<u>-3,887</u>
NET EXPENDITURE at November 2016 prices	<u>42,391</u>	<u>41,445</u>	<u>39,121</u>	<u>38,601</u>
<b>REVENUE EXPENDITURE BY SERVICE</b>				
Community Safety	973	886	886	886
Environmental Services	2,818	2,682	2,372	2,372
Waste Management	23,998	24,147	23,636	23,636
Leisure, Culture and Bereavement	7,009	8,804	8,650	8,630
Parking & Traffic Management	-20,920	-22,952	-23,040	-23,040
Planning Services	1,633	1,375	1,031	1,031
Engineering, Maintenance and Transport Services	26,880	26,503	25,586	25,086
NET EXPENDITURE at November 2016 prices	<u>42,391</u>	<u>41,445</u>	<u>39,121</u>	<u>38,601</u>

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£'000	£'000	£'000	£'000
2016/17 ORIGINAL BUDGET AT at November 2015 Prices	1,013	1,013	1,013	1,013
INFLATION TO NOVEMBER 2016	5	4	4	4
2016/17 ORIGINAL BUDGET REPRICED	1,018	1,017	1,017	1,017
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Budget Setting</u></b>				
<b><u>This Year Budget Variations</u></b>				
CS178 - CCTV Maintenance	-26	-26	-26	-26
<b><u>Other Technical/Volume adjustments</u></b>				
Income and contract review and departmental efficiencies	-5	-5	-5	-5
<b><u>Transfers Between Committees</u></b>				
Depreciation charges	-14	-14	-14	-14
16-138 (April 16) Shared Staffing Arrangement	-	-86	-86	-86
<b>Transfers within committee</b>				
NET EFFECT OF DEVELOPMENTS	-45	-131	-131	-131
NET EXPENDITURE at November 2016 prices	973	886	886	886
<b>REVENUE EXPENDITURE BY SERVICE</b>				
CCTV Maintenance and Retail Radio	408	408	408	408
Domestic Violence Co-ordinator	56	56	56	56
Community Safety General	509	422	422	422
NET EXPENDITURE at November 2016 prices	973	886	886	886

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET AT at November 2015 Prices	2,825	2,825	2,825	2,825
INFLATION TO NOVEMBER 2016	18	18	18	18
2016/17 ORIGINAL BUDGET REPRICED	<u>2,843</u>	<u>2,843</u>	<u>2,843</u>	<u>2,843</u>
 DEVELOPMENTS				
<b><u>Prior to March 2016 Budget Setting</u></b>				
<b><u>This Year Budget Variations</u></b>				
<b><u>Other Technical/Volume adjustments</u></b>				
Income and contract review and departmental efficiencies	-18	-18	-18	-18
Licensing fees	-	-1	-1	-1
<b><u>Transfers Between Committees</u></b>				
Central support recharge spread	-3	-3	-3	-3
Depreciation charges	-4	-4	-4	-4
16-138 (April 16) Shared Staffing Arrangement	-	-135	-445	-445
<b>Transfers within committee</b>				
NET EFFECT OF DEVELOPMENTS	<u>-25</u>	<u>-161</u>	<u>-471</u>	<u>-471</u>
NET EXPENDITURE at November 2016 prices	<u>2,818</u>	<u>2,682</u>	<u>2,372</u>	<u>2,372</u>
 REVENUE EXPENDITURE BY SERVICE				
Food and Health & Safety	713	713	608	608
Trading Standards	389	388	332	332
Licensing	78	77	66	66
Coroners Court and Mortuary	553	553	553	553
General Environmental Services	1,085	951	813	813
NET EXPENDITURE at November 2016 prices	<u>2,818</u>	<u>2,682</u>	<u>2,372</u>	<u>2,372</u>

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£'000	£'000	£'000	£'000
2016/17 ORIGINAL BUDGET AT at November 2015 Prices	23,538	23,538	23,538	23,538
INFLATION TO NOVEMBER 2016	285	284	284	284
2016/17 ORIGINAL BUDGET REPRICED	<u>23,823</u>	<u>23,822</u>	<u>23,822</u>	<u>23,822</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Budget Setting</u></b>				
15-252 (June 2015) Shared Management Structure with Richmond	-	-14	-14	-14
Income and contract review and departmental efficiencies	-	250	-250	-250
<b><u>This Year Budget Variations</u></b>				
16-457 (Nov 2016) Charges Review	-	-47	-47	-47
<b><u>Other Technical/Volume adjustments</u></b>				
WRWA tonnage - property increase 2016/17 full year effect	68	159	159	159
Refuse contract - property increase	58	58	58	58
WRWA Levy 2017-18	-	-73	-73	-73
<b><u>Transfers Between Committees</u></b>				
Depreciation charges	6	6	6	6
16-138 (April 16) Shared Staffing Arrangement	-	-57	-68	-68
<b>Transfers within committee</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>
NET EFFECT OF DEVELOPMENTS	<u>175</u>	<u>325</u>	<u>-186</u>	<u>-186</u>
NET EXPENDITURE at November 2016 prices	<u>23,998</u>	<u>24,147</u>	<u>23,636</u>	<u>23,636</u>
<b>REVENUE EXPENDITURE BY SERVICE</b>				
Refuse & Recycling	19,325	19,253	19,248	19,248
Street Cleansing	4,635	4,856	4,350	4,350
Dog Control and Enforcement	38	38	38	38
NET EXPENDITURE at November 2016 prices	<u>23,998</u>	<u>24,147</u>	<u>23,636</u>	<u>23,636</u>

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE  
LEISURE, CULTURE & BEREAVEMENT**

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£'000	£'000	£'000	£'000
2016/17 ORIGINAL BUDGET AT at November 2015 Prices	7,758	7,758	7,758	7,758
INFLATION TO NOVEMBER 2016	-112	-312	-312	-312
2016/17 ORIGINAL BUDGET REPRICED	<u>7,646</u>	<u>7,446</u>	<u>7,446</u>	<u>7,446</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Budget Setting</u></b>				
14-362 (July 2014) Leisure Centres Contract	-	126	263	285
15-228 (June 2015) Leisure and Culture Staff Mutual	-	-79	-121	-163
Income and contract review and departmental efficiencies	-	-	756	756
<b><u>This Year Budget Variations</u></b>				
16-203 (July 2016) Cemetery Feasibility Study	30	-	-	-
16-368 (Sept 2016) Parking Charges Review	-4	-16	-16	-16
<b><u>Other Technical/Volume adjustments</u></b>				
Formula E Final Settlement	-775	1,000	-	-
Income and contract review and departmental efficiencies	-5	-3	-3	-3
NESCB Surplus re-apportionment	-211	-	-	-
Tennis contract	-	-6	-11	-11
Wandsworth and Putney Commons Conservators Levy 2017-18	-	59	59	59
Lee Valley Levy 2017-18	-	-22	-22	-22
<b><u>Transfers Between Committees</u></b>				
Central support recharge spread	-118	-147	-147	-147
Depreciation charges	382	382	382	382
<b>Transfers within committee</b>	<b>64</b>	<b>64</b>	<b>64</b>	<b>64</b>
NET EFFECT OF DEVELOPMENTS	<u>-637</u>	<u>1,358</u>	<u>1,204</u>	<u>1,184</u>
NET EXPENDITURE at November 2016 prices	<u>7,009</u>	<u>8,804</u>	<u>8,650</u>	<u>8,630</u>
<b>REVENUE EXPENDITURE BY SERVICE</b>				
Leisure and Culture Mutual Services	3,396	4,972	4,681	4,639
Libraries Service	4,868	4,838	4,838	4,838
Leisure Centres	-1,044	-1,006	-869	-847
NESCB surplus	-211	-	-	-
NET EXPENDITURE at November 2016 prices	<u>7,009</u>	<u>8,804</u>	<u>8,650</u>	<u>8,630</u>

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£'000	£'000	£'000	£'000
2016/17 ORIGINAL BUDGET AT at November 2015 Prices	-21,310	-21,310	-21,310	-21,310
INFLATION TO NOVEMBER 2016	20	17	17	17
2016/17 ORIGINAL BUDGET REPRICED	-21,290	-21,293	-21,293	-21,293
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Budget Setting</u></b>				
16-104 (Feb 15) Parking Enforcement Contract tender	-	-372	-672	-672
Income and contract review and departmental efficiencies	-	-100	-100	-100
<b><u>This Year Budget Variations</u></b>				
16-203 (July 2016) - Outturn report:-Renewals Fund Schemes	200	-	-	-
16-368 (Sept 2016) Parking Charges Review	-168	-813	-813	-813
<b><u>Other Technical/Volume adjustments</u></b>				
Reprofiling Parking Enforcement contract	226	-226	-	-
Income and contract review and departmental efficiencies	24	-37	-37	-37
<b><u>Transfers Between Committees</u></b>				
Central support recharge spread	1	-36	-36	-36
Depreciation charges	194	194	194	194
16-138 (April 16) Shared Staffing Arrangement	-	-162	-176	-176
<b>Transfers within committee</b>	-107	-107	-107	-107
<b>NET EFFECT OF DEVELOPMENTS</b>	370	-1,659	-1,747	-1,747
<b>NET EXPENDITURE at November 2016 prices</b>	-20,920	-22,952	-23,040	-23,040
<b>REVENUE EXPENDITURE BY SERVICE</b>				
Parking Administration	3,252	2,767	2,753	2,753
Parking Income Collection	-24,069	-25,647	-25,721	-25,721
Parking Zone Projects and Reviews	359	359	359	359
Bus Lane and Traffic Enforcement	-773	-741	-741	-741
Traffic Management	311	310	310	310
<b>NET EXPENDITURE at November 2016 prices</b>	-20,920	-22,952	-23,040	-23,040



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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET at November 2015 Prices	1,582	1,582	1,582	1,582
INFLATION TO NOVEMBER 2016	25	23	23	23
2016/17 ORIGINAL BUDGET REPRICED	<u>1,607</u>	<u>1,605</u>	<u>1,605</u>	<u>1,605</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Budget Setting</u></b>				
15-252 (June 2015) Shared Management Structure with Richmond	-	-47	-47	-47
<b><u>This Year Budget Variations</u></b>				
16-457 (Nov 2016) Charges Review	-1	-64	-64	-64
<b><u>Other Technical/Volume adjustments</u></b>				
Income and contract review and departmental efficiencies	-23	-23	-173	-173
<b><u>Transfers Between Committees</u></b>				
Depreciation charges	50	50	50	50
16-138 (April 16) Shared Staffing Arrangement	-	-146	-340	-340
<b>Transfers within committee</b>				
NET EFFECT OF DEVELOPMENTS	<u>26</u>	<u>-230</u>	<u>-574</u>	<u>-574</u>
NET EXPENDITURE at November 2016 prices	<u>1,633</u>	<u>1,375</u>	<u>1,031</u>	<u>1,031</u>
<b>REVENUE EXPENDITURE BY SERVICE</b>				
Development Planning and Control	1,398	1,166	850	850
Building Control	12	8	8	8
Transportation Planning	223	201	173	173
NET EXPENDITURE at November 2016 prices	<u>1,633</u>	<u>1,375</u>	<u>1,031</u>	<u>1,031</u>

**COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE  
ENGINEERING, MAINTENANCE AND TRANSPORT SERVICES**

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£'000	£'000	£'000	£'000
2016/17 ORIGINAL BUDGET AT at November 2015 Prices	26,950	26,950	26,950	26,950
INFLATION TO NOVEMBER 2016	114	98	98	98
2016/17 ORIGINAL BUDGET REPRICED	<u>27,064</u>	<u>27,048</u>	<u>27,048</u>	<u>27,048</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Budget Setting</u></b>				
Future provision for highways maintenance	-	1,000	-	-500
<b><u>This Year Budget Variations</u></b>				
16-457 (Nov 2016) Charges Review	-	-44	-44	-44
CS 257 (Feb 2017) Community Transport and Shopmobility Services Contract	-	-20	-20	-20
<b><u>Other Technical/Volume adjustments</u></b>				
Income and contract review and departmental efficiencies	-14	-14	-14	-14
Concessionary Fares	-	-663	-519	-519
Other London Councils charges	-	13	13	13
Environment Agency Flood Defence Levy 2017-18	-	5	5	5
<b><u>Transfers Between Committees</u></b>				
16-138 (April 16) Shared Staffing Arrangement	-	-652	-713	-713
Depreciation	-170	-170	-170	-170
<b>Transfers within committee</b>				
NET EFFECT OF DEVELOPMENTS	<u>-184</u>	<u>-545</u>	<u>-1,462</u>	<u>-1,962</u>
NET EXPENDITURE at November 2016 prices	<u>26,880</u>	<u>26,503</u>	<u>25,586</u>	<u>25,086</u>
<b>REVENUE EXPENDITURE BY SERVICE</b>				
Bridges, Structures and Drainage	319	319	319	319
Footway and Carriageway Maintenance	4,514	4,859	3,798	3,298
Street Lighting and Furniture	1,962	1,949	1,949	1,949
Concessionary Fares	14,509	13,845	13,989	13,989
Other Precepts and Levies	6,129	6,147	6,147	6,147
Wandsworth Community Transport	228	208	208	208
Highway Licensing	-1,149	-1,191	-1,191	-1,191
Other Administrative and Support Services	368	367	367	367
NET EXPENDITURE at November 2016 prices	<u>26,880</u>	<u>26,503</u>	<u>25,586</u>	<u>25,086</u>



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

	<u>2016/17 REVISED BUDGET</u>				<u>2017/18 BUDGET</u>		
	<u>2016/17</u>	INFLATION TO NOV. '16	DEVELOP- MENTS	TOTAL	INFLATION TO NOV. '16	DEVELOP- MENTS	TOTAL
	<u>ORIGINAL BUDGET</u>						
Salaries	19,609	209	4,895	24,713	187	2,461	22,257
Indirect Employee Expenses	275	-	-3	272	-	196	471
Premises	362	-3	100	459	-7	186	541
Use of Transport	4,268	-	62	4,330	-	-749	3,519
Supplies and Services							
- Contracts with Voluntary Bodies	4,184	4	-1,221	2,967	4	-1,040	3,148
- Other	4,495	-2	-623	3,870	3	-1,492	3,006
Third Party Payments							
- Levies	1,514	-	-	1,514	-	-	1,514
- Other	24,250	25	6,184	30,459	88	-1,407	22,931
Central and Technical Support	13,922	-1	150	14,071	-4	-1,407	12,511
Depreciation and Impairment	4,786	-	2,001	6,787	-	2,001	6,787
Government Grants	-4,153	-	-406	-4,559	-	3,027	-1,126
Other Income	-2,152	-	-210	-2,362	-	52	-2,100

<b>NET EXPENDITURE</b>	<b>71,360</b>	<b>232</b>	<b>10,929</b>	<b>82,521</b>	<b>271</b>	<b>1,828</b>	<b>73,459</b>
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at November 2016 prices

**REVENUE EXPENDITURE BY SERVICE**

Specialist Services	41,013	197	9,106	50,316	251	902	42,166
Prevention & Intervention	18,521	23	-182	18,362	10	-758	17,773
Education, Performance & Planning	11,826	12	2,005	13,843	10	1,684	13,520

<b>NET EXPENDITURE</b>	<b>71,360</b>	<b>232</b>	<b>10,929</b>	<b>82,521</b>	<b>271</b>	<b>1,828</b>	<b>73,459</b>
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at November 2016 prices

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/2017 ORIGINAL BUDGET at November 2015 prices	71,360	71,360	71,360	71,360
INFLATION TO NOVEMBER 2016	232	271	271	271
2016/2017 ORIGINAL BUDGET REPRICED	<u>71,592</u>	<u>71,631</u>	<u>71,631</u>	<u>71,631</u>
<b>DEVELOPMENTS</b>				
Specialist Services	9,106	902	-1,615	-1,944
Prevention & Intervention	-182	-758	-1,166	-1,169
Education, Performance & Planning	2,005	1,684	1,683	1,682
NET EFFECT OF DEVELOPMENTS	<u>10,929</u>	<u>1,828</u>	<u>-1,098</u>	<u>-1,431</u>
NET EXPENDITURE at November 2016 prices	<u>82,521</u>	<u>73,459</u>	<u>70,533</u>	<u>70,200</u>
<b>ANALYSIS BY SERVICE</b>				
Specialist Services	50,316	42,166	39,649	39,320
Prevention & Intervention	18,362	17,773	17,365	17,362
Education, Performance & Planning	13,843	13,520	13,519	13,518
NET EXPENDITURE at November 2016 prices	<u>82,521</u>	<u>73,459</u>	<u>70,533</u>	<u>70,200</u>

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/2017 ORIGINAL BUDGET at November 2015 prices	41,013	41,013	41,013	41,013
INFLATION TO NOVEMBER 2016	197	251	251	251
2016/2017 ORIGINAL BUDGET REPRICED	<u>41,210</u>	<u>41,264</u>	<u>41,264</u>	<u>41,264</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
15-252 (June 15) Shared Management Structure	-	-194	-194	-194
15-332 (Sept 15) SEN Reform Grant	-	-294	-294	-294
16-26 (Jan 16) Shared Staffing Arrangement	-	-40	-40	-40
16-30 (Jan 16) Development Budget items	-	-97	-132	-146
16-34 (Feb 16) Accredited Training & Assessment Centre	-	-47	-47	-47
16-35 (Feb 16) Education, Performance & Planning Division	-	-60	-60	-60
16-37 (Feb 16) Special Educational Needs Transport	-	47	47	27
16-42 (Feb 16 ) Removal of Temporary Children's Services Budget Pressures	-	-	-2,574	-2,574
<b><u>This Year Budget Variations</u></b>				
16-144 (April 16) Ofsted Improvement Plan	1,206	-	-	-
16-175 (June 16) Children's Social Work Service	853	921	829	829
16-203 (July 16) Children's Services Budget Pressures	4,600	-	-	-
16-390 (Sept 16) Shared Management Structure	-	110	110	110
16-440 (Nov 16) Family Recovery Project	-	-	295	-
16-442 (Nov 16) Reduction in Education Services Grant	-	-121	-121	-121
17-50 (Feb 17) SEN & Disabilities Reform Grant	-	111	-	-
<b><u>Transfers between Committees</u></b>				
15-101 (Feb 15) Review of Finance Function	-	-6	-6	-6
Commissioning Services	208	208	208	208
Transitions Social Work Team	249	249	249	249
Public Health Services	-30	-	-	-
Central Support Recharge Spread	-18	-17	-17	-17
Depreciation	-58	-58	-58	-58
SEN Transport	26	44	44	44
<b><u>Other Technical/Volume Adjustments</u></b>				
Income & contract review & departmental efficiencies	68	142	142	142
2016/17 Family Recovery Project Income	-25	-	-	-
MOPAC Funding	-185	-	-	-
SEN & Disabilities Reform Grant	-111	-	-	-
Children's Services Budget Pressures	2,295	-	-	-
NNDR April 2017	-	3	3	3
<b>Transfers within Committee</b>	<b>28</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>NET EFFECT OF DEVELOPMENTS</b>	<b><u>9,106</u></b>	<b><u>902</u></b>	<b><u>-1,615</u></b>	<b><u>-1,944</u></b>
<b>NET EXPENDITURE at November 2016 prices</b>	<b><u>50,316</u></b>	<b><u>42,166</u></b>	<b><u>39,649</u></b>	<b><u>39,320</u></b>
<b>ANALYSIS BY SERVICE</b>				
Children in Need	7,654	7,161	7,051	7,000
Children Looked After and External Placements	17,834	11,783	9,209	9,209
Family & Community	2,498	2,490	2,490	2,490
Family Recovery Project and Troubled Families	1,339	1,536	1,831	1,536
Fostering	3,859	3,881	3,881	3,881
Safeguarding	1,882	1,600	1,600	1,600
Service Development & Training	1,977	1,564	1,564	1,564
Special Needs and Disabled Children	10,051	9,046	8,935	8,935
Youth Support	3,222	3,105	3,088	3,105
<b>NET EXPENDITURE at November 2016 prices</b>	<b><u>50,316</u></b>	<b><u>42,166</u></b>	<b><u>39,649</u></b>	<b><u>39,320</u></b>

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/2017 ORIGINAL BUDGET at November 2015 prices	18,521	18,521	18,521	18,521
INFLATION TO NOVEMBER 2016	23	10	10	10
<b>2016/2017 ORIGINAL BUDGET REPRICED</b>	<b>18,544</b>	<b>18,531</b>	<b>18,531</b>	<b>18,531</b>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
ECS 394 (April 15) Children's Centre Management System	-	-5	-5	-5
15-437 (Nov 15) Early Years Review	-	-76	-76	-76
16-26 (Jan 16) Shared Staffing Arrangement	-	-25	-25	-25
16-30 (Jan 16) Development Budget items	-	-146	-155	-158
<b><u>This Year Budget Variations</u></b>				
16-144 (April 16) Ofsted Improvement Plan	4	-	-	-
16-176 (June 16) Children's Centres Review	-50	-100	-100	-100
16-390 (Sept 16) Shared Management Structure	-	60	60	60
16-439 (Nov 16) Revision of Charges	-	-24	-24	-24
16-442 (Nov 16) Reduction in Education Services Grant	-	-36	-36	-36
17-49 (Feb 17) Health Visiting Service	-	-125	-500	-500
<b><u>Transfers between Committees</u></b>				
15-101 (Feb 15) Review of Finance Function	-	-10	-10	-10
Youth Services:- Bring in-house	-51	-102	-102	-102
Central Support Recharge Spread	-54	-103	-103	-103
Depreciation	24	24	24	24
<b><u>Other Technical/Volume Adjustments</u></b>				
Income & contract review & departmental efficiencies	-27	-93	-117	-117
NNDR April 2017	-	4	4	4
<b>Transfers within Committee</b>	<b>-28</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>
<b>NET EFFECT OF DEVELOPMENTS</b>	<b>-182</b>	<b>-758</b>	<b>-1,166</b>	<b>-1,169</b>
<b>NET EXPENDITURE at November 2016 prices</b>	<b>18,362</b>	<b>17,773</b>	<b>17,365</b>	<b>17,362</b>
<b>ANALYSIS BY SERVICE</b>				
Early Years Services	14,239	13,812	13,437	13,437
Lifelong Learning	89	78	78	78
Play and Extended Schools	-11	-35	-35	-35
Youth Offending Team	1,173	1,132	1,132	1,132
Youth Support Services	226	227	227	227
Youth Work Service	2,646	2,559	2,526	2,523
<b>NET EXPENDITURE at November 2016 prices</b>	<b>18,362</b>	<b>17,773</b>	<b>17,365</b>	<b>17,362</b>

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£'000	£'000	£'000	£'000
2016/2017 ORIGINAL BUDGET at November 2015 prices	11,826	11,826	11,826	11,826
INFLATION TO NOVEMBER 2016	12	10	10	10
<b>2016/2017 ORIGINAL BUDGET REPRICED</b>	<b>11,838</b>	<b>11,836</b>	<b>11,836</b>	<b>11,836</b>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
15-252 (June 15) Shared Management Structure	-	-65	-65	-65
16-26 (Jan 16) Shared Staffing Arrangement	-	-10	-10	-10
16-30 (Jan 16) Development Budget items	-	-16	-17	-18
<b><u>This Year Budget Variations</u></b>				
16-144 (April 16) Ofsted Improvement Plan	10	-	-	-
16-390 (Sept 16) Shared Management Structure	-	50	50	50
16-442 (Nov 16) Reduction in Education Services Grant	-	-1,035	-1,035	-1,035
<b><u>Transfers between Committees</u></b>				
15-101 (Feb 15) Review of Finance Function	-	-3	-3	-3
Central Support Recharge Spread	-94	-128	-128	-128
Depreciation	2,101	2,101	2,101	2,101
<b><u>Other Technical/Volume Adjustments</u></b>				
Income & contract review & departmental efficiencies	-12	-10	-10	-10
LPFA Additional ILEA Top-Up	-	600	600	600
Schools Severance Costs	-	200	200	200
<b>NET EFFECT OF DEVELOPMENTS</b>	<b>2,005</b>	<b>1,684</b>	<b>1,683</b>	<b>1,682</b>
<b>NET EXPENDITURE at November 2016 prices</b>	<b>13,843</b>	<b>13,520</b>	<b>13,519</b>	<b>13,518</b>
<b>ANALYSIS BY SERVICE</b>				
14-19	147	180	180	180
Education Welfare Service	439	438	438	438
Financial and Other Services	3,977	4,432	4,431	4,430
ICT and Office Services	1,713	1,464	1,464	1,464
Inclusion Service	256	158	158	158
Performance & Standards	1,249	816	816	816
Dedicated School Budget Funded by General Fund	6,062	6,032	6,032	6,032
<b>NET EXPENDITURE at November 2016 prices</b>	<b>13,843</b>	<b>13,520</b>	<b>13,519</b>	<b>13,518</b>





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

	<u>2016/17 REVISED BUDGET</u>				<u>2017/18 BUDGET</u>			
	<u>2016/17 ORIGINAL BUDGET</u>	<u>INFLATION TO NOV.'16</u>	<u>DEVEL- OPMENTS</u>	<u>TOTAL</u>	<u>INFLATION TO NOV.'16</u>	<u>DEVEL- OPMENTS</u>	<u>TOTAL</u>	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	8,389	87	695	9,171	72	-4,449	4,012	
Indirect Employee Expenses	81	-	-	81	-	-26	55	
Premises	479	-	100	579	-	170	649	
Use of Transport	15	-	-	15	-	-1	14	
Supplies and Services								
- Grants to voluntary bodies	833	4	208	1,045	4	-50	787	
- Other	10,084	3	2,185	12,272	1	-5,360	4,725	
Third party payments								
- Precepts, Levies and Charges	311	-	-	311	-	380	691	
- Other	1,018	-	42	1,060	-	188	1,206	
Transfer Payments	196,341	-	-3,518	192,823	-	-6,705	189,636	
Central and Technical Support	10,734	7	-87	10,654	6	-1,878	8,862	
Depreciation and Impairment	493	-	33	526	-	33	526	
Government Grants	-195,005	-	4,420	-190,585	-	8,748	-186,257	
Rents	-1,593	-	-118	-1,711	-	-1,691	-3,284	
Fees, Charges and Other Income	-26,390	-	-2,260	-28,650	-	-1,610	-28,000	
Interest Received	-5,589	-	-14	-5,603	-	319	-5,270	
<b>NET EXPENDITURE</b>	<b>201</b>	<b>101</b>	<b>1,686</b>	<b>1,988</b>	<b>83</b>	<b>-11,932</b>	<b>-11,648</b>	
at November 2016 prices								

**REVENUE EXPENDITURE BY SERVICE**

General Services								
- Chief Executive Department	6,327	17	-264	6,080	16	-1,016	5,327	
- Resources Department	-12,507	10	-451	-12,948	3	-10,209	-22,713	
Council Tax and Rate Collection	1,971	12	-90	1,893	11	-496	1,486	
Property Services	-1,740	6	485	-1,249	5	-1,185	-2,920	
Housing and Council Tax Benefits	4,669	36	1,885	6,590	35	1,214	5,918	
Economic Development	1,481	20	121	1,622	13	-240	1,254	
<b>NET EXPENDITURE</b>	<b>201</b>	<b>101</b>	<b>1,686</b>	<b>1,988</b>	<b>83</b>	<b>-11,932</b>	<b>-11,648</b>	
at November 2016 prices								

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET AT NOVEMBER 2015 PRICES	201	201	201	201
INFLATION TO NOVEMBER 2016	101	83	83	83
2016/17 ORIGINAL BUDGET REPRICED	<u>302</u>	<u>284</u>	<u>284</u>	<u>284</u>
<b>DEVELOPMENTS</b>				
General Services				
- Chief Executive Department	-264	-1,016	-1,133	-1,133
- Resources Department	-451	-10,209	-12,365	-9,631
Council Tax and Rate Collection	-90	-496	-496	-496
Property Services	485	-1,185	-1,785	-1,785
Housing and Council Tax Benefits	1,885	1,214	1,214	1,214
Economic Development	121	-240	-240	-240
NET EFFECT OF DEVELOPMENTS	<u>1,686</u>	<u>-11,932</u>	<u>-14,805</u>	<u>-12,071</u>
NET EXPENDITURE with inflation to November 2016	<u>1,988</u>	<u>-11,648</u>	<u>-14,521</u>	<u>-11,787</u>
<b>ANALYSIS BY SERVICE</b>				
General Services				
- Chief Executive Department	6,080	5,327	5,210	5,210
- Resources Department	-12,948	-22,713	-24,869	-22,135
Council Tax and Rate Collection	1,893	1,486	1,486	1,486
Property Services	-1,249	-2,920	-3,520	-3,520
Housing and Council Tax Benefits	6,590	5,918	5,918	5,918
Economic Development	1,622	1,254	1,254	1,254
NET EXPENDITURE	<u>1,988</u>	<u>-11,648</u>	<u>-14,521</u>	<u>-11,787</u>

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£'000	£'000	£'000	£'000
2016/17 ORIGINAL BUDGET AT NOVEMBER 2015 PRICES	6,327	6,327	6,327	6,327
INFLATION TO NOVEMBER 2016	17	16	16	16
2016/17 ORIGINAL BUDGET REPRICED	<u>6,344</u>	<u>6,343</u>	<u>6,343</u>	<u>6,343</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
15-252 (June 15) Shared Management Structure Richmond	-	-310	-310	-310
15-101 (Feb 15) Review of Finance Department	-	-37	-37	-37
<b><u>This Year Budget Variations</u></b>				
16-390 (Sep 16) Richmond Shared Staffing Arrangements	-	220	220	220
<b><u>Transfers between Committees</u></b>				
Central Support Recharge spread	-39	173	173	173
16-390 (Sep 16) Richmond Shared Staffing Arrangements	-	-220	-220	-220
16-138 (Apr 16) Shared Staffing Agreement	-	-595	-712	-712
Depreciation	-195	-196	-196	-196
<b><u>Other Technical / Volume Adjustments</u></b>				
Income & contract review & departmental efficiencies	-30	-51	-51	-51
NET EFFECT OF DEVELOPMENTS	<u>-264</u>	<u>-1,016</u>	<u>-1,133</u>	<u>-1,133</u>
NET EXPENDITURE with inflation to November 2016	<u>6,080</u>	<u>5,327</u>	<u>5,210</u>	<u>5,210</u>
<b>ANALYSIS BY SERVICE</b>				
Registration of Electors	685	678	678	678
Emergency Planning	200	194	194	194
Corporate Management Costs	4,945	4,228	4,111	4,111
Registration of Births, Deaths and Marriages	55	42	42	42
Other	195	185	185	185
NET EXPENDITURE with inflation to November 2016	<u>6,080</u>	<u>5,327</u>	<u>5,210</u>	<u>5,210</u>

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET AT NOVEMBER 2015 PRICES	-12,507	-12,507	-12,507	-12,507
INFLATION TO NOVEMBER 2016	10	3	3	3
2016/17 ORIGINAL BUDGET REPRICED	-12,497	-12,504	-12,504	-12,504
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2015 Council Tax Setting</u></b>				
14-46 (Jan 14) & 15-25 (Jan 15) & 16-26 (Jan 16) Revenue Effects of Capital Bids	-	-105	254	254
15-101 (Feb 15) Review of Finance Department	-	-28	-28	-28
15-252 (June 15) Shared Management Structure Richmond	-	-60	-60	-60
15-462 (Nov 15) Staffing Review of Customer Services	-	-150	-150	-150
16-103 (Feb 16) Transactional Services	-	-1,408	-1,579	-1,623
16-107 (Feb 16) Richmond SSA set up costs:-one year only	-	-5,000	-5,000	-5,000
<b><u>This Year Budget Variations</u></b>				
16-191 (Jul 16) Wandsworth Grant Fund	-50	-50	-50	-50
16-203 (Jul 16) Council Outturn Report:-Renewals Fund expenditure	1,648	-	-	-
FCR 595 Private Medical Insurance	-	-50	-50	-50
16-393 (Oct 16) Revenue Effects of Capital	5	11	11	11
16-138 (Apr 16) Shared Staffing Agreement	-	-7,073	-8,761	-8,761
17-17 (Jan 17) Revenue Effects of Capital	-	32	74	84
17-16 (Jan 17) London Borough Grants Committee	-	-33	-33	-33
<b><u>Transfers between Committees</u></b>				
Central Support Recharge Spread	135	467	467	467
Depreciation	-2,502	-2,505	-2,505	-2,505
15-101 (Feb 15) Review of Finance Department	-	108	108	108
16-103 (Feb 16) Transactional Services	-	84	255	255
16-138 (Apr 16) Shared Staffing Agreement	-	5,530	6,370	7,182
<b><u>Other Technical / Volume Adjustments</u></b>				
Removal of Local Services Support Grant	105	105	105	105
Income & contract review & departmental efficiencies	-12	-214	-214	-214
Flood Grant	-	-39	-42	-44
New Burdens Grant	-13	-15	-15	-15
Apprenticeship Levy	-	400	400	400
Revised forecast for interest	299	1,109	100	2,058
Transfers within Committee	-66	48	48	48
South London Legal Partnership	-	-230	-230	-230
Investment income	-	-613	-1,310	-1,310
Pension contribution reduction	-	-530	-530	-530
NET EFFECT OF DEVELOPMENTS	-451	-10,209	-12,365	-9,631
NET EXPENDITURE with inflation to November 2016	-12,948	-22,713	-24,869	-22,135
<b>ANALYSIS BY SERVICE</b>				
General Services Finance	-540	-4,145	-5,319	-4,279
Shared Staffing Agreement	5,696	-	-	-
Voluntary Organisations	1,509	1,118	1,118	1,118
Capital Financing Account				
- Interest	-1,100	-1,171	-2,153	-459
- Depreciation charge	-18,513	-18,515	-18,515	-18,515
NET EXPENDITURE with inflation to November 2016	-12,948	-22,713	-24,869	-22,135

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET AT NOVEMBER 2015 PRICES	1,971	1,971	1,971	1,971
INFLATION TO NOVEMBER 2016	12	11	11	11
2016/17 ORIGINAL BUDGET REPRICED	<u>1,983</u>	<u>1,982</u>	<u>1,982</u>	<u>1,982</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
FCR 519 Business Rates Contract	-	-15	-15	-15
15-252 (June 15) Shared Management Structure Richmond	-	-18	-18	-18
<b><u>This Year Budget Variations</u></b>				
16-201 (Jul 16) Review of Council Tax Empty Property Discounts	-	-6	-6	-6
16-138 (Apr 16) Shared Staffing Agreement	-	-165	-165	-165
<b><u>Transfers between Committees</u></b>				
Central Support Recharge Spread	-68	-241	-241	-241
Depreciation	-8	-8	-8	-8
<b><u>Other Technical / Volume Adjustments</u></b>				
Income & contract review & departmental efficiencies	-14	-43	-43	-43
<b>NET EFFECT OF DEVELOPMENTS</b>	<u>-90</u>	<u>-496</u>	<u>-496</u>	<u>-496</u>
<b>NET EXPENDITURE</b> with inflation to November 2016	<u>1,893</u>	<u>1,486</u>	<u>1,486</u>	<u>1,486</u>
<b>ANALYSIS BY SERVICE</b>				
Council Tax and Rate Collection	1,893	1,486	1,486	1,486
<b>NET EXPENDITURE</b> with inflation to November 2016	<u>1,893</u>	<u>1,486</u>	<u>1,486</u>	<u>1,486</u>

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET AT NOVEMBER 2015 PRICES	-1,740	-1,740	-1,740	-1,740
INFLATION TO NOVEMBER 2016	6	5	5	5
2016/17 ORIGINAL BUDGET REPRICED	-1,734	-1,735	-1,735	-1,735
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
15-261 (June 15) Consultants fees & Assistant Borough Valuer posts	-	-100	-100	-100
15-252 (June 15) Shared Management Structure Richmond	-	-22	-22	-22
Property Income	-	-1,500	-1,500	-1,500
15-01 (Feb 15) Staffing Review	-	-23	-23	-23
<b><u>This Year Budget Variations</u></b>				
16-203 (Jul 16) Council Outturn Report	250	-	-	-
FCR576 Leader's Garden Rent	-2	-2	-2	-2
FCR613 Battersea Park National Grid Lease Income	-	-32	-32	-32
16-138 (Apr 16) Shared Staffing Agreement	-	-184	-184	-184
<b><u>Transfers between Committees</u></b>				
Depreciation	169	169	169	169
Central Support Recharge Spread	17	40	40	40
16-37 (Jan 16) SEN Transport Contract	-22	-44	-44	-44
<b><u>Other Technical / Volume Adjustments</u></b>				
Income & contract review & departmental efficiencies	3	4	4	4
Energy Management schemes	70	-	-	-
Property Income recalibration	-	600	-	-
NNDR Revaluations	-	9	9	9
Quasi market rental income from DSO	-	-100	-100	-100
NET EFFECT OF DEVELOPMENTS	485	-1,185	-1,785	-1,785
NET EXPENDITURE with inflation to November 2016	-1,249	-2,920	-3,520	-3,520
<b>ANALYSIS BY SERVICE</b>				
Operational Properties	563	299	299	299
Commercial Properties	-2,434	-3,471	-4,071	-4,071
Properties Pending Disposal	552	252	252	252
Energy Management schemes	70	-	-	-
NET EXPENDITURE with inflation to November 2016	-1,249	-2,920	-3,520	-3,520

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET AT NOVEMBER 2015 PRICES	4,669	4,669	4,669	4,669
INFLATION TO NOVEMBER 2016	36	35	35	35
2016/17 ORIGINAL BUDGET REPRICED	4,705	4,704	4,704	4,704
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
15-252 (June 15) Shared Management Structure Richmond	-	-23	-23	-23
<b><u>This Year Budget Variations</u></b>				
FCR 596 Email Archive 360 Software	-	-14	-14	-14
16-138 (Apr 16) Shared Staffing Agreement	-	-366	-366	-366
<b><u>Transfers between Committees</u></b>				
IT Infrastructure respread	-3	-3	-3	-3
Central Support Recharge Spread	-30	-199	-199	-199
Depreciation	-5	-6	-6	-6
<b><u>Other Technical / Volume Adjustments</u></b>				
Housing Benefit Subsidy	1,883	1,778	1,778	1,778
Housing Benefit Administration Grant	-	135	135	135
Localising Council Tax Support	-43	-44	-44	-44
Transfers within Committee	114	-	-	-
Income & contract review & departmental efficiencies	-31	-44	-44	-44
NET EFFECT OF DEVELOPMENTS	1,885	1,214	1,214	1,214
NET EXPENDITURE with inflation to November 2016	6,590	5,918	5,918	5,918
<b>ANALYSIS BY SERVICE</b>				
Housing and Council Tax Benefits	6,590	5,918	5,918	5,918
NET EXPENDITURE with inflation to November 2016	6,590	5,918	5,918	5,918



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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET AT NOVEMBER 2015 PRICES	1,481	1,481	1,481	1,481
INFLATION TO NOVEMBER 2016	20	13	13	13
2016/17 ORIGINAL BUDGET REPRICED	<u>1,501</u>	<u>1,494</u>	<u>1,494</u>	<u>1,494</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
15-252 (June 15) Shared Management Structure Richmond	-	-64	-64	-64
15-119 (Feb 15) Modernisation of Pay and Rewards	-	-2	-2	-2
15-466 (Nov 15) EDO Budget Realignment	-8	-3	-3	-3
<b><u>This Year Budget Variations</u></b>				
16-203 (Jul 16) Council Outturn Report	135	-	-	-
16-138 (Apr 16) Shared Staffing Agreement	-	-154	-154	-154
<b><u>Transfers between Committees</u></b>				
Central Support Recharge Spread	-15	-27	-27	-27
Depreciation	24	25	25	25
<b><u>Other Technical / Volume Adjustments</u></b>				
Income & contract review & departmental efficiencies	-15	-17	-17	-17
NNDR Revaluations	-	2	2	2
NET EFFECT OF DEVELOPMENTS	<u>121</u>	<u>-240</u>	<u>-240</u>	<u>-240</u>
NET EXPENDITURE with inflation to November 2016	<u>1,622</u>	<u>1,254</u>	<u>1,254</u>	<u>1,254</u>
<b>ANALYSIS BY SERVICE</b>				
Town Centres	302	303	303	303
Economic Development	1,320	951	951	951
NET EXPENDITURE with inflation to November 2016	<u>1,622</u>	<u>1,254</u>	<u>1,254</u>	<u>1,254</u>

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

	<u>2016/17 REVISED BUDGET</u>				<u>2017/18 BUDGET</u>		
	<u>2016/17</u>	<u>INFLATION</u>	<u>DEVEL-</u>	<u>TOTAL</u>	<u>INFLATION</u>	<u>DEVEL-</u>	<u>TOTAL</u>
	<u>ORIGINAL</u>						
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Salaries	18,361	218	-295	18,284	208	-1,833	16,736
Indirect Employee Expenses	837	-	-	837	-	-50	787
Premises	2,795	1	21	2,817	-29	26	2,792
Use of Transport	301	-	-2	299	-	-6	295
Supplies and Services	6,993	7	-100	6,900	3	-2,442	4,554
Third Party Payments	1,193	-	-2	1,191	-	-36	1,157
Central and Technical Support	20	-	-	20	-	-	20
Income	-1,863	-	17	-1,846	-	59	-1,804
<b>NET EXPENDITURE</b>	<b>28,637</b>	<b>226</b>	<b>-361</b>	<b>28,502</b>	<b>182</b>	<b>-4,282</b>	<b>24,537</b>
Administrative Buildings	3,935	-3	12	3,944	-24	-11	3,900
Central Services - Resources & Chief Exec							
Department	16,932	181	-368	16,745	159	-3,742	13,349
Information and Communication Technology	5,701	39	4	5,744	38	-349	5,390
Democratic Representation	2,069	9	-9	2,069	9	-180	1,898
<b>NET EXPENDITURE</b>	<b>28,637</b>	<b>226</b>	<b>-361</b>	<b>28,502</b>	<b>182</b>	<b>-4,282</b>	<b>24,537</b>

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET AT NOVEMBER 2015 PRICES	28,637	28,637	28,637	28,637
INFLATION TO NOVEMBER 2016	226	182	182	182
2016/17 ORIGINAL BUDGET REPRICED	<u>28,863</u>	<u>28,819</u>	<u>28,819</u>	<u>28,819</u>
<b>DEVELOPMENTS</b>				
Administrative Buildings	12	-11	-11	-11
Central Services - Resources & Chief Exec Department	-368	-3,742	-4,283	-4,283
Information and Communication Technology	4	-349	-633	-633
Democratic Representation	-9	-180	-210	-210
NET EFFECT OF DEVELOPMENTS	<u>-361</u>	<u>-4,282</u>	<u>-5,137</u>	<u>-5,137</u>
REVISED BUDGET TOTALS	<u><u>28,502</u></u>	<u><u>24,537</u></u>	<u><u>23,682</u></u>	<u><u>23,682</u></u>
<b>REVENUE EXPENDITURE BY SERVICE</b>				
Administrative Buildings	3,944	3,900	3,900	3,900
Central Services - Resources & Chief Exec Department	16,745	13,349	12,808	12,808
Information and Communication Technology	5,744	5,390	5,106	5,106
Democratic Representation	2,069	1,898	1,868	1,868
REVISED BUDGET TOTALS	<u><u>28,502</u></u>	<u><u>24,537</u></u>	<u><u>23,682</u></u>	<u><u>23,682</u></u>

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET AT NOVEMBER 2015 PRICES	3,935	3,935	3,935	3,935
INFLATION TO NOVEMBER 2016	-3	-24	-24	-24
2016/17 ORIGINAL BUDGET REPRICED	<u>3,932</u>	<u>3,911</u>	<u>3,911</u>	<u>3,911</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
15-101 (Feb 15) Review of Finance Department	-	-43	-43	-43
<b><u>Transfers between Committees</u></b>				
Depreciation	-7	-7	-7	-7
Other Transfers between Committees	-25	-36	-36	-36
<b><u>Other Technical / Volume Adjustments</u></b>				
Income & contract review & departmental efficiencies	-6	-26	-26	-26
Transfers within Committee	50	101	101	101
NET EFFECT OF DEVELOPMENTS	<u>12</u>	<u>-11</u>	<u>-11</u>	<u>-11</u>
NET EXPENDITURE with inflation to November 2016	<u><u>3,944</u></u>	<u><u>3,900</u></u>	<u><u>3,900</u></u>	<u><u>3,900</u></u>

**FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE  
CENTRAL SERVICES - RESOURCES & CHIEF EXECUTIVES DEPARTMENTS**

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET AT NOVEMBER 2015 PRICES	16,932	16,932	16,932	16,932
INFLATION TO NOVEMBER 2016	181	159	159	159
2016/17 ORIGINAL BUDGET REPRICED	<u>17,113</u>	<u>17,091</u>	<u>17,091</u>	<u>17,091</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
15-101 (Feb 15) Review of Finance Department	-	20	20	20
15-252 (June 15) Shared Management Structure Richmond	-	-612	-612	-612
15-261 (June 15) Assistant Borough Valuer posts	-	-100	-100	-100
16-103 (Feb 16) Transactional Services	-	-1,897	-1,897	-1,897
<b><u>This Year Budget Variations</u></b>				
16-138 (Apr 16) Shared Staffing Agreement	-	-735	-1,276	-1,276
FCR 595 Private Medical Insurance	-	-50	-50	-50
<b><u>Transfers Between Committees</u></b>				
Depreciation	-17	-16	-16	-16
Other Transfers between Committees	62	125	125	125
<b><u>Other Technical / Volume Adjustments</u></b>				
Income & contract review & departmental efficiencies	-413	-477	-477	-477
NET EFFECT OF DEVELOPMENTS	<u>-368</u>	<u>-3,742</u>	<u>-4,283</u>	<u>-4,283</u>
NET EXPENDITURE with inflation to November 2016	<u>16,745</u>	<u>13,349</u>	<u>12,808</u>	<u>12,808</u>
<b>REVENUE EXPENDITURE BY SERVICE</b>				
Finance Directorate and General Services	371	485	485	485
Financial Management	4,689	2,581	2,514	2,514
Financial Services	2,256	2,007	1,856	1,856
Customer Services & Parking Administration	2,312	2,073	2,073	2,073
Revenue Services	2,314	2,141	1,905	1,905
Policy Unit	425	298	298	298
Press Office	269	159	159	159
Central Personnel	2,150	1,984	1,984	1,984
Staff Training Centre	357	357	357	357
General Office/Directorate	1,270	932	845	845
Graphics	332	332	332	332
NET EXPENDITURE with inflation to November 2016	<u>16,745</u>	<u>13,349</u>	<u>12,808</u>	<u>12,808</u>

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET AT NOVEMBER 2015 PRICES	5,701	5,701	5,701	5,701
INFLATION TO NOVEMBER 2016	39	38	38	38
2016/17 ORIGINAL BUDGET REPRICED	<u>5,740</u>	<u>5,739</u>	<u>5,739</u>	<u>5,739</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
15-252 (June 15) Shared Management Structure Richmond	-	-61	-61	-61
<b><u>This Year Budget Variations</u></b>				
FCR 596 Email Archive 360 Software	-	-14	-14	-14
16-138 (Apr 16) Shared Staffing Agreement		-216	-500	-500
<b><u>Transfers Between Committees</u></b>				
Depreciation	42	42	42	42
<b><u>Other Technical / Volume Adjustments</u></b>				
Income & contract review & departmental efficiencies	-38	-100	-100	-100
NET EFFECT OF DEVELOPMENTS	<u>4</u>	<u>-349</u>	<u>-633</u>	<u>-633</u>
NET EXPENDITURE with inflation to November 2016	<u>5,744</u>	<u>5,390</u>	<u>5,106</u>	<u>5,106</u>
<b>REVENUE EXPENDITURE BY SERVICE</b>				
ICT Services	5,084	4,730	4,446	4,446
Telecommunication Services	370	370	370	370
Business Support Service	290	290	290	290
NET EXPENDITURE with inflation to November 2016	<u>5,744</u>	<u>5,390</u>	<u>5,106</u>	<u>5,106</u>

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET AT NOVEMBER 2015 PRICES	2,069	2,069	2,069	2,069
INFLATION TO NOVEMBER 2016	9	9	9	9
2016/17 ORIGINAL BUDGET REPRICED	<u>2,078</u>	<u>2,078</u>	<u>2,078</u>	<u>2,078</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Council Tax Setting</u></b>				
15-252 (June 15) Shared Management Structure Richmond	-	-19	-19	-19
<b><u>This Year Budget Variations</u></b>				
16-138 (Apr 16) Shared Staffing Agreement	-	-150	-180	-180
<b><u>Other Technical / Volume Adjustments</u></b>				
Income & contract review & departmental efficiencies	-9	-11	-11	-11
NET EFFECT OF DEVELOPMENTS	<u>-9</u>	<u>-180</u>	<u>-210</u>	<u>-210</u>
NET EXPENDITURE with inflation to November 2016	<u>2,069</u>	<u>1,898</u>	<u>1,868</u>	<u>1,868</u>
<b>REVENUE EXPENDITURE BY SERVICE</b>				
Mayoralty	169	167	167	167
Committee Support	562	412	382	382
Members' Support/Expenses	1,317	1,298	1,298	1,298
Election Expenses	21	21	21	21
NET EXPENDITURE with inflation to November 2016	<u>2,069</u>	<u>1,898</u>	<u>1,868</u>	<u>1,868</u>

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

	<u>2016/17 REVISED BUDGET</u>				<u>2017/18 BUDGET</u>		
	<u>2016/17 ORIGINAL BUDGET</u>	<u>INFLATION TO NOV.'16</u>	<u>DEVEL- OPMENTS</u>	<u>TOTAL</u>	<u>INFLATION TO NOV.'16</u>	<u>DEVEL- OPMENTS</u>	<u>TOTAL</u>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	2,171	21	-22	2,170	21	-696	1,496
Indirect Employee Expenses	17	-	-	17	-	-	17
Premises	113	-	-	113	-	-	113
Use of Transport	23	-	-	23	-	-	23
Supplies and Services							
- Contracts with Voluntary Organisations	33	-	-	33	-	-	33
- Other	428	-	-	428	-	-	428
Third Party Payments	11,458	34	-	11,492	-	-	11,458
Transfer Payments	8,434	-	-	8,434	-	-	8,434
Central and Technical Support	740	-	-13	727	-	-87	653
Depreciation and Impairment	-	-	-	-	-	-	-
Government Grants	-7,518	-	-	-7,518	-	-	-7,518
Rents	-74	-	-	-74	-	-	-74
Other Income	-9,453	-	1	-9,452	-	1	-9,452
Interest Received	-27	-	4	-23	-	1	-26
<b>NET EXPENDITURE at November 2016 prices</b>	<b>6,345</b>	<b>55</b>	<b>-30</b>	<b>6,370</b>	<b>21</b>	<b>-781</b>	<b>5,585</b>
<b>REVENUE EXPENDITURE BY SERVICE</b>							
Private Sector Housing	604	5	-19	590	5	-140	469
Homelessness and Asylum	5,611	44	-10	5,645	10	-637	4,984
Other Housing Services	130	6	-1	135	6	-4	132
<b>NET EXPENDITURE at November 2016 prices</b>	<b>6,345</b>	<b>55</b>	<b>-30</b>	<b>6,370</b>	<b>21</b>	<b>-781</b>	<b>5,585</b>

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET AT at November 2015 Prices	6,345	6,345	6,345	6,345
INFLATION TO NOVEMBER 2016	55	21	21	21
2016/17 ORIGINAL BUDGET REPRICED	<u>6,400</u>	<u>6,366</u>	<u>6,366</u>	<u>6,366</u>
<b>DEVELOPMENTS</b>				
Private Sector Housing	-19	-140	-140	-140
Homelessness and Asylum	-10	-637	-637	-637
Other Housing Services	-1	-4	-4	-4
NET EFFECT OF DEVELOPMENTS	<u>-30</u>	<u>-781</u>	<u>-781</u>	<u>-781</u>
NET EXPENDITURE at November 2016 prices	<u>6,370</u>	<u>5,585</u>	<u>5,585</u>	<u>5,585</u>
<b>REVENUE EXPENDITURE BY SERVICE</b>				
Private Sector Housing	590	469	469	469
Homelessness and Asylum	5,645	4,984	4,984	4,984
Other Housing Services	135	132	132	132
NET EXPENDITURE at November 2016 prices	<u>6,370</u>	<u>5,585</u>	<u>5,585</u>	<u>5,585</u>

**HOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE  
PRIVATE SECTOR HOUSING**

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£'000	£'000	£'000	£'000
2016/17 ORIGINAL BUDGET AT at November 2015 Prices	604	604	604	604
INFLATION TO NOVEMBER 2016	5	5	5	5
2016/17 ORIGINAL BUDGET REPRICED	<u>609</u>	<u>609</u>	<u>609</u>	<u>609</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Budget Setting</u></b>				
<b><u>This Year Budget Variations</u></b>				
<b><u>Other Technical/Volume adjustments</u></b>				
Income and contract review and departmental efficiencies	-5	-5	-5	-5
<b><u>Transfers Between Committees</u></b>				
Central Support Recharge spread	-14	-14	-14	-14
16-138 (April 2016) Shared Staffing Agreement	-	-121	-121	-121
<b>Transfers within committee</b>				
NET EFFECT OF DEVELOPMENTS	<u>-19</u>	<u>-140</u>	<u>-140</u>	<u>-140</u>
NET EXPENDITURE at November 2016 prices	<u>590</u>	<u>469</u>	<u>469</u>	<u>469</u>
<b>REVENUE EXPENDITURE BY SERVICE</b>				
Home Improvement Agency	-12	-12	-12	-12
Private Housing	602	481	481	481
NET EXPENDITURE at November 2016 prices	<u>590</u>	<u>469</u>	<u>469</u>	<u>469</u>

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

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET AT at November 2015 Prices	5,611	5,611	5,611	5,611
INFLATION TO NOVEMBER 2016	44	10	10	10
2016/17 ORIGINAL BUDGET REPRICED	<u>5,655</u>	<u>5,621</u>	<u>5,621</u>	<u>5,621</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Budget Setting</u></b>				
15-252 (June 2015) Shared Management Structure with Richmond	-	-14	-14	-14
<b><u>This Year Budget Variations</u></b>				
<b><u>Other Technical/Volume adjustments</u></b>				
Income and contract review and departmental efficiencies	-10	-10	-10	-10
<b><u>Transfers Between Committees</u></b>				
16-138 (April 2016) Shared Staffing Agreement	-	-613	-613	-613
<b>Transfers within committee</b>				
NET EFFECT OF DEVELOPMENTS	<u>-10</u>	<u>-637</u>	<u>-637</u>	<u>-637</u>
NET EXPENDITURE at November 2016 prices	<u>5,645</u>	<u>4,984</u>	<u>4,984</u>	<u>4,984</u>
<b>REVENUE EXPENDITURE BY SERVICE</b>				
Homelessness	5,049	4,455	4,455	4,455
Asylum	596	529	529	529
NET EXPENDITURE at November 2016 prices	<u>5,645</u>	<u>4,984</u>	<u>4,984</u>	<u>4,984</u>

**HOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE  
OTHER HOUSING SERVICES**

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
2016/17 ORIGINAL BUDGET AT at November 2015 Prices	130	130	130	130
INFLATION TO NOVEMBER 2016	6	6	6	6
2016/17 ORIGINAL BUDGET REPRICED	<u>136</u>	<u>136</u>	<u>136</u>	<u>136</u>
<b>DEVELOPMENTS</b>				
<b><u>Prior to March 2016 Budget Setting</u></b>				
<b><u>This Year Budget Variations</u></b>				
<b><u>Other Technical/Volume adjustments</u></b>				
Income and contract review and departmental efficiencies	-6	-6	-6	-6
Leaseholder Loan interest	4	1	1	1
Ex LRB Mortgage income	1	1	1	1
<b><u>Transfers Between Committees</u></b>				
<b>Transfers within committee</b>				
NET EFFECT OF DEVELOPMENTS	<u>-1</u>	<u>-4</u>	<u>-4</u>	<u>-4</u>
NET EXPENDITURE at November 2016 prices	<u>135</u>	<u>132</u>	<u>132</u>	<u>132</u>
<b>REVENUE EXPENDITURE BY SERVICE</b>				
Graffiti Removal	145	145	145	145
Travellers Site	-41	-41	-41	-41
House Purchase and Leaseholder advances	-28	-31	-31	-31
Affordable Housing and Service Strategy	-65	-65	-65	-65
Warden Services	124	124	124	124
NET EXPENDITURE at November 2016 prices	<u>135</u>	<u>132</u>	<u>132</u>	<u>132</u>

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## **CAPITAL RESOURCES (GENERAL)**

### **Financing the Programme**

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

### **Grants and Reimbursements**

5. Grants and reimbursements expected to support the programme over the five years total £150.7 million. The most significant are schemes funded through Section 106 Reimbursements of around £57.9 million and a ringfenced capital grant of £54.2 million being used to fund the expansion of the Royal College of Art (RCA) in Battersea. Other major schemes include Government grants for education schemes totalling around £10.8 million, schemes funded through CIL proceeds of £16.0 million and schemes funded by TfL grant of £5.8 million.



## **Realisation of Investments**

6. The amount of the Council's investments at any time reflects daily variations in routine cashflows as well as capital spending, debt redemption and new capital receipts. The Council's Treasury Management Strategy for 2017/18 shows total investments at around £580.0 million by 31st March 2017, but these relate almost entirely to current liabilities and to General Fund reserves for contingencies and specific purposes. The investments available specifically for financing the General Capital Programme are those arising from the capital receipts, which are neither payable to the Government nor used within the Housing Revenue Account (HRA) and specific elements within the Renewals fund which were previously set aside to finance capital projects.
7. As the use of HRA receipts for capital spending in the General Fund is in the most cases restricted by regulation, forecast capital receipts shown in the table in paragraph 11 include mainly estimates relating to sales of General Fund sites already identified as surplus, amounting to £17.8 million in 2016/17, £15.4 million in 2017/18, £17.8 million in 2018/19, £6.4 million in 2019/20 and £6.4 million in 2020/21. A limited sum of HRA receipts able to be used freely for General Fund purposes has been included within the overall receipt totals. This may increase in later years, particularly for any General Fund regeneration schemes, but these will be added in as appropriate in due course. Due to the current uncertainties in the property market, the total estimates for site sales have been reduced by 20% to reflect the risks associated with the level and timing of their receipt.

## **Community Infrastructure Levy**

8. CIL is a levy which local authorities can charge on new developments and use to fund infrastructure in the local area. This levy came into force in Wandsworth in November 2012. The CIL is a standard charge based on development size and location, and is index linked from the date that the scheme was introduced to the date of planning approval. Under the requirements of the legislation governing the CIL, 15% of all receipts must be earmarked for use in the local area ("Neighbourhood CIL) from where they are received and the arrangements for this in Wandsworth are implemented through the Wandsworth Local Fund (WLF). After a further deduction of an amount set aside for administration, capped at 5%, outstanding CIL income is treated as capital resources to fund capital infrastructure works throughout the Borough, not ringfenced to the area of development. CIL income arising within the VNEB Area will be subject to separate arrangements as set out in Paper No. 13-135 where the payments will be used to pay for relevant infrastructure within the VNEB Area.
9. The Council may carry forward CIL income to fund future identified infrastructure schemes. The total amount financed by CIL from 2016/17 to 2018/19 is £16.0 million with schemes within Community Services, Finance and Corporate Resources, and Education and Children's Services. This includes neighbourhood CIL proceeds.

## Borrowing

10. Schools Borrowing – As detailed in Paper No. 16-29 it has been agreed by the Wandsworth Schools Forum to contribute £8 million of Dedicated Schools Grant (DSG) towards the scheme to develop Greenmead/Ronald Ross schools, including £7 million from borrowing. This is allowed under the regulations governing the use of DSG as it is in effect a spend-to-save scheme as the alternative option to purchase independent places would present a higher ongoing cost to the DSG. The DSG contribution will only be used for the costs of Special Educational Needs provision. The £7 million is to be internally borrowed at the equivalent of the appropriate Public Works Loan Board rate for nine years. £0.9 million of this borrowing was repaid by Greenmead/Ronald Ross schools in 2015/16, leaving £6.1 million of borrowing to finance the capital programme in 2016/17 and 2017/18.

## General Capital Budget Framework

11. The table below compares the estimated capital resources with the capital payments to be financed. The £54.9 million usable receipts at the start of 2016/17 will decrease to £40.3 million at the start of 2017/18, £22.8 million at the start of 2018/19 before increasing to £33.4 million at the start of 2019/20. Usable receipts will then decrease to £32.8 million at the start of 2020/21 and then increase to £34.2 million by the end of 2020/21.

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£'000	£'000	£'000	£'000	£'000
<b>Usable Capital Receipts at start of year</b>	54,862	40,340	22,821	33,433	32,833
Add: Grants and reimbursements	44,383	48,488	41,020	9,753	6,129
Add: Renewals Fund	116	0	0	0	0
Add: Borrowing	2,553	3,500	0	0	0
Add: New capital receipts	17,752	15,414	17,792	6,400	6,400
Less: Total General Capital Payments (after slippage)	(79,327)	(85,271)	(48,200)	(16,753)	(11,129)
<b>Usable Capital Receipts at end of year</b>	<b>40,340</b>	<b>22,821</b>	<b>33,433</b>	<b>32,833</b>	<b>34,233</b>

12. The table in paragraph 11 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 2018/19, 2019/20 and 2020/21. To serve as the new framework, it needs to be adopted as such at a meeting of the full Council.

13. The capital framework was revised by the Finance and Corporate Resources OSC in the Paper No. 15-25 and approved by the Executive on 28th January 2015. The revision was to reflect the change in circumstances whereby capital expenditure is being incurred on the acquisition of sites so that the Council can, at a later date, accrue a larger capital receipt. The timescale of the capital framework was amended from three to five years and the available resources limit was also amended so that annually the Council may commit to capital expenditure in a similar way to within the HRA whereby a minimum level of capital receipts has to be retained. The proposed limit for 2018/19 is £15 million. The additional full year annual impact of such a reduction in capital receipts in 2018/19 would be equivalent to about £0.86 on band D council Tax.

### **Revenue Effects**

14. Capital payments have no revenue effect to the extent that they are financed by capital grant, provided that the grant is not significantly delayed. Payments financed by the realisation of investments entail loss of interest on those investments.
15. The revenue effects, based on the loss of investment interest at the current budgeted rate, of the revised General Capital Programme have a full year annual impact of £447,000 equivalent to £3.48 band D council tax.

## SUMMARY OF GENERAL FUND CAPITAL PROGRAMME 2016/17 - 2018/19

<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
£'000	£'000	£'000

### ADULT CARE AND HEALTH SERVICES

Adult Care	2,044	2,135	110
	<u>2,044</u>	<u>2,135</u>	<u>110</u>

### COMMUNITY SERVICES

Leisure Centres and Sports Services	1,752	-	-
Public Halls/Community Centres	78	-	-
Parks and Open Spaces	2,186	1,740	235
Environmental Services	252	966	-
Crime Reduction Strategy	505	15	-
Libraries and Heritage	149	-	-
Highways Services	19,701	20,342	25,383
CIL Schemes	3,093	1,000	1,000
Depots	140	-	-
	<u>27,856</u>	<u>24,063</u>	<u>26,618</u>

### EDUCATION AND CHILDREN'S SERVICES

Secondary Education	55	560	1,000
Primary Education	2,786	15,791	1,515
Special Schools	10,374	6,287	-
Other Education Funded Schemes	600	600	735
Other Children's Services	1,523	130	-
	<u>15,338</u>	<u>23,368</u>	<u>3,250</u>

## SUMMARY OF GENERAL FUND CAPITAL PROGRAMME 2016/17 - 2018/19

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'000	£'000	£'000
<b><u>FINANCE AND CORPORATE RESOURCES</u></b>			
Operational Buildings	1,325	2,236	400
IT Services	429	623	-
Property Services	24,880	12,089	74
Economic Development	441	180	-
General Finance and Corporate Services	12,987	10,797	14,048
	<u>40,062</u>	<u>25,925</u>	<u>14,522</u>

### HOUSING AND REGENERATION

Loans to Leaseholders	350	350	350
Empty Properties Grant	537	350	350
Disabled Facilities Grant	1,140	1,080	-
Other Housing Schemes	2,000	3,000	-
	<u>4,027</u>	<u>4,780</u>	<u>700</u>

<b>TOTAL GENERAL FUND CAPITAL PROGRAMME</b>	<u>89,327</u>	<u>80,271</u>	<u>45,200</u>
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### RELEVANT IN-YEAR GENERAL FUND RESOURCES

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'000	£'000	£'000
Usable Capital Receipts at Start of Year	54,862	30,339	17,820
Add: Grants and Reimbursements	44,383	48,838	41,020
Add: Renewals Fund/Revenue	116	-	-
Add: Borrowing	2,553	3,500	-
Add: New Capital Receipts	17,752	15,414	17,792
Less: Total General Capital Expenditure (Before slippage)	-89,327	-80,271	-45,200
Usable Capital Receipts at End of Year	<u>30,339</u>	<u>17,820</u>	<u>31,432</u>

## ADULT CARE AND HEALTH SERVICES

### CAPITAL SCHEMES

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'000	£'000	£'000
<u>ADULT CARE</u>			
Adaptations for Disabled	60	120	-
Complex Needs Hub (Graveney) - Remodelling	30	-	-
Electronic Monitoring of Homecare	12	-	-
Gwyneth Morgan Day Centre Refurbishment (Fairfield)	1,375	2,015	110
Substance Misuse Treatment Base	567	-	-
<b>TOTAL ADULT CARE AND HEALTH SERVICES</b>	<u>2,044</u>	<u>2,135</u>	<u>110</u>

**COMMUNITY SERVICES**

## CAPITAL SCHEMES

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
<b><u>LEISURE CENTRES AND SPORTS SERVICES</u></b>			
Balham Leisure Centre (Bedford)			
- Pool Roof Renewal	100	-	-
Barn Elms - Changing Rooms	160	-	-
Furzedown Recreation Ground (Furzedown)			
- 3G Pitch Replacement	80	-	-
Putney Leisure Centre (Thamesfield)			
- Pool Roof Renewals	275	-	-
Tooting Bec Lido Pavilion (Bedford)	807	-	-
Tooting Lido (Bedford) - Poolside Surface Refurbishment	50	-	-
Tooting Leisure Centre (Tooting)			
- Fire Alarm Renewal	120	-	-
- UV Disinfection System	60	-	-
Wandle Leisure Centre (Southfields)			
- Roof Renewal and Sports Hall Cladding	100	-	-
<b>TOTAL LEISURE CENTRES AND SPORTS SERVICES</b>	<b>1,752</b>	<b>-</b>	<b>-</b>
<b><u>PUBLIC HALLS/COMMUNITY CENTRES</u></b>			
Civic Suite (Fairfield)			
- Renewal of Roof Covering	67	-	-
- Renewal of Passenger Lift	11	-	-
<b>TOTAL PUBLIC HALLS/COMMUNITY CENTRES</b>	<b>78</b>	<b>-</b>	<b>-</b>

## COMMUNITY SERVICES

### CAPITAL SCHEMES

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'000	£'000	£'000
<u>PARKS AND OPEN SPACES</u>			
Battersea Park (Queenstown)			
- River Wall	-	260	-
- Improvements Funded from Formula E	300	200	-
- Promontory Scheme	70	-	-
- New Play Facilities	150	-	-
- Restoration of Pedestrian Gate Access	100	-	-
- CCTV to Chelsea Gates	61	-	-
Falcon Park (Latchmere) - New 3G Pitch	689	600	-
Huguenot Burial Ground - 39-41 East Hill (Fairfield)	276	-	-
St Mary's Church Boundary Wall (St Mary's Park)			
- Essential Repairs	15	-	-
Tooting Common Heritage Project (Bedford)	392	680	235
Paths Resurfacing in Parks	133	-	-
<b>TOTAL PARKS AND OPEN SPACES</b>	<b>2,186</b>	<b>1,740</b>	<b>235</b>

### ENVIRONMENTAL SERVICES

Battersea Cemetery - Renewal of Roof Covering	47	-	-
St George's Mortuary Expansion (Tooting)	136	-	-
Putney Vale Cemetery (Roehampton) - Retaining Wall	69	-	-
Putney Vale Crematorium (Roehampton) - Replacement of Cremators	-	966	-
<b>TOTAL ENVIRONMENTAL SERVICES</b>	<b>252</b>	<b>966</b>	<b>-</b>

### CRIME REDUCTION STRATEGY

Boroughwide CCTV (Phase 1) - Replacement of 67 Cameras	505	-	-
Mobile CCTV to Combat Flytipping	-	15	-
<b>TOTAL CRIME REDUCTION STRATEGY</b>	<b>505</b>	<b>15</b>	<b>-</b>

### LIBRARIES AND HERITAGE

Battersea Library (Shaftesbury) - Public Toilets	49	-	-
Tooting Library (Graveney) - Waterproofing of Basement Area	100	-	-
<b>TOTAL LIBRARIES AND HERITAGE</b>	<b>149</b>	<b>-</b>	<b>-</b>



**COMMUNITY SERVICES**

**CAPITAL SCHEMES**

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'000	£'000	£'000
<u>Council Funded Highway Services</u>			
Blocked Gullies	50	50	100
Capitalised Repairs			
- Carriageways	1,940	3,000	2,000
- Footways	1,000	2,000	1,000
Signs and Poster Boards - Boroughwide	-	150	-
Street LED Lighting	3,300	1,000	-
	<hr/>	<hr/>	<hr/>
	6,290	6,200	3,100
<u>Transport for London Funded Schemes</u>			
Corridors/Neighbourhoods -			
20 MPH Zones	750	-	-
BCP Cycle Parking	29	-	-
Battersea High Street	-	285	-
Bedford Hill	-	285	-
Beechcroft Road and Magdalen Estate	-	57	-
Bramford Gardens	-	48	-
Bus Stop Accessibility Programme	19	-	-
Bus Stand Remodelling and Improvement	15	-	-
Car Club - Support for Expansion	10	48	-
Contraflow Cycling	-	29	-
Cycle Parking Programme	29	29	-
Garratt Lane (Earlsfield)	-	95	-
Key Transport Data and Indicator Collection	48	-	-
Lavender Hill (Shaftesbury)	-	380	-
Local Cycle Routes	33	-	-
Local Shopping Street Improvement	414	-	-
Lower Richmond Road	-	95	-
Mitcham Lane/Thrale Road (Furzedown)	-	190	-
Neighbourhood Schemes Traffic Movement Proposal	397	-	-
Priory Lane (Roehampton)	-	95	-
Putney Bridge - Joint and Waterproof	48	-	-
Putney High Street Air Quality Improvement (Thamesfield)	40	-	-
Putney Hill (East Putney)	-	48	-
Queenstown Road (Queenstown)	-	48	-
Quietways	74	460	146
Regeneration Infrastructure Fund	40	-	-
Road Safety Priorities	50	-	-
St John Hill Bridge over Railway Line (Shaftesbury)	95	-	-
Safe Routes to Schools - Investigation and Implementation	95	48	-
Southfields (Southfields)	-	285	-
Station Access Improvements	95	48	-
Street Trees - Addition of Trees Across the Borough	24	-	-
Wandsworth Bridge (Fairfield)	48	-	-
	<hr/>	<hr/>	<hr/>
	2,353	2,573	146

## COMMUNITY SERVICES

### CAPITAL SCHEMES

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'000	£'000	£'000
Principal Road Maintenance - Resurfacing of Carriageways on Principal Roads	381	343	-
Other Schemes - Flexible Funding	50	50	-
<b>TOTAL TRANSPORT FOR LONDON SCHEMES</b>	<b>2,784</b>	<b>2,966</b>	<b>146</b>

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

Project Development Fees	200	250	200
Riverwalk	600	3,100	-
Strategic Link (Excluding River Walk)	300	1,000	-
Utilities	164	570	531
Increased Bus Capacity and Pump Priming New Services	653	1,861	2,502
Improvement to Battersea Park Station	100	500	12,404
Nine Elms Highways, Pedestrian and Public Realm	250	1,450	500
Pedestrian Bridge	500	645	1,000
Queenstown Road Footways and Cycle Facilities	-	500	-
Health Facilities	-	1,300	-
	<b>2,767</b>	<b>11,176</b>	<b>17,137</b>

**COMMUNITY SERVICES**

**CAPITAL SCHEMES**

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
<u>Section 106 Agreements under the Town &amp; Country Planning Act 1990</u>			
<u>Other Schemes</u>			
Alton Road 3-5, SW15 (Roehampton)	20	-	-
Arton Wilson House, 85 Roehampton Lane, SW15 (Roehampton)	100	-	-
ASDA Clapham Junction (Shaftesbury)	81	-	-
Caius House Open Space Area (St Mary's Park)	61	-	-
Eltringham Depot and York Road Footway Works (Latchmere)	117	-	-
Falcon Wharf - TfL London Buses (Latchmere)	64	-	-
Former Ralph West Halls, 45 Worfield Street (St Mary's Park)	526	-	-
Griffon & Lanner House, Winstanley Road, SW11 (Latchmere)	24	-	-
Hafer Road 4-8 (St John)	8	-	-
Hardwicks Way 1-9 and 2-6 (Southfields)	80	-	-
IMA House, 20 Northfields, SW18 (Thamesfield)	35	-	-
Merton Road 249-251 (Southfields)	19	-	-
Parkview - Queens Circus (Queenstown)	20	-	-
Peabody Clapham Junction Crossing and Footway (Northcote)	151	-	-
Putney Bridge Road 50-52, Former South Thames College (Thamesfield)	15	-	-
Putney Bridge Road 118 (Thamesfield)	14	-	-
Queen Mary's Hospital, Roehampton Lane, SW15 (Roehampton)	18	-	-
Removal of River Wandle Half Tide Weir	2,800	-	-
St Georges Grove - TfL London Buses (Earlsfield)	153	-	-
South Thames College, Wandsworth Site, SW18 (Fairfield)	21	-	-
The Plough Public House, St John's Hill (Fairfield)	19	-	-
Upper Richmond Road 77-83 (East Putney)	100	-	-
Upper Richmond Road 84-88 (East Putney)	104	-	-
Wandsworth Business Village, 3-9 Broomhill Road (Southfields)	55	-	-
Wandsworth Enterprise Park (Fairfield)	38	-	-
Westfield House, Knaresborough Drive (Southfields)	433	-	-
Wandsworth One Way System (Fairfield)	2,500	-	5,000
Other Schemes	70	-	-
	<hr/> 7,646	-	5,000
<u>Other Highway Schemes</u>			
Replace Parking Meters	79	-	-
Upgrade Pay and Display Machines for New Coinage	135	-	-
	<hr/> 214	-	-
<b>TOTAL HIGHWAYS SERVICES</b>	<hr/> <hr/> 19,701	20,342	25,383

## COMMUNITY SERVICES

### CAPITAL SCHEMES

	<u>2016/17</u> £'000	<u>2017/18</u> £'000	<u>2018/19</u> £'000
<u>Schemes Funded By CIL</u>			
Cremorne Footbridge, Detailed Design Consultancy	200	-	-
Upper Richmond Road and Putney Stations (Thamesfield)	-	1,000	1,000
<u>Neighbourhood CIL</u>			
LED Street Lights/Roads and Pavement Improvements	36	-	-
Bedford Hill Public Realm and Road Safety (Bedford)	26	-	-
Bellevue Road Streetscape Improvements (Nightingale)	7	-	-
Falcon Park Improvements (Latchmere)	10	-	-
Lavender Hill Streetscape Improvements Including Lighting (Latchmere)	3	-	-
Culvert Road Alleyway - Streetscape Improvements Including Lighting (Latchmere)	26	-	-
Wandsworth Common Ballpen - Upgrade (Northcote)	130	-	-
Southfields Public Realm Upgrade (Southfields)	200	-	-
Wandsworth Park LED Lighting (Thamesfield)	40	-	-
Dover House Road Parade - Streetscape Enhancements (West Putney)	68	-	-
Swaby Gardens Improvements (Earlsfield)	163	-	-
Windmill Road/Spencer Road - Lighting (Wandsworth Common)	23	-	-
Putney Park Lane Improvements (West Putney)	245	-	-
Putney Vale Roads and Pavement Improvement (Roehampton)	460	-	-
Earlsfield Railway Bridge Improvements	100	-	-
Lavender Hill (including Lavender Gardens Lighting) (Shaftesbury)	174	-	-
Putney Bridge Floodlighting (Thamesfield)	450	-	-
Leaders Garden New Footpath, Tree Work and Seating (Thamesfield)	79	-	-
Wandsworth Bridge Floodlighting (St Mary's Park)	210	-	-
Garratt Park Playground Refurbishments and Replacement of Equipment (Earlsfield)	180	-	-
Twilley Street - Kimber Road Streetscape Improvements (Earlsfield)	196	-	-
Groton Road - Thornset Road Streetscape Improvements (Earlsfield)	67	-	-
<b>TOTAL SCHEMES FUNDED BY CIL</b>	<b>3,093</b>	<b>1,000</b>	<b>1,000</b>
<u>DEPOTS</u>			
Frogmore House (Fairfield) - Renew Roof Covering and Insulation	140	-	-
<b>TOTAL DEPOTS</b>	<b>140</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMMUNITY SERVICES</b>	<b>27,856</b>	<b>24,063</b>	<b>26,618</b>

## EDUCATION AND CHILDREN'S SERVICES

### CAPITAL SCHEMES

	2016/17 £'000	2017/18 £'000	2018/19 £'000
<b><u>SECONDARY EDUCATION</u></b>			
Bolingbroke Academy (Northcote)	55	-	-
Ark Putney Academy (formerly Elliott School) (West Putney)	-	560	1,000
<b>TOTAL SECONDARY EDUCATION</b>	55	560	1,000
 <b>BASIC NEEDS - PRIMARY PLACES</b>			
Alderbrook (Balham) - Bulge Reception Class	86	-	-
Atheldene (Earlsfield) - Primary School	100	100	65
Brandlehow (Thamesfield) - Installation of Modular Building Relocated from Riversdale School (Southfields)	191	-	-
Oasis Academy Putney School (Thamesfield) - Final Accounts/School FFE/ICT Provision	250	200	200
Sheringdale (Southfields) - Expansion	420	-	-
	1,047	300	265
 <b>OTHER PRIMARY SCHEMES</b>			
Alderbrook (Balham) - Masonry/Brickwork	40	-	-
Chesterton (Latchmere) - Heating Pipes	363	-	-
Eardley (Furzedown) - Heating	87	-	-
Eastwood Nursery (Roehampton) - Creating Discrete Space for Children with ASD	106	-	-
Falconbrook (Latchmere) - Windows	135	-	-
Fircroft (Tooting) - Alterations/Heating Facilities in Early Years Building	498	-	-
Granard School (West Putney) - Windows	302	-	-
Honeywell (Northcote) - Windows Repair	154	-	-
Primary School Land Costs	-	15,000	-
Smallwood (Tooting) - Windows	20	250	-
- Roof Level Air-Vents	34	141	-
St George's Primary School Expansion	-	100	1,250
	1,739	15,491	1,250
<b>TOTAL PRIMARY EDUCATION</b>	2,786	15,791	1,515

## EDUCATION AND CHILDREN'S SERVICES

### CAPITAL SCHEMES

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'000	£'000	£'000
<u>SPECIAL SCHOOLS</u>			
Bradstow - New Residential	655	-	-
Greenmead/Ronald Ross (West Putney/West Hill)			
- School Places	8,000	5,989	-
Linden Lodge (West Hill)			
- Family Centre	1,149	-	-
- Renewal of Existing Platform (Scissor) Lift	-	115	-
Nightingale (Wandsworth Common)			
- Heating	169	183	-
Paddock (Roehampton)			
- Roof	401	-	-
TOTAL SPECIAL SCHOOLS	<u>10,374</u>	<u>6,287</u>	<u>-</u>
<u>OTHER EDUCATION FUNDED SCHEMES</u>			
Schools Devolved Capital	600	600	735
TOTAL OTHER EDUCATION FUNDED SCHEMES	<u>600</u>	<u>600</u>	<u>735</u>
TOTAL EDUCATION	<u>13,815</u>	<u>23,238</u>	<u>3,250</u>
<u>OTHER CHILDREN'S SERVICES</u>			
Children Looked After Placements	1,036	-	-
Conversion/Extension Foster Carers' Properties	152	130	-
Wandsworth Local Fund (NCIL)			
- Upper Tooting Place Toddlers Play Space	59	-	-
- Leaders Gardens (Thamesfield) - Playspace Improvements	51	-	-
- Wandsworth Common Play Provision (Wandsworth Common)	50	-	-
- King George's Park Play Space (Southfields)	70	-	-
Various Final Accounts	105	-	-
TOTAL OTHER CHILDREN'S SERVICES	<u>1,523</u>	<u>130</u>	<u>-</u>
TOTAL EDUCATION AND CHILDREN'S SERVICES	<u>15,338</u>	<u>23,368</u>	<u>3,250</u>

## FINANCE AND CORPORATE RESOURCES

### CAPITAL SCHEMES

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'000	£'000	£'000
<u>OPERATIONAL BUILDINGS</u>			
Operational Property Plant Renewal	848	2,236	400
Town Hall (Fairfield)			
- Renewal of Lift S005	40	-	-
- Demolish Prefabs and Boiler House for Parking	87	-	-
Town Hall Extension (Fairfield)			
- Renew Roof Covering to Roof A	350	-	-
<b>TOTAL OPERATIONAL BUILDINGS</b>	<b>1,325</b>	<b>2,236</b>	<b>400</b>
<u>IT SERVICES</u>			
ICT Infrastructure	400	623	-
Self Service Portal for Council Tax and Parking Permits	29	-	-
<b>TOTAL IT SERVICES</b>	<b>429</b>	<b>623</b>	<b>-</b>
<u>PROPERTY SERVICES</u>			
Acquisition of Properties	17,027	10,000	-
Acquisition of Atheldene and Surrounding Sites	7,542	-	-
Thames Tideway Tunnel	186	-	-
Wood House and Palladino House	100	2,069	74
Works to Land and Property Prior to Sale	25	20	-
<b>TOTAL PROPERTY SERVICES</b>	<b>24,880</b>	<b>12,089</b>	<b>74</b>
<u>ECONOMIC DEVELOPMENT</u>			
Balham and Mitcham Lane Public Realm	350	-	-
Nine Elms Art Centre Lease	-	180	-
Wandsworth Local Fund NCIL			
- Quest Project Supporting Young People into Employment	91	-	-
<b>TOTAL ECONOMIC DEVELOPMENT</b>	<b>441</b>	<b>180</b>	<b>-</b>
<u>GENERAL FINANCE AND CORPORATE SERVICES</u>			
Hybrid Vehicle Purchase	37	-	-
Loans to Other Bodies	100	-	-
Royal College of Art Expansion	12,850	10,797	14,048
<b>TOTAL GENERAL FINANCE AND CORPORATE SERVICES</b>	<b>12,987</b>	<b>10,797</b>	<b>14,048</b>
<b>TOTAL FINANCE AND CORPORATE RESOURCES</b>	<b>40,062</b>	<b>25,925</b>	<b>14,522</b>

## HOUSING AND REGENERATION

### CAPITAL SCHEMES

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
	£'000	£'000	£'000
<u>HOUSING (non-HRA)</u>			
Loans to Leaseholders	350	350	350
Empty Properties Grant	537	350	350
Disabled Facilities Grants	1,140	1,080	-
Other Housing Schemes			
- Wandsworth Affordable Housing Programme	1,000	3,000	-
- Do It Yourself Shared Ownership	1,000	-	-
	<u>2,000</u>	<u>3,000</u>	<u>-</u>
TOTAL HOUSING AND REGENERATION (non-HRA)	<u>4,027</u>	<u>4,780</u>	<u>700</u>







WANDSWORTH BOROUGH COUNCIL

FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY  
COMMITTEE – 22ND FEBRUARY 2017

EXECUTIVE – 27TH FEBRUARY 2017

Report by the Director of Finance on the Council's Treasury Policy for 2017/18

SUMMARY

This report reviews the Treasury Management activities so far during 2016/17 and makes proposals for 2017/18 for approval by the full Council, in accordance with CIPFA's revised Treasury Management Code, the Council's Treasury Policy Statement and the Local Government Act 2003.

Short-term interest rates have reduced during 2016/17 as a result of the European Union Referendum vote and the subsequent base rate reduction. An independent review of the Council's Treasury Management Policy has been carried out by Capita.

Approval is now sought for an updated Treasury Policy Statement for 2017/18, including longer-term investment of pension related funds, start-up loans to BIDS and minor changes to short-fixed investment limits. The determination of the Council's affordable borrowing limit and operational boundary, and the minimum revenue provision policy for the financial year 2017/18 are also included.

Investments increased during 2016/17 from £524 million to £607 million at the end of December, and interest rates averaged 0.98%. Investments are expected to remain at similar levels, although rates will be lower. Debt has reduced from £156 million to £147 million reflecting repayments of PWLB debt.

GLOSSARY

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

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

## RECOMMENDATIONS

1. The Finance and Corporate Resources Overview and Scrutiny Committee are recommended to support the recommendations to the Executive in paragraph 2. If they approve any views, comments or recommendations on the report, these will be submitted to the Executive for consideration.
2. The Executive is recommended to recommend the Council -
  - (a) to authorise the Director of Finance to determine the Council's Treasury Policy Statement for 2017/18 on the basis of the most recently approved Statement for 2016/17, updated as proposed in paragraphs 12-15 of this report (Appendix A);
  - (b) to approve, as required under Section 3 of Part 1 of the Local Government Act 2003, for the financial year 2017/18 an affordable borrowing limit and operational boundary of £155 million as shown in paragraph 18; and
  - (c) to approve, as recommended under Guidance issued under the Local Government Act 2003, an mrp for 2017/18 to repay internal borrowing by the Dedicated Schools Grant (DSG) over a period of nine years, as shown in paragraphs 19 to 21.

## INTRODUCTION

3. The Council's Treasury Policy Statement defines both the overall arrangements for treasury management and the expectations for the ensuing financial year. These arrangements are in accordance with the 'Treasury Management Code' issued by CIPFA in 2002, and revised in late 2011. They also have regard to the 'Prudential Code,' issued by CIPFA, and considered by the Council on the basis of Paper No. 04-129 in January 2004, and to Investment Guidance issued under Section 15 of the Local Government Act 2003 by the DCLG. It should be noted that the most recent guidance in 2010 states that investment priorities should be **security and liquidity** rather than yield. Once proper levels of security and liquidity are determined, it will then be reasonable to consider what **yield** can be obtained consistent with those priorities.
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 2016 (Paper No. 16-106), but it was updated more recently in Paper No 16-480 in November 2016. This updated Statement is attached as Appendix A to this report. Subsequent paragraphs comment on experience to date in 2016/17, and policy for 2017/18 and later years.

## GENERAL TREASURY MANAGEMENT EXPERIENCE IN 2016/17

5. The Council's investments continue to increase and have recently exceeded £600 million. Rates have reduced since the European Union Referendum and subsequent base rate reduction and the financial environment remains difficult. The Council's overall average interest rate was 0.98% to the end of December, but is expected to fall to around 0.78% for the final quarter of the financial year. Rates on new short-fixed investments being placed have been much lower than previously and generally below 0.6%, but the Council has so far been protected to a large extent from the rate reductions as a substantial part of the portfolio was locked into rates before the reductions took place. The effect of this protection is reducing and will largely disappear during 2017/18. As rates are expected to remain low, with the prospect of potentially turning negative for short term cash balances, and despite substantial investment in the Council's regeneration schemes and other capital investment reducing its cash balances over the next three to five years, the Council should consider a change away from its current concentration on shorter terms of investments; this will increase the element of risk but it is anticipated will also increase yield, although not to the extent that it would breach DCLG guidance.
6. The investment of £25 million in the CCLA Property Fund has distributed dividend income of over 4% for each of the three quarters so far in 2016/17, and continues to boost revenue returns. As reported in Paper No. 16-480 in November 2016 the capital value of the Fund has fallen since the Referendum, but as it is viewed as a long-term investment largely for its revenue income and the Council has more than sufficient liquidity for its needs, it is not anticipated that the Council will need to dispose of the investment in the foreseeable future at its current value.
7. Rates on the other Council investments, mainly MMFs and Short Dated Bond Funds have also correspondingly reduced and the rate for MMFs with daily liquidity has now fallen below 0.3%. The Council's Covered Bonds have now matured and it has not been possible to find suitable replacements for these.
8. As required by the Treasury Management policy the Director of Finance has, following a quotations exercise, instructed Capita to carry out an independent review of the Council's Treasury Management Policy. The review found that the Council's overall arrangements were sound and that performance during 2016 was comparable with other London Boroughs. As part of the review brief options were requested for longer term investments for up to five years. The proposed changes to the policy arising from this review are contained in paragraphs 13-14.
9. A full report on the 2016/17 treasury management record will be made to committee in June 2017, in accordance with the arrangements prescribed in the Policy Statement. Meanwhile, [Appendix B](#) charts the movements in short-term interest rates during 2016. This shows the rate on the Council's own investments, together with the 7 Day LIBID rate used as a benchmark, and the 3 Month LIBID rate as an example of a slightly longer term rate. The Council's monthly rate hovered marginally over 1% until the European Union Referendum in June and subsequent base rate reduction from 0.5% to 0.25%

in early August and has gradually declined in the final quarter finishing the year at 0.85%. This is very comfortably above the benchmark. The benchmark rates hardly varied during the early part of the year but have reduced since. The average interest rate earned on the Council's investments has been 0.98%, compared to 0.94% for the equivalent time period in 2015/16 and compared to a benchmark (7 Day LIBID rate) of 0.23%.

10. Investments The Council began the year 2016/17 with short-term investments of £524 million, which increased to £607 million at the end of December. The level of investment has never fallen below the opening level, and on average has been around £581 million. The size and composition of the Council's investments at 31st March 2016 and 31st December 2016 is shown in Appendix C.
11. Debt The size and composition of the Council's debt at 31st March 2016 and 31st December 2016 is shown in Appendix D. Gross debt has reduced from £156 million to £147 million reflecting repayments of PWLB debt. A further repayment will be made before the end of 2016/17. No new long-term borrowing has been undertaken, and none is expected for the remainder of the year.

#### PROPOSED UPDATED TREASURY POLICY STATEMENT

12. Start Up Loans to BIDS The Council already makes loans to mutuals, service providers and the voluntary sector. It is now proposed to offer similar arrangements for start up loans for Business Improvement Districts (BIDS) to a maximum total limit of £1 million. This will be required for both the Wandsworth and Putney BIDs. As the Council has security over the income streams it is also proposed that these loans be at 0% interest. The proposed amendment is shown in **bold** in Section 3.2.4 v) of Appendix A.
13. Longer term investments. The current policy has limited options for long-term investments. However as stated, the Council has the option of being able to take a longer term view with regards to some of its cash balances. The Council Tax Setting Report (Paper No. 17-96 elsewhere on this agenda) refers to the proposal to set up a Pension Resilience reserve the intention of which would be to pay non pension fund related pension liabilities, whilst providing additional income for the general fund and reserving capital. This will require an amendment to the current Treasury Management policy.
14. The proposed change to the policy would allow investment as suggested by the treasury review into Corporate Bonds (grade BBB and above) Equity Funds and Mixed Asset Funds (including multi-asset credit). In addition it is proposed for investments to be made in products akin to those currently used by the Pension Fund, subject to meeting the criteria not to be classed as capital expenditure under local authority regulations. Where practicable, suitable hedging or other protection arrangements will be made on all such investments to add to the security of the investment; however as this may often be cost prohibitive there will also be a risk management focus on diversification. The proposed aggregate limit on investments of this nature will be set at £50 million, with no investment with any one manager and/or asset class exceeding £20 million or country exceeding £25 million. The precise details and terms of any

such investment will need to be determined in line with current delegations and arrangements by the Director of Finance and reported to this committee. The proposed amendment is shown in **bold** in Section 3.2.4 vi) of Appendix A.

15. Short-Fixed Investment Limits. The current limits have evolved over time to meet changing circumstances and as there are now some categories of limit that are no longer used, nor likely to be in the foreseeable future, it is proposed to rationalise these. It is also proposed to eliminate the minor differences in limits between UK and non-UK institutions and to reduce the sovereign rating requirement to AA which matches that of the UK. These changes will result in only a marginal increase in risk. The revised limits are shown in 3.2.2 of Appendix A in **bold**.

### **TREASURY MANAGEMENT STRATEGY FOR 2017/18**

16. The Strategy for 2017/18 considers the outlook for investment and debt levels for the period 2017/18 to 2019/20, taking into account estimates of major cash flow movements. These estimates are shown in the table in paragraph 4.1 in **Appendix A**.
17. The Council is expected to begin the year with investments of a little under £600 million. Repayments of £17.2 million of new PWLB loans taken up for the HRA on 28th March 2012 will fall due during the year. The estimated movements for the following two years based upon current cash flows show that investments are likely to reduce but remain above £500 million. These cash flows do not currently allow for all potential expenditure relating to regeneration schemes in Roehampton and Battersea. Once the business plans for the two schemes are agreed with the two preferred bidders this will be modelled into the cash flows which will in future show a three to five year projection in line with the capital programme.
18. Affordable Borrowing Limit and Operational Boundary for 2017/18 The Council has to set an affordable borrowing limit and operational boundary for 2017/18 under Section 3 of Part 1 of the Local Government Act 2003. This limit refers only to gross borrowing, ignoring investments, and it is intended that it reflects the maximum amount that a local authority decides that it can afford to borrow. This limit was set at £170 million in February 2016 for 2016/17, reflecting the existing long-term borrowing of £156 million at 1 April 2016, and allowing for the possibility of borrowing for a “spend-to-save” scheme, and short-term fluctuations in cash flows, including deposit facilities offered to other bodies and external funds, such as the North East Surrey Crematorium Board. Long-term borrowing is expected to be £139 million at 1st April 2017 and no new long-term borrowing is currently planned. A limit of £155 million is therefore proposed for the affordable borrowing limit and operational boundary for 2017/18, reflecting the existing borrowing, and allowing for other possible requirements.
19. MRP Statement for 2017/18 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,

## Treasury Policy Statement 2017/18

for approval by full Council. The mrp should not take account of capital expenditure on housing assets.

20. For Wandsworth a “prudent” mrp has, until 2016/17, been nil, reflecting the fact that the Council’s debt relates to the Housing Revenue Account. The equivalent statement last year did however refer to plans for internal borrowing by the Dedicated Schools Grant (DSG) to partly fund the scheme to develop Greenmead/Ronald Ross schools of around £7 million. A charge of £0.9 million was made to the DSG in 2015/16 in respect of such spend, leaving around £6.1m to be internally borrowed in 2016/17 and 2017/18.
21. It is now proposed that, commencing in 2016/17, the Council will have an mrp, charged to the DSG, to repay any such internal borrowing, at the equivalent to the PWLB rate for nine years. This will more than cover any minimum required under guidance for a “prudent” mrp.

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The Town Hall  
Wandsworth  
SW18 2PU  
14th February 2017

CHRIS BUSS  
Director of Finance

### **Background Papers**

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



**APPENDIX A**

**WANDSWORTH BOROUGH COUNCIL**

**TREASURY POLICY STATEMENT - FEBRUARY 2017**

1. **SCOPE OF CORPORATE TREASURY MANAGEMENT**

1.1 Treasury management activities are defined as the 'management of the Council's cash flows, banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks, supporting the achievement of the Council's business and service objectives.'

1.2 All cash, bank balances, financial assets, borrowings and credit arrangements held or made by any person in the course of their employment by the Council fall within the scope of Corporate Treasury Management, apart from items specifically excepted for this purpose by the Executive. The current exceptions are:

- (i) Funds held as cash and as bank balances, and managed by officers of the Education and Youth Services for the purposes of school journey grants, and voluntary funds;
- (ii) Funds held as cash and as bank balances and managed by officers of Education and Social Services Department's Care Establishments for small items of expenditure and on behalf of residents;
- (iii) Funds held in bank accounts for school disbursements and managed by officers in schools that have exercised their right to use different bankers from the Council; and
- (iv) Pension Fund investments and balances under the control of investment managers appointed by the Pensions Committee.

2. **ADMINISTRATION**

2.1 The Director of Finance's responsibilities for Treasury Management are prescribed in the Council's Financial Regulations. Corporate Treasury Management is part of the statutory responsibility of the Director of Finance under Section 151 of the Local Government Act 1972, and no other Council, or school employee is authorised to borrow or make credit arrangements on behalf of the Council.

2.2 Subject to 2.3 below, the Director of Finance has delegated authority in relation to Treasury Management as follows:

- (i) To invest any surplus balances of the Council's funds other than the Pension Fund and to sell investments for the purpose of re-investment or to meet the needs of a particular fund;

## *Treasury Policy Statement*

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

### 3. GENERAL STRATEGY

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

#### 3.2 Investment:

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

3.2.2 Investments shall, subject to the exceptions listed under long term investments in paragraph 3.2.4, be placed with institutions in accordance with the following criteria shown in the table and sub-paragraphs below. **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)				Royal Bank of Scotland/Nat West PLC	£50m	Overnight only

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

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

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

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

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

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

- a) Investments shall be for no longer than two years, unless specifically identified as one of the exceptions under b) below. The amount that can prudently be invested for longer than 364 days, but for no longer than two years must relate to forecasts of investments taking into account foreseeable net spending needs and allowing for adequate reserves and contingencies. As investment levels are not expected to fall below £500 million for the next two years, a prudent limit for the maximum amount to be invested for longer than 364 days but for no longer than two years is £150 million. Investments over 364 days shall not exceed £50 million with any individual counterparty.
- b) Investments may be placed for periods longer than two years as follows. Any such investments will not count against the £150 million limit in a) above.
  - (i) Up to £25 million may be placed in a Property Fund that is set up under a scheme approved by HM Treasury so that it does not count as capital expenditure.

## Treasury Policy Statement

- (ii) Up to £50 million may be placed in a Covered Bond. The bond will have a maturity period of no longer than three years and will have a credit rating of AAA from at least one of the three credit rating agencies. If the bond issuer is one of the institutions on the Council's investment list this investment will not count against the limit for that counterparty under paragraph 3.2.2.
- (iii) Loans may be made to Staff Mutuals, other Service Providers or Voluntary Organisations at market rates of interest. The detailed terms of each loan will be determined on an individual basis by the Director of Finance, subject to an overall maximum limit of £5 million per loan.
- (iv) Loans may be made through bond instruments issued by any Joint Venture arrangement or vehicle set up for the purpose of regenerating the Council's housing estates. Any such investment shall not exceed £50 million.
- (v) **Loans may be made to Wandsworth based Business Improvement Districts (BIDS) for start up loans at up to market rates of interest to an overall maximum limit of £1 million.**
- (vi) **Investments may be made from the Pensions Resilience Reserve and other cash balances up to an aggregate limit of £50 million for around five years, subject to meeting the criteria to not count as capital expenditure. The following classes of assets may be utilised –Individual Corporate Bonds (grade BBB and above), Fixed Income Funds, Equity Funds and Mixed Asset Funds (including Multi Asset Credit). In addition investments may be made in products akin to those currently used by the Pension Fund. Where practicable, suitable hedging arrangements will be made on all such investments; however it is recognised that hedging (outside a fund) against downside risk will often be cost prohibitive therefore risk management will focus on diversification. To that end the total amount invested with any one manager and/or asset class shall not exceed £20 million or country by £25 million unless capital appreciation takes an initial investment over that value.**
- (vii) The investment of amounts set aside from HRA reserves for repayment of long-term PWLB loans which may be invested for longer periods, as long as the maturity date is no later than the maturity date of the long-term PWLB loan.

### 3.3 No credit arrangements shall be undertaken except -

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

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

4. STRATEGY FOR 2017/18.

4.1 The following table considers the outlook for investment and debt levels for the period 2017/18 to 2019/20 taking into account estimates of major cash flow movements.

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£'m	£'m	£'m
Estimated investments 1st April	580.0	510.8	524.4
Estimated debt 1st April	-137.6	-120.4	-103.2
Deposit facilities for other bodies and funds	-0.7	-0.7	-0.8
Net investments/debt 1st April	<u>441.7</u>	<u>389.7</u>	<u>420.4</u>
Deduct			
Capital payments – general	-79.7	-47.9	-16.8
Capital payments – HRA	-150.9	-65.7	-14.1
Payment of capital receipts to Government	-2.6	-2.2	-2.0
Net movement in funds, reserves & provisions	-23.6	-65.1	17.7
Add			
Capital receipts	29.9	26.4	12.5
Capital grants	83.1	67.5	15.7
Revenue provisions for capital and credit liabilities	71.8	127.7	37.3
Increase/(decrease) in net creditors	20.0	-10.0	-10.0
In-Year net cash movement before loans	<u>-52.0</u>	<u>30.7</u>	<u>40.3</u>
Net investments/debt 31st March	<u>389.7</u>	<u>420.4</u>	<u>460.7</u>
Estimated investments 31st March	510.8	524.4	547.6
Estimated debt 31st March	-120.4	-103.2	-86.0
Deposit facilities for other bodies	-0.7	-0.8	-0.9
Repayment of PWLB debt	17.2	17.2	17.2
Change in use of deposit facilities	0.0	-0.1	-0.1

4.2 The Council is expected to begin the year with investments of a little under £600 million. Repayments of £17.2 million of new PWLB loans taken up for the HRA on 28th March 2012 will fall due during the year. The estimated movements for the following two years based upon current cash flows show that investments are likely to reduce but remain above the £500 million level. These cash flows do not currently allow for all potential expenditure relating to regeneration schemes in Roehampton and Battersea. Once the business plans for the two schemes are agreed with the two preferred bidders this will be modelled into the cash flows which will in future show a three to five year projection in line with the capital programme.

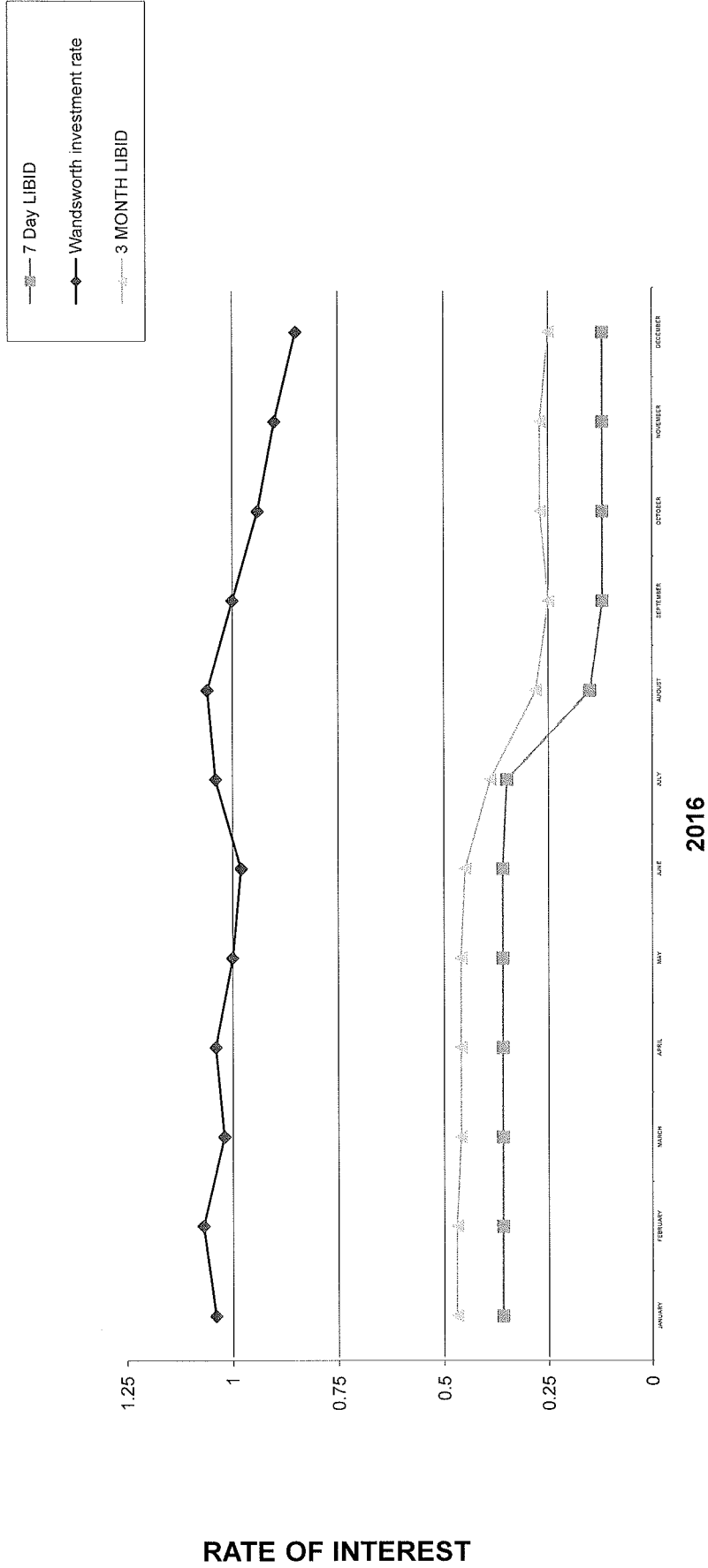
- 4.3 Affordable Borrowing Limit and Operational Boundary for 2017/18 The Council has to set an affordable borrowing limit and operational boundary for 2017/18 under Section 3 of Part 1 of the Local Government Act 2003. This limit refers only to gross borrowing, ignoring investments, and it is intended that it reflect the maximum amount that a local authority decides that it can afford to borrow. This limit was set at £170 million in February 2016 for 2016/17, reflecting the existing long-term borrowing of £155 million at 1 April 2016, 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. No new long-term borrowing is currently planned. A limit of £155 million is therefore proposed for the affordable borrowing limit and operational boundary for 2017/18, reflecting the existing borrowing and allowing for other possible requirements.

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The Town Hall  
Wandsworth  
SW18 2PU  
14th February 2017



**INTEREST RATES 2016**



## APPENDIX C

### TOTAL INVESTMENTS

31st MARCH 2016

	<u>INTEREST</u>	<u>AMOUNT</u>	<u>FITCH RATING</u>		
	<u>RATE</u>		Long-	Short-	S-T Outlook
	<u>%</u>	<u>£'m</u>	term	term	
<b><u>OVERNIGHT</u></b>					
Royal Bank of Scotland	0.25	0.1			
		<b><u>0.1</u></b>			
<b><u>MONEY MARKET &amp; SHORT DATED INCOME FUNDS</u></b>					
Federated Global Sterling (CNAV)		20.1		AAA rating	
Ignis Liquidity Fund (CNAV)		10.5		AAA rating	
Insight Liquidity Plus (VNAV)		34.6		AAA rating	
Royal London Short Dated Income Fund		10.0		AAA rating	
		<b><u>75.2</u></b>			
<b><u>SHORT FIXED &lt; 3 MONTHS</u></b>					
Commonwealth Bank of Australia	1.19	30.0	AA-	F1+	Not Negative
Nordea Bank	0.75	10.0	AA-	F1+	Not Negative
DBS Bank	0.70	20.0	AA-	F1+	Not Negative
Toronto Dominion Bank	0.75	20.0	AA-	F1+	Not Negative
Toronto Dominion Bank	0.80	10.0	AA-	F1+	Not Negative
		<b><u>90.0</u></b>			
<b><u>SHORT FIXED &gt; 3 MONTHS</u></b>					
Santander UK PLC	1.02	5.0	A	F1	Not Negative
Bank of Montreal	0.79	10.0	AA-	F1+	Not Negative
Svenska Handelsbanken	0.80	20.0	AA-	F1+	Not Negative
United Overseas Bank	0.78	10.0	AA-	F1+	Not Negative
Bank of Nova Scotia	0.80	10.0	AA-	F1+	Not Negative
United Overseas Bank	0.81	10.0	AA-	F1+	Not Negative
Lancashire County Council	1.16	20.0			
Svenska Handelsbanken	0.80	10.0	AA-	F1+	Not Negative
Lloyds Bank PLC	1.05	5.0	A+	F1	Not Negative
United Overseas Bank	0.83	10.0	AA-	F1+	Not Negative
		<b><u>110.0</u></b>			
<b><u>SHORT FIXED &gt; 6 MONTHS</u></b>					
DBS Bank	0.80	10.0	AA-	F1+	Not Negative
Rabobank	0.81	10.0	AA-	F1+	Not Negative
Bank of Scotland - Covered Bond	0.94	11.5		AAA Rating	
Bank of Scotland - Covered Bond	0.99	8.5		AAA Rating	
Commonwealth Bank of Australia	0.80	10.0	AA-	F1+	Not Negative
Glasgow City Council	0.97	20.0			
Commonwealth Bank of Australia	0.82	10.0	AA-	F1+	Not Negative
Glasgow City Council	0.97	10.0			
Toronto Dominion Bank	0.90	20.0	AA-	F1+	Not Negative
Lancashire County Council	1.00	10.0			
National Australia Bank	0.85	10.0	AA-	F1+	Not Negative
OCBC Bank	0.82	5.0	AA-	F1+	Not Negative
OCBC Bank	0.82	5.0	AA-	F1+	Not Negative
OCBC Bank	0.85	10.0	AA-	F1+	Not Negative
Nationwide	0.98	5.0	A	F1	Not Negative
Standard Chartered	0.97	10.0	A+	F1	Not Negative
United Overseas Bank	0.83	10.0	AA-	F1+	Not Negative
United Overseas Bank	0.84	10.0	AA-	F1+	Not Negative
National Australia Bank	0.80	20.0	AA-	F1+	Not Negative
		<b><u>205.0</u></b>			

**SHORT FIXED > 1 YEAR**

Liverpool City Council	0.95	5.0
Monmouthshire County Council	0.98	3.0
Newcastle City Council	0.98	5.0
Newcastle City Council	0.98	5.0
Warrington Borough Council	0.98	5.0
Herefordshire Council	0.97	5.0
		<b><u>28.0</u></b>

CCLA Property Fund **25.0**

Mutuals & similar organisations **0.7**

**533.9**

less amount invested on behalf of WRWA **-10.1**

**TOTAL INVESTMENTS** **523.8**

**TOTAL INVESTMENTS****31ST DECEMBER 2016****INTEREST AMOUNT****RATE****%****£'m****FITCH RATING**

Long-

Short-

term term S-T Outlook

**OVERNIGHT**

Royal Bank of Scotland	0.25	0.1
		<b><u>0.1</u></b>

**MONEY MARKET & SHORT DATED INCOME FUNDS**

Federated Global Sterling (CNAV)		10.4	AAA rating
Ignis Liquidity Fund (CNAV)		4.2	AAA rating
Insight Liquidity Fund (CNAV)		0.1	AAA rating
JP Morgan Sterling Liquidity (CNAV)		9.8	AAA rating
Insight Liquidity Plus (VNAV)		38.5	AAA rating
Royal London Cash Plus Fund		10.0	AAA rating
		<b><u>73.0</u></b>	

**SHORT FIXED < 3 MONTHS**

National Australia Bank	0.85	10	AA-	F1+	Not Negative
OCBC Bank	0.82	5	AA-	F1+	Not Negative
OCBC Bank	0.82	5.0	AA-	F1+	Not Negative
OCBC Bank	0.85	10.0	AA-	F1+	Not Negative
Nationwide Building Society	0.98	5.0	A	F1	Not Negative
Standard Chartered Bank (CD)	0.97	10.0	A+	F1	Not Negative
United Overseas Bank	0.83	10.0	AA-	F1+	Not Negative
United Overseas Bank	0.84	10.0	AA-	F1+	Not Negative
National Australia Bank	0.80	20.0	AA-	F1+	Not Negative

**85.0**

**SHORT FIXED > 3 MONTHS**

Goldman Sachs International Bank	0.87	5.0	A	F1	Not Negative
OCBC Bank	0.80	10.0	AA-	F1+	Not Negative
DBS Bank	0.49	10.0	AA-	F1+	Not Negative
Commonwealth Bank of Australia	1.00	10.0	AA-	F1+	Not Negative
Svenska Handelsbanken	0.80	20.0	AA-	F1+	Not Negative
Canadian Imperial Bank of Commerce	0.80	10.0	AA-	F1+	Not Negative
Commonwealth Bank of Australia	1.00	10.0	AA-	F1+	Not Negative

DBS Bank	0.78	20.0	AA-	F1+	Not Negative
United Overseas Bank	0.46	5.0	AA-	F1+	Not Negative
Commonwealth Bank of Australia	1.00	10.0	AA-	F1+	Not Negative
DBS Bank	0.78	10.0	AA-	F1+	Not Negative
Toronto Dominion Bank	0.80	10.0	AA-	F1+	Not Negative
Santander UK PLC	0.78	5.0	A	F1	Not Negative

**135.0**

**SHORT FIXED > 6 MONTHS**

National Australia Bank	0.80	10.0	AA-	F1+	Not Negative
Toronto Dominion Bank	0.71	20.0	AA-	F1+	Not Negative
Liverpool City Council	0.95	5.0			
United Overseas Bank	0.68	10.0	AA-	F1+	Not Negative
Bank of Montreal	0.52	10.0	AA-	F1+	Not Negative
Svenska Handelsbanken	0.50	10.0	AA-	F1+	Not Negative
Australia & New Zealand Banking Gp	0.45	30.0	AA-	F1+	Not Negative
Bank of Nova Scotia	0.50	10.0	AA-	F1+	Not Negative
Lloyds Bank PLC	1.00	5.0	A+	F1	Not Negative
National Australia Bank	0.58	10.0	AA-	F1+	Not Negative
Rabobank	0.64	10.0	AA-	F1+	Not Negative
United Overseas Bank	0.57	5.0	AA-	F1+	Not Negative
Monmouthshire County Council	0.98	3.0			
United Overseas Bank	0.54	5.0	AA-	F1+	Not Negative
North Tyneside Council	0.48	2.0			
Commonwealth Bank of Australia	0.51	10.0	AA-	F1+	Not Negative
Warrington Borough Council	0.45	10.0			
North Tyneside Council	0.48	5.0			
North Tyneside Council	0.48	2.0			
Commonwealth Bank of Australia	0.51	10.0	AA-	F1+	Not Negative
Walsall Borough Council	0.48	10.0			
Enfield Council	0.50	10.0			
DBS Bank	0.53	10.0	AA-	F1+	Not Negative

**212.0**

**SHORT FIXED > 1 YEAR**

Northumberland County Council	0.79	5.0			
Newcastle City Council	0.98	5.0			
Newcastle City Council	0.98	5.0			
Warrington Borough Council	0.98	5.0			
Herefordshire County Council	0.97	5.0			
Dudley Met Borough Council	0.97	15.0			
Woking Borough Council	0.57	6.4			
Northumberland County Council	0.56	10.0			
Barnsley Metropolitan County Council	0.56	10.0			
Rotherham Met. Borough Council	0.70	10.0			
Barnsley Metropolitan County Council	0.56	10.0			

**86.4**

CCLA Property Fund **25.0**

Mutuals & similar organisations **0.6**

less amount invested on behalf of WRWA **-10.1**

**TOTAL INVESTMENT** **607.0**

TOTAL DEBT

<b>Maturity Date</b>	<b>Rate of interest %</b>	<b>Balance 31.12.16 £'000</b>	<b>Balance 31.3.16 £'000</b>
<b><u>Long-Term Debt</u></b>			
<b>PWLB EIP Loans</b> 28/03/2025	1.69	<b>146,215</b>	<b>154,816</b>
<b><u>Total Long-Term Debt</u></b>		<b><u>146,215</u></b>	<b><u>154,816</u></b>
<b><u>Deposit Facilities for other Bodies</u></b>			
NESCB		648	768
<b><u>TOTAL DEBT</u></b>		<b><u>146,863</u></b>	<b><u>155,584</u></b>



**SECTION 3  
COUNCIL HOUSING BUDGETS**

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WANDSWORTH BOROUGH COUNCIL

HOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE – 19TH  
JANUARY 2017

EXECUTIVE – 23RD JANUARY 2017

COUNCIL – 1ST FEBRUARY 2017

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

SUMMARY

In January or February each year the Council has a duty under the Local Government and Housing Act 1989 to formulate proposals for expenditure and income for its housing stock for the following financial year which will ensure that no debit balance occurs for that year on the Housing Revenue Account (HRA). Consequently, this report reviews various matters appertaining to the HRA, including Council housing rents and charges, the housing capital programme and the overall HRA budget framework for the years 2016/17 to 2019/20.

The report first recommends additions to the capital programme of £84.572 million as set out in Appendix B to this report before turning to proposals for expenditure and income. Insofar as proposals for income are concerned, the Council has a duty to review Council housing rents and, as usual, the report contains information on rent levels in Wandsworth.

Taking account of all relevant factors the Cabinet Member for Housing recommends that a minimum 1% rent decrease is applied to the social rented stock from the first Monday in April 2017, that existing affordable rents for Council-let properties also be decreased by 1% and proposes general increases in non-residential charges of 3% from the first Monday in April 2017.

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

GLOSSARY

CPI	Consumer Price Index
DHP	Discretionary Housing Payments
HMRC	Her Majesty's Revenue and Customs
HRA	Housing Revenue Account

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

### **RECOMMENDATIONS**

1. The Housing and Regeneration Overview and Scrutiny Committee are recommended to support the recommendations in paragraph 3.
2. If the Overview and Scrutiny Committee approve any views, comments or recommendations on this report, these will be submitted to the Executive for their consideration.
3. The Cabinet Member for Housing recommends the Executive to recommend to the Council as follows:-
  - (a) that the Housing Revenue Account capital programme additions totalling £84.572 million as set out in Appendix B to the report be approved and that accordingly the total capital programme over the HRA budget framework period summarised in Appendix C to the report be adopted;
  - (b) that in accordance with the Welfare Reform and Work Act 2016 a 1% decrease (or an average £1.27 per week reduction) in applicable social rents be approved to take effect from Monday 3rd April 2017;
  - (c) that for existing affordable rents a 1% decrease in line with the Welfare Reform and Work Act 2016 be approved from Monday 3rd April 2017;
  - (d) note that the Council's average weekly rent (excluding service charges) continues to be set at a level no higher than the limit rent for the Council except where rents are set at an affordable rent level for new builds, acquisitions and affordable rent relets;
  - (e) note that service charges for tenants continue to be calculated annually based on uplifted actual costs, taking into account the Government's intention to see transparent charges that reflect the services being provided whilst endeavouring to keep increases within the limit of CPI + 1%;
  - (f) approve that the discretionary Pay to Stay policy is not applied to Council rents noting the position in respect of tenancies let on flexible terms that are subject to review and where the Council's Tenancy Policy is applicable;
  - (g) that for any properties sold under the Right to Part Buy scheme an increase in rents of 2% (September 2016 CPI + 1%) be approved from Monday 3rd April 2017;
  - (h) that the Director of Finance, in conjunction with the Director of Housing and Regeneration, be authorised to reduce rents of individual properties in the limited circumstances outlined in paragraph 23;
  - (i) that the Director of Housing and Regeneration be authorised to serve notices upon tenants of HRA dwellings, advising that the changes in rents and service charges will be applied from Monday 3rd April 2017 where applicable;
  - (j) that the non-residential charges as set out in Appendix D to the report be approved with effect from Monday 3rd April 2017;

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

- (k) that the estimates shown in Appendix E to the report for the HRA for the financial years 2016/17 to 2019/20 be adopted as the HRA budget framework, subject to any variations subsequently approved by the Executive within the overriding restriction that the HRA reserves shown for 31st March 2020 should not be forecast by the Director of Finance to reduce by more than £40 million; and,
- (l) that the Director of Finance be authorised to prepare the statutory HRA statement for 2017/18 showing the estimates made on the basis of the foregoing proposals.

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

- 4. Under Part VI of the Local Government and Housing Act 1989, each local authority is required to keep a Housing Revenue Account (HRA) in accordance with proper practices and detailed directions by the Secretary of State. The Act also requires that:-
  - (a) during January or February each year, the Council must formulate proposals for expenditure and income for its housing for the following year, which will ensure, on the best assumptions that can be made at that time, that the HRA for that year does not show a debit balance;
  - (b) these proposals must be implemented and monitored to ensure that the HRA will not show a debit balance; and
  - (c) within a month of formulating its proposals, a statement must be prepared, showing these proposals and the estimated HRA income and expenditure. This statement must be made available for public inspection until the end of the year following the year to which the statement relates.
- 5. This report has been prepared to enable the Council to meet the statutory requirement outlined in (a) above for 2017/18, but more importantly in the context of the HRA business planning process, that the Council has prepared longer-term plans for the management of its housing stock that are affordable. The requirement for monitoring, described in (b) above is delegated to the Director of Housing and Regeneration. The requirement to make available the statement referred to in (c) above is met by including the HRA budget framework within the Council's budget publication, which is then available for reference in public libraries in the borough and on the Council's website.

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

- 6. The HRA capital expenditure estimates have been based on the current cash flows for the approved capital programme adjusted for slippage as approved in the HRA Business Plan update (Paper No. 16-316) in September 2016 and any budget variations approved since as summarised in Appendix A to this report.
- 7. The HRA Business Plan includes funding for assumed levels of capital spend over the next 30 years based on a stock condition survey and the data and information

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

held on stock and key components. The stock condition survey is a statistically based estimate used to inform assumptions within the business plan on the future level of capital resources required to maintain the Council's housing stock to the Decent Homes standard. An update of the survey was undertaken in 2012, the results of which inform the current assumptions within the business plan on future levels of capital spend. The Council's housing management database contains details of key components (e.g. age, when last subject to works etc) that helps shape the programme and prioritise on a property and estate basis.

8. The updated stock condition survey identified that on average £25 million (at 2012 prices) would need to be invested in the stock each year to maintain Council owned housing stock and the wider estates at a basic decency standard. This equates to average expenditure of approximately £1,465 per property per annum for the tenanted stock or £44,000 per property over the life of the 30 year business plan.
9. The Director of Finance and the Director of Housing and Regeneration propose additions totalling £84.572 million as summarised below and as set out in detail in Appendix B for consideration.

<b>Programme Area</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20 onwards</b>	<b>Total</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Repairs & Improvements	-	1,989	13,663	13,147	<b>28,799</b>
Site Developments	742	10,961	4,466	151	<b>16,320</b>
Regeneration	500	29,000	4,453	-	<b>33,953</b>
House Purchase Grants	400	400	2,900	-	<b>3,700</b>
Housing Management System Replacement	20	690	690	-	<b>1,400</b>
Other	-	30	260	110	<b>400</b>
<b>TOTAL</b>	<b>1,662</b>	<b>43,070</b>	<b>26,432</b>	<b>13,408</b>	<b>84,572</b>

10. These additions include all foreseeable works derived from the current stock condition survey, both in terms of meeting and maintaining the Decent Homes standard and delivering a programme of Decent Homes Plus works at a total cost of £28.799 million.
11. In addition bids have also been submitted in relation to the regeneration schemes which include bids for buybacks and new additional units to be created both for use as regeneration scheme re-provision and general new build to provide affordable housing. This includes an additional £25 million relating to buying back leasehold interest within the regeneration areas and £16.32 million for a number of new build schemes. Further bids for future environmental works and a bid for funding to continue the House Purchase Grants programme into 2018/19 are also included. Lastly there is a bid to support the replacement of the existing Housing Management computer system as approved in September 2016 (Paper No. 16-322).
12. The resulting capital programme over the HRA budget framework period is shown in summary and full detail in Appendix C. The additional cost to the HRA, net of

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

amounts which should be charged to leaseholders, is estimated at £76.602 million. The total additional amount that would be chargeable to leaseholders is £7.97 million. For those leaseholders billed, the average major works charge is estimated to be £3,437 for capital bids included in this report compared to £3,114 per property from the January 2016 bids. The actual amount and timing of recharges to leaseholders as part of their annual service charge bills is subject to consultation and will depend on the incidence of spending on these major works schemes on different housing properties.

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

13. On existing policies, the financing of the HRA capital programme comes from the following sources:-
  - (a) A revenue charge for depreciation, as defined by regulations, continues to be put into the HRA's major repairs capital reserve and is used to fund capital works. The charge, which takes into account actual inflation levels, stock movements and depreciation on non-dwellings such as garages, is estimated to contribute £24.044 million in 2016/17 and £24.501 million in 2017/18 towards funding future capital works;
  - (b) Current government regulations allow any housing capital receipts resulting from sales other than statutory Right to Buy sales to be retained by the Council. Current projections are that usable receipts of £18.948 million will be generated in 2016/17 which includes income from the sale of vacant properties that is to be reinvested into future purchases for low cost rent based on current policy. The business plan assumes an ongoing level of receipts from the disposal of minor sites at around £1 million per year reducing as the scope for continuing to identify such disposal opportunities declines;
  - (c) Capital receipts from Right to Buy sales are covered by a voluntary agreement between the Council and the Department for Communities and Local Government whereby retained receipts from Right to Buy sales over an assumed level must be utilised to fund no more than 30% of the replacement and development cost of re-provision of low cost social housing within three years of receiving those receipts. The business plan assumes therefore that 30% of the future Right to Buy re-provision expenditure (£39.789 million) is funded from Right to Buy one-for-one retained receipts with the balance (£92.841 million) funded by short term borrowing as per the agreement. As at the end of September 2016 the Council had retained £23 million of receipts requiring a total investment in affordable housing of £77 million by September 2019. Right to Buy sales and therefore retained receipts are considered to continue at the current level until the end of the framework period. In addition to the short term borrowing identified above the business plan assumes estimated borrowing of £150 million over the next 10 years to finance the cost of the capital programme (including the Winstanley/York Road and Alton regeneration schemes to support the replacement of social housing), without which the business plan would become unviable. The revenue reserve would need to fund the annual cost of borrowing being both the interest charges and the repayment of the principal sum borrowed;

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- (d) As approved in the September HRA Business Plan update (Paper No. 15-315) the Council has the option of funding the social and affordable housing elements of the two regeneration schemes from section 106 affordable housing contributions, grant funding or additional Right to Buy one-for-one replacement receipts insofar as they are available. The current business plan assumes that £45 million of the regeneration re-provision cost is met from these sources;
- (e) Where capital expenditure is incurred in relation to properties previously sold on long leases the costs are chargeable to the leaseholder as part of the annual service charge bill. The estimated level of leaseholder contributions is £7.18 million in 2016/17 and £6.68 million in 2017/18; and
- (f) The HRA's capital and revenue reserves, which totalled £292.066 million at the beginning of 2016/17, insofar as these remain available.

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

#### **Management and maintenance expenditure**

- 14. The updated business plan allows for inflation in 2017/18 of 1% on salaries and inflationary increases in line with the Consumer Price Index or other relevant index where those costs are linked to specific contracts. The budgeted level for management and maintenance costs in 2017/18 is £2,776 per dwelling after adjusting for leasehold and tenants' service charges. This average management and maintenance cost for 2017/18 includes all budget variations approved by the Executive in this year to date and any other budget variations and adjustments proposed in this cycle.
- 15. Going forward, expenditure at broadly these levels has been anticipated in the HRA business plan, although this element of spend must be kept under constant review to ensure the long-run viability of the business plan. An increase in expenditure of £100,000 per annum from 2017/18 would reduce the estimated overall reserves after 30 years by £5 million when taking into account the future loss of interest on this additional expenditure. This shows the significant impact relatively small annual expenditure adjustments has on the overall position.

#### **Servicing of debt**

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

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borrowing element of the outstanding debt has been extended by an additional 7 years and will now therefore be repaid in 2031/32.

18. Based on the interest rates borrowed at for this self financing debt, together with the ongoing servicing of the existing debt in the HRA and the financing of new borrowing for the Right to Buy re-provision, it is estimated to cost the HRA £5.240 million in interest and require principal repayments totalling £48.891 million during 2017/18. This has been incorporated within the business plan.

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

19. The average Council social dwelling rent in Wandsworth is currently £126.82 per week. In addition average housing management related service charges of £7.12 per week are charged to tenants, creating a total average charge of £133.94 all of which is eligible for housing benefit where applicable. There are significant variations in actual rents around this average ranging from £46.32 to £378.76 per week depending on the size and location of the property.
20. The Rent Officer currently sets, for Housing Benefit purposes, Local Housing Allowance (LHA) rates to set the level of benefit payments made to tenants in the private rented sector. As a comparison, in Wandsworth the LHA rates currently range from £209.77 for a one bedroom property to £417.02 for 4 bedrooms or more depending on where the property is situated excluding service charges. Wandsworth's own rents are significantly below market rate and on average are currently around 39% of rents being charged for equivalent properties available on the private rental market.

### **The Government's rent reduction policy**

21. The Welfare Reform and Work Act 2016 included a requirement that all social housing registered providers must reduce social housing rents by 1% each year for four years (2016/17 – 2019/20) with the rent setting exercise for 2017/18 being year two following the 1% rent reduction approved in January 2016 (Paper No. 16-9) which was implemented from April 2016. This rent reduction is mandatory whereas the Government's previous directions to stock holding councils on rent setting have all been based on guidance. The Council's current approved rent policy (Paper No. 14-577) is effectively overridden where it conflicts with Government legislation. As a 1% rent reduction must be passed to every existing tenant elements of the Council's own rent setting policy cannot be implemented, certainly within the rent reduction period, as the policy in some instances conflicts with this legislation.
22. The Council as a minimum has to comply with the Act and it is therefore recommended that the 1% rent reduction (equivalent to an average £1.27 per property per week reduction) be implemented for all social rented properties with effect from the first Monday in April 2017.
23. Rent levels will generally be subject to a 1% decrease except where necessary to achieve a transfer that substantially reduces under-occupation of a larger property or where there would be different rents for almost identical properties in the same location as a result of changes in previous valuations and the rate at which the

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rents of such properties moved towards the valuation rent. It is proposed that in such limited, and any other exceptional, circumstances the Director of Finance, in conjunction with the Director of Housing and Regeneration, continues to be authorised to harmonise rents at the lower level.

### **Limit rent**

24. The Secretary of State sets annually a "limit rent" for each authority and will reimburse the Council for the cost of paying out housing benefit to its tenants only up to that limit. Wandsworth's limit rent for 2016/17 is £127.45 per week. The DWP has yet to set the 2017/18 limit rent for each individual authority. However, assuming the 1% reduction in social rents continues to be reflected in the limit rent, it is anticipated that the 2016/17 figure for Wandsworth will be reduced by 1% to £126.18 per week for 2017/18 compared with a reduced average rent figure of £125.55 per week.
25. The Council's revised rent setting policy made a commitment to keep the Council's actual average weekly rent below this limit rent, demonstrating the Council's commitment to setting fair rents which are intended to be affordable to those households on lower incomes. This will require careful monitoring of the rents properties are relet at to ensure that any increase in individual rents to formula rent levels as required under the current regulations doesn't inadvertently push the Council's actual weekly rent for social rented properties above the limit rent threshold. If this happens, the cost of housing benefit paid to Council tenants above this limit will fall to the Council's HRA. It is worth noting, however, that properties that are charged affordable rents (rather than social rents) are excluded from the average weekly rent calculation for rent rebate subsidy limitation purposes.

### **The total welfare benefit cap**

26. When first introduced in 2013, the total welfare benefit cap was set at £26,000 per annum in London, equivalent to £500 per week. For rent and service charges to be affordable it is considered that such costs should be no more than 45% of the benefit cap. Accordingly, the Council's current rent policy restricts those rents above £225 per week. The Council currently has 215 properties being charged weekly rent and service charges higher than this.
27. The Welfare Reform and Work Act 2016 reduced the benefit cap further to £23,000 per annum for existing claimants in London from November 2016. 45% of this equates to an affordable rent and service charge level of £199 per week. The Council's current Discretionary Housing Payments (DHP) policy automatically awards DHP to those tenants affected by the benefit cap where rent is in excess of 45% of current weekly total capped benefit income of £225 per week. The reduction in the benefit cap would therefore necessitate a revisit of the existing DHP policy. The Council currently has 1,029 properties charged weekly rent and service charges higher than £199 per week although the 1% rent reduction will move a small number of property rents back below the revised threshold of £199 per week.
28. Those properties becoming vacant with current rents higher than £199 per week will continue to be charged rent at this higher rate. The Council will then use its



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ability to recycle HRA funding into Discretionary Housing Payments (DHP) to protect those workless households on benefits affected by the benefit cap whilst those that have the ability to pay continue to pay and/or receive benefits to assist with covering rent and service charges. However this will need to be reviewed in the event of the Council no longer being able to recycle HRA funds to pay DHP as the Council has to apply for an annual Direction to enable it to do so which is not guaranteed beyond 2016/17 at this time.

### **Tenants' service charges**

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

<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	13,823	£2.26	£0.10	£11.08
Garden Maintenance	14,456	£0.58	£0.01	£4.11
Block Cleaning	13,004	£2.02	£0.04	£8.49
Communal Electricity	13,617	£1.15	£0.01	£9.20
Paladins	12,716	£0.32	£0.10	£1.09
Aerials	7,862	£0.08	£0.01	£0.97
Entrycall	11,262	£0.52	£0.02	£4.29
Sheltered Wardens	1,077	£25.34	flat fee of £25.34	
<b>Overall Average</b>		<b>£7.12</b>		

31. In January 2016 (Paper No. 16-9) approval was given so that service charges were no longer to be considered as a notional element of the rent charge, in order to support the Council's commitment to keeping average rents below the limit rent as the Council could no longer risk that a reduction in the cost of service charges would automatically lead to an increase in rents when rents were to be reduced under the Welfare Reform and Work Act. Service charges are therefore calculated based on uplifted actual costs (this brings the Council in line with all other local authorities and housing associations).
32. As these service charges are calculated based on cost recovery, current Council policy means they will not require annual committee decisions to set the levels for the forthcoming year. The general principle will be that actual costs from the previous completed financial year (which may include an element of variable repair

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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.

33. The 2003 *Guide to Social Rent Reforms in the Local Authority Sector* which first introduced the concept of unpooling tenants' service charges and the 2014 *Guidance on Rents for Social Housing* state that authorities are expected to set reasonable and transparent service charges which reflect the service being provided to tenants. The guidance reiterates that service charges are not governed by the same factors as rent, however authorities should endeavour to keep increases for service charges within the previous limit on rent changes, of CPI + 1%, to help keep charges affordable. The only exception to this expectation is where new or extended services are introduced, where an additional charge may need to be made. Where this is the case, authorities are expected to consult appropriately with tenants before introducing new or extended services and associated charges. There is no proposal to introduce any new service charges for 2017/18.
34. Tenants will continue to receive charges only for the particular services they receive, to be fully covered by housing benefit where tenants are eligible.

### **Impact of welfare reform on housing benefit claimants**

35. Prior to 2013, any increase in rents for those tenants on Housing Benefit (HB) was fully covered by a corresponding increase in HB. This enabled the Council's rent policy to be implemented without affecting those on benefits who were deemed unable to pay the increased rent themselves. However, since the government's welfare reforms introduced Universal Credit, maximum benefit caps and benefit reductions for those Council tenants deemed to be under occupying, this is no longer the case. There are currently 898 (977 in November 2015) Council tenants affected who have had their housing benefit reduced as a result of under occupation, of which 34 (64 in November 2015) are currently receiving a Discretionary Housing Payment (DHP) to top up their benefit. The total welfare benefit cap affects 67 (74 in November 2015) Council tenants, of which 8 (9 in November 2015) are receiving a DHP to help cover their rent charge. These numbers are expected to increase as a result of the lower total welfare benefit cap. The estimates from the DWP are that approximately 192 tenanted households are affected which still need to be validated.

### **Affordable rents**

36. There are currently 133 Council properties let on affordable rent terms (less than 1% of the Council's social housing stock). This includes properties that have been developed as part of the GLA's Affordable Housing Programme and 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.
37. Guidance on affordable rents was set out in the Government's revised guidance on social housing rent setting published in May 2014. Affordable rents are intended to provide income to in particular support new development with the ability to set such rents at up to 80% of market rents. Whilst the guidance does not set maximum rents authorities should have regard to the local market context, including the

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relevant Local Housing Allowance for the Broad Rental Market Area in which the property is located, when setting affordable rents. Affordable rent levels are set inclusive of service charges so comparison between social rents and affordable rents should take this difference into account. As affordable rents are excluded from the limit rent calculation Housing Benefit paid will be fully covered by Housing Benefit subsidy which as set out above is not always the case with social rents due to rent rebate subsidy limitation.

38. New properties and relets being let at affordable rent levels can be set at up to 80% of the prevailing market rent of similar properties identified in the area and this may be appropriate depending on the profile of applicant/household to which the property is being let. In setting rents due regard will be given to the guideline affordable rents set out in the Affordable Housing Update Report (Paper No. 16-279), the overall position of the HRA business plan and the need now to maximise rental income and to ensure that revenue continues to support the Council's development programme.
39. As affordable rent properties are a form of social housing for existing properties let at affordable rent levels it is now required that current levels should also be decreased by 1% in line with Welfare Reform and Work Act from the first Monday in April 2017.

### **Right to Part Buy**

40. Under the Council's new Right to Part Buy scheme (Paper No. 16-427), initial rent levels will be based on a proportion of the current rent charged at the time of purchase or 2.75% of the unsold equity whichever is the lower and be subject to annual increases at CPI + 1%. As a shared ownership product they are not subject to the Government's rent reduction policy and are therefore excluded from the requirement. It is therefore proposed that all properties sold under the Right to Part Buy scheme will have rents increased by 2% from the first Monday in April 2017.

### **Pay to Stay**

41. The Council had been waiting for the detailed regulations regarding the mandatory Pay to Stay scheme that was contained in the Housing and Planning Act 2016. Under the proposed scheme tenants in London with household incomes in excess of £40,000 per annum would have been required to pay a higher rent up to a level equivalent to the full market rent of the property.
42. On the 21st November 2016 a written ministerial statement made by Gavin Barwell (Minister of State for Housing and Planning & Minister for London) was released that announced that the proposed compulsory Pay to Stay policy would not be progressed and that local authorities and housing associations would continue to have local discretion.
43. This announcement provided clarity on the position with regards to the mandatory Pay to Stay policy but it could still be introduced on a voluntary basis. Previously the Council has identified that it would keep the introduction of Pay to Stay under review and consider the merits and benefit of introducing the scheme. A key factor was whether income information would be provided to social landlords by Her Majesty's Revenue and Customs (HMRC) to validate and confirm tenants' income.

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No requirement for HMRC to provide such information has been made. Also the Council on the limited modelling undertaken could not demonstrate that relative to administrative cost the implementation of Pay to Stay could be justified on an ongoing basis. Therefore it is recommended that Pay to Stay is not implemented on a voluntary basis albeit this will remain subject to annual review.

44. It should be noted however that where a council tenant is subject to a fixed term tenancy review household income information will be considered as identified in the Council's adopted Tenancy Policy. The reason for this is to consider housing options (e.g. purchase utilising House Purchase Grants, shared ownership housing) and whether it is appropriate to charge a higher rent taking account of the Council's ability to utilise in this instance the Pay to Stay policy.

### **THAMES WATER**

45. As reported elsewhere on this agenda (Paper No. 17-10) the Council is seeking to enter into a Deed of Clarification and Amendment with Thames Water that reinforces the agency arrangements but requires the Council to refund tenants the previously over charged amounts. Financial provision has been made in the HRA, both in the 2015/16 out-turn and in the framework for the additional commission to be refunded based on the 2016/17 charges, totalling £7.1 million. The assumption in the business plan is that the commission will return to the levels in line with the agency arrangements from 2017/18 assuming that the Deed of Clarification and Amendment is signed before the start of the financial year.

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

46. The current policy on the setting of non-residential charges for garages, parking lots and storsheds was approved by the Executive on 1st July 2002 (Paper 02-594), with charging criteria established with the aim of ensuring charges reflect relative quality and desirability of sites and are sensitive and responsive to market demand. In the absence of any evidence of general falling demand for sites, it is proposed that charges for all garages be increased by an average 3%, in line with the Council's current charging policy, with effect from the first Monday in April 2017. The current and proposed new weekly net rent price banding for garages are shown in Appendix D, Table 1. Some garages have a supply of running water and/or drainage connected to the mains sewers, for which a charge, currently £0.48 per week, is made. This will be revised in accordance with increases as advised by Thames Water which are yet to be confirmed.
47. Charges for storsheds were banded in January 2005 (Paper No. 05-94), again to ensure charges reflect relative desirability. As with garages it is proposed that charges for all categories be increased by an average 3%. It is proposed also that prices for motorcycle garages, parking lots and cycle lockers be increased on the same basis. These charges, as set out in Appendix D, Table 2, are recommended to take effect from the first Monday in April 2017.
48. 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

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the first Monday in April 2017, these prices also be increased by an average 3% for replacement permits, keys and door entry fobs and 25% for pre-assignment enquiries, as set out in Appendix D, Table 3. The rationale for increasing pre-assignment enquiries is that, other than an annual increase for inflation, the general level of these charges has not been fundamentally reconsidered for many years. However, having recently benchmarked these figures with other Inner London authorities it is clear that the Council is charging a substantially lower figure than other authorities charge for a broadly similar service. The increase in charge will make the charge commensurate with what leaseholders could expect to pay for broadly similar services across London.

49. The total estimated increase in budgeted income arising from the proposed non-residential charges is £192,000 in 2017/18 and subsequent years and has been incorporated in the HRA budget framework presented as part of this report for approval.

### **HRA BUDGET FRAMEWORK**

50. The HRA business plan and budget framework is set by the Council each year together with a controlling parameter to limit the annual expenditure and the consequential reduction in the forecast capital and revenue reserve levels that the Executive can commit to within each framework period. In January 2016 this was set at a level of £25 million (Paper No. 16-9). The £25 million parameter has been in place since 2015/16 increased from a previous £10 million. Now that the estate regeneration schemes are progressing into the procurement and then onto the delivery phases, which will incur significant up front expenditure, and with a move towards more new build and other projects as part of the Right to Buy one for one replacement scheme, it is considered appropriate to further increase the trigger level to £40 million over the framework period to allow more flexibility in any one financial year without the need for the framework to be reapproved.
51. The HRA business plan and budget framework reported to this committee and the Executive in September 2016 (Paper No. 16-316) has been adjusted to take account of the recommendations in this report, including the additions to the capital programme, the recommendations on rents and service charges, the increase in non-residential charges together with any other budget variations being recommended for approval this cycle. Appendix E to this report sets out a HRA budget framework that reflects the proposals in this report covering the period to 31st March 2020, before which time predicted HRA reserves must not be reduced by more than £40 million from the presently predicted £261.626 million.
52. The HRA business plan graphs provide an overview of HRA trends for the coming years and the latest forecast of reserves is shown at Appendix F. The plan currently assumes 1% rent reductions in line with the Government requirements up until 2019/20 and annual rent increases in line with previous guidance and existing Council policy thereafter. It also takes into account the latest estimates of revenue spend and capital expenditure in line with the stock condition survey but assumes that all self financing existing debt is repaid by 2031/32.
53. Significant levels of future surpluses are still forecast by the end of the 30 year business planning period which begins to materialise after the self-financing

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

settlement Public Works Loan Board debt has been fully repaid in 2024/25. These forecast surpluses involve a raft of assumptions on future spend and income levels which if varied can have a significant effect on available resources. In addition, the Localism Act 2011 includes provision for the Secretary of State to re-open the self-financing settlement "if there has been a change in any matter that was taken into account" in the settlement; quite what circumstances this could cover is not certain. There is therefore a risk of over-reliance on future potential headroom which could throw the HRA business plan out of balance and necessitate additional borrowing, higher rents (if permissible) or reduced service provision in future years.

54. The Director of Finance 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**

55. The Cabinet Member for Housing has been consulted and, taking all matters into account, considers a rent decrease of a minimum 1% or an average £1.27 per week reduction for applicable social rents, in line with the latest legislation, to be necessary and appropriate. The Cabinet Member also considers that similar decreases for affordable rents both in and out of the borough are necessary and appropriate. The Cabinet Member also welcomes the progress made in ensuring that service charges applied to estates, blocks and dwellings are fully transparent and relate to the cost of services provided. Finally, the Cabinet Member considers that the increases in non-residential charges as set out in Appendix D to this report are appropriate. These increases will be effective from the first Monday in April 2017.
56. The Cabinet Member for Housing proposes that the Council should be recommended to adopt the revised HRA budget framework as detailed in Appendix E and the HRA business plan shown graphically in Appendix F to this report.

### **CONCLUSION**

57. Taking into account the previously approved HRA Business Plan Update (Paper No. 16-316) it is now recommended that a 1% decrease be applied to the Council's social and affordable rents with effect from the first Monday in April 2017 in line with the Welfare Reform and Work Act. It is also recommended that non-residential charges are increased generally by 3%, also with effect from the first Monday in April 2017.
58. Significant levels of future surpluses are forecast by the end of the HRA business plan however these need to continue to be viewed with caution as they are in no way guaranteed. The business plan is based on a raft of assumptions on future spend and income levels which if varied can have a significant effect on available resources. In addition, the self-financing settlement could be re-opened at some point in the future. There is therefore a risk of over-reliance on future potential headroom which could throw the HRA business plan out of balance.

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

59. The graphical representation of balances in Appendix F shows that whilst the HRA is projected to be in surplus in the short to medium term the position remains finely balanced. As a result, any demand for additional expenditure or reduction in assumed income levels will need to continue to be mitigated elsewhere within the HRA business plan to maintain ongoing viability.

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CHRIS BUSS  
Director of Finance

BRIAN REILLY  
Director of Housing and Regeneration

The Town Hall  
Wandsworth  
SW18 2PU

11th January 2017

### **Background Papers**

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

1. The Council's budget book publication 2016/17
2. A Guide to Social Rent Reforms in the Local Authority Sector 2003
3. The Government's Guidance on Rents for Social Housing 2014

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

**APPENDIX A**

**Housing Revenue Account - Approved Capital Programme**

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
MAJOR REFURBISHMENT OF ESTATES	16,373	17,771	9,002	665
RE-LIFTING	880	1,363	2,059	50
RE-WIRING	1,578	1,030	213	-
HEATING IMPROVEMENTS	452	4,694	1,207	-
HEATING REPAIRS	2,167	3,007	555	30
SPECIAL REPAIRS	1,401	769	-	-
SHELTERED HOUSING	641	983	68	-
ADAPTATIONS FOR DISABLED	1,550	1,550	-	-
ENTRYCALL	120	347	84	-
<b>TOTAL REPAIRS AND IMPROVEMENTS</b>	<b>25,162</b>	<b>31,514</b>	<b>13,188</b>	<b>745</b>
ENVIRONMENTAL & ESTATE IMPROVEMENTS	1,222	1,124	-	-
HIDDEN HOMES & SITE DEVELOPMENTS	6,226	17,021	4,407	399
REGENERATION PROJECTS	23,737	50,892	21,661	372
<b>TOTAL ENVIRONMENTAL, NEW BUILD &amp; REGENERATION</b>	<b>31,185</b>	<b>69,037</b>	<b>26,068</b>	<b>771</b>
PURCHASE OF PROPERTIES	16,213	4,742	-	-
HOUSE PURCHASE GRANTS	3,539	2,500	-	-
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>76,099</b>	<b>107,793</b>	<b>39,256</b>	<b>1,516</b>



**APPENDIX B**

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

	<u>2016/17</u> <u>£ '000</u>	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>	<u>2020/21</u> <u>£ '000</u>
<b>MAJOR REFURBISHMENT OF ESTATES</b>					
<b>Battersea Park Estate (Latchmere)</b>					
Kitchen & Bathroom Programme - Replacement of obsolete boilers	-	249	-	-	-
<b>Bedford Hill 206, FA-FD (Bedford)</b>					
Roof renewal, brickwork repairs, window overhaul	-	-	76	4	-
<b>Ethelburga Estate (St Mary's Park)</b>					
Ethelburga Tower Phase 3 Roof renewal	-	-	16	105	5
<b>Harwood Court (West Putney)</b>					
Roof renewal	-	-	87	563	16
<b>Patmore Estate (Queenstown)</b>					
Ashcroft House, Banister House, Beattie House, Bonsor House, Drury House, Locke House, Morgan House, Statham House, Stroudley House, Woods House Phase 3 Roof renewal	-	-	203	2,258	77
<b>Powrie House (St Mary's Park)</b>					
Roof Renewal	-	-	13	81	2
<b>Rollo Estate (Queenstown)</b>					
Alfreda Court, Newton Court, Ravenet Court, Rawson Court, Rollo Court, Bank Court (Doddington East) Roof renewal	-	-	178	1,156	35
<b>Rowditch Lane 1-84 (Latchmere)</b>					
Window renewal	-	-	46	300	9
<b>Southlands Estate (St Mary's Park)</b>					
Gaitskell Court, McKiernan Court, Winders Road 51-101 Odd Roof renewal	-	-	105	681	20
<b>Spencer Park South (Wandsworth Common)</b>					
Boundary wall	-	-	15	31	-
<b>Kitchens &amp; Bathrooms Programme</b>					
Phase 9 - Kersfield Road, Orchard Estate, Southmead Estate, Totterdown Fields phase 1	-	-	954	2,453	-
<b>Boroughwide</b>					
External Decs conversions to window renewal	-	-	2,000	-	-
<b>TOTAL MAJOR REFURBISHMENT OF ESTATES</b>	-	249	3,693	7,632	164

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<b><u>RELIFTING</u></b>					
<b>Argyle Estate (West Hill)</b>					
Esher Gardens 1-105	-	-	78	673	231
Glen Albyn Road 1-200	-	-	94	813	376
Smithwood Close 25-63, Weydown Close 13-37, 62-86	-	-	127	133	-
Winterfold Close 1-22, 94-118	-	-	64	200	-
<b>Ethelburga Estate (St Mary's Park)</b>					
Ethelburga Street, Henty Close, Watford Close	-	-	66	292	-
<b>Fairfield Court (Fairfield)</b>	-	-	48	66	-
<b>TOTAL RELIFTING</b>	<b>-</b>	<b>-</b>	<b>477</b>	<b>2,177</b>	<b>607</b>
<b><u>REWIRING</u></b>					
<b>Copeland House (Tooting)</b>					
Individual rewires, lateral mains and distribution boards	-	-	74	111	-
<b>Gowrie Road 11-33 (Shaftesbury)</b>					
Individual rewires and lateral mains	-	-	12	18	-
<b>Hazelhurst Estate (Tooting)</b>					
Individual rewires and distribution boards	-	-	142	214	-
<b>Newlands Estate (Bedford)</b>					
Individual rewires and laterals mains	-	-	76	114	-
<b>Wynter Street Estate (Latchmere)</b>					
Renewal of distribution boards	-	-	36	55	-
<b>Individual Rewires</b>	-	-	273	-	-
<b>TOTAL REWIRING</b>	<b>-</b>	<b>-</b>	<b>613</b>	<b>512</b>	<b>-</b>
<b><u>HEATING IMPROVEMENTS</u></b>					
<b>Western Area (Putney &amp; Roehampton)</b>					
Phase 2 - Replacement of obsolete boilers	-	-	3,366	104	-
<b>Individual installations</b>	-	-	360	-	-
<b>TOTAL HEATING IMPROVEMENTS</b>	<b>-</b>	<b>-</b>	<b>3,726</b>	<b>104</b>	<b>-</b>

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<b><u>HEATING REPAIRS</u></b>					
<b>Alton Estate (Roehampton)</b>					
Ryefield Path, Timsbury Walk & Highcross Way					
Phase 2 Replacement of communal heating system	-	-	749	17	-
<b>Arndale Estate (Southfields)</b>					
All blocks					
Cold water booster replacement	-	-	147	3	-
<b>Goulden House (St Mary's Park)</b>					
Replacement of communal extract fans	-	-	295	7	-
<b>Nightingale Square (Nightingale)</b>					
Replacement of communal heating system	-	-	589	13	-
<b>Smallwood North (Tooting)</b>					
Smallwood Road 4-152					
Replacement of communal heating system	-	-	322	7	-
<b>TOTAL HEATING REPAIRS</b>	<b>-</b>	<b>-</b>	<b>2,102</b>	<b>47</b>	<b>-</b>
<b><u>SPECIAL REPAIRS</u></b>					
<b>Acquired Properties</b>					
Roofs, decoration, damp proofing	-	250	600	-	-
<b>Boroughwide water tank renewal</b>					
	-	250	-	-	-
<b>Boroughwide LED Street and pathway lighting</b>					
	-	740	-	-	-
<b>Extensions/conversions future schemes</b>					
	-	500	-	-	-
<b>Provision for urgent schemes</b>					
	-	-	300	-	-
<b>TOTAL SPECIAL REPAIRS</b>	<b>-</b>	<b>1,740</b>	<b>900</b>	<b>-</b>	<b>-</b>
<b><u>SHELTERED HOUSING</u></b>					
<b>Kirton Lodge (Fairfield)</b>					
Refurbishment	-	-	176	1,143	34
<b>Boroughwide Sheltered Schemes</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	-	-	295	505	-
<b>TOTAL SHELTERED HOUSING</b>	<b>-</b>	<b>-</b>	<b>471</b>	<b>1,648</b>	<b>34</b>
<b><u>ADAPTATIONS FOR THE DISABLED</u></b>					
<b>Conversion of vacant properties</b>					
	-	-	850	-	-
<b>Future years provision</b>					
	-	-	700	-	-
<b>TOTAL ADAPTATIONS FOR THE DISABLED</b>	<b>-</b>	<b>-</b>	<b>1,550</b>	<b>-</b>	<b>-</b>

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<b><u>ENTRYCALL</u></b>					
<b>Doland Court (Graveney)</b>					
Replacement of door entry system	-	-	3	5	-
<b>Holgate Avenue (Latchmere)</b>					
Replacement of door entry system	-	-	43	73	-
<b>Wendlesworth Estate (Fairfield)</b>					
Replacement of door entry system	-	-	85	144	-
<b>TOTAL ENTRYCALL</b>	<b>-</b>	<b>-</b>	<b>131</b>	<b>222</b>	<b>-</b>
<b><u>ENVIRONMENTAL &amp; ESTATE IMPROVEMENTS</u></b>					
Future Playground Refurbishment	-	-	100	-	-
Environmental Improvements	-	30	60	110	-
<b>TOTAL ENVIRONMENTAL &amp; ESTATE IMPROVEMENTS</b>	<b>-</b>	<b>30</b>	<b>160</b>	<b>110</b>	<b>-</b>
<b><u>HIDDEN HOMES &amp; SITE DEVELOPMENTS</u></b>					
<b>Kersfield Road (East Putney)</b>					
Site Development	550	5,300	3,300	-	-
<b>1-8 Arnal Crescent (West Hill)</b>					
Site Development	25	866	24	-	-
<b>65 Arnal Crescent (West Hill)</b>					
Site Development	32	1,117	31	-	-
<b>Fordyce House (Furzedown)</b>					
Site Development	49	1,646	46	-	-
<b>Beaumont Road/Whitlock Drive (West Hill)</b>					
Site Development	86	1,932	1,065	151	-
Feasibility Studies	-	100	-	-	-
<b>TOTAL HIDDEN HOMES &amp; SITE DEVELOPMENTS</b>	<b>742</b>	<b>10,961</b>	<b>4,466</b>	<b>151</b>	<b>-</b>
<b><u>REGENERATION PROJECTS</u></b>					
<b>Shuttleworth Road (St Mary's Park)</b>					
Winstanley / York Road Satellite Site Development	500	3,000	3,453	-	-
Regeneration Buybacks	-	25,000	-	-	-
Regeneration Project Costs - Winstanley / York Road	-	500	500	-	-
Regeneration Project Costs - Alton	-	500	500	-	-
<b>TOTAL REGENERATION PROJECTS</b>	<b>500</b>	<b>29,000</b>	<b>4,453</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF PROPERTIES</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>
<b>HOUSE PURCHASE GRANTS</b>	<b>400</b>	<b>400</b>	<b>2,900</b>	<b>-</b>	<b>-</b>
<b>HOUSING MANAGEMENT SYSTEM REPLACEMENT</b>	<b>20</b>	<b>690</b>	<b>690</b>	<b>-</b>	<b>-</b>
<b>TOTAL ADDITIONS</b>	<b>1,662</b>	<b>43,070</b>	<b>26,432</b>	<b>12,603</b>	<b>805</b>

**APPENDIX C**

Housing Revenue Account - Revised Capital Programme

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
MAJOR REFURBISHMENT OF ESTATES	16,373	18,020	12,695	8,297	164
RE-LIFTING	880	1,363	2,536	2,227	607
RE-WIRING	1,578	1,030	826	512	-
HEATING IMPROVEMENTS	452	4,694	4,933	104	-
HEATING REPAIRS	2,167	3,007	2,657	77	-
SPECIAL REPAIRS	1,401	2,509	900	-	-
SHELTERED HOUSING	641	983	539	1,648	34
ADAPTATIONS FOR DISABLED	1,550	1,550	1,550	-	-
ENTRYCALL	120	347	215	222	-
<b>TOTAL REPAIRS AND IMPROVEMENTS</b>	<b>25,162</b>	<b>33,503</b>	<b>26,851</b>	<b>13,087</b>	<b>805</b>
ENVIRONMENTAL & ESTATE IMPROVEMENTS	1,222	1,154	160	110	-
HIDDEN HOMES & SITE DEVELOPMENTS	6,968	27,982	8,873	550	-
REGENERATION PROJECTS	24,237	79,892	26,114	372	-
<b>TOTAL ENVIRONMENTAL, NEW BUILD &amp; REGENERATION</b>	<b>32,427</b>	<b>109,028</b>	<b>35,147</b>	<b>1,032</b>	<b>-</b>
PURCHASE OF PROPERTIES	16,213	4,742	100	-	-
HOUSE PURCHASE GRANTS	3,939	2,900	2,900	-	-
HOUSING MANAGEMENT SYSTEM REPLACEMENT	20	690	690	-	-
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>77,761</b>	<b>150,863</b>	<b>65,688</b>	<b>14,119</b>	<b>805</b>

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<b><u>MAJOR REFURBISHMENT OF ESTATES</u></b>					
<b>Aboyne Estate (Earlsfield)</b>					
Window renewal	36	-	-	-	-
<b>Althorpe Grove Estate (St Mary's Park)</b>					
Sunbury Lane, Battersea Church Road, Granfield Street					
Window renewal	119	3	-	-	-
<b>Alton Estate (Roehampton)</b>					
D Blocks D1-5 & 36					
Ibsley Gardens 81-103, 105-127, 110-148					
Alton Road 28-58, Fontley Way 1-20, 21-25					
Window renewal	4	-	-	-	-
<b>E Blocks</b>					
Allenford House, Bramley House, Penwood House,					
Shalden House, Swaythling House, Tatchbury House, Warnford House					
Phase 1 Roof renewal and part window renewal	1,208	351	-	-	-
<b>Chilcombe House, Crondall House, Farnborough House,</b>					
Kimpton House, Rushmere House					
Phase 2 Window renewal	110	1,911	65	-	-
<b>Brockbridge House, Egbury House, Finchdean House,</b>					
Holmsley House, Hurstbourne House, Lyndhurst House,					
Overton House, Redenham House, Wheatley House,					
Woodcott House					
Phase 3 Partial window renewal	-	200	756	60	-
<b>Argyle Estate (West Hill)</b>					
Esher Gardens 1-16, 17-46, 47a, 47-75, 76-105					
Phase 3 Renewal of pitched roof covering	14	-	-	-	-
<b>Arndale Estate (Southfields)</b>					
Eliot & Wentworth					
Renewal of suspended ceilings to communal areas	24	192	16	-	-
<b>Ashburton South Estate (West Putney)</b>					
Carslake Road 1-99, 109-167, 169-177, 2-80, 82-110					
Phase 1 Roof renewal	317	16	-	-	-
<b>Innes Gardens 1-22, 23-52, 53-64, 65-94, 95-116, 117-156</b>					
Phase 2 Roof renewal	20	601	22	-	-
<b>Cortis Road 6-20, 22-88, 90-184, 186-244, 246-274, 280-308</b>					
Pullman Gardens 13-27					
Phase 3 Roof renewal	-	77	915	22	-
<b>Carslake Road 1-99, 109-167, 169-177, 2-80, 82-110</b>					
Innes Gardens 1-22, 117-156, 23-52, 53-64, 65-94, 95-116					
Phase 2 Window renewal	5	-	-	-	-
<b>Tildesley Road</b>					
All blocks window renewal excluding 89-201					
All blocks roof renewal excluding 102-164, 2-100					
Phase 4 Window & roof renewal	3,033	120	-	-	-
<b>Battersea Park Estate (Latchmere)</b>					
Kitchen & Bathroom Programme - Replacement of obsolete boilers	-	249	-	-	-
<b>Bedford Hill 206, FA-FD (Bedford)</b>					
Roof renewal, brickwork repairs, window overhaul	-	-	76	4	-
<b>Burmester House (Earlsfield)</b>					
Window renewal	104	3	-	-	-
<b>Carnie Lodge (Bedford)</b>					
Refurbishment	146	5	-	-	-
<b>Clarence Lane (Roehampton)</b>					
Roof covering renewal					
All blocks excluding 269-299	-	500	222	-	-

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<b>Colson Way Estate (Furzedown)</b> Aldrington Road 57-79 odd Roof renewal	-	80	7	-	-
<b>Convent Co-op (Fairfield)</b> Window renewal	930	53	-	-	-
<b>Cornford Grove 45-89 (Bedford)</b> Roof renewal	121	4	-	-	-
<b>Doddington West (Queenstown)</b> Battersea Park Road 259 Refurbishment of short term lets	15	-	-	-	-
Battersea Park Road 287, 291-299 Roof renewal	130	13	-	-	-
<b>Ethelburga Estate (St Mary's Park)</b> Maskelyne Close 1-42, 43-72, Rosenau Road 30-76 Watford Close 1-69, 2-52, 7&9 Ethelburga Street, 66 Searles Close Phase 1 Roof renewal	100	967	55	-	-
Henty Close, Heron House, Parkgate Road 20-38, Searles Close 1-42, 43-60, Worfield Street 40-56 Phase 2 Roof renewal	-	200	970	44	-
Community clubroom Window & roof renewal	-	216	20	-	-
Ethelburga Tower Phase 3 Roof renewal	-	-	16	105	5
<b>Falcon Estate (Latchmere)</b> Communal walkway reconstruction	28	254	7	-	-
<b>Flowersmead Estate (Nightingale)</b> Window renewal	381	-	-	-	-
<b>Harwood Court (West Putney)</b> Roof renewal	-	-	87	563	16
<b>Hazelhurst Estate (Tooting)</b> Alfred Hurley House, Foss Road, Newbridge Court, Pangbourne Court, Sutton Courtney House, Whitchurch Court, Wimbledon Road Phase 3 Window renewal	10	-	-	-	-
<b>Latchmere Estate (Latchmere)</b> Burns Road, Matthews Street, Joubert Street, Odger Street & Sheepcote Lane Phase 1 Window renewal	60	2,100	100	-	-
Freedom Street, Reform Street Phase 2 Window renewal	-	150	1,137	450	-
<b>Longstaff Estate (East Putney)</b> Hooper House, Woodhams House Roof renewal	250	74	-	-	-
<b>Magdalen Park (Wandsworth Common)</b> Godley Road, Gunners Road, Tilehurst Road Phase 2 Roof renewal	2,080	90	-	-	-
<b>Nightingale Square (Nightingale)</b> Sprinkler System	217	145	-	-	-
<b>Patmore Estate (Queenstown)</b> Allan House, Beames House, Billington House, Fowler House Gresley House, Hookham Court, Jenkins House, McConnell House, Trevithick House, Wainwright House Phase 1 Roof renewal	11	2,081	62	-	-
Brady House, Crampton House, Cudworth House, Kirtley House, Mansel House, Marsh House, Martley House, Mills House Phase 2 Roof renewal	-	190	1,734	64	-

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

	<u>2016/17</u> £ '000	<u>2017/18</u> £ '000	<u>2018/19</u> £ '000	<u>2019/20</u> £ '000	<u>2020/21</u> £ '000
Ashcroft House, Banister House, Beattie House, Bonsor House, Drury House, Locke House, Morgan House, Statham House, Stroudley House, Woods House Phase 3 Roof renewal	-	-	203	2,258	77
<b>Powrie House (St Mary's Park)</b> Roof Renewal	-	-	13	81	2
<b>Putney Vale Estate (Roehampton)</b> Frensham Drive, Stroud Crescent Partial brick removal and replacement	-	300	400	25	-
<b>Rollo Estate (Queenstown)</b> Alfreda Court, Newton Court, Ravenet Court, Rawson Court, Rollo Court, Bank Court (Doddington East) Roof renewal	-	-	178	1,156	35
<b>Rowditch Lane 1-84 (Latchmere)</b> Window renewal	-	-	46	300	9
<b>Shoreham Close (Fairfield)</b> Roof renewal	-	244	150	-	-
<b>Southlands Estate (St Mary's Park)</b> Gaitskell Court, McKiernan Court, Winders Road 51-101 Odd Roof renewal	-	-	105	681	20
<b>Spencer Park South (Wandsworth Common)</b> Boundary wall	-	-	15	31	-
<b>Streatham Park Estate (Furzedown)</b> Window renewal	15	-	-	-	-
<b>Surrey Lane Estate (St Mary's Park)</b> Phase 1 Window renewal	3	-	-	-	-
Phase 2 Window renewal	49	-	-	-	-
Phase 3/4 Window renewal & Roof renewal to Gardiner House	2,702	132	-	-	-
<b>Wimbledon Park Estate Co-op (West Hill)</b> Window renewal	2,175	60	-	-	-
<b>Kitchen &amp; Bathrooms Programme</b> Phase 5 - Carey Gardens Estate (Queenstown)	25	-	-	-	-
Phase 6 - Battersea Park Estate (Latchmere)	1,500	1,311	71	-	-
Phase 7 - Boroughwide	431	3,064	85	-	-
Phase 8 - Latchmere Estate, Putney Vale Estate, Ranelagh Estate	-	864	2,208	-	-
Phase 9 - Kersfield Road, Orchard Estate, Southmead Estate, Totterdown	-	-	954	2,453	-
<b>Boroughwide</b> External Decs conversions to window renewals	-	1,200	2,000	-	-
<b>TOTAL MAJOR REFURBISHMENT</b>	<b>16,373</b>	<b>18,020</b>	<b>12,695</b>	<b>8,297</b>	<b>164</b>



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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<b>RE-LIFTING</b>					
<b>Aldrington South Estate (Furzedown)</b>					
Grierson House, Shenstone House	53	237	-	-	-
<b>Argyle Estate (West Hill)</b>					
Esher Gardens 1-105	-	-	78	673	231
Glen Albyn Road 1-200	-	-	94	813	376
Smithwood Close 25-63, Weydown Close 13-37, 62-86	-	-	127	133	-
Winterfold Close 1-22, 94-118	-	-	64	200	-
<b>Ashburton South Estate (West Putney)</b>					
Carlake Rd 109-167, Cortis Road 280-308, 246-274	4	-	-	-	-
Carlake Road 1-99	43	-	-	-	-
Cortis Road 22-244	94	373	-	-	-
Innes Gardens 1-22	1	-	-	-	-
<b>Balham Hill</b>					
Phase 2	2	-	-	-	-
<b>Colson Way (Furzedown)</b>					
Chambers House, Fordyce House, Langton House, Percy House, Walmsley House, Oldfield House (Infill)	-	98	476	-	-
<b>Doddington Estate (Queenstown)</b>					
Connor Court, Park Court, Turpin House	-	100	423	-	-
<b>Eastwood Estate (West Putney)</b>					
Andrew House, Cromwell House	2	-	-	-	-
<b>Edwin Trayfoot Lodge (Latchmere)</b>					
	66	2	-	-	-
<b>Ethelburga Estate (St Mary's Park)</b>					
Ethelburga Tower Phase 1	117	-	-	-	-
Ethelburga Street, Henty Close, Watford Close	-	-	66	292	-
<b>Fairfield Court (Fairfield)</b>					
	-	-	48	66	-
<b>Glenthorpe (West Putney)</b>					
	86	2	-	-	-
<b>Nimrod Road 243, F1-21 (Furzedown)</b>					
	50	16	-	-	-
<b>Ranelagh Estate (Thamesfield)</b>					
Huntingfield House 2 lifts	3	-	-	-	-
<b>Ryde Vale Estate (Bedford)</b>					
Homemead & Hitherlands	4	-	-	-	-
<b>Southmead Estate (West Hill)</b>					
Lifts serving 5 blocks	4	-	-	-	-
<b>Southlands Estate (St Mary's Park)</b>					
Gaitskell Court	89	140	-	-	-
<b>Streatham Park Estate (Furzedown)</b>					
Busby House, Boyce House	55	230	5	-	-
<b>Surrey Lane (St Mary's Park)</b>					
Compton House, Cranmer House, Gardiner House, Macey House, Musgrave Court, Whitgift House	-	115	1,002	50	-
<b>Totteridge House (St Mary's Park)</b>					
	207	-	-	-	-
<b>Wilditch Estate (Latchmere)</b>					
Weybridge Point	-	50	153	-	-
<b>TOTAL RE-LIFTING</b>	<b>880</b>	<b>1,363</b>	<b>2,536</b>	<b>2,227</b>	<b>607</b>

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

	<u>2016/17</u> <u>£ '000</u>	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>	<u>2020/21</u> <u>£ '000</u>
<b>RE-WIRING</b>					
<b>Ashburton Chartfield (East Putney)</b>					
All tenanted units					
Individual rewires	-	88	132	-	-
<b>Bellamy House (Tooting)</b>					
Individual rewires & communals	20	64	-	-	-
<b>Carey Gardens (Queenstown)</b>					
Phase 1 Individual rewires and distribution boards	226	39	-	-	-
Phase 2 Individual rewires and distribution boards	160	129	-	-	-
<b>Carnie Lodge (Bedford)</b>					
Rewires and laterals	2	-	-	-	-
<b>Copeland House (Tooting)</b>					
Individual rewires, lateral mains and distribution boards	-	-	74	111	-
<b>Doddington Estate (Queenstown)</b>					
Connor Court					
Fitting LED lighting with motion controlled dimmers	80	4	-	-	-
<b>Fernlea Road Estate (Balham)</b>					
Laterals & distribution boards	26	-	-	-	-
<b>Gowrie Road 11-33 (Shaftesbury)</b>					
Individual rewires and lateral mains	-	-	12	18	-
<b>Hazelhurst Estate (Tooting)</b>					
Individual rewires and distribution boards	-	-	142	214	-
<b>Henry Prince Estate (Earlsfield)</b>					
Lateral distribution boards & individual rewires	479	43	-	-	-
<b>Newlands Estate (Bedford)</b>					
Individual rewires and laterals mains	-	-	76	114	-
<b>Powrie House (St Mary's Park)</b>					
Laterals & distribution boards	1	-	-	-	-
<b>Spencer Park Estate (Wandsworth Common)</b>					
Lateral mains	30	1	-	-	-
<b>William Willison Estate (West Hill)</b>					
Castlecombe Drive					
Rising mains, laterals & rewires - phase 1	210	6	-	-	-
Keevil Drive					
Lateral mains, distribution boards, communal lighting & individual rewires - phase 2	74	344	5	-	-
<b>Wynter Street Estate (Latchmere)</b>					
Renewal of distribution boards	-	-	36	55	-
<b>Boroughwide</b>					
Smoke detector replacement	45	28	-	-	-
Allenswood, Ambleside, Ericsson Close, Fernwood, Jenkins House, Marmion House, Selbourne, Tildesley Road 2-100, Tildesley Road 102-164, Upper Richmond Road 125					
Lightning protection system	-	50	76	-	-
Individual Rewires	225	234	273	-	-
<b>TOTAL REWIRING</b>	<b>1,578</b>	<b>1,030</b>	<b>826</b>	<b>512</b>	<b>-</b>

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

	<u>2016/17</u> <u>£ '000</u>	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>	<u>2020/21</u> <u>£ '000</u>
<b>HEATING IMPROVEMENTS</b>					
<b>Eastwood Estate North &amp; South (West Putney)</b>	19	-	-	-	-
<b>Kersfield Road (East Putney)</b>					
Installation of individual systems at Littlecombe Close	10	-	-	-	-
<b>Patmore Estate (Queenstown)</b>					
Replacement of obsolete boilers & updating heating controls	-	800	378	-	-
<b>Central Area (Wandsworth, Balham &amp; Tooting)</b>					
Phase 1 - Replacement of obsolete boilers	10	314	13	-	-
Phase 2 - Replacement of obsolete boilers	-	1,800	757	-	-
<b>Eastern Area (Battersea)</b>					
Replacement of obsolete boilers	10	430	18	-	-
<b>Western Area (Putney &amp; Roehampton)</b>					
Replacement of obsolete boilers	66	1,000	41	-	-
Phase 2 - Replacement of obsolete boilers	-	-	3,366	104	-
<b>Boroughwide</b>					
Individual installations	337	350	360	-	-
<b>TOTAL HEATING IMPROVEMENTS</b>	<b>452</b>	<b>4,694</b>	<b>4,933</b>	<b>104</b>	<b>-</b>

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

	<u>2016/17</u> £ '000	<u>2017/18</u> £ '000	<u>2018/19</u> £ '000	<u>2019/20</u> £ '000	<u>2020/21</u> £ '000
<b>HEATING REPAIRS</b>					
<b>Alton Estate (Roehampton)</b>					
Foxcombe Road Replacement of communal heating system	300	1,000	33	-	-
Ryefield Path, Timsbury Walk & Highcross Way Phase 2 Replacement of communal heating system	-	-	749	17	-
Extractor fans	713	30	-	-	-
<b>Arndale Estate (Southfields)</b>					
Sudbury House Replacement of communal heating system	10	809	135	30	-
All blocks Cold water booster replacement	-	-	147	3	-
<b>Ashcombe Court (East Putney)</b>					
	4	-	-	-	-
<b>Doddington Estate (Queenstown)</b>					
Arthur Court, Bolton Court, Conner Court, Cromwell House, Falkner Court, Kennard House, Landseer House, Lucas Court, Palmerston House, Park Court, Russell Court, St George House, Turpin House, Voltaire Court, Youngs Court Communal extractor fan replacement	-	400	335	-	-
<b>Goulden House (St Mary's Park)</b>					
Replacement of communal extract fans	-	-	295	7	-
<b>Hepplestone Close (West Putney)</b>					
Hepplestone Close 1-14, 20-25, 27-32 Replacement of existing communal pipework	-	254	18	-	-
<b>Nightingale Square (Nightingale)</b>					
Replacement of communal heating system	-	-	589	13	-
<b>Slater Close Estate (West Putney)</b>					
Grosse Way 1-34 Replacement of communal heating system	400	50	-	-	-
<b>Smallwood North (Tooting)</b>					
Smallwood Road 4-152 Replacement of communal heating system	-	-	322	7	-
<b>Stockhurst Close (Thamesfield)</b>					
Stockhurst Close 1-39 Replacement of communal heating system	-	300	9	-	-
<b>Surrey Lane Estate (St Mary's Park)</b>					
Compton House, Cranmer House, Gardiner House, Macey House, Whitgift House Cold water booster replacement	-	130	25	-	-
<b>Winstanley Estate (Latchmere)</b>					
Extractor fans	740	34	-	-	-
<b>TOTAL HEATING REPAIRS</b>	<u>2,167</u>	<u>3,007</u>	<u>2,657</u>	<u>77</u>	<u>-</u>

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

	<u>2016/17</u> <u>£ '000</u>	<u>2017/18</u> <u>£ '000</u>	<u>2018/19</u> <u>£ '000</u>	<u>2019/20</u> <u>£ '000</u>	<u>2020/21</u> <u>£ '000</u>
<b><u>SPECIAL REPAIRS</u></b>					
<b>Acquired Properties</b>					
Roofs, decoration, damp proofing	350	600	600	-	-
<b>Arabella Drive 130-186 (West Putney)</b>					
Roof renewal	25	-	-	-	-
<b>Clarence Lane (Roehampton)</b>					
Renewal of boundary wall	24	-	-	-	-
<b>Doddington Estate (Queenstown)</b>					
Asbestos removal	30	-	-	-	-
<b>Ethelburga Street 2-84 (St Mary's Park)</b>					
Roof renewal	3	-	-	-	-
<b>Roehampton Estate (West Putney)</b>					
Rear balconies	171	-	-	-	-
<b>Wayford Street Estate</b>					
Cold bridging	55	-	-	-	-
<b>York Road Small Initiatives</b>	30	-	-	-	-
<b>Boroughwide</b>					
Asbestos removal	20	50	-	-	-
Extension/conversion 62 Coppock Close, 60 Elspeth Road, 144 Fawcett Close, 8 Horndean Close, 220 Huntingfield Road, 36 Longstaff Crescent, 55 Swinburne Road, 57 Swinburne Road, 23 Newnes Path, 17 Wye Street	455	9	-	-	-
Extensions/Conversions future schemes	88	710	-	-	-
LED Street and pathway lighting	-	740	-	-	-
Provision for urgent schemes	150	150	300	-	-
Water tank renewal	-	250	-	-	-
<b>TOTAL SPECIAL REPAIRS</b>	<b>1,401</b>	<b>2,509</b>	<b>900</b>	<b>-</b>	<b>-</b>

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<b>SHELTERED HOUSING</b>					
<b>Kirton Lodge (Fairfield)</b>					
Refurbishment	-	-	176	1,143	34
<b>Nursery Close (East Putney)</b>					
Water Issues	52	-	-	-	-
<b>Boroughwide</b>					
Lennox Estate, Alton Estate					
Phase 3 Installation of overhead showers	1	-	-	-	-
Althorpe Mews, Kirton Lodge, St Margarets Court					
Phase 4 Installation of overhead showers	5	-	-	-	-
Rambler Close, Hill Lodge, Francis Snary Lodge					
Phase 5 Installation of overhead showers	553	15	-	-	-
Abyssinia Close, Yew Tree Lodge, Doris Emerton Court, Glenthorpe, Holmleigh Court,					
Phase 6 Installation of overhead showers	30	788	20	-	-
Boyd Court, Cortis Road 285-311 and 317-365 Cortis Terrace 1-16, James Searles Lodge Westleigh Avenue 63-125 and 135-165					
Phase 7 Installation of overhead showers	-	-	295	505	-
Installation of photovoltaic panels	-	180	48	-	-
<b>TOTAL SHELTERED HOUSING</b>	<b>641</b>	<b>983</b>	<b>539</b>	<b>1,648</b>	<b>34</b>

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<b><u>ADAPTATIONS FOR THE DISABLED</u></b>					
Conversion of Vacant Properties	850	850	850	-	-
Future Years Provision	700	700	700	-	-
<b>TOTAL ADAPTATIONS FOR THE DISABLED</b>	<b>1,550</b>	<b>1,550</b>	<b>1,550</b>	<b>-</b>	<b>-</b>

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

	<u>2016/17</u> £ '000	<u>2017/18</u> £ '000	<u>2018/19</u> £ '000	<u>2019/20</u> £ '000	<u>2020/21</u> £ '000
<b>ENTRYCALL</b>					
<b>Abingdon and Kilmarnock Court (Graveney)</b> Replacement of door entry system	25	1	-	-	-
<b>Ackroydon East (West Hill)</b> Ashtead Court, Montfort Place, Princes Way Installation of door entry system	-	40	34	-	-
<b>Alton Estate (Roehampton)</b> Bramley House Replacement of door entry system	30	-	-	-	-
<b>Ashburton South (West Putney)</b> Innes Gardens 1-156 Replacement of door entry system	-	24	50	-	-
<b>Battersea Park Estate (Latchmere)</b> Replacement of door entry system	50	282	-	-	-
<b>Battersea High Street (St Mary's Park)</b> Meecham Court Installation of door entry system	1	-	-	-	-
<b>Doland Court (Graveney)</b> Replacement of door entry system	-	-	3	5	-
<b>Holgate Avenue (Latchmere)</b> Replacement of door entry system	-	-	43	73	-
<b>Streatham Park Estate (Furzedown)</b> Salter House Replacement of door entry system	14	-	-	-	-
<b>Wendlesworth Estate (Fairfield)</b> Replacement of door entry system	-	-	85	144	-
<b>TOTAL ENTRYCALL</b>	<u>120</u>	<u>347</u>	<u>215</u>	<u>222</u>	<u>-</u>



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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<b>ENVIRONMENTAL &amp; ESTATE IMPROVEMENTS</b>					
<b>Ashburton South Estate (West Putney)</b>					
Environmental Improvements	100	72	-	-	-
<b>Battersea High Street (St Mary's Park)</b>					
Environmental Improvements	200	328	-	-	-
<b>Bellamy House (Tooting)</b>					
Environmental Improvements	200	142	-	-	-
<b>Carey Gardens (Queenstown)</b>					
Environmental Improvements	100	56	-	-	-
<b>Fitzhugh Estate (Wandsworth Common)</b>					
Environmental Improvements	200	334	-	-	-
<b>Powrie House (St Mary's Park)</b>					
Environmental Improvements	25	2	-	-	-
<b>Putney Vale Estate (Roehampton)</b>					
Environmental Improvements	45	-	-	-	-
<b>Waylands Road Estate (Latchmere)</b>					
Environmental Improvements	200	139	-	-	-
<b>Woking Close (Roehampton)</b>					
Environmental Improvements	102	-	-	-	-
<b>Boroughwide</b>					
Playground Refurbishment	50	51	100	-	-
Environmental Improvements	-	30	60	110	-
<b>TOTAL ENVIRONMENTAL &amp; ESTATE IMPROVEMENTS</b>	<b>1,222</b>	<b>1,154</b>	<b>160</b>	<b>110</b>	<b>-</b>

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<b>HIDDEN HOMES</b>					
Ashburton Estate (West Putney)	315	192	18	-	-
<b>SITE DEVELOPMENTS</b>					
1-8 Arnal Crescent (West Hill)	25	866	24	-	-
66 Arnal Crescent (West Hill)	32	1,117	31	-	-
Aldrington South (Furzedown)	916	168	-	-	-
Arnal Crescent/Bell Drive (West Hill)	482	25	-	-	-
Beaumont Road/Whitlock Drive (West Hill)	86	1,932	1,065	151	-
Deeley Road/Tidbury Road/Thessaly Road (Queenstown)	1,739	8,300	1,571	240	-
Fordyce House (Furzedown)	49	1,646	46	-	-
Gaskarth Road (Balham)	200	1,017	-	-	-
Kersfield Road (East Putney)	550	5,300	3,300	-	-
Limpsfield Avenue (West Hill)	460	100	-	-	-
Nutwell Street (Graveney)	200	389	-	-	-
Rayners Road/Carlton Drive (East Putney)	200	53	-	-	-
Rowditch Lane (Latchmere)	100	2,127	-	-	-
Streatham Park (Furzedown)	1,005	6	-	-	-
Stag House (Roehampton)	426	4,644	2,818	159	-
Other Schemes / Feasibilities	183	100	-	-	-
<b>TOTAL HIDDEN HOMES &amp; SITE DEVELOPMENTS</b>	<b>6,968</b>	<b>27,982</b>	<b>8,873</b>	<b>550</b>	<b>-</b>

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<b><u>REGENERATION PROJECTS</u></b>					
Feasibility Studies	37	-	-	-	-
Procurement of specialist services	1,530	300	-	-	-
Site Assembly Buybacks	8,000	45,317	-	-	-
<b>ROEHAMPTON SCHEME</b>					
<b>Bessborough Road (Roehampton)</b>					
Satellite Site Development	500	4,000	-	-	-
Master plan process fees	487	500	500	-	-
<b>WINSTANLEY &amp; YORK ROAD ESTATE SCHEME</b>					
<b>Tynham Close (Shaftesbury)</b>					
Satellite Site Development	172	1,135	915	-	-
<b>Gideon Road (Shaftesbury)</b>					
Satellite Site Development	172	3,488	3,670	-	-
<b>Lavender Hill (Shaftesbury)</b>					
Satellite Site Development	134	1,635	1,736	-	-
<b>Shuttleworth Road (St Mary's Park)</b>					
Satellite Site Development	12,500	13,000	14,500	-	-
<b>York Road (Latchmere)</b>					
Penge House & Inkster House Refurbishment	200	10,017	4,293	372	-
Master plan process fees	505	500	500	-	-
<b>TOTAL REGENERATION PROJECTS</b>	<b>24,237</b>	<b>79,892</b>	<b>26,114</b>	<b>372</b>	<b>-</b>

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

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<b><u>PURCHASE OF PROPERTIES</u></b>					
Auction Replacement Acquisitions	5,300	-	-	-	-
Temporary Accommodation	10,000	4,642	-	-	-
Other Purchases	913	100	100	-	-
<b>TOTAL PURCHASE OF PROPERTIES</b>	<b>16,213</b>	<b>4,742</b>	<b>100</b>	<b>-</b>	<b>-</b>

**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+	27.45	28.35
Band A	24.90	25.65
Band B	14.80	15.25
Band C	10.65	10.95
Band D	7.90	8.15
Water Rate	0.48	TBC by Thames Water

**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	2.95	3.05
Store shed - Band B	2.30	2.35
Store shed - Band C	1.50	1.55
Motorcycle sheds	6.10	6.30
Parking Lots/Other non-domestic sites	8.10	8.35
Parking lots at Andrew Reed House	5.75	5.90
Cycle lockers	1.50	1.55

**Table 3 – Other Charges**

	<b><u>Current Charge</u></b>	<b><u>Proposed Charge</u></b>
	<b>£</b>	<b>£</b>
Replacement door entry fob	17.25	17.75
Replacement resident's parking permit	18.00	18.55
Replacement or additional sets of keys	Cost plus 18.00	Cost plus 18.55
Pre-assignment enquiries	129.20	161.50

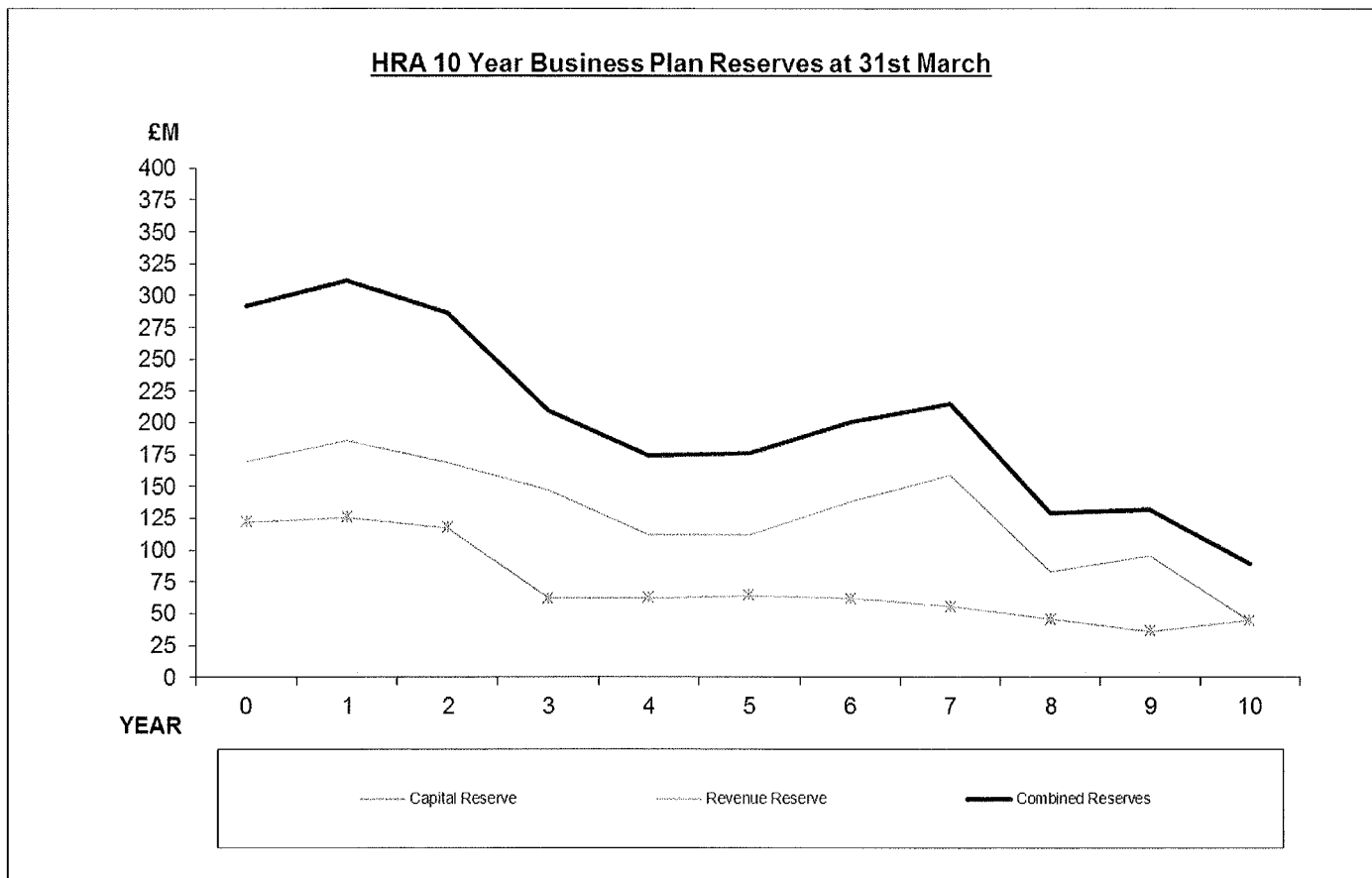
All charges are exclusive of VAT, which needs to be added where applicable. The revised charges are based on the proposed increase, rounded to the nearest 5 pence.

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

**APPENDIX E**

**COUNCIL HOUSING BUDGET FRAMEWORK**

	Original Budget 2016/17 £'000	Revised Budget 2016/17 £'000	Budget 2017/18 £'000	Budget 2018/19 £'000	Budget 2019/20 £'000
<b><u>EXPENDITURE</u></b>					
<b>REVENUE</b>					
Supervision, Management & Maintenance					
Repairs & Maintenance	24,888	25,078	24,807	25,810	27,413
General Management	29,464	30,089	28,937	29,203	29,644
Special Services	14,059	14,196	14,399	14,696	15,071
Capital Financing Costs	56,351	43,505	54,131	97,434	37,776
Other Expenses	3,408	2,970	3,044	3,621	3,662
Depreciation (Contribution to Capital)	24,417	24,044	24,501	25,114	25,815
<b>TOTAL REVENUE EXPENDITURE</b>	<b>(152,587)</b>	<b>(139,882)</b>	<b>(149,819)</b>	<b>(195,878)</b>	<b>(139,381)</b>
<b>CAPITAL</b>					
Repairs and Improvements	26,292	25,162	33,503	26,851	13,087
Environmental, New Build & Regeneration	46,642	32,427	109,028	35,147	1,032
Purchase of Properties	10,100	16,213	4,742	100	0
House Purchase Grants	2,500	3,939	2,900	2,900	0
Housing Management System Replacement	0	20	690	690	0
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>(85,534)</b>	<b>(77,761)</b>	<b>(150,863)</b>	<b>(65,688)</b>	<b>(14,119)</b>
	<b>238,121</b>	<b>217,643</b>	<b>300,682</b>	<b>261,566</b>	<b>153,500</b>
<b><u>INCOME</u></b>					
<b>REVENUE</b>					
Gross Rents – Dwellings	111,468	111,954	110,803	109,256	108,026
Gross Rents – Non-Dwellings	4,046	3,997	4,067	4,169	4,273
Leaseholder Service Charges	13,319	14,067	14,349	14,652	14,959
Other Income	13,586	13,580	12,530	12,379	12,422
<b>TOTAL REVENUE INCOME</b>	<b>(142,419)</b>	<b>(143,598)</b>	<b>(141,749)</b>	<b>(140,456)</b>	<b>(139,680)</b>
<b>CAPITAL</b>					
Contribution from Revenue (Depreciation)	24,417	24,044	24,501	25,114	25,815
Capital Receipts	14,455	28,028	28,882	3,662	1,165
Capital Grants & Reimbursements	7,900	13,481	23,258	20,821	0
Leaseholder Major Works Charges	5,513	7,180	6,680	6,021	5,975
Borrowing	31,394	21,187	65,058	6,211	385
<b>TOTAL CAPITAL INCOME</b>	<b>(83,679)</b>	<b>(93,920)</b>	<b>(148,379)</b>	<b>(61,829)</b>	<b>(33,340)</b>
	<b>226,098</b>	<b>237,518</b>	<b>290,128</b>	<b>202,285</b>	<b>173,020</b>
Total reserves at beginning of year	293,067	292,066	311,941	301,387	242,106
Surplus / (Deficit) in year	(12,023)	19,875	(10,554)	(59,281)	19,520
Total reserves at end of year	281,044	311,941	301,387	242,106	261,626



## REVISED COUNCIL HOUSING BUDGET FRAMEWORK INCLUDING BUDGET VARIATIONS

	Original Budget 2016/17 £'000	Revised Budget 2016/17 £'000	Budget 2017/18 £'000	Budget 2018/19 £'000	Budget 2019/20 £'000
<b><u>EXPENDITURE</u></b>					
<b>REVENUE</b>					
Supervision, Management & Maintenance					
Repairs & Maintenance	24,888	25,078	24,807	25,810	27,413
General Management	29,464	30,089	28,937	29,203	29,644
Special Services	14,059	14,196	14,399	14,696	15,071
Capital Financing Costs	56,351	43,505	54,131	97,434	37,776
Other Expenses	3,408	2,970	3,048	3,625	3,666
Depreciation (Contribution to Capital)	24,417	24,044	24,501	25,114	25,815
<b>TOTAL REVENUE EXPENDITURE</b>	<b>(152,587)</b>	<b>(139,882)</b>	<b>(149,823)</b>	<b>(195,882)</b>	<b>(139,385)</b>
<b>CAPITAL</b>					
Repairs and Improvements	26,292	25,162	33,503	26,851	13,087
Environmental, New Build & Regeneration	46,642	32,427	112,688	35,307	1,032
Purchase of Properties	10,100	16,213	4,742	100	0
House Purchase Grants	2,500	3,939	2,900	2,900	0
Housing Management System Replacement	0	20	690	690	0
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>(85,534)</b>	<b>(77,761)</b>	<b>(154,523)</b>	<b>(65,848)</b>	<b>(14,119)</b>
	<b>238,121</b>	<b>217,643</b>	<b>304,346</b>	<b>261,730</b>	<b>153,504</b>
<b><u>INCOME</u></b>					
<b>REVENUE</b>					
Gross Rents – Dwellings	111,468	111,954	110,803	109,256	108,026
Gross Rents – Non-Dwellings	4,046	3,997	4,067	4,169	4,273
Leaseholder Service Charges	13,319	14,067	14,349	14,652	14,959
Other Income	13,586	13,580	12,530	12,360	12,403
<b>TOTAL REVENUE INCOME</b>	<b>(142,419)</b>	<b>(143,598)</b>	<b>(141,749)</b>	<b>(140,437)</b>	<b>(139,661)</b>
<b>CAPITAL</b>					
Contribution from Revenue (Depreciation)	24,417	24,044	24,501	25,114	25,815
Capital Receipts	14,455	28,028	28,882	3,662	1,165
Capital Grants & Reimbursements	7,900	13,481	23,258	20,821	0
Leaseholder Major Works Charges	5,513	7,180	6,680	6,021	5,975
Borrowing	31,394	21,187	65,058	6,211	385
<b>TOTAL CAPITAL INCOME</b>	<b>(83,679)</b>	<b>(93,920)</b>	<b>(148,379)</b>	<b>(61,829)</b>	<b>(33,340)</b>
	<b>226,098</b>	<b>237,518</b>	<b>290,128</b>	<b>202,266</b>	<b>173,001</b>
Total reserves at beginning of year	293,067	292,066	311,941	297,723	238,259
Surplus / (Deficit) in year	(12,023)	19,875	(14,218)	(59,466)	19,497
Total reserves at end of year	281,044	311,941	297,723	238,259	257,756







WANDSWORTH BOROUGH COUNCIL

JOINT PENSIONS COMMITTEE – 7TH MARCH 2017

Report by the Director of Finance on the Pension Fund Revenue Budget 2016-2020.

SUMMARY

This report summarises Pension Fund operating income and expenditure in 2016/17 compared to the budget approved in February 2016. The Fund's operating cash surplus for 2016-17, excluding increases in investment values, is now estimated as £3.4 million compared to a budgeted amount of £6 million. This is mainly because contributions and transfer value receipts are lower than expected and investment management fees were higher than anticipated; beneficially, income is higher than anticipated.

From 1st October 2016, all assets and liabilities of the pension fund maintained by Richmond Council became the assets and liabilities of the pension fund maintained by Wandsworth Council. Accordingly the proposed budget for 2017/18 and projection for 2018/19 and 2019/20 are based upon the merged fund.

The report proposes noting the estimated outturn for 2016/17 and approving the merged fund budget for 2017/18 and noting the projected budget of the merged fund for 2018/19 and 2019/20.

GLOSSARY

LGPS	Local Government Pension Scheme
PIA	Pensions Increase Allowance to pensions in payment
CIV	Collective Investment Vehicle
MAC	Multi Asset Credit.

**RECOMMENDATIONS**

1. The Joint Pensions Committee is recommended to:
  - (a) Note the estimated outturn on the Pension Fund Revenue Budget for 2016/17;
  - (b) Approve the Pension Fund Budget for 2017/18; and
  - (c) Note the projected budget for 2018/19 and 2019/20.

## Pension Fund Budget

### INTRODUCTION

2. This report summarises Pension Fund income and expenditure for current and future years. From 1st October 2016, all assets and liabilities of the pension fund maintained by Richmond Council became the assets and liabilities of the pension fund maintained by Wandsworth Council. Accordingly, proposed budgets for 2017/18, 2018/19 and 2019/20 are based upon the merged fund, it should be noted that Richmond did not have a published Pension fund budget and, as such, comparative data is not available. The Pension Fund budget has been re-priced to take account of predictable volume changes and has been re-priced at outturn prices where significant areas of volatility are probable. This approach provides a definitive trail to variations between budget and outturns and is thus a tool to manage and account for variances in income and expenditure in the Pension Fund. The estimated outturn for 2016/17, proposed budget for 2017/18 and projected budget for 2018/19 and 2019/20 are shown below:

	<u>2016/17</u> <u>Original</u> £'000	<u>2016/17</u> <u>Estimated</u> <u>Outturn</u> £'000	<u>2016/17</u> <u>Variation</u> %	<u>2017/18</u> Forecasts for Merged Fund £'000	<u>2018/19</u> £'000	<u>2019/20</u> £'000
<b>Contributions</b>						
Contributions Receivable						
Employees	8,800	8,351	-5%	11,965	11,438	11,552
Employers Normal	24,181	23,546	-3%	36,003	34,417	34,761
Employers Additional	1,104	847	-23%	1,597	1,597	1,597
Transfer In	1,776	1,054	-41%	2,070	2,070	2,070
<b>Benefits Payable</b>						
Pensions	-27,334	-27,898	2%	-61,117	-63,542	-66,105
PIA	-11,471	-10,666	-7%	*	*	*
<b>Lump Sum Benefits</b>						
Retirement Benefits	-6,848	-6,306	-8%	-11,091	-10,869	-10,652
Death Benefits	-807	-1,329	65%	-1,310	-1,310	-1,310
Transfers Out	-2,902	-2,609	-10%	-5,317	-5,317	-5,317
Establishment	-590	-619	5%	-900	-900	-900
<b>Net Additions/Withdrawals from Dealing with Members</b>						
	<b>-14,091</b>	<b>-15,628</b>	<b>11%</b>	<b>-28,100</b>	<b>-32,437</b>	<b>-34,304</b>
<b>Returns on Investments</b>						
Investment Income	22,690	23,194	2%	24,563	25,792	27,081
Investment Management Expenses	-2,399	-3,994	66%	-4,807	-4,845	-5,078
Custody	-50	-53	7%	-58	-58	-58
Legal & Consultancy	-125	-143	-15%	-299	-224	-194
<b>Total</b>	<b>6,024</b>	<b>3,376</b>	<b>-44%</b>	<b>-8,437</b>	<b>-11,773</b>	<b>-12,553</b>

\* Richmond is unable to show PIA separately so for now the forecasted pensions expense categories are shown as one. Separate classification may resume with the adoption of the new ledger from 1st April 2017.

3. The above forecast reflects the expected cash flow of the fund for the purposes of estimating (and addressing) any additional funding requirement to be generated from the external investment portfolio beyond the currently expected, utilisable investment yield. The difference in investment approach between the two historic funds means that for all ex Richmond investments income is not realisable until assets are disposed of. The impact of this is that, unless the approach is changed, assets will need to be realised during the year in order to meet cash flow requirements.

### **Budget Commentary**

4. The Fund surplus for the year is estimated as £3.6 million compared to a budgeted amount of £6 million. This is mainly because contributions and transfer value receipts were lower than expected and investment management fees were higher than anticipated; A more detailed commentary of estimated outturn variances from budget and budget for future years is set out below:
  - (a) Employee and employer contributions for 2016/17 are estimated at 5% and 3% below budget respectively. Whilst a 1% rise each year in pensionable pay is assumed for future service, it is estimated that the number of members in the scheme will decrease in 2017/18 by 11.5% and a further 3.9% reduction in 2018/19 following staff restructures as part of the SSA. The reduction in employer contributions by 1% to 18% from 1st April 2017 is also reflected in forecasts.
  - (b) The estimated outturn for employer's additional contributions is 23% (£0.3m) lower than anticipated as there have been fewer redundancies requiring capital contributions into the Fund than expected. For the merged fund the budgeted amounts for additional capital contributions for 2017/18 and beyond are based on the estimated outturn for 2016/17 reduced by 5% to reflect the exceptional nature of the current year due to the number of redundancies bringing pensions into payment due to the creation of the SSA.
  - (c) Transfer value receipts are estimated as being 41% below budget (£0.7m). From 2017/18 and beyond forecasts for transfer value receipts are shown at 2016/17 outturn levels.
  - (d) Pension Benefits are close to forecast for 2016/17 with the estimate being 2% (£0.6m) above budget. However, the Pensions increase allowance (CPI element of pension payments) for 2016/17 is estimated as being 7% (£0.8m) below budget as the Consumer Price Index for the year (to September 2016) turned out to be -0.1%, much lower than the 2% forecast. The budget for 2017/18 and future years is based on the current year's estimated outturn for the merged fund, adjusted for estimated inflation and net growth in numbers of pensioners based on the age profile of the fund.

## **Pension Fund Budget**

- (e) Lump sum retirement benefits are estimated at 8% (£0.5m) below budget. The original budget was based upon evidence in recent years updated for a higher level of retirements. However, it is difficult to predict the extent to which officers who retire will elect for proportionately higher lump sums at the expense of pension. Budgeted amounts for future years are based on estimated outturn levels for 2016/17 subject to a small reduction reflect fewer future retirements.
  - (f) Death payments are 65% (£0.5m) higher than originally estimated; From 2017/18 these elements of expenditure are shown as the average of the previous five years.
  - (g) Transfer value payments are estimated at close to budget. From 2017/18 this element of expenditure is projected at 2016/17 outturn levels.
  - (h) Investment income is predicted to be £0.7m (3%) above 2016/17 budget. Forecast income is predicted to rise by 5% each year from estimated 2016/17 outturn levels.
  - (i) Investment management expenses are estimated at £1.6m (66%) above budget as Longview received a £0.8m performance fee. Investment management expenses are projected for 2016/17 and future years on the assumption that managers meet their investment targets for out-performance before any element of performance fees becomes payable. Manager scale fees are based upon the value of assets under management so annual rises in markets are built into forecasts. However forecasts include fee changes anticipated from Longview (which are likely to remove the performance fee element) and then subsequently the MAC funds joining the CIV. In addition, although the UBS Passive Fund are not about to join the CIV, projections reflect that they have agreed to reduce their fees.
  - (j) The outturn for Legal & Consultancy is anticipated as being £18,000 (5%) more than the budget. The budget for 2017/18 includes an increase of £60,000 due to Mercer's involvement with restructuring the larger fund and an increase in Performance Monitoring fees for the combined fund. In addition the CIV has requested a combined capital and subscription payment of £100,000. Capital costs required by the CIV are £60,000 in 2018/19 and £40,000 in 2019/20. While the Mercer fees should also reduce significantly, other elements of Legal & Consultancy projections remain as 2017/18.
5. Profits and losses on investments are not budgeted items as their return is too unpredictable.

## **Future Prospects**

6. The Pension Fund is continuing to mature with increasing withdrawals from dealing with members and consequent increasing amounts of investment income required from fund managers to meet benefit payments. Expected staffing reductions from the SSA as well as general austerity measures will also impact on cashflows.

7. It is proposed that the Committee note the forecast outturn for 2016/17 and approve the budget for the merged fund for 2017/18 and note projections for future years; however these are likely to change significantly over the next few years as the impact of the SSA with Richmond Council becomes evident.

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The Town Hall  
Wandsworth  
SW18 2PU

CHRIS BUSS  
Director of Finance

27th February 2017

**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 (Fiona Rae - 020 8871 6010; email: [frae@wandsworth.gov.uk](mailto:frae@wandsworth.gov.uk)) can supply it if required.

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