

COUNCIL BUDGETS 2020-2021



WANDSWORTH BOROUGH COUNCIL – BUDGET BOOK 2020/21

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SECTION 1

COUNCIL'S REVENUE BUDGET AND COUNCIL TAX

This section sets out how the 2020/21 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 23rd January 2020 and 13th February 2020, and by the Council on 4th March 2020.

The section contains appendices summarising the budgetary effect of developments and of repricing from November 2018 to 2019, levies from other public bodies, special reserves, and the council tax base.

WANDSWORTH BOROUGH COUNCIL

FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY
COMMITTEE – 13TH FEBRUARY 2020

EXECUTIVE – 24TH FEBRUARY 2020

Report by the Director of Resources on the Council Tax Requirement and
Council Tax for 2020/21

SUMMARY

The Cabinet Member's recommendation indicates a Council Tax Requirement and total tax amounts for 2020/21 as shown in bold below. The recommended budget framework (Appendix F) then implies the average Band D tax amounts increasing as shown in italics below. These future sums are before any further reductions in expenditure or use of balances and reserves.

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|-------------------------------|----------------|-----------------------|----------------|----------------|
| | £m | £m | £m | £m |
| Council Tax Requirement | 59.921 | 63.299 | 87.335 | 100.819 |
| Average Band D Tax amount: | £ | £ | £ | £ |
| Council | 449.80 | 467.75 | 636.89 | 725.70 |
| Greater London Authority | 320.51 | 332.07 | 338.71 | 345.49 |
| TOTAL | 770.31 | 799.82 | 975.60 | 1,071.19 |
| Total for majority of Borough | 764.09 | 793.56 | 969.28 | 1,064.79 |
| Total for Conservators' area | 793.99 | 823.97 | 1,000.45 | 1,096.74 |

GLOSSARY

| | | |
|-------|---|--|
| MHCLG | - | Ministry for Housing, Communities and Local Government |
| GLA | - | Greater London Authority |
| IBCF | - | Improved Better Care Fund |
| NNDR | - | National Non-Domestic Rate |
| RSG | - | Revenue Support Grant |
| SFA | - | Settlement Funding Assessment |
| W&PCC | - | Wimbledon and Putney Commons' Conservators |

Council Tax 2020/21

RECOMMENDATIONS

1. The Finance and Corporate Resources Overview and Scrutiny Committee are recommended to support the recommendations of the Cabinet Member for Finance and Corporate Resources, shown in paragraph 2. If they approve any views, comments or recommendations on this report, they will be submitted to the Executive for their consideration.
2. The Cabinet Member for Finance and Corporate Resources recommends the Executive as follows:
 - (a) to approve the General Fund budget variations and further spending requirements shown in paragraphs 7 and in Appendix A;
 - (b) to endorse the proposals for reserves as described in paragraphs 14 and 15 and as summarised in Appendix C;
 - (c) to recommend the Council, in the form shown in Appendix D and Appendix E, to give effect to the council tax requirement and council tax amounts for 2020/21 so determined;
 - (d) to recommend the Council to adopt the budget framework shown in Appendix F, 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 2020/21 nor the council tax band D forecast for the next two years rise by more than a further £49.88 (paragraph 33); and
 - (e) to agree that, should it be necessary following the meeting of the Greater London Authority (GLA) on 24th February 2020, the Director of Resources be authorised to update the content of this report for any changes to the GLA's band D council tax and related GLA budget reported within this report, for the approval of full Council at its meeting on 4th March 2020.

INTRODUCTION

3. Section 32 of the Local Government Finance Act 1992 requires the Council to calculate its budget requirement before 11th March, and Section 30 requires that by the same date the Council sets amounts of council tax for each category of dwellings in its area. The Council's Constitution requires the Executive to submit to the Council, in February or early March, after having regard to the advice of the Director of Resources, its estimates in relation to revenue budgets for the current financial year, the revenue budgets for future financial years including allocation to different services and projects, and reserves for specified and general contingencies for the forthcoming financial year, the budget requirement and basic amounts of tax.
4. For these calculations, this paper updates the revenue budget for 2020/21 approved in January in Paper No. 20-40 to include the latest estimates of expenditure and notified levies and precepts. The revenue budget is set out in paragraph 7. Paragraph 14 refers to the need for a general reserve appropriate to

meet contingencies and the financial reserves appropriate for specific purposes are reviewed in paragraphs 15 and 16. The calculation of the council tax requirement is described in paragraph 23. Paragraphs 25 to 29 present the calculations of the Council's share of council tax, and discuss the risks of the requirement for a council tax referendum. Paragraph 30 sets out the requirements of the Greater London Authority. The results for taxpayers in 2020/21, allowing for this precept, are set out in paragraph 31 and the recommended revenue budget framework is discussed in paragraph 33.

COUNCIL NET REVENUE EXPENDITURE

Service Revenue Budgets

5. In January 2020 the Executive approved an aggregate budget for 2020/21 of £195.616m at November 2019 prices after allowing for certain budget variations (Paper No. 20-40). Since then, a number of other adjustments have been accommodated, including changes in levies and charges as notified by bodies empowered to make levies or charges upon the Council, changes in specific grants and other technical accounting adjustments. Budget variations approved by the Executive in this cycle, with the support of the relevant Overview and Scrutiny Committee, are detailed in [Appendix A](#).
6. The allowance recommended for inflation from November 2019 prices through to 2020/21 outturn is £7.4m. Cumulative increases for 2021/22 and 2022/23 of £15.9m and £25.0m respectively are also recommended.

Council's Revenue Expenditure

7. Subject to approval of the revenue budget variations, the Council's net expenditure for 2020/21 through to 2022/23 is as follows:

| | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|--|----------------|----------------|----------------|
| | £m | £m | £m |
| Budgets as per Paper No. 20-40 | 195.616 | 194.460 | 195.474 |
| Budget variations (Appendix A) | -0.330 | -0.330 | -0.330 |
| Effects of notified levies and charges | 0.181 | 0.181 | 0.181 |
| Provision for inflation (paragraph 6) | 7.353 | 15.903 | 25.017 |
| Revised committee budgets | 202.820 | 210.214 | 220.342 |
| New Homes Bonus | -11.747 | -5.908 | -2.552 |
| Social Care Support Grant | -8.885 | | |
| Improved Better Care Fund | -16.486 | -16.486 | -16.486 |
| Council Net Expenditure | 165.702 | 187.820 | 201.304 |

New Homes Bonus

8. 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

Council Tax 2020/21

generated from new housing stock but calculated using national council tax rates. Originally the grant was payable on cumulative growth in housing stock for the previous six years. However, following a review of the arrangements, the 2017/18 payments were based on the previous five years' growth and for 2018/19 onwards the previous four. In both cases this is after a deduction for assumed housing growth. The Council is therefore expected to receive New Homes Bonus funding of £11.747m in 2020/21 (down from £12.953m in 2019/20), still one of the highest levels in the country. Whilst the Government still intends to incentivise housing growth, the level of funding beyond 2020/21 is not guaranteed and it is unclear at this stage how any revised mechanism will work. For budgeting purposes a reduced level of grant has therefore been reflected in future years.

Social Care Funding

9. The Government continues to provide funding to assist with the pressures within social care via the Improved Better Care Fund (IBCF). The Council's allocation for 2019/20 was £15.188m (up from £11.883m in 2018/19) and this has continued in 2020/21 with an additional £1.3m of Winter Pressures funding continuing and rolled into the IBCF.
10. In addition, the Government confirmed the continuation at 2019/20 levels of the £2.2 million Social Care Support Grant first introduced in 2019/20 and a further one year top-up of £6.7 million in 2020/21. This £8.9 million of funding is expected to assist with spending pressures within both children's and adults' social care but is not guaranteed beyond 2020/21.

Funding Pressures

11. Government recognition of these continuing funding pressures is evidenced by its continuation of the adult social care precept, first introduced in 2016/17, which gives those authorities responsible for adult social care an extra flexibility on their council tax referendum threshold to be used entirely for social care. In the Local Government Finance Settlement issued on 29th January 2019 the Secretary of State confirmed that local authorities could again raise this precept. In light of the continuing growth in demand for adult social care services it is now recommended that, as in 2019/20, an adult social care precept of 2% is levied in the coming year.
12. Revised budgets assume delivery of the adult social care budget recovery plan which aims to recover its ongoing deficit by the end of 2020/21, plus increased budget provision to deal with potential ongoing spending pressures. The Directorate is also proposing to seek investment for further transformation proposals which would effectively be funded from the enhanced Social Care Support Grant and be the subject of a report to Committee in due course. Paper No. 19-82 uplifted the Children's Services ongoing base budget by £10m from the previous pre-OFSTED levels with a further £7m added in 2019/20 whilst recognising it would take a number of years for the Directorate to move towards a new base budget. At this stage the service budgets for 2020/21 assume the same budget as for 2019/20 however discussions are ongoing around the Directorate's budget recovery plan which is likely to reduce spend in future years from current levels. This will be reviewed as part of the 2019/20 outturn report and Medium Term Financial Strategy presented to the June cycle of meetings.

GENERAL FUND REVENUE RESERVES

13. The calculation of the Council's requirements has to include the amount of financial reserves which it will be appropriate to raise or use in the financial year and the Council must also make an appropriate prudent allowance for contingencies for the forthcoming year. In addition, under Section 25 of the Local Government Act 2003, the Council's Chief Financial Officer must report to the Council on the following matters:
- (a) The robustness of the estimates made for the purposes of the calculations; and
 - (b) the adequacy of the proposed financial reserves, having considered the proposals within this paper.
14. The Director of Resources considers the estimates to be robust and that it would be prudent to again retain a general reserve for contingencies of all kinds of about £13.5m. The range of uncertainties in the next financial year is indicated by the items shown in Appendix B.
15. Special reserves are those appropriate for meeting future expenditure in performing the Council's functions. The reserves, their purpose and the expected change in their balances under existing policies are shown in Appendix C.
16. The final 2018/19 outturn report left the general reserve with a balance of £14.543m (of which £13.5m is the agreed contingency level) so that £1.043m could be used to fund 2019/20 expenditure. This, along with other planned movement in reserves and use of the Financial Resilience Reserve (established specifically to recognise pressure on budgets) will then be used to fund the Council's net expenditure. The likely investment in the transformation of social care services highlighted in paragraph 12 has not yet been accounted for in these figures but, if approved, will be funded from the Service Transformation Reserve:

| <u>Use of Balances and Reserves</u> | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | £m | £m | £m | £m |
| Council's Net Expenditure | 172.712 | 165.702 | 187.820 | 201.304 |
| Movement on Balances and Reserves: | | | | |
| Renewals Fund | -1.235 | -0.760 | -0.160 | -0.160 |
| Service Transformation Reserve | -1.902 | 1.428 | | |
| Financial Resilience Reserve | -3.050 | -1.200 | | |
| | -6.187 | -0.532 | -0.160 | -0.160 |
| General Fund Working Balance | -1.043 | | | |
| | -7.230 | -0.532 | -0.160 | -0.160 |
| Net Expenditure after Use of Balances and Reserves | 165.481 | 165.170 | 187.660 | 201.144 |

LOCAL AUTHORITY FINANCE SETTLEMENT

17. From 2013/14, the Government significantly amended the methodology for Central Government support for Local Government, consolidating most previous specific grants into the new funding model, and reallocating the total through three separate funding streams: retained business rates (the Council retains 30% of local business rates), a business rates “top-up” (recognising the lower amount receivable under this methodology when compared with the assessed funding base level), and Revenue Support Grant (RSG). 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.
18. Subsequently the Government agreed to the creation of a London Business Rates Pool pilot scheme 2018/19 which allowed London to retain 100% of any growth in business rates (whilst also sharing the risk of any overall fall in business rates). The pool pilot was subsequently extended into 2019/20 albeit at 75% retention of growth. Whilst the pilots have come to an end, councils in London agreed to enter into a pool in 2020/21 with retention of Business Rates growth reducing to 67% whilst also sharing the risk of any overall fall in Business Rates. Whilst the exact impact of the pool cannot be known until after each year end it is anticipated that the pool will be financially beneficial in 2020/21, however given the uncertainty over business rates projections in general, and the level of appeals across London in particular, it is considered prudent not to assume an increase in retained business rates at this stage beyond the grant settlement that would otherwise have been received in 2020/21.
19. At this stage an assumption has been made of no further decrease in Government funding beyond this level, notwithstanding the Government’s commitment to a “Fair Funding Review” of local authority baseline funding allocations to conclude in the coming year. At this stage it seems more likely this will present a risk for Wandsworth, rather than an opportunity.

CALCULATION OF COUNCIL TAX AMOUNTS

Collection Fund

20. The tax requirements of the Council are aggregated with those of the precepting authorities within the Collection Fund. The Council’s part represents its budget requirement less its share of retained Business Rates, and any Collection Fund surplus or deficit.
21. With regard to the council tax element, it is estimated that the Collection Fund will have a surplus of £2.647m at 31st March 2020. Of this amount £1.546m will be credited to the Council's General Fund in 2020/21. The remainder is passed to the GLA.
22. Local Business Rates due are also credited to the Collection Fund and then in turn paid into the London wide pool. The pool then distributes the funds across London

with, in 2019/20, councils receiving 48%, the GLA 27% and the MHCLG 25%. The estimated surplus on the Collection Fund in respect of Business Rates at 31st March 2020 is £1.143m (of which the Council's share is £155,000). The Council's share of this surplus will be transferred to the Business Rates Volatility Reserve.

Wandsworth Council Tax Requirement

23. After taking account of Business Rates and central Government support and the use of balances and reserves detailed in paragraph 16, the amount that this Council needs to raise from council tax for its own purposes is as follows:

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|--|-----------------|-----------------|-----------------|-----------------|
| | £m | £m | £m | £m |
| Net Expenditure after use of balances and reserves | 165.481 | 165.170 | 187.660 | 201.144 |
| Collection Fund Surplus | -2.160 | -1.546 | | |
| | <u>163.321</u> | <u>163.624</u> | <u>187.660</u> | <u>201.144</u> |
| Less: | | | | |
| Retained Business Rates | -67.042 | -63.336 | -39.884 | -39.884 |
| Business Rates Top-Up | -36.358 | -36.989 | -36.989 | -36.989 |
| Revenue Support Grant | 0 | 0 | -23.452 | -23.452 |
| | <u>-103.400</u> | <u>-100.325</u> | <u>-100.325</u> | <u>-100.325</u> |
| Wandsworth Council Tax Requirement | 59.921 | 63.299 | 87.335 | 100.819 |

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

Council Tax Base

25. The Council tax bases are calculated annually by the Director of Resources under the authority delegated to him by the Council at its meeting on 4th February 2004. These have now been determined as 135,327 for the Borough as a whole, and 27,824 for the Wimbledon and Putney Commons Conservators' (W&PCC) area. The figures for 2019/20 were 133,216 and 27,708. Growth of 1,800 properties per annum has been assumed for future years and the tax base figures incorporate the effect of Council Tax Support on the tax base.

Wimbledon and Putney Commons Conservators

26. 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 2020/21 this levy amounts to £846,075, an increase of £17,489 on the levy for 2019/20. As a special expense it must be charged only to taxpayers within the Conservators' area, who will therefore have tax amounts £30.41 (£29.90 in 2019/20) higher than elsewhere in the Borough at band D.

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27. The Council has to calculate first an average band D tax element (dividing the tax needs shown in paragraph 23 by the 135,327 tax base figure), and then separate amounts for the majority of the Borough (excluding the special expenses) and for the Conservators' levy area. The statutory form of statement is shown in Appendix E and the amounts are:

| | Average | Majority | W&PCC |
|----------------|----------------|-----------------|------------------|
| | £ | £ | £ |
| 2020/21 | 467.75 | 461.49 | 491.90 |
| 2019/20 | 449.80 | 443.58 | 473.48 |

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

Council Tax Referenda

29. The Government has confirmed the council tax referendum thresholds for 2020/21 and that an increase in the relevant amount of council tax that is considered to be excessive is 2% or more. However, councils with adult social care responsibilities will also be able to increase council tax as detailed in paragraph 11.

Greater London Authority

30. The Mayor of London has issued a consultation document on the GLA budget requirement and precepts which shows the total GLA precept increasing by £11.56 (3.61%) from £320.51 to £332.07 for 2020/21. The GLA is due to consider its final budget on 24th February 2020 i.e. after the meeting of the Finance and Corporate Resources OSC but on the same date as the meeting of the Executive. Should the GLA change their provisional budget and/or council tax requirement, it is proposed that the Director of Resources be authorised to update the content of this report for any changes to the GLA's budget and precept reported within this report, for the approval of the full Council at its meeting on 4th March 2020 when considering the council tax requirement.

COUNCIL TAX AMOUNTS

31. Combining this Council's tax amount with that of the GLA produces total band D amounts as follows for 2020/21:

| | Average | Majority | Conservators' |
|--------------------------|----------------|-----------------|----------------------|
| | £ | £ | Area |
| | £ | £ | £ |
| Wandsworth Council | 467.75 | 461.49 | 491.90 |
| Greater London Authority | 332.07 | 332.07 | 332.07 |
| | <hr/> | <hr/> | <hr/> |
| | 799.82 | 793.56 | 823.97 |

32. The amounts for all valuation bands are shown in [Appendix E](#) part (f). After taking account of discounts, exemptions and the distribution of properties over valuation bands, the average bill for all dwellings in the Borough is estimated to be around £734 which is expected to remain as the lowest average bill in the country.

FUTURE YEARS' BUDGET FRAMEWORK

33. 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 £637 in 2021/22 and £726 in 2022/23. These represent increases of 36.2% and 13.9% respectively, compared with the preceding year, before further action and/or use of reserves. With the assumed GLA precept, the total average band D amount would rise to £976 in 2021/22 and £1,071 in 2022/23. The budget framework showing these amounts is given in [Appendix F](#). In accordance with the Council's Constitution, the Council should be recommended to adopt this framework on the basis that the Executive may then approve budget variations within the overriding restrictions that unearmarked reserves should not be forecast to fall below £6.75m (50% of that set aside for contingencies) in 2020/21, nor the council tax band D forecast for the next two years rise by more than a further £49.88.
34. The detailed budget by Overview and Scrutiny Committee for 2019/20 to 2022/23 (based on budgets approved in Paper No. 20-40 as amended for those budget variations shown in [Appendix A](#)) is available in the Members' Online Library and will be published as part of the Council's Budget Book.
35. Taking all of the above matters into account, it is recommended that for 2020/21 the Council's element of the council tax increases by 1.99% and, in light of continuing growth in demand for adult social care services, an adult social care precept of 2% is levied.
36. If Government referendum criteria required increases of no more than 2% and the adult social care precept continues at 2%, the framework in [Appendix F](#) indicates that the council tax requirement would have to be reduced, either from budget reductions or the use of reserves, by £30.5m by the end of the framework period. This gap will need to be addressed by the Council in its Medium Term Financial Strategy due to be submitted to the Executive and the Council for approval in June 2020. Whilst the Council has reserves identified to meet some of these pressures, these cannot be used indefinitely and, as in previous years, the Council will need to identify efficiencies and other sources of income to help meet the ongoing budget shortfall.

CONSULTATION

37. The Council has a statutory duty to consult with business ratepayers' representatives. A copy of Paper No. 20-40, the report by the Director of Resources on the Council's budget plans for 2020/21 and future years, was placed on the Economic Development Office business home page on the Council's

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website. Written comments have been invited by 7th February in order to be considered by the Executive.

EQUALITY IMPACT AND NEEDS ANALYSIS

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

SUPPORTING THE WANDSWORTH ENVIRONMENT AND SUSTAINABILITY STRATEGY (WESS)

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

The Town Hall
Wandsworth
SW18 2PU

MARK MAIDMENT
Director of Resources

5th February 2020

Background Papers

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

1. The Council's Budget Book 2019/20
2. Budget variations approved by the Executive in this financial year
3. Service committees' budget variation requests in this cycle
4. Local Authority Finance Settlement notification
5. GLA precept and levying bodies' documents.

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

APPENDIX A**CONCURRENT GENERAL FUND REVENUE BUDGET VARIATIONS**

| | <u>2020/21</u> £'000 | <u>2021/22</u> £'000 | <u>2022/23</u> £'000 |
|---|-------------------------|-------------------------|-------------------------|
| <u>ADULT CARE AND HEALTH OSC</u> | | | |
| Revision of Charges (Paper No. 20-34) | -71 | -71 | -71 |
| <u>STRATEGIC PLANNING & TRANSPORTATION OSC</u> | | | |
| Fees and Charges (Paper No. 20-54) | -141 | -141 | -141 |
| <u>COMMUNITY SERVICES & OPEN SPACES OSC</u> | | | |
| Fees and Charges (Paper No. 20-84) | -65 | -65 | -65 |
| <u>EDUCATION AND CHILDREN'S SERVICES OSC</u> | | | |
| Fees and Charges (Paper No. 20-77) | -8 | -8 | -8 |
| <u>ARISING FROM DECISIONS MADE VIA SO83(A)</u> | | | |
| Litter and Fly Tipping Enforcement Contract (CSOSC13) | -45 | -45 | -45 |
| <u>TOTAL GENERAL FUND BUDGET VARIATIONS</u> | -330 | -330 | -330 |

**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 C**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>2019</u> £'000 | Budgeted Change <u>2019/20</u> £'000 | Balance 1st April <u>2020</u> £'000 | Budgeted Change <u>2020/21</u> £'000 | Balance 1st April <u>2021</u> £'000 |
|---|--|---|--|---|--|
| Renewals Fund | | | | | |
| Net Use - Revenue | | -1,710 | | -1,235 | |
| Net Contribution – Other * | | 46 | | 46 | |
| Increase in Fund | | 475 | | 475 | |
| | 28,601 | -1,189 | 27,412 | -714 | 26,698 |
| This fund is for “loans” to services with unusually large requirements for building refurbishment, energy conservation schemes, computer software and vehicle and plant replacements. It is also used for planned expenditure relating to IT hardware and software. | | | | | |
| Finite Services Fund | 1,410 | 0 | 1,410 | 0 | 1,410 |
| This reserve provides for some pre-financing of identified costs of limited duration which includes the Council's aspirations programme and support from the General Fund for the two regeneration schemes where costs fall outside of the Housing Revenue Account. | | | | | |
| Specific Grant Reserve | 1,000 | 0 | 1,000 | 0 | 1,000 |
| This reserve is for potential over-estimates or losses of specific General Fund Government grants. | | | | | |
| Service Transformation Reserve | 13,834 | -1,902 | 11,932 | 1,428 | 13,360 |
| This reserve was established in 2010/11 to meet the short-term costs of service restructuring including redundancy and will be used to fund part of the deficit arising from the shortfall in Government funding in future years. The initial costs incurred by the Workspace Strategy (Paper No. 18-429) will be funded from this reserve. A further call on this reserve is anticipated in relation to investment in social care transformation and a report will be brought to the relevant Overview and Scrutiny Committee in due course. | | | | | |
| Insurance Reserve | 7,053 | 0 | 7,053 | 0 | 7,053 |
| This reserve was established to meet certain non-specific liability and property claims where the Council does not insure externally. The adequacy of the reserve will continue to be subject to periodic external reviews. | | | | | |

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| | Balance 1st April <u>2019</u> £'000 | Budgeted Change <u>2019/20</u> £'000 | Balance 1st April <u>2020</u> £'000 | Budgeted Change <u>2020/21</u> £'000 | Balance 1st April <u>2021</u> £'000 |
|---|--|---|--|---|--|
| Pensions Resilience Reserve | 43,424 | 0 | 43,424 | 0 | 43,424 |
| <p>This reserve was established in 2017/18 by consolidating the balances on three other pension related reserves. This reserve will continue to mitigate the impact of future increases in employer's pension contributions following fund revaluation, provide for any deficit to be funded for those pensions falling under the remit of the London Pension Fund Authority and meet costs relating to pensions enhancements which fall outside statutory pension schemes (mainly for teachers) previously charged to the Enhanced Pension Fund Reserve.</p> | | | | | |
| DSO Reserve | 4,893 | 0 | 4,893 | 0 | 4,893 |
| <p>Reserve balances relating to accrued surpluses of the Design Service and Operational Services Direct Service Organisation (DSO) are used to enable future investment in plant and equipment or to meet redundancy costs if they arise.</p> | | | | | |
| Business Rates Volatility Reserve * | 6,072 | 451 | 6,523 | 155 | 6,678 |
| <p>This reserve was established in 2011/12 in recognition of the volatility of the arrangements for future local government funding. The reserve is used to meet any shortfall in business rate yield compared with that included in the Settlement Funding Assessment, together with any estimated surplus or deficit arising on the Collection Fund in respect of business rates. Its use in 2019/20 and 2020/21 therefore sits outside of the General Fund.</p> | | | | | |
| Financial Resilience Reserve | 39,331 | -3,050 | 36,281 | -1,200 | 35,081 |
| <p>This reserve was established in 2014/15 in recognition of the substantial pressures on budgets and diminishing Government support. The 2017/18 council tax setting exercise transferred £6m to this reserve from the former Pensions Reserve to enable an increase in the active employer's rate to be borne without recourse to council tax and £1.2m is to be used for this purpose again in 2019/20 and 2020/21. In addition use of £1.85m of this reserve balance is assumed in order to balance the budget in 2019/20.</p> | | | | | |
| Other Balances | 314 | 0 | 314 | 0 | 314 |
| TOTAL REVENUE RESERVES AVAILABLE FOR COUNCIL TAX PURPOSES | 145,932 | -5,690 | 140,242 | -331 | 139,911 |
| ASSUMED USE AS PER THE GENERAL FUND FRAMEWORK (all except * above) | | -6,187 | | -532 | |

APPENDIX D

**Amounts to be calculated by the Council for the purposes of
Section 31A of the Local Government Finance Act 1992
for the year 2020/21**

| | <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; | 880,470 | 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/> 893,970 <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; | 751,314 | 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; | 65,325 | |

Council Tax 2020/21

- | | | | |
|-----|--|--------|---|
| (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. | 14,032 | 2 |

SUB-TOTAL

830,671

DIFFERENCE (Council Tax Requirement)

63,299

| <u>Note 1</u> | <u>Expenditure</u> £'000 | <u>Income</u> £'000 |
|---|-----------------------------|------------------------|
| Gross Expenditure/Income | 878,823 | 720,474 |
| Central Government Funding & Localised Business Rates | | 36,989 |
| Less internal recharges | -5,777 | -5,777 |
| Plus inflation to end of 2020/21 | 7,424 | 71 |
| Less credit from Collection Fund shown separately | | -443 |
| | <u>880,470</u> | <u>751,314</u> |

Note 2

| | |
|---|-----------------|
| General reserves available (paragraph 16) | £'000 13,500 |
| Add contributions to special reserves (<u>Appendix C</u>) | 532 |
| | <u>14,032</u> |

APPENDIX E

FORM OF COUNCIL RESOLUTION

- (a) That the revised revenue estimates for the year 2019/20 referred to in Paper No. 20-40 as adjusted and the revenue estimates for 2020/21 as summarised in this report be approved;
- (b) That the details of the council tax requirement for the year 2020/21, as set out in Appendix D of this paper, be approved;
- (c) That it be noted that the following amounts for the year 2020/21 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) 135,327 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) 27,824 being the amount calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amount of its council tax base for the year for dwellings in the Wimbledon and Putney Commons Conservators' Levy Area;
- (d) That it be noted in accordance with Section 25 of the Local Government Act 2003 that the Director of Resources has reported that the estimates are sufficiently robust for the purposes of the calculations and that the proposed financial reserves are adequate, and the following amounts be now calculated by the Council for the year 2020/21 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:
- (i) £893,970,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A of the Act;
 - (ii) £830,671,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;
 - (iii) £63,299,000 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) £467.75 being the amount at (d)(iii) divided by the amount at (c)(i) above, calculated by the Council in accordance with Section 33(1) of the Act as the basic amount of its council tax for the year;

Council Tax 2020/21

- (v) £846,074.84 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) £461.49 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) £491.90 being the amount given by adding to the amount at (d)(vi) above the amount of the special item at (d)(v) above divided by the amount at (c)(ii) above, calculated by the Council in accordance with Section 34(3) of the Act as the basic amount of its council tax for the year for dwellings in that part of its area to which the special item relates; and
- (viii)

| <u>Valuation Band</u> | Wimbledon and Putney Commons Conservators' | All other parts of the Council's Area |
|-----------------------|---|--|
| | Levy Area | |
| | £ | £ |
| A | 327.93 | 307.66 |
| B | 382.59 | 358.94 |
| C | 437.25 | 410.22 |
| D | 491.90 | 461.49 |
| E | 601.22 | 564.05 |
| F | 710.52 | 666.60 |
| G | 819.84 | 769.16 |
| H | 983.81 | 922.99 |

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 2020/21 the Greater London Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

| <u>Valuation Band</u> | Greater London Authority £ |
|-----------------------|--------------------------------------|
| A | 221.38 |
| B | 258.28 |
| C | 295.17 |
| D | 332.07 |
| E | 405.86 |
| F | 479.66 |
| G | 553.45 |
| H | 664.14 |

- (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 2020/21 for each of the categories of dwellings shown below:

| <u>Valuation Band</u> | Wimbledon and Putney Commons Conservators' Levy Area £ | All other parts of the Council's Area £ |
|-----------------------|--|---|
| A | 549.31 | 529.04 |
| B | 640.87 | 617.22 |
| C | 732.42 | 705.39 |
| D | 823.97 | 793.56 |
| E | 1,007.08 | 969.91 |
| F | 1,190.18 | 1,146.26 |
| G | 1,373.29 | 1,322.61 |
| H | 1,647.95 | 1,587.13 |

GENERAL REVENUE BUDGET FRAMEWORK

| | <u>2019/20</u> <u>Revised</u> £m | <u>2020/21</u> £m | <u>2021/22</u> £m | <u>2022/23</u> £m |
|--|--|----------------------|----------------------|----------------------|
| Committee Budgets at 2019 prices | | | | |
| Adult Care & Health | 76.373 | 76.152 | 76.009 | 76.009 |
| Education & Children's Services | 87.108 | 87.488 | 80.488 | 80.488 |
| Community Services | 33.681 | 32.991 | 32.622 | 32.305 |
| Housing and Regeneration | 7.221 | 6.713 | 10.671 | 10.671 |
| Finance & Corporate Resources | -4.370 | -7.421 | -4.829 | -3.498 |
| Strategic Planning & Transportation | 0.840 | -0.456 | -0.650 | -0.650 |
| Inflation to outturn prices | | 7.353 | 15.903 | 25.017 |
| | 200.853 | 202.820 | 210.214 | 220.342 |
| New Homes Bonus | -12.953 | -11.747 | -5.908 | -2.552 |
| Non-Service Specific Grants | 0.000 | -8.885 | 0.000 | 0.000 |
| Improved Better Care Fund | -15.188 | -16.486 | -16.486 | -16.486 |
| Total | 172.712 | 165.702 | 187.820 | 201.304 |
| Use of Balances and Reserves | -7.230 | -0.532 | -0.160 | -0.160 |
| Net Expenditure after use of reserves | 165.481 | 165.170 | 187.660 | 201.144 |
| Less: | | | | |
| Collection Fund surplus | -2.160 | -1.546 | 0.000 | 0.000 |
| Retained Business Rates | -67.042 | -63.336 | -39.884 | -39.884 |
| Business Rates "Top-up" | -36.358 | -36.989 | -36.989 | -36.989 |
| Revenue Support Grant | 0.000 | 0.000 | -23.452 | -23.452 |
| Council Tax Requirement | 59.921 | 63.299 | 87.335 | 100.819 |
| Band D Council Tax | £ | £ | £ | £ |
| Wandsworth Council | 449.80 | 467.75 | 636.89 | 725.70 |
| Greater London Authority | 320.51 | 332.07 | 338.71 | 345.49 |
| Total | 770.31 | 799.82 | 975.60 | 1,071.19 |
| Increase in Wandsworth Council Tax | | 3.99% | 36.2% | 13.9% |
| Budget reductions or use of reserves needed in future years to maintain Wandsworth "relevant basic amount" increases to within 3.99% | | | 20.635m | 30.547m |

SSA EQUALITY IMPACT AND NEEDS ANALYSIS

| | |
|--|----------------------------------|
| Directorate | Resources |
| Service Area | Financial Management |
| Service/policy/function being assessed | Council Tax setting |
| Which borough (s) does the service/policy apply to | Wandsworth |
| Staff involved | Fenella Merry, Katherine Burston |
| Date approved by Directorate Equality Group (if applicable) | n/a |
| Date approved by Policy and Review Manager All EINAs must be signed off by the Policy and Review Manager | 3 rd February 2020 |
| Date submitted to Directors' Board | n/a |

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

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

For 2020/21, the key features of the proposed budget are a 3.99% increase in the Wandsworth element of the Council Tax which comprises:

- a 1.99% general increase in the Wandsworth element of the Council Tax,
- a 2% precept (as allowed by Government) in support of Adult Social Care services and a 3.6% increase in the GLA element of the Council Tax, leading to an overall increase of 3.83% for average band D, or £29.51 per year.

The analysis is split into two parts:

- The impact of increasing the Council Tax
- The impact of the generation of a 2% Adult Social Care precept

The Government's Spending Review announced that for the rest of the current Parliament, authorities responsible for adult social care would be "given an extra 2% flexibility on their current council tax referendum threshold to be used entirely for social care". The Council is also required, within seven days of setting its budget and council tax, to provide information demonstrating that the additional council tax yield generated has been applied to adult social care.

The council tax generated from this 2% increase will generate additional income of £1.2 million to be attributed to adult social care. This "precept" also has to be shown on the face of council tax bills and in the "information supplied with the demand notice".

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

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

1. Background

Briefly describe the service/policy or function:

The recommendation in the report is: -

- to recommend the Council to give effect to the council tax requirement and council tax amounts for 2020/21 as follows:

| | Average | Majority | Conservators' Area |
|--------------------------|---------------|---------------|-----------------------|
| | £ | £ | £ |
| Wandsworth Council | 467.74 | 461.49 | 491.90 |
| Greater London Authority | 332.07 | 332.07 | 332.07 |
| | <u>799.81</u> | <u>793.56</u> | <u>823.97</u> |

2. Analysis of need and impact

PART 1 - Increasing the Council Tax

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

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

The increase in the Band D Council Tax for the majority of the borough would result in a cash increase of £29.47 per year (£0.57 per week) for the majority of those required to pay the full charge. Half of the increase in the Wandsworth element of the Council Tax stems from the Government's offer to allow Councils to increase Council Tax, provided that the additional amount is used in support of Adult Social Care i.e. some of its most vulnerable residents.

Group 1 - Those liable to pay full Council Tax

For the majority of Wandsworth residents, the Council believes that the proposed increase will not have a significant impact. Wandsworth is known as an affluent borough with high levels of employment (84.1% economically active residents (as at September 2019), 4,930 out of work benefit claimants (universal credit and Job Seekers allowance - data as at December 2019)). There will be an impact for those Council Tax payers whose income is just above the threshold for Council Tax Reduction who will suffer the full increase. The Council has no specific equalities monitoring data on this group of residents.

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

Single Person Discount is the main discount allowed amounting to just under 41,000 properties. The Council has no equalities monitoring information about this group. In addition, there are 201 properties where a banding reduction has been awarded in respect of a disability. Again, the Council holds no additional equalities information on this group.

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

For example, a Band D taxpayer in the majority of the borough who is eligible for a single person discount would be subject to an increase of £22.10 (£0.43 per week) rather than £29.47 per year (£0.57 per week).

Group 3 – Those with no Council Tax liability

The proportion of Council Tax liability on which Council Tax Reduction is calculated for working age claimants is 70% although some households are protected from the 30% minimum contribution based on their circumstances. This is the same as for 2019/20. The number of dwellings that are long term vacant (more than 6 months) is 156 and of these 68 are attracting a council tax premium for being vacant for more than 2 years. The effect on this group is neutral.

PART 2 – USE OF THE ADULT SOCIAL CARE PRECEPT

| Protected group | Findings | | | | | | | | | | | | | | | |
|---------------------------------------|---|-------------|-----------------|-------------|-------|-------|-------|-------|------|-------|-----|------|-------|-------|-----|-------|
| Age | <table border="1"> <thead> <tr> <th>Age band</th> <th>GLA data (2019)</th> <th>Adults Data</th> </tr> </thead> <tbody> <tr> <td>18-64</td> <td>90.5%</td> <td>40.3%</td> </tr> <tr> <td>65-74</td> <td>5.3%</td> <td>13.8%</td> </tr> <tr> <td>75+</td> <td>4.2%</td> <td>45.9%</td> </tr> <tr> <td>Total</td> <td>n/a</td> <td>3,984</td> </tr> </tbody> </table> <p>Adult Services support significantly more older residents than the borough average.</p> | Age band | GLA data (2019) | Adults Data | 18-64 | 90.5% | 40.3% | 65-74 | 5.3% | 13.8% | 75+ | 4.2% | 45.9% | Total | n/a | 3,984 |
| Age band | GLA data (2019) | Adults Data | | | | | | | | | | | | | | |
| 18-64 | 90.5% | 40.3% | | | | | | | | | | | | | | |
| 65-74 | 5.3% | 13.8% | | | | | | | | | | | | | | |
| 75+ | 4.2% | 45.9% | | | | | | | | | | | | | | |
| Total | n/a | 3,984 | | | | | | | | | | | | | | |
| Disability | <p>Census data 2011: Households containing a person with a long term health problem or disability – Total 20.7%.</p> <p>Profile of Adult Social Care Service Users: The majority of service users have physical disabilities or physical frailty as their main area of difficulty. In 2018/19, 762 had a mental health condition as their main difficulty and 910 a learning disability (all ages).</p> | | | | | | | | | | | | | | | |
| Gender (sex) | <p>GLA data 2019: 51.9% of residents are female.</p> <p>Profile of Adult Social Care Service Users: 55.7% are female</p> <p>Adult Services support significantly more female residents than the borough average.</p> | | | | | | | | | | | | | | | |
| Gender reassignment | Data not collected via the Census. | | | | | | | | | | | | | | | |
| Marriage and civil partnership | Data not collected via the Census. | | | | | | | | | | | | | | | |
| Pregnancy and maternity | Data not collected via the Census. | | | | | | | | | | | | | | | |
| Race/ethnicity | <p>GLA data 2019: 30.9% of residents are from black and minority ethnic (BME) communities</p> <p>Profile of Adult Social Care Service Users: 39.8% of service users were from BME communities. The largest proportion of BME care service users come from the Black or Black British community.</p> | | | | | | | | | | | | | | | |
| Religion and | | | | | | | | | | | | | | | | |

Council Tax 2020/21

| | | | |
|---|---|------------|----------|
| belief, including non belief | Census data for all population of Wandsworth: | | |
| | Religion | No. | % |
| | Christian | 162,590 | 53.0 |
| | Buddhist | 2,574 | 0.8 |
| | Hindu | 6,496 | 2.1 |
| | Jewish | 1,617 | 0.5 |
| | Muslim (Islam) | 24,746 | 8.1 |
| | Sikh | 832 | 0.3 |
| | Other religion | 1,283 | 0.4 |
| | No religion | 82,740 | 27.0 |
| | Religion not stated | 24,117 | 7.9 |
| Total | 306,995 | 100 | |
| | Data on adult social care clients is not available by this protected characteristic | | |
| Sexual orientation | Data not collected via the Census. | | |
| Across groups i.e. older LGBT service users or BME young men | Data not collected via the Census. | | |

Data gaps

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

3. Impact

| Protected group | Positive | Negative |
|-------------------|--|--|
| Age | As 59.7% of Adult Social Care service users are aged 65 and over - taking the precept will have a positive impact in that it will ensure these vulnerable residents continue to receive support. | Although the increase in council tax will support vulnerable residents who are service users of adult social care it will mean that residents will see an increase in their council tax. In order to mitigate the impact of this small rise on vulnerable residents the Council introduced in Paper No.16- 28 a 0% minimum contribution for vulnerable households including those on certain disability benefits and households where there is a child under 3. This support has been promoted by the Council to ensure that eligible residents are aware of its availability. |
| Disability | As the majority of Adult Social Care service users have physical disabilities or | As above |

| | | |
|--|--|----------|
| | physical frailty as their main area of difficulty taking the precept will have a positive impact in that it will ensure these vulnerable residents continue to receive support. | |
| Gender (sex) | As 55.7% of Adult Social Care service users are female taking the precept will have a positive impact in that it will ensure that vulnerable female residents continue to receive support. | As above |
| Gender reassignment | Taking the precept will support gender reassignment service users of Adult Social Care and ensure they continue to receive support. | As above |
| Marriage and civil partnership | Taking the precept will support service users of Adult Social Care regardless of their relationship status and will ensure they continue to receive support. | As above |
| Pregnancy and maternity | Taking the precept will support service users of Adult Social Care regardless of whether they are pregnant or have recently given birth and will ensure they continue to receive support. | As above |
| Race/ethnicity | Taking the precept will support BME service users of Adult Social Care and ensure they continue to receive support. | As above |
| Religion and belief, including non belief | Taking the precept will support service users of Adult Social Care and ensure vulnerable residents, regardless of their faith or belief, continue to receive support. | As above |
| Sexual orientation | Taking the precept will support service users of Adult Social Care and ensure vulnerable residents, regardless of their sexual | As above |

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| | | |
|--|---|--|
| | orientation, continue to receive support. | |
|--|---|--|

4. Actions

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

5. Consultation

| |
|--|
| Statutory consultation on the Council's service expenditure and council tax setting has been undertaken with business ratepayers' representatives. |
|--|

ANALYSIS OF SERVICE BUDGETS 2020/21

| £'000 | ADULT CARE & HEALTH SERVICES | COMMUNITY SERVICES & OPEN SPACES | EDUCATION & CHILDREN'S SERVICES | FINANCE & CORPORATE RESOURCES | HOUSING & REGENERATION | STRATEGIC PLANNING & TRANSPORTATION | GENERAL FUND TOTAL | DEDICATED SCHOOLS BUDGET | HOUSING REVENUE ACCOUNT | TOTAL |
|--------------------------------|---|---|--|--|---|--|-----------------------------------|---|--|----------------|
| EXPENDITURE | | | | | | | | | | |
| Salaries | 15,660 | 2,715 | 38,692 | 6,735 | 5,433 | 4,053 | 73,287 | 141,722 | 17,267 | 232,276 |
| Premises | 63 | 4,425 | 1,496 | 803 | 394 | 1,079 | 8,260 | 224 | 44,398 | 52,882 |
| Use of Transport | 1,482 | 83 | 4,525 | 52 | 27 | 18 | 6,187 | 14 | 286 | 6,487 |
| Concessionary Fares | | | | | - | | 0 | | - | 0 |
| Supplies and Services | | | | | | | | | | |
| - Funding to Voluntary Bodies | | | | 706 | 487 | | 1,193 | | - | 1,193 |
| - Other | 4,228 | 993 | 6,353 | 9,082 | 1,016 | 4,086 | 25,758 | 44,319 | 6,226 | 76,303 |
| Third Party Payments | | | | | | | | | | |
| - Precepts, Levies and Charges | | 15,019 | | | | | 15,019 | | - | 15,019 |
| - Other | 90,513 | 15,874 | 2,145 | 903 | - | | 3,048 | | - | 3,048 |
| - Other | 90,513 | 15,874 | 32,376 | 5,038 | 20,423 | 6,995 | 171,220 | 1,608 | 5,104 | 177,932 |
| Transfer Payments | 8,913 | | 1,923 | 188,974 | 1,443 | 14,135 | 215,388 | 1,801 | 223 | 217,412 |
| Support Services Recharges | 6,754 | 3,195 | 5,662 | 9,746 | 840 | 2,591 | 28,787 | | 7,817 | 36,604 |
| Depreciation and Impairment | 65 | 2,913 | 6,026 | -17,265 | - | 7,397 | -863 | | 22,200 | 21,337 |
| Capital Financing Charges | - | - | - | - | - | - | - | | 38,330 | 38,330 |
| TOTAL | 127,677 | 45,217 | 99,197 | 204,775 | 30,063 | 40,354 | 547,284 | 189,688 | 141,851 | 878,822 |

ANALYSIS OF SERVICE BUDGETS 2020/21 (Continued)

| £'000 | ADULT CARE & HEALTH SERVICES | COMMUNITY SERVICES & OPEN SPACES | EDUCATION & CHILDREN'S SERVICES | FINANCE & CORPORATE RESOURCES | HOUSING & REGENERATION | STRATEGIC PLANNING & TRANSPORTATION | GENERAL FUND TOTAL | DEDICATED SCHOOLS BUDGET | HOUSING REVENUE ACCOUNT | TOTAL |
|---|---|---|--|--|---|--|-----------------------------------|---|--|----------------|
| INCOME | | | | | | | | | | |
| Government Grants | 34,767 | | 8,622 | 185,512 | 4,708 | | 233,609 | 178,175 | - | 411,784 |
| Other Grants & Contributions | 2,473 | 135 | 1,840 | 194 | 664 | 547 | 5,852 | 117,428 | | 123,280 |
| Customer & Client Receipts | 14,239 | 11,793 | 722 | 13,731 | 15,475 | 40,015 | 95,975 | 11,358 | 27,691 | 135,024 |
| Interest | | | | 10,629 | 20 | | 10,649 | | 6,211 | 16,860 |
| Recharge Income | | 298 | 526 | 21 | 327 | 64 | 1,236 | 155 | - | 1,391 |
| Internal Charges | 47 | | | 2,110 | 2,156 | 184 | 4,497 | | - | 4,497 |
| Contribution from Reserves | | | | | - | | - | | -9,479 | -9,479 |
| TOTAL | 51,525 | 12,226 | 11,709 | 212,196 | 23,350 | 40,810 | 351,817 | 189,688 | 141,851 | 683,356 |
| NET EXPENDITURE | 76,152 | 32,991 | 87,488 | -7,421 | 6,713 | -456 | 195,467 | 0 | - | 195,466 |
| New Homes Bonus Funding | | | | | | | -11,747 | | | |
| Improved Better Care Fund | | | | | | | -16,486 | | | |
| Social Care Support Grant | | | | | | | -8,885 | | | |
| General Fund inflation from November 2019 to end of 2020/21 | | | | | | | 7,353 | | | |
| Net Committee Budgets | | | | | | | 165,702 | | | |

Shared Staffing Arrangement with the London Borough of Richmond upon Thames

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

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

The following table details the percentage split between the two boroughs for those service areas served by SSA staff working across both boroughs. The budgets for those SSA staff providing services for one borough only (for instance Wandsworth's Children's Services and Wandsworth's Housing Management) are 100% charged to that borough and therefore excluded from this list. In addition, some teams still work for a sovereign borough due to the complexities of working across both although management skills span both boroughs (e.g. Customer Services). The estimated General Fund annual cost of shared salary expenditure for Wandsworth in April 2020 is £41.2 million.

| DIRECTORATE | SERVICE | RICHMOND % | WANDSWORTH % | RATIONALE FOR SPLIT OF SALARY COSTS | WANDSWORTH ESTIMATE £000'S |
|--|---------------------------------------|------------|--------------|---|----------------------------|
| ADULT CARE AND HEALTH OVERVIEW & SCRUTINY COMMITTEE | | | | | |
| Adult Social Services | Adult Social Care Operations | 40% | 60% | Wandsworth picks up more of the costs due to borough size differential | 6,832 |
| Adult Social Services | Adult Social Service Directorate | 37% | 63% | Average Chief officer apportionment across both councils based on historic salary costs | 596 |
| Adult Social Services | Business Resources | 34% | 66% | Wandsworth picks up more of the costs due to borough size differential | 3,397 |
| Adult Social Services | Commissioning Service Management | 52% | 48% | Based on historic salary budgets these management costs are split almost equally across the two councils | 1,431 |
| Adult Social Services | Professional Standards & Safeguarding | 40% | 60% | Wandsworth picks up more of the costs due to borough size differential | 242 |
| Adult Social Services | Public Health Core | 38% | 62% | Wandsworth picks up more of the costs due to borough size differential | 1,084 |
| COMMUNITY SERVICES AND OPEN SPACES OVERVIEW & SCRUTINY COMMITTEE | | | | | |
| Environment & Community Services | Inspection & Enforcement | 50% | 50% | Based on historic salary budgets these costs are split equally across the two councils | 583 |
| Environment & Community Services | Network Management | 50% | 50% | | 215 |
| Environment & Community Services | Libraries & Cultural Services | 71% | 29% | Wandsworth has outsourced its leisure, culture & library services therefore SSA staff do not provide direct support to these services. Wandsworth therefore only incurs contract monitoring costs | 109 |
| Environment & Community Services | Finance and Business Support (ECS) | 73% | 27% | | 135 |
| Environment & Community Services | Waste & Street Cleaning Management | 45% | 55% | Wandsworth picks up slightly more of the costs due to borough size differential | 187 |
| Environment & Community Services | Registrars Management | 28% | 72% | Average volumes within Richmond are much lower than in Wandsworth and the management time reflects this | 66 |

| DIRECTORATE | SERVICE | RICHMOND % | WANDSWORTH % | RATIONALE FOR SPLIT OF SALARY COSTS | WANDSWORTH ESTIMATE £000'S |
|---|--|------------|--------------|--|----------------------------|
| FINANCE AND CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE | | | | | |
| Chief Executive | Chief Executive's Directorate | 37% | 63% | Average Chief officer apportionment across both councils based on historic salary costs | 339 |
| Resources | Resources Directorate | 37% | 63% | | 616 |
| Chief Executive | Community Safety | 46% | 54% | Wandsworth picks up slightly more of the cost due to borough size differential | 338 |
| Resources | Council Tax and Housing Benefits | 27% | 73% | The historic budgets in each council are driven by volume caseload where Wandsworth is larger | 1,274 |
| Resources | Benefit Service - Technical support & management | 27% | 73% | | 2,432 |
| Resources | Business Rates | 37% | 63% | Based on volume of businesses in the boroughs | 149 |
| Chief Executive | Partnerships & Voluntary Sector | 80% | 20% | The majority of the Wandsworth activity is grant funded or locality specific and therefore not shared with Richmond and excluded from this calculation | 56 |
| Chief Executive | Economic Development support team | 19% | 81% | The Wandsworth programme is larger in scale, requiring a higher proportion of support costs | 241 |
| Environment & Community Services | Emergency Planning | 50% | 50% | The emergency planning service is split equally across the two councils | 75 |
| Chief Executive | Corporate complaints & Freedom of Information | 50% | 50% | The complaints and FOI team work equally across both councils | 407 |
| Chief Executive | Consultations | 82% | 18% | The weighting of the team reflects differing approaches to consultations in the two boroughs | 24 |
| Chief Executive | Customer Services Management | 50% | 50% | Management time is split equally across the two councils | 59 |

| DIRECTORATE | SERVICE | RICHMOND % | WANDSWORTH % | RATIONALE FOR SPLIT OF SALARY COSTS | WANDSWORTH ESTIMATE £000'S |
|------------------------|---|------------|--------------|--|----------------------------|
| Chief Executive | Customer Service Improvement & Transformation | 83% | 17% | The historic salary budgets in Wandsworth are larger, driven by volume caseload | 26 |
| Housing & Regeneration | Property Services Support | 50% | 50% | Facilities management is split based upon a mixture of size of portfolio and service requirements | 1,076 |
| Resources | Financial Management | 46% | 54% | The team supports Wandsworth's Housing Revenue Account whereas Richmond does not have any housing stock | 1,393 |
| 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 | 58 |
| Resources | Financial Services (insurance) | 33% | 67% | The split of this support service reflects the split of historic salary costs from the two councils | 156 |
| Resources | ICT Services | 38% | 62% | The split of these support services reflect the average split of historic salary costs from the two councils | 4,572 |
| Resources | HR & Payroll | 38% | 62% | | 2,214 |
| Resources | Procurement | 38% | 62% | | 600 |
| Resources | Health & Safety | 29% | 71% | The team supports Wandsworth's housing and schools which are not applicable to Richmond | 208 |
| Chief Executive | Policy and Performance (inc business support) | 50% | 50% | The corporate policy team's time is split equally across the two councils. Administration support is split equally across the two councils | 789 |
| Chief Executive | SSA Programme | 50% | 50% | Based on historic salary budgets - these management costs are split equally across the two councils | 23 |
| Housing & Regeneration | Construction & TFM Client Team | 71% | 29% | The team's remit has a smaller scope in Wandsworth where responsibility is devolved to other sections | 132 |

| DIRECTORATE | SERVICE | RICHMOND % | WANDSWORTH % | RATIONALE FOR SPLIT OF SALARY COSTS | WANDSWORTH ESTIMATE £000'S |
|--|---------------------------------------|------------|--------------|--|----------------------------|
| HOUSING AND REGENERATION OVERVIEW & SCRUTINY COMMITTEE | | | | | |
| Housing & Regeneration | Housing & Regeneration Directorate | 37% | 63% | Average Chief officer apportionment across both councils based on historic salary costs | 455 |
| Housing & Regeneration | Home Improvement Agency | 34% | 66% | Wandsworth picks up more of the costs due to borough size differential | 399 |
| Housing & Regeneration | Housing Services Administration | 34% | 66% | Wandsworth picks up more of the costs due to borough size differential | 3,263 |
| Housing & Regeneration | Finance and Business Support (H&R) | 4% | 96% | Wandsworth has retained its housing stock whereas Richmond has not. The cost share therefore reflects the support provided to Wandsworth in its role as Housing landlord | 837 |
| Housing & Regeneration | Affordable Housing & Service Strategy | 25% | 75% | | 408 |

| DIRECTORATE | SERVICE | RICHMOND % | WANDSWORTH % | RATIONALE FOR SPLIT OF SALARY COSTS | WANDSWORTH ESTIMATE £000'S |
|---|---|------------|--------------|---|----------------------------|
| STRATEGIC PLANNING AND TRANSPORTATION OVERVIEW & SCRUTINY COMMITTEE | | | | | |
| Environment & Community Services | Environment & Community Services Directorate | 37% | 63% | Average Chief officer apportionment across both councils based on historic salary costs | 610 |
| Environment & Community Services | Environment & Community Services Directorate (Business Support) | 40% | 60% | Due to the differing size of the boroughs and reflects the work load division across the two | 118 |
| Environment & Community Services | Planning Enforcement | 45% | 55% | Wandsworth picks up more of the costs due to borough size differentia | 155 |
| Environment & Community Services | Transport Policy, Strategy & Support | 42% | 58% | Wandsworth picks up more of the costs due to borough size differential in relation to inner/outer London transport issues | 625 |
| Environment & Community Services | Engineering & Parking Policy | 50% | 50% | Based on historic salary budgets these management costs are split equally across the two councils | 812 |
| Environment & Community Services | Parking Contract Management | 22% | 78% | Wandsworth picks up more of the costs due to borough size differential | 293 |
| Resources | Parking Support Team & Concessionary Fares | 38% | 62% | The historic budgets in each council are driven by volume caseload where Wandsworth is larger | 1,052 |

GENERAL REVENUE SUMMARY

SUMMARY BY COMMITTEE

| <u>COMMITTEE</u> | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Adult Care and Health | 76,372,600 | 76,151,900 | 76,008,900 | 76,008,900 |
| Community Services and Open Spaces | 33,680,700 | 32,991,000 | 32,622,100 | 32,305,000 |
| Education and Childrens Services | 87,108,100 | 87,488,000 | 80,488,000 | 80,488,000 |
| Finance and Corporate Resources | (4,369,600) | (7,421,400) | (4,829,600) | (3,498,200) |
| Housing and Regeneration | 7,221,500 | 6,713,000 | 10,670,800 | 10,670,800 |
| Strategic Planning and Transportation | 840,300 | (456,200) | (650,200) | (650,200) |
| Overall Committee Total | <u>200,853,600</u> | <u>195,466,300</u> | <u>194,310,000</u> | <u>195,324,300</u> |

| <u>Variation Analysis</u> | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2019/20 ORIGINAL BUDGET | 196,308,900 | 196,308,900 | 196,308,900 | 196,308,900 |
| Inflation | 1,306,900 | 2,211,000 | 2,211,000 | 2,211,000 |
| Changes in Government Grants | (289,800) | 1,207,400 | 5,165,200 | 5,165,200 |
| Other Government or Outside Body Changes | (412,700) | (470,800) | (470,800) | (470,800) |
| Demand Led Growth | 1,081,200 | 2,527,400 | 2,527,400 | 2,527,400 |
| Efficiency Savings | 0 | (2,115,800) | (2,912,700) | (3,229,800) |
| Investment Priorities | 2,721,100 | (458,600) | (582,400) | (665,000) |
| Other Growth & Savings | 138,000 | (3,743,200) | (7,936,600) | (6,522,600) |
| Budget Transfers | 0 | 0 | 0 | 0 |
| NET EXPENDITURE | <u>200,853,600</u> | <u>195,466,300</u> | <u>194,310,000</u> | <u>195,324,300</u> |

GENERAL REVENUE SUMMARY

SUBJECTIVE ANALYSIS

| | <u>2019/20</u> <u>Revised</u> <u>£</u> | <u>2020/21</u> <u>Budget</u> <u>£</u> | <u>2021/22</u> <u>Budget</u> <u>£</u> | <u>2022/23</u> <u>Budget</u> <u>£</u> |
|------------------------------|--|---|---|---|
| <u>Expenditure</u> | | | | |
| Employees | 76,167,655 | 73,376,850 | 72,795,550 | 72,712,950 |
| Premises | 9,377,300 | 8,259,650 | 8,259,650 | 8,259,650 |
| Transport | 6,051,550 | 6,187,800 | 5,887,800 | 5,887,800 |
| Supplies & Services | 26,471,205 | 26,982,700 | 26,982,700 | 26,982,700 |
| Third Party Payments | 195,413,550 | 188,764,950 | 182,151,450 | 182,151,450 |
| Transfer Payments | 214,773,150 | 215,181,050 | 215,181,050 | 215,181,050 |
| Support Service Recharges | 30,471,200 | 28,830,300 | 28,620,900 | 28,620,900 |
| Depreciation & Impairment | (862,700) | (862,700) | (862,700) | (862,700) |
| TOTAL EXPENDITURE | 557,862,910 | 546,720,600 | 539,016,400 | 538,933,800 |
| <u>Income</u> | | | | |
| Government Grants | (239,832,700) | (233,002,700) | (229,044,900) | (229,044,900) |
| Other Grants & Contributions | (6,509,660) | (5,851,800) | (5,851,800) | (5,851,800) |
| Customer & Client Receipts | (94,989,250) | (95,974,600) | (96,343,500) | (96,660,600) |
| Interest | (9,879,100) | (10,648,500) | (7,689,500) | (6,275,500) |
| Recharge Income | (1,305,600) | (1,278,800) | (1,278,800) | (1,278,800) |
| Internal charges | (4,493,000) | (4,497,900) | (4,497,900) | (4,497,900) |
| Schools Income | 0 | 0 | 0 | 0 |
| TOTAL INCOME | (357,009,310) | (351,254,300) | (344,706,400) | (343,609,500) |
| NET EXPENDITURE | 200,853,600 | 195,466,300 | 194,310,000 | 195,324,300 |

ADULT CARE AND HEALTH

SUMMARY BY SERVICE AREA

| SERVICE | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|-------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Adult Service Operations | 78,944,000 | 78,592,300 | 78,592,300 | 78,592,300 |
| Commissioning and Quality Standards | 18,578,000 | 18,578,600 | 18,578,600 | 18,578,600 |
| Business Resources | 2,075,500 | 2,695,900 | 2,552,900 | 2,552,900 |
| Public Health | (23,224,900) | (23,714,900) | (23,714,900) | (23,714,900) |
| Total Adult Care and Health | 76,372,600 | 76,151,900 | 76,008,900 | 76,008,900 |

| Variation Analysis | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2019/20 ORIGINAL BUDGET | 75,929,500 | 75,929,500 | 75,929,500 | 75,929,500 |
| Inflation | 539,400 | 598,800 | 598,800 | 598,800 |
| Changes in Government Grants | (481,200) | 618,100 | 618,100 | 618,100 |
| Other Government or Outside Body Changes | 0 | 0 | 0 | 0 |
| Demand Led Growth | 0 | 1,797,400 | 1,797,400 | 1,797,400 |
| Efficiency Savings | 0 | (517,800) | (517,800) | (517,800) |
| Investment Priorities | 0 | 0 | 0 | 0 |
| Other Growth and Savings | 481,200 | (2,180,000) | (2,323,000) | (2,323,000) |
| Budget Transfers | (96,300) | (94,100) | (94,100) | (94,100) |
| NET EXPENDITURE | 76,372,600 | 76,151,900 | 76,008,900 | 76,008,900 |

ADULT CARE AND HEALTH

SUBJECTIVE ANALYSIS

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <u>Expenditure</u> | | | | |
| Employees | 16,954,700 | 15,659,600 | 15,516,600 | 15,516,600 |
| Premises | 62,500 | 62,500 | 62,500 | 62,500 |
| Transport | 1,481,800 | 1,481,800 | 1,481,800 | 1,481,800 |
| Supplies & Services | 3,684,200 | 4,228,000 | 4,228,000 | 4,228,000 |
| Third Party Payments | 93,442,100 | 90,513,100 | 90,513,100 | 90,513,100 |
| Transfer Payments | 8,913,300 | 8,913,300 | 8,913,300 | 8,913,300 |
| Support Service Recharges | 6,320,100 | 6,753,900 | 6,753,900 | 6,753,900 |
| Depreciation & Impairment | 65,000 | 65,000 | 65,000 | 65,000 |
| TOTAL EXPENDITURE | 130,923,700 | 127,677,200 | 127,534,200 | 127,534,200 |
| <u>Income</u> | | | | |
| Government Grants | (37,163,800) | (34,767,000) | (34,767,000) | (34,767,000) |
| Other Grants & Contributions | (3,172,600) | (2,472,600) | (2,472,600) | (2,472,600) |
| Customer & Client Receipts | (14,167,600) | (14,238,600) | (14,238,600) | (14,238,600) |
| Interest | 0 | 0 | 0 | 0 |
| Recharge Income | 0 | 0 | 0 | 0 |
| Internal charges | (47,100) | (47,100) | (47,100) | (47,100) |
| Schools Income | 0 | 0 | 0 | 0 |
| TOTAL INCOME | (54,551,100) | (51,525,300) | (51,525,300) | (51,525,300) |
| NET EXPENDITURE | 76,372,600 | 76,151,900 | 76,008,900 | 76,008,900 |

ADULT CARE AND HEALTH

ADULT SERVICE OPERATIONS

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Adult Service Operations Teams | 13,099,100 | 11,997,100 | 11,997,100 | 11,997,100 |
| Early Help & Enablement Services | 253,200 | 211,900 | 211,900 | 211,900 |
| Services for Adults with Learning Disabilities | 36,648,100 | 37,127,800 | 37,127,800 | 37,127,800 |
| Services for Adults with Mental Health Needs | 6,832,700 | 7,529,300 | 7,529,300 | 7,529,300 |
| Services for Older People, Sensory & Physical Disabilities | 22,110,900 | 21,726,200 | 21,726,200 | 21,726,200 |
| | 78,944,000 | 78,592,300 | 78,592,300 | 78,592,300 |

| Variation Analysis | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2019/20 ORIGINAL BUDGET | 78,092,700 | 78,092,700 | 78,092,700 | 78,092,700 |
| Inflation | 443,800 | 478,400 | 478,400 | 478,400 |
| Changes in Government Grants | | | | |
| -Social Care Support Grant 2019/20 Allocation | 0 | 1,108,100 | 1,108,100 | 1,108,100 |
| -Local Reform and Community Voices Grant 2019/20 - Income | (185,900) | 0 | 0 | 0 |
| -Social Care in Prisons Grant 2019/20 - Income | (282,200) | 0 | 0 | 0 |
| Demand Led Growth | | | | |
| -Winter Pressures Funding - Expenditure | 0 | 1,297,400 | 1,297,400 | 1,297,400 |
| -Transitions into Adulthood increased | 0 | 500,000 | 500,000 | 500,000 |
| Efficiency Savings | | | | |
| -Income, Contract and Departmental Efficiencies | 0 | (35,900) | (35,900) | (35,900) |
| -16-138 (Apr 16) Shared Staffing Arrangement | 0 | (387,000) | (387,000) | (387,000) |
| -Review of Service Charges | | (71,000) | (71,000) | (71,000) |
| Other Growth and Savings | | | | |
| -Budget Recovery Plan | 0 | (2,743,000) | (2,743,000) | (2,743,000) |
| -Reduced NHS Funding Contribution | 0 | 700,000 | 700,000 | 700,000 |
| -Local Reform and Community Voices Grant 2019/20 - Expenditure | 185,900 | 0 | 0 | 0 |
| -Social Care in Prisons Grant 2019/20 - Expenditure | 282,200 | 0 | 0 | 0 |
| Budget Transfers | 407,500 | (347,400) | (347,400) | (347,400) |
| NET EXPENDITURE | 78,944,000 | 78,592,300 | 78,592,300 | 78,592,300 |

ADULT CARE AND HEALTH

COMMISSIONING & QUALITY STANDARDS

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Adult Public Health Services | 10,295,900 | 10,295,900 | 10,295,900 | 10,295,900 |
| Advocacy, Supported Employment & Other Minor Services | 594,900 | 594,900 | 594,900 | 594,900 |
| Commissioning Teams | 805,400 | 805,500 | 805,500 | 805,500 |
| Prevention & Wellbeing Services | 6,094,400 | 6,094,400 | 6,094,400 | 6,094,400 |
| Professional Standards & Safeguarding | 787,400 | 787,900 | 787,900 | 787,900 |
| | 18,578,000 | 18,578,600 | 18,578,600 | 18,578,600 |

| Variation Analysis | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2019/20 ORIGINAL BUDGET | 18,299,100 | 18,299,100 | 18,299,100 | 18,299,100 |
| Inflation | 94,000 | 102,800 | 102,800 | 102,800 |
| Efficiency Savings | | | | |
| -Income, Contract and Departmental Efficiencies | 0 | (8,200) | (8,200) | (8,200) |
| Budget Transfers | 184,900 | 184,900 | 184,900 | 184,900 |
| NET EXPENDITURE | 18,578,000 | 18,578,600 | 18,578,600 | 18,578,600 |

ADULT CARE AND HEALTH

BUSINESS RESOURCES

| | <u>2018/19</u> <u>Revised</u> £ | <u>2019/20</u> <u>Budget</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ |
|--------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Business Resources | 2,075,500 | 2,695,900 | 2,552,900 | 2,552,900 |
| | 2,075,500 | 2,695,900 | 2,552,900 | 2,552,900 |

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Variation Analysis | | | | |
| 2018/19 ORIGINAL BUDGET | 2,630,100 | 2,630,100 | 2,630,100 | 2,630,100 |
| Inflation | 1,600 | 11,500 | 11,500 | 11,500 |
| Changes in Government Grants | | | | |
| -War Pensions Disregard Grant 2019/20 - Income | (13,100) | 0 | 0 | 0 |
| Efficiency Savings | | | | |
| -Income, Contract and Departmental Efficiencies | 0 | (9,600) | (9,600) | (9,600) |
| Other Growth and Savings | | | | |
| -Budget Recovery Plan | 0 | (137,000) | (280,000) | (280,000) |
| -War Pensions Disregard Grant 2019/20 - Expenditure | 13,100 | 0 | 0 | 0 |
| Budget Transfers | (556,200) | 200,900 | 200,900 | 200,900 |
| NET EXPENDITURE | 2,075,500 | 2,695,900 | 2,552,900 | 2,552,900 |

ADULT CARE AND HEALTH

PUBLIC HEALTH

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Children 0-5 | 85,000 | 85,000 | 85,000 | 85,000 |
| Health Protection | 20,200 | 20,200 | 20,200 | 20,200 |
| NHS Health Checks | 395,000 | 395,000 | 395,000 | 395,000 |
| Obesity | 25,300 | 25,300 | 25,300 | 25,300 |
| Other Public Health | 1,972,700 | 1,972,700 | 1,972,700 | 1,972,700 |
| Physical Activity | 35,000 | 35,000 | 35,000 | 35,000 |
| Sexual Health | 527,500 | 527,500 | 527,500 | 527,500 |
| Smoking & Tobacco | 314,900 | 314,900 | 314,900 | 314,900 |
| Substance Misuse | 3,500 | 3,500 | 3,500 | 3,500 |
| Public Health Grant | (26,604,000) | (27,094,000) | (27,094,000) | (27,094,000) |
| | (23,224,900) | (23,714,900) | (23,714,900) | (23,714,900) |

| Variation Analysis | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2019/20 ORIGINAL BUDGET | (23,092,400) | (23,092,400) | (23,092,400) | (23,092,400) |
| Inflation | 0 | 6,100 | 6,100 | 6,100 |
| Changes in Government Grants | | | | |
| Public Health Grant Increase | 0 | (490,000) | (490,000) | (490,000) |
| Efficiency Savings | | | | |
| -Income, Contract and Departmental Efficiencies | 0 | (6,100) | (6,100) | (6,100) |
| Budget Transfers | (132,500) | (132,500) | (132,500) | (132,500) |
| NET EXPENDITURE | (23,224,900) | (23,714,900) | (23,714,900) | (23,714,900) |

COMMUNITY SERVICES AND OPEN SPACES

SUMMARY BY SERVICE AREA

| <u>SERVICE</u> | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Arts Service | 144,000 | 400,000 | 400,000 | 400,000 |
| Contracts and Leisure | 33,199,500 | 32,301,800 | 31,932,900 | 31,615,800 |
| Highways Operations and Streetscene | 337,200 | 289,200 | 289,200 | 289,200 |
| Total Community Services and Open Spaces | 33,680,700 | 32,991,000 | 32,622,100 | 32,305,000 |

| <u>Variation Analysis</u> | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2019/20 ORIGINAL BUDGET | 32,656,800 | 32,656,800 | 32,656,800 | 32,656,800 |
| Inflation | 329,800 | 553,800 | 553,800 | 553,800 |
| Changes in Government Grants | 56,400 | 0 | 0 | 0 |
| Other Government or Outside Body Changes | (415,000) | (481,300) | (481,300) | (481,300) |
| Efficiency Savings | 0 | (157,600) | (526,500) | (843,600) |
| Investment Priorities | 211,000 | 0 | 0 | 0 |
| Other Growth and Savings | 59,300 | (356,000) | (356,000) | (356,000) |
| Budget Transfers | 782,400 | 775,300 | 775,300 | 775,300 |
| NET EXPENDITURE | 33,680,700 | 32,991,000 | 32,622,100 | 32,305,000 |

COMMUNITY SERVICES AND OPEN SPACES

SUBJECTIVE ANALYSIS

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <u>Expenditure</u> | | | | |
| Employees | 2,459,300 | 2,715,300 | 2,715,300 | 2,715,300 |
| Premises | 4,401,100 | 4,424,400 | 4,424,400 | 4,424,400 |
| Transport | 83,000 | 83,000 | 83,000 | 83,000 |
| Supplies & Services | 1,019,200 | 992,800 | 992,800 | 992,800 |
| Third Party Payments | 31,451,600 | 30,893,100 | 30,893,100 | 30,893,100 |
| Support Service Recharges | 3,172,400 | 3,195,300 | 3,195,300 | 3,195,300 |
| Depreciation & Impairment | 2,913,100 | 2,913,100 | 2,913,100 | 2,913,100 |
| TOTAL EXPENDITURE | 45,499,700 | 45,217,000 | 45,217,000 | 45,217,000 |
| <u>Income</u> | | | | |
| Other Grants & Contributions | (135,000) | (135,000) | (135,000) | (135,000) |
| Customer & Client Receipts | (11,386,300) | (11,793,300) | (12,162,200) | (12,479,300) |
| Recharge Income | (297,700) | (297,700) | (297,700) | (297,700) |
| TOTAL INCOME | (11,819,000) | (12,226,000) | (12,594,900) | (12,912,000) |
| TOTAL NET EXPENDITURE | 33,680,700 | 32,991,000 | 32,622,100 | 32,305,000 |

COMMUNITY SERVICES AND OPEN SPACES

ARTS SERVICE

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Arts Service | 144,000 | 400,000 | 400,000 | 400,000 |
| | 144,000 | 400,000 | 400,000 | 400,000 |

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Variation Analysis | | | | |
| 2019/20 ORIGINAL BUDGET | 0 | 0 | 0 | 0 |
| Inflation | 0 | 1,100 | 1,100 | 1,100 |
| Efficiency Savings | | | | |
| - Income, Contract and Departmental Efficiencies | 0 | (1,100) | (1,100) | (1,100) |
| Budget Transfers | 144,000 | 400,000 | 400,000 | 400,000 |
| NET EXPENDITURE | 144,000 | 400,000 | 400,000 | 400,000 |

COMMUNITY SERVICES AND OPEN SPACES

CONTRACTS AND LEISURE

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Leisure, Culture & Bereavement | (1,257,800) | (1,190,500) | (1,190,500) | (1,190,500) |
| Libraries contract | 4,773,700 | 4,774,800 | 4,774,800 | 4,774,800 |
| Registrars | 145,600 | 145,600 | 145,600 | 145,600 |
| Leisure and Culture Services | 5,017,500 | 4,647,200 | 4,278,300 | 3,961,200 |
| Street Cleansing | 4,883,700 | 4,672,700 | 4,672,700 | 4,672,700 |
| Waste Collection & Recycling | 5,727,200 | 5,165,900 | 5,165,900 | 5,165,900 |
| Waste Disposal inc Levy | 13,909,600 | 14,086,100 | 14,086,100 | 14,086,100 |
| | 33,199,500 | 32,301,800 | 31,932,900 | 31,615,800 |
| | | | | |
| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
| Variation Analysis | | | | |
| 2019/20 ORIGINAL BUDGET | 33,291,700 | 33,291,700 | 33,291,700 | 33,291,700 |
| Inflation | 329,800 | 548,300 | 548,300 | 548,300 |
| Changes in Government Grants | | | | |
| Parks Improvement Grant | 56,400 | 0 | 0 | 0 |
| Investment Priorities | | | | |
| - 18-224 (June 18) Environmental Project | 211,000 | 0 | 0 | 0 |
| Other Government or Outside Body Changes | | | | |
| - Lee Valley Levy | 600 | 600 | 600 | 600 |
| - North East Surrey Crematorium Board | (235,400) | (235,400) | (235,400) | (235,400) |
| - Port of London - River Debris Clearance | (1,500) | (1,500) | (1,500) | (1,500) |
| - Western Riverside Waste Authority Levy | (203,700) | (270,000) | (270,000) | (270,000) |
| - Wimbledon and Putney Commons Conservators Levy | 25,000 | 25,000 | 25,000 | 25,000 |
| Efficiency Savings | | | | |
| - Income, Contract and Departmental Efficiencies | 0 | (7,900) | (7,900) | (7,900) |
| - Leisure and Culture Contract | 0 | (33,900) | (402,800) | (719,900) |
| - 20-84 (Feb 20) Review of Charges | 0 | (62,300) | (62,300) | (62,300) |
| Other Growth and Savings | | | | |
| - 14-362 (July 14) Leisure Centres Contract | 0 | 84,700 | 84,700 | 84,700 |
| - 19-294 (October 2019) Street Cleansing Contract | 0 | (300,000) | (300,000) | (300,000) |
| - Waste and Recycling Collection Services Contract | 59,300 | (140,700) | (140,700) | (140,700) |
| Budget Transfers | (333,700) | (596,800) | (596,800) | (596,800) |
| NET EXPENDITURE | 33,199,500 | 32,301,800 | 31,932,900 | 31,615,800 |

COMMUNITY SERVICES AND OPEN SPACES

HIGHWAYS OPERATIONS AND STREETSCENE

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Inspection & Enforcement | 256,900 | 210,400 | 210,400 | 210,400 |
| Network Management | (455,600) | (457,100) | (457,100) | (457,100) |
| Tree Root Provision | 367,700 | 367,700 | 367,700 | 367,700 |
| Winter Maintenance | 168,200 | 168,200 | 168,200 | 168,200 |
| | 337,200 | 289,200 | 289,200 | 289,200 |

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Variation Analysis | | | | |
| 2019/20 ORIGINAL BUDGET | (634,900) | (634,900) | (634,900) | (634,900) |
| Inflation | 0 | 4,400 | 4,400 | 4,400 |
| Efficiency Savings | | | | |
| - Income, Contract and Departmental Efficiencies | 0 | (4,400) | (4,400) | (4,400) |
| - CSOS13 Street Littering and Fly Tipping Contract | 0 | (45,000) | (45,000) | (45,000) |
| - 20-84 (Feb 20) Review of Charges | 0 | (3,000) | (3,000) | (3,000) |
| Budget Transfers | 972,100 | 972,100 | 972,100 | 972,100 |
| NET EXPENDITURE | 337,200 | 289,200 | 289,200 | 289,200 |

EDUCATION AND CHILDRENS SERVICES

SUMMARY BY SERVICE AREA

| <u>SERVICE</u> | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Business Resources | 2,908,094 | 3,914,700 | 3,914,700 | 3,914,700 |
| Children and Families | 43,533,056 | 43,963,050 | 37,263,050 | 37,263,050 |
| Early Help | 19,026,800 | 17,767,200 | 17,767,200 | 17,767,200 |
| Education Standards and Inclusion | 21,640,150 | 21,843,050 | 21,543,050 | 21,543,050 |
| Total Education and Childrens Services | 87,108,100 | 87,488,000 | 80,488,000 | 80,488,000 |

| <u>Variation Analysis</u> | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2019/20 ORIGINAL BUDGET | 88,210,400 | 88,210,400 | 88,210,400 | 88,210,400 |
| Inflation | 9,900 | 167,200 | 167,200 | 167,200 |
| Changes in Government Grants | 0 | 1,108,200 | 1,108,200 | 1,108,200 |
| Other Government or Outside Body Changes | 0 | 0 | 0 | 0 |
| Demand Led Growth | 0 | 0 | 0 | 0 |
| Efficiency Savings | 0 | (440,100) | (440,100) | (440,100) |
| Investment Priorities | 0 | 0 | 0 | 0 |
| Other Growth and Savings | 62,000 | (375,700) | (7,375,700) | (7,375,700) |
| Budget Transfers | (1,174,200) | (1,182,000) | (1,182,000) | (1,182,000) |
| NET EXPENDITURE | 87,108,100 | 87,488,000 | 80,488,000 | 80,488,000 |

EDUCATION AND CHILDRENS SERVICES

SUBJECTIVE ANALYSIS

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <u>Expenditure</u> | | | | |
| Employees | 40,594,455 | 38,691,750 | 38,691,750 | 38,691,750 |
| Premises | 750,300 | 1,496,250 | 1,496,250 | 1,496,250 |
| Transport | 4,388,750 | 4,524,800 | 4,224,800 | 4,224,800 |
| Supplies & Services | 6,836,005 | 6,352,800 | 6,352,800 | 6,352,800 |
| Third Party Payments | 36,606,850 | 34,520,950 | 28,020,950 | 28,020,950 |
| Transfer Payments | 1,793,850 | 1,922,550 | 1,922,550 | 1,922,550 |
| Support Service Recharges | 6,774,800 | 5,662,000 | 5,462,000 | 5,462,000 |
| Depreciation & Impairment | 6,026,300 | 6,026,300 | 6,026,300 | 6,026,300 |
| TOTAL EXPENDITURE | 103,771,310 | 99,197,400 | 92,197,400 | 92,197,400 |
| <u>Income</u> | | | | |
| Government Grants | (13,241,800) | (8,621,900) | (8,621,900) | (8,621,900) |
| Other Grants & Contributions | (2,015,660) | (1,839,500) | (1,839,500) | (1,839,500) |
| Customer & Client Receipts | (933,650) | (722,100) | (722,100) | (722,100) |
| Recharge Income | (472,100) | (525,900) | (525,900) | (525,900) |
| TOTAL INCOME | (16,663,210) | (11,709,400) | (11,709,400) | (11,709,400) |
| TOTAL NET EXPENDITURE | 87,108,100 | 87,488,000 | 80,488,000 | 80,488,000 |

EDUCATION AND CHILDRENS SERVICES

BUSINESS RESOURCES

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|----------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Directorate & Business Resources | 2,908,094 | 3,914,700 | 3,914,700 | 3,914,700 |
| | 2,908,094 | 3,914,700 | 3,914,700 | 3,914,700 |

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Variation Analysis | | | | |
| 2019/20 ORIGINAL BUDGET | 1,375,300 | 1,375,300 | 1,375,300 | 1,375,300 |
| Inflation | 0 | 2,000 | 2,000 | 2,000 |
| Efficiency Savings | | | | |
| -Income, Contract and Departmental Efficiencies | 0 | (2,000) | (2,000) | (2,000) |
| Budget Transfers | 1,532,794 | 2,539,400 | 2,539,400 | 2,539,400 |
| NET EXPENDITURE | 2,908,094 | 3,914,700 | 3,914,700 | 3,914,700 |

EDUCATION AND CHILDRENS SERVICES

CHILDREN AND FAMILIES

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Children in Need Teams | 4,901,900 | 5,021,800 | 4,513,400 | 4,513,400 |
| Children Looked After Teams | 5,961,406 | 5,796,900 | 5,396,900 | 5,396,900 |
| External Care Placements | 15,741,900 | 16,061,100 | 10,861,100 | 10,861,100 |
| Family & Community Services | 7,749,400 | 7,904,400 | 7,704,400 | 7,704,400 |
| Family Centres & Contact Service | 2,233,200 | 2,354,500 | 2,354,500 | 2,354,500 |
| Edge of Care and Intensive Intervention | 749,100 | 749,100 | 657,500 | 657,500 |
| Adoption, Fostering & Permanency | 3,634,250 | 3,511,450 | 3,211,450 | 3,211,450 |
| Safeguarding Standards | 1,524,900 | 1,525,300 | 1,525,300 | 1,525,300 |
| Social Care Academy | 1,037,000 | 1,038,500 | 1,038,500 | 1,038,500 |
| | 43,533,056 | 43,963,050 | 37,263,050 | 37,263,050 |

| Variation Analysis | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2019/20 ORIGINAL BUDGET | 43,974,200 | 43,974,200 | 43,974,200 | 43,974,200 |
| Inflation | 8,600 | 73,500 | 73,500 | 73,500 |
| Changes in Government Grants | | | | |
| -Social Care Support Grant 2019/20 Allocation | | 1,108,200 | 1,108,200 | 1,108,200 |
| Efficiency Savings | | | | |
| -Income, Contract and Departmental Efficiencies | 0 | (54,800) | (54,800) | (54,800) |
| -18-198 (June 2018) Assessed & Supported Year in Employment | 0 | (294,300) | (294,300) | (294,300) |
| Investment Priorities | | | | |
| Other Growth and Savings | | | | |
| -Budget Recovery Plan | 0 | 0 | (6,700,000) | (6,700,000) |
| Budget Transfers | (449,744) | (843,750) | (843,750) | (843,750) |
| NET EXPENDITURE | 43,533,056 | 43,963,050 | 37,263,050 | 37,263,050 |

EDUCATION AND CHILDRENS SERVICES

EARLY HELP

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|--|-------------------|-------------------|-------------------|-------------------|
| | <u>Revised</u> | <u>Budget</u> | <u>Budget</u> | <u>Budget</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Afterschool & Holiday Play centres | (46,600) | (54,300) | (54,300) | (54,300) |
| Youth Services | 3,068,200 | 3,068,200 | 3,068,200 | 3,068,200 |
| Children's Centres | 2,615,350 | 2,615,350 | 2,615,350 | 2,615,350 |
| Youth Offending Team | 1,328,750 | 1,512,300 | 1,512,300 | 1,512,300 |
| Early Years Central & Management Costs | 9,860,500 | 8,425,050 | 8,425,050 | 8,425,050 |
| Early Years - DSG | (26,400) | (26,400) | (26,400) | (26,400) |
| Innovation & Impact Service | 2,227,000 | 2,227,000 | 2,227,000 | 2,227,000 |
| | 19,026,800 | 17,767,200 | 17,767,200 | 17,767,200 |

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|---|-------------------|-------------------|-------------------|-------------------|
| | <u>Revised</u> | <u>Budget</u> | <u>Budget</u> | <u>Budget</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Variation Analysis | | | | |
| 2019/20 ORIGINAL BUDGET | 18,998,400 | 18,998,400 | 18,998,400 | 18,998,400 |
| Inflation | 1,300 | 52,600 | 52,600 | 52,600 |
| Changes in Government Grants | | | | |
| - Troubled Families grant 2020/21 Income | | (931,000) | 0 | 0 |
| - Troubled Families grant 2020/21 Expenditure | | 931,000 | 0 | 0 |
| Other Government or Outside Body Changes | 0 | 0 | 0 | 0 |
| Demand Led Growth | 0 | 0 | 0 | 0 |
| Efficiency Savings | | | | |
| -Income, Contract and Departmental Efficiencies | 0 | (50,500) | (50,500) | (50,500) |
| Other Growth and Savings | | | | |
| - NNDR Realignment | (300) | (300) | (300) | (300) |
| -18-385 (Sept 2018) - Family Recovery Programme (FRP) | 0 | (375,400) | (375,400) | (375,400) |
| -19-49 (Feb 2019) Early Childcare Review | 62,300 | 0 | 0 | 0 |
| Budget Transfers | (34,900) | (857,600) | (857,600) | (857,600) |
| NET EXPENDITURE | 19,026,800 | 17,767,200 | 17,767,200 | 17,767,200 |

EDUCATION STANDARDS AND INCLUSION

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| School Support | 808,300 | 711,700 | 711,700 | 711,700 |
| School Participation & Improvement | 1,825,150 | 2,150,800 | 2,150,800 | 2,150,800 |
| Lifelong Learning | (40,800) | (36,400) | (36,400) | (36,400) |
| Pupil Services | 65,400 | 71,400 | 71,400 | 71,400 |
| S.E.N.D & Psychology Service | 9,255,100 | 9,212,450 | 8,912,450 | 8,912,450 |
| Special Education Needs Travel Assistance | 3,565,100 | 3,571,200 | 3,571,200 | 3,571,200 |
| Schools ICT | 617,300 | 617,300 | 617,300 | 617,300 |
| Schools Depreciation | 5,544,600 | 5,544,600 | 5,544,600 | 5,544,600 |
| | 21,640,150 | 21,843,050 | 21,543,050 | 21,543,050 |

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Variation Analysis | | | | |
| 2019/20 ORIGINAL BUDGET | 23,862,500 | 23,862,500 | 23,862,500 | 23,862,500 |
| Inflation | 0 | 39,100 | 39,100 | 39,100 |
| Efficiency Savings | | | | |
| -Income, Contract and Departmental Efficiencies | 0 | (38,500) | (38,500) | (38,500) |
| Other Growth and Savings | | | | |
| -Budget Recovery Plan | 0 | 0 | (300,000) | (300,000) |
| Budget Transfers | (2,222,350) | (2,020,050) | (2,020,050) | (2,020,050) |
| NET EXPENDITURE | 21,640,150 | 21,843,050 | 21,543,050 | 21,543,050 |

FINANCE AND CORPORATE RESOURCES

SUMMARY BY SERVICE AREA

| <u>SERVICE</u> | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| General Services - Chief Executive and Other | 3,702,700 | 2,011,800 | 1,888,000 | 1,805,400 |
| General Services - Resources | (16,961,500) | (16,686,300) | (13,736,700) | (12,322,700) |
| Revenue Services | 6,710,900 | 6,664,400 | 6,430,400 | 6,430,400 |
| Property Services | (2,642,800) | (4,054,600) | (4,054,600) | (4,054,600) |
| Economic Development | 1,438,200 | 1,239,500 | 1,239,500 | 1,239,500 |
| Environmental Services and Regulatory Services | 3,382,900 | 3,403,800 | 3,403,800 | 3,403,800 |
| Total Finance and Corporate Resources | <u>(4,369,600)</u> | <u>(7,421,400)</u> | <u>(4,829,600)</u> | <u>(3,498,200)</u> |

| Variation Analysis | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2019/20 ORIGINAL BUDGET | (6,897,900) | (6,897,900) | (6,897,900) | (6,897,900) |
| Inflation | 19,000 | 300,800 | 300,800 | 300,800 |
| Changes in Government Grants | 0 | 0 | 0 | 0 |
| Other Government or Outside Body Changes | 0 | (6,500) | (6,500) | (6,500) |
| Demand Led Growth | 0 | 0 | 0 | 0 |
| Efficiency Savings | 0 | (367,500) | (601,500) | (601,500) |
| Investment Priorities | 2,268,100 | (458,600) | (582,400) | (665,000) |
| Other Growth and Savings | (36,700) | (276,600) | 2,673,000 | 4,087,000 |
| Budget Transfers | 277,900 | 284,900 | 284,900 | 284,900 |
| NET EXPENDITURE | <u>(4,369,600)</u> | <u>(7,421,400)</u> | <u>(4,829,600)</u> | <u>(3,498,200)</u> |

FINANCE AND CORPORATE RESOURCES

SUBJECTIVE ANALYSIS

| | <u>2019/20</u> <u>Revised</u> <u>£</u> | <u>2020/21</u> <u>Budget</u> <u>£</u> | <u>2021/22</u> <u>Budget</u> <u>£</u> | <u>2022/23</u> <u>Budget</u> <u>£</u> |
|------------------------------|--|---|---|---|
| <u>Expenditure</u> | | | | |
| Employees | 7,014,300 | 6,734,600 | 6,490,300 | 6,407,700 |
| Premises | 2,521,200 | 803,400 | 803,400 | 803,400 |
| Transport | 52,200 | 52,200 | 52,200 | 52,200 |
| Supplies & Services | 8,899,700 | 9,788,300 | 9,788,300 | 9,788,300 |
| Third Party Payments | 6,100,400 | 5,941,200 | 5,827,700 | 5,827,700 |
| Transfer Payments | 188,974,200 | 188,974,200 | 188,974,200 | 188,974,200 |
| Support Service Recharges | 10,786,200 | 9,745,500 | 9,736,100 | 9,736,100 |
| Depreciation & Impairment | (17,264,500) | (17,264,500) | (17,264,500) | (17,264,500) |
| TOTAL EXPENDITURE | 207,083,700 | 204,774,900 | 204,407,700 | 204,325,100 |
| <u>Income</u> | | | | |
| Government Grants | (185,924,900) | (185,511,700) | (185,511,700) | (185,511,700) |
| Other Grants & Contributions | (146,800) | (193,500) | (193,500) | (193,500) |
| Customer & Client Receipts | (13,390,300) | (13,731,400) | (13,731,400) | (13,731,400) |
| Interest | (9,860,100) | (10,628,500) | (7,669,500) | (6,255,500) |
| Recharge Income | (21,000) | (21,000) | (21,000) | (21,000) |
| Internal charges | (2,110,200) | (2,110,200) | (2,110,200) | (2,110,200) |
| TOTAL INCOME | (211,453,300) | (212,196,300) | (209,237,300) | (207,823,300) |
| NET EXPENDITURE | (4,369,600) | (7,421,400) | (4,829,600) | (3,498,200) |

FINANCE AND CORPORATE RESOURCES

General Services - Chief Executive and Other

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|----------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Corporate Initiatives | 297,700 | 285,400 | 285,400 | 285,400 |
| Community and Partnerships | 1,310,900 | 1,264,200 | 1,264,200 | 1,264,200 |
| Climate Change | 154,300 | 241,400 | 117,600 | 35,000 |
| Emergency Planning | 224,000 | 224,000 | 224,000 | 224,000 |
| Land Charges | (3,200) | (3,200) | (3,200) | (3,200) |
| SSA Programme | 1,719,000 | 0 | 0 | 0 |
| | 3,702,700 | 2,011,800 | 1,888,000 | 1,805,400 |

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Variation Analysis | | | | |
| 2019/20 ORIGINAL BUDGET | 1,746,300 | 1,746,300 | 1,746,300 | 1,746,300 |
| Inflation | 2,500 | 9,900 | 9,900 | 9,900 |
| Efficiency Savings | | | | |
| -Income, Contract and Departmental Efficiencies | 0 | (7,000) | (7,000) | (7,000) |
| Investment Priorities | | | | |
| -19-211 (June 19) SSA Implementation | 1,719,000 | 0 | 0 | 0 |
| -20-18 (Jan 20) Wandsworth Environment and Sustainability Strategy | 154,300 | 241,400 | 117,600 | 35,000 |
| Other Growth and Savings | | | | |
| -19-211 (June 19) Wandsworth Grant Fund | 59,400 | 0 | 0 | 0 |
| Budget Transfers | 21,200 | 21,200 | 21,200 | 21,200 |
| NET EXPENDITURE | 3,702,700 | 2,011,800 | 1,888,000 | 1,805,400 |

FINANCE AND CORPORATE RESOURCES

GENERAL SERVICES - RESOURCES

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|----------------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>Revised</u> | <u>Budget</u> | <u>Budget</u> | <u>Budget</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Registration of Electors | 688,900 | 688,900 | 688,900 | 688,900 |
| General Services Finance | (4,273,200) | (3,858,900) | (899,900) | 514,100 |
| Apprenticeship Levy | 408,000 | 408,000 | 408,000 | 408,000 |
| Capital Financing Account | (17,655,800) | (17,622,700) | (17,622,700) | (17,622,700) |
| Corporate Management Costs | 3,870,600 | 3,698,400 | 3,689,000 | 3,689,000 |
| | (16,961,500) | (16,686,300) | (13,736,700) | (12,322,700) |

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|--|---------------------|---------------------|---------------------|---------------------|
| | <u>Revised</u> | <u>Budget</u> | <u>Budget</u> | <u>Budget</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Variation Analysis | | | | |
| 2019/20 ORIGINAL BUDGET | (17,262,700) | (17,262,700) | (17,262,700) | (17,262,700) |
| Inflation | 300 | 170,700 | 170,700 | 170,700 |
| Other Government or Outside Body Changes | | | | |
| - Removal of investment General Data Protection Regula | 0 | (35,300) | (35,300) | (35,300) |
| Efficiency Savings | | | | |
| - Introduction of Multi-functional Printer Devices | 0 | (44,200) | (44,200) | (44,200) |
| - Income, Contract and Departmental Efficiencies | 0 | (169,000) | (169,000) | (169,000) |
| - Redesign of Senior Management | 0 | (40,000) | (40,000) | (40,000) |
| Other Growth and Savings | | | | |
| - Information Governance | 63,500 | 9,400 | 0 | 0 |
| - Interest on Investments | 0 | 444,000 | 3,403,000 | 4,817,000 |
| Budget Transfers | 237,400 | 240,800 | 240,800 | 240,800 |
| NET EXPENDITURE | (16,961,500) | (16,686,300) | (13,736,700) | (12,322,700) |

FINANCE AND CORPORATE RESOURCES

REVENUE SERVICES

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Council Tax & NNDR Collection | 1,368,900 | 1,316,600 | 1,082,600 | 1,082,600 |
| Housing & Council Tax Benefits | 5,342,000 | 5,347,800 | 5,347,800 | 5,347,800 |
| | 6,710,900 | 6,664,400 | 6,430,400 | 6,430,400 |

| Variation Analysis | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2019/20 ORIGINAL BUDGET | 6,709,300 | 6,709,300 | 6,709,300 | 6,709,300 |
| Inflation | 2,400 | 23,000 | 23,000 | 23,000 |
| Efficiency Savings | | | | |
| - Council Tax and NNDR Joint Solution | 0 | (50,000) | (212,000) | (212,000) |
| - FCR 708 Council Tax and NNDR IT System | 0 | 0 | (72,000) | (72,000) |
| - Income, Contract and Departmental Efficiencies | 0 | (14,800) | (14,800) | (14,800) |
| Budget Transfers | (800) | (3,100) | (3,100) | (3,100) |
| NET EXPENDITURE | 6,710,900 | 6,664,400 | 6,430,400 | 6,430,400 |

FINANCE AND CORPORATE RESOURCES

PROPERTY SERVICES

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>Revised</u> | <u>Budget</u> | <u>Budget</u> | <u>Budget</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Commercial Properties | (4,882,600) | (5,220,500) | (5,220,500) | (5,220,500) |
| Energy Management Schemes | 74,800 | 0 | 0 | 0 |
| Operational Properties | 1,813,700 | 969,300 | 969,300 | 969,300 |
| Properties Pending Disposal | 351,300 | 196,600 | 196,600 | 196,600 |
| | (2,642,800) | (4,054,600) | (4,054,600) | (4,054,600) |

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|--|--------------------|--------------------|--------------------|--------------------|
| | <u>Revised</u> | <u>Budget</u> | <u>Budget</u> | <u>Budget</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Variation Analysis | | | | |
| 2019/20 ORIGINAL BUDGET | (2,614,300) | (2,614,300) | (2,614,300) | (2,614,300) |
| Inflation | 19,800 | 83,100 | 83,100 | 83,100 |
| Efficiency Savings | | | | |
| - Introduction of Multi-functional Printer Devices | 0 | (200) | (200) | (200) |
| - Income, Contract and Departmental Efficiencies | 0 | (15,600) | (15,600) | (15,600) |
| Investment Priorities | | | | |
| - 19-211(July 19) Workspace Strategy | 130,000 | (700,000) | (700,000) | (700,000) |
| - 19-211(July 19) Property Consultancy Costs | 190,000 | 0 | 0 | 0 |
| - Energy Efficiency Measures (Renewals Fund) | 74,800 | 0 | 0 | 0 |
| Other Growth and Savings | | | | |
| - Increase in Commercial Rental Income | (355,500) | (700,900) | (700,900) | (700,900) |
| - Inter-borough Courier Costs | 8,300 | 8,300 | 8,300 | 8,300 |
| - Changes to NNDR Liability | (12,400) | (12,400) | (12,400) | (12,400) |
| - Valuation Income from Disposals | | (25,000) | (25,000) | (25,000) |
| Budget Transfers | (83,500) | (77,600) | (77,600) | (77,600) |
| NET EXPENDITURE | (2,642,800) | (4,054,600) | (4,054,600) | (4,054,600) |

FINANCE AND CORPORATE RESOURCES

Economic Development

| | <u>2019/20</u> <u>Revised</u> <u>£</u> | <u>2020/21</u> <u>Budget</u> <u>£</u> | <u>2021/22</u> <u>Budget</u> <u>£</u> | <u>2022/23</u> <u>Budget</u> <u>£</u> |
|----------------------|--|---|---|---|
| Economic Development | 555,000 | 355,000 | 355,000 | 355,000 |
| Town Centres | 883,200 | 884,500 | 884,500 | 884,500 |
| | 1,438,200 | 1,239,500 | 1,239,500 | 1,239,500 |

| | <u>2019/20</u> <u>Revised</u> <u>£</u> | <u>2020/21</u> <u>Budget</u> <u>£</u> | <u>2021/22</u> <u>Budget</u> <u>£</u> | <u>2022/23</u> <u>Budget</u> <u>£</u> |
|--|--|---|---|---|
| Variation Analysis | | | | |
| 2019/20 ORIGINAL BUDGET | 1,270,700 | 1,270,700 | 1,270,700 | 1,270,700 |
| Inflation | (6,100) | 8,700 | 8,700 | 8,700 |
| Efficiency Savings | | | | |
| - Income, Contract and Departmental Efficiencies | 0 | (13,500) | (13,500) | (13,500) |
| Other Growth and Savings | | | | |
| - 19-211 (June 19) Town Centre Development | 200,000 | 0 | 0 | 0 |
| Budget Transfers | (26,400) | (26,400) | (26,400) | (26,400) |
| NET EXPENDITURE | 1,438,200 | 1,239,500 | 1,239,500 | 1,239,500 |

FINANCE AND CORPORATE RESOURCES

ENVIRONMENTAL SERVICES AND REGULATORY SERVICES

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|------------------------------|------------------|------------------|------------------|------------------|
| | <u>Revised</u> | <u>Budget</u> | <u>Budget</u> | <u>Budget</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Community Safety | 697,200 | 697,500 | 697,500 | 697,500 |
| Coroners' Court and Mortuary | 552,600 | 552,600 | 552,600 | 552,600 |
| Regulatory Services | 2,133,100 | 2,153,700 | 2,153,700 | 2,153,700 |
| | 3,382,900 | 3,403,800 | 3,403,800 | 3,403,800 |

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|--|------------------|------------------|------------------|------------------|
| | <u>Revised</u> | <u>Budget</u> | <u>Budget</u> | <u>Budget</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Variation Analysis | | | | |
| 2019/20 ORIGINAL BUDGET | 3,252,800 | 3,252,800 | 3,252,800 | 3,252,800 |
| Inflation | 100 | 5,400 | 5,400 | 5,400 |
| Other Government or Outside Body Changes | | | | |
| - Pension Cost Increase | 0 | 28,800 | 28,800 | 28,800 |
| Efficiency Savings | | | | |
| - Income, Contract and Departmental Efficiencies | 0 | (3,700) | (3,700) | (3,700) |
| - Introduction of Multi-functional Printer Devices | 0 | (9,500) | (9,500) | (9,500) |
| Budget Transfers | 130,000 | 130,000 | 130,000 | 130,000 |
| NET EXPENDITURE | 3,382,900 | 3,403,800 | 3,403,800 | 3,403,800 |

FINANCE AND CORPORATE SERVICES

SUMMARY BY SERVICE AREA

CENTRAL SUPPORT

| <u>SERVICE</u> | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Central Services - Resources Directorate | 14,758,200 | 14,777,500 | 14,777,500 | 14,777,500 |
| Central Services - Chief Executives Group | 8,527,000 | 8,305,600 | 8,296,200 | 8,296,200 |
| Property Services Support Functions | 9,175,400 | 8,384,600 | 8,384,600 | 8,384,600 |
| | 32,460,600 | 31,467,700 | 31,458,300 | 31,458,300 |

| <u>Variation Analysis</u> | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2019/20 ORIGINAL BUDGET | 32,718,500 | 32,718,500 | 32,718,500 | 32,718,500 |
| Inflation | 27,200 | 321,200 | 321,200 | 321,200 |
| Changes in Government Grants | 0 | 0 | 0 | 0 |
| Other Government or Outside Body Changes | 0 | (35,250) | (35,250) | (35,250) |
| Demand Led Growth | 0 | 0 | 0 | 0 |
| Efficiency Savings | 0 | (277,800) | (277,800) | (277,800) |
| Investment Priorities | 190,000 | (700,000) | (700,000) | (700,000) |
| Other Growth and Savings | 56,100 | 2,000 | (7,400) | (7,400) |
| Budget Transfers | (531,200) | (560,900) | (560,900) | (560,900) |
| NET EXPENDITURE | 32,460,600 | 31,467,750 | 31,458,350 | 31,458,350 |

FINANCE AND CORPORATE RESOURCES

SUBJECTIVE ANALYSIS CENTRAL SUPPORT

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <u>Expenditure</u> | | | | |
| Employees | 20,523,200 | 19,958,050 | 19,948,650 | 19,948,650 |
| Premises | 5,909,100 | 5,993,700 | 5,993,700 | 5,993,700 |
| Transport | 135,900 | 135,900 | 135,900 | 135,900 |
| Supplies & Services | 9,175,000 | 8,642,300 | 8,642,300 | 8,642,300 |
| Third Party Payments | 2,168,700 | 2,179,100 | 2,179,100 | 2,179,100 |
| Depreciation & Impairment | 782,400 | 782,400 | 782,400 | 782,400 |
| TOTAL EXPENDITURE | 38,694,300 | 37,691,450 | 37,682,050 | 37,682,050 |
| <u>Income</u> | | | | |
| Government Grants | (183,900) | (170,300) | (170,300) | (170,300) |
| Other Grants & Contributions | (1,495,800) | (1,495,800) | (1,495,800) | (1,495,800) |
| Customer & Client Receipts | (3,308,200) | (3,311,800) | (3,311,800) | (3,311,800) |
| Internal charges | (1,245,800) | (1,245,800) | (1,245,800) | (1,245,800) |
| TOTAL INCOME | (6,233,700) | (6,223,700) | (6,223,700) | (6,223,700) |
| TOTAL NET EXPENDITURE | 32,460,600 | 31,467,750 | 31,458,350 | 31,458,350 |

FINANCE AND CORPORATE RESOURCES

CENTRAL SERVICES - RESOURCES DIRECTORATE

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Corporate Services | 7,704,400 | 7,760,900 | 7,760,900 | 7,760,900 |
| Resources Directorate and General Services | 973,000 | 971,500 | 971,500 | 971,500 |
| Financial Management | 2,584,500 | 2,553,300 | 2,553,300 | 2,553,300 |
| Financial Services | 1,671,600 | 1,668,800 | 1,668,800 | 1,668,800 |
| Revenues Services | 1,824,700 | 1,823,000 | 1,823,000 | 1,823,000 |
| | 14,758,200 | 14,777,500 | 14,777,500 | 14,777,500 |

| Variation Analysis | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2019/20 ORIGINAL BUDGET | 14,311,400 | 14,311,400 | 14,311,400 | 14,311,400 |
| Inflation | 3,000 | 96,300 | 96,300 | 96,300 |
| Efficiency Savings | | | | |
| - Introduction of Multi-functional Printer Devices | 0 | (35,400) | (35,400) | (35,400) |
| -Income,Contract and Departmental Efficiencies | 0 | (93,400) | (93,400) | (93,400) |
| Budget Transfers | 443,800 | 498,600 | 498,600 | 498,600 |
| NET EXPENDITURE | 14,758,200 | 14,777,500 | 14,777,500 | 14,777,500 |

FINANCE AND CORPORATE RESOURCES

CENTRAL SERVICES - CHIEF EXECUTIVE'S GROUP

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|----------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Customers and Partnerships | 2,594,200 | 2,504,800 | 2,495,400 | 2,495,400 |
| Policy and Performance | 5,932,800 | 5,800,800 | 5,800,800 | 5,800,800 |
| | 8,527,000 | 8,305,600 | 8,296,200 | 8,296,200 |

| Variation Analysis | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2019/20 ORIGINAL BUDGET | 8,695,800 | 8,695,800 | 8,695,800 | 8,695,800 |
| Inflation | 0 | 89,100 | 89,100 | 89,100 |
| Other Government or Outside Body Changes | | | | |
| - Removal of investment General Data Protection Regulation Requirements | 0 | (35,300) | (35,300) | (35,300) |
| Efficiency Savings | | | | |
| - Introduction of Multi-functional Printer Devices | 0 | (8,000) | (8,000) | (8,000) |
| - Redesign Senior Management | 0 | (40,000) | (40,000) | (40,000) |
| - Income, Contract and Departmental Efficiencies | 0 | (89,100) | (89,100) | (89,100) |
| Other Growth and Savings | | | | |
| - Information Governance | 63,500 | 9,400 | 0 | 0 |
| Budget Transfers | (232,300) | (316,300) | (316,300) | (316,300) |
| NET EXPENDITURE | 8,527,000 | 8,305,600 | 8,296,200 | 8,296,200 |

FINANCE AND CORPORATE RESOURCES

PROPERTY SERVICES

| | <u>2018/19</u> <u>Revised</u> <u>£</u> | <u>2019/20</u> <u>Budget</u> <u>£</u> | <u>2020/21</u> <u>Budget</u> <u>£</u> | <u>2021/22</u> <u>Budget</u> <u>£</u> |
|------------------------------|--|---|---|---|
| Borough Valuers | 425,300 | 425,300 | 425,300 | 425,300 |
| Building Costs | 4,320,800 | 4,397,800 | 4,397,800 | 4,397,800 |
| Schools and Building Capital | 342,300 | 342,300 | 342,300 | 342,300 |
| Facilities Management | 4,087,000 | 3,219,200 | 3,219,200 | 3,219,200 |
| | 9,175,400 | 8,384,600 | 8,384,600 | 8,384,600 |

| | <u>2019/20</u> <u>Revised</u> <u>£</u> | <u>2020/21</u> <u>Budget</u> <u>£</u> | <u>2021/22</u> <u>Budget</u> <u>£</u> | <u>2022/23</u> <u>Budget</u> <u>£</u> |
|--|--|---|---|---|
| Variation Analysis | | | | |
| 2018/19 ORIGINAL BUDGET | 9,711,300 | 9,711,300 | 9,711,300 | 9,711,300 |
| Inflation | 24,200 | 135,800 | 135,800 | 135,800 |
| Efficiency Savings | | | | |
| - Income, Contract and Departmental Efficiencies | 0 | (11,900) | (11,900) | (11,900) |
| Investment Priorities | | | | |
| - 19-211(July 19) Workspace Strategy | 190,000 | (700,000) | (700,000) | (700,000) |
| Other Growth and Savings | | | | |
| - Inter- borough courier costs | 8,300 | 8,300 | 8,300 | 8,300 |
| - Changes to NNDR liability | (15,700) | (15,700) | (15,700) | (15,700) |
| Budget Transfers | (742,700) | (743,200) | (743,200) | (743,200) |
| NET EXPENDITURE | 9,175,400 | 8,384,600 | 8,384,600 | 8,384,600 |

HOUSING AND REGENERATION

SUMMARY BY SERVICE AREA

| <u>SERVICE</u> | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Housing Management and Service Strategy | 287,300 | 133,400 | 133,400 | 133,400 |
| Housing Services | 6,321,300 | 5,955,100 | 9,912,900 | 9,912,900 |
| Private Sector Housing | 612,900 | 624,500 | 624,500 | 624,500 |
| Total Housing and Regeneration | 7,221,500 | 6,713,000 | 10,670,800 | 10,670,800 |

| Variation Analysis | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2019/20 ORIGINAL BUDGET | 6,432,300 | 6,432,300 | 6,432,300 | 6,432,300 |
| Inflation | 7,200 | 17,000 | 17,000 | 17,000 |
| Changes in Government Grants | 135,000 | (503,900) | 3,453,900 | 3,453,900 |
| Other Government or Outside Body Changes | 2,300 | 16,800 | 16,800 | 16,800 |
| Demand Led Growth | 600,000 | 730,000 | 730,000 | 730,000 |
| Efficiency Savings | 0 | (32,700) | (32,700) | (32,700) |
| Investment Priorities | 0 | 0 | 0 | 0 |
| Other Growth and Savings | 53,400 | 45,100 | 45,100 | 45,100 |
| Budget Transfers | (8,700) | 8,400 | 8,400 | 8,400 |
| NET EXPENDITURE | 7,221,500 | 6,713,000 | 10,670,800 | 10,670,800 |

HOUSING AND REGENERATION

SUBJECTIVE ANALYSIS

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <u>Expenditure</u> | | | | |
| Employees | 4,869,300 | 5,433,000 | 5,433,000 | 5,433,000 |
| Premises | 375,900 | 394,400 | 394,400 | 394,400 |
| Transport | 27,300 | 27,500 | 27,500 | 27,500 |
| Supplies & Services | 1,659,600 | 1,502,800 | 1,502,800 | 1,502,800 |
| Third Party Payments | 21,513,400 | 20,422,600 | 20,422,600 | 20,422,600 |
| Transfer Payments | 1,103,800 | 1,443,000 | 1,443,000 | 1,443,000 |
| Support Service Recharges | 844,600 | 839,800 | 839,800 | 839,800 |
| TOTAL EXPENDITURE | 30,393,900 | 30,063,100 | 30,063,100 | 30,063,100 |
| <u>Income</u> | | | | |
| Government Grants | (4,108,100) | (4,708,000) | (750,200) | (750,200) |
| Other Grants & Contributions | (560,000) | (664,000) | (664,000) | (664,000) |
| Customer & Client Receipts | (16,002,000) | (15,474,800) | (15,474,800) | (15,474,800) |
| Interest | (19,000) | (20,000) | (20,000) | (20,000) |
| Recharge Income | (327,000) | (327,000) | (327,000) | (327,000) |
| Internal Charges | (2,156,300) | (2,156,300) | (2,156,300) | (2,156,300) |
| TOTAL INCOME | (23,172,400) | (23,350,100) | (19,392,300) | (19,392,300) |
| NET EXPENDITURE | 7,221,500 | 6,713,000 | 10,670,800 | 10,670,800 |

HOUSING AND REGENERATION

HOUSING MANAGEMENT AND SERVICE STRATEGY

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Affordable Housing and Service Strategy | 125,000 | (25,000) | (25,000) | (25,000) |
| Animal Welfare | 40,000 | 40,000 | 40,000 | 40,000 |
| Graffiti Removal | 180,200 | 180,000 | 180,000 | 180,000 |
| House Purchase and Leaseholder Advances | (23,000) | (24,000) | (24,000) | (24,000) |
| Travellers Site | (11,300) | (13,600) | (13,600) | (13,600) |
| Warden Services, Watch and Telecare | (23,600) | (24,000) | (24,000) | (24,000) |
| | 287,300 | 133,400 | 133,400 | 133,400 |

| Variation Analysis | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2019/20 ORIGINAL BUDGET | 122,900 | 122,900 | 122,900 | 122,900 |
| Inflation | 7,200 | 10,200 | 10,200 | 10,200 |
| Changes in Government Grants | | | | |
| - 17-178 (June 17) Self and Custom Build Expenditure | 0 | (15,000) | (15,000) | (15,000) |
| - 19-221 (June 19) Self and Custom Build Expenditure | 135,000 | 0 | 0 | 0 |
| Other Government or Outside Body Changes | | | | |
| - Ex GLA Home Loans Unit Surplus Distribution | 2,300 | 2,300 | 2,300 | 2,300 |
| Efficiency Savings | | | | |
| - Introduction of Multi-functional Printer Devices | 0 | (600) | (600) | (600) |
| - Income, Contract and Departmental Efficiencies | 0 | (2,500) | (2,500) | (2,500) |
| - Review of Emergency Control Recharges | 0 | (20,000) | (20,000) | (20,000) |
| Other Growth and Savings | | | | |
| - Revision of Leaseholder Loan Interest | 6,000 | 5,000 | 5,000 | 5,000 |
| - Review of Fees and Charges Income | 0 | (2,800) | (2,800) | (2,800) |
| Budget Transfers | 13,900 | 33,900 | 33,900 | 33,900 |
| NET EXPENDITURE | 287,300 | 133,400 | 133,400 | 133,400 |

HOUSING AND REGENERATION

HOUSING SERVICES

| | <u>2019/20</u> <u>Revised</u> <u>£</u> | <u>2020/21</u> <u>Budget</u> <u>£</u> | <u>2021/22</u> <u>Budget</u> <u>£</u> | <u>2022/23</u> <u>Budget</u> <u>£</u> |
|--|--|---|---|---|
| Direct Asylum Seeker and Other Destitute Costs | 549,500 | 547,600 | 547,600 | 547,600 |
| Direct Homelessness Costs | 3,175,500 | 2,581,800 | 5,793,200 | 5,793,200 |
| Homelessness Prevention Schemes | 777,100 | 627,400 | 1,373,800 | 1,373,800 |
| Housing Services Administration | 1,819,200 | 2,198,300 | 2,198,300 | 2,198,300 |
| | 6,321,300 | 5,955,100 | 9,912,900 | 9,912,900 |

| Variation Analysis | <u>2019/20</u> <u>Revised</u> <u>£</u> | <u>2020/21</u> <u>Budget</u> <u>£</u> | <u>2021/22</u> <u>Budget</u> <u>£</u> | <u>2022/23</u> <u>Budget</u> <u>£</u> |
|--|--|---|---|---|
| 2019/20 ORIGINAL BUDGET | 5,652,500 | 5,652,500 | 5,652,500 | 5,652,500 |
| Inflation | 0 | 6,500 | 6,500 | 6,500 |
| Changes in Government Grants | | | | |
| - Flexible Homelessness Grant Income | 0 | 0 | 3,211,400 | 3,211,400 |
| - Homelessness Reduction Act Support Grant | 0 | (488,900) | 257,500 | 257,500 |
| - Rough Sleepers Grant Expenditure | 477,000 | 690,200 | 0 | 0 |
| - Rough Sleepers Grant Income | (477,000) | (690,200) | 0 | 0 |
| - Cold Weather Fund Grant Expenditure | 102,900 | 0 | 0 | 0 |
| - Cold Weather Fund Grant Income | (102,900) | 0 | 0 | 0 |
| Demand Led Growth | | | | |
| - 19-166 (Jun 19) Annual Review of Housing Resources | 600,000 | 350,000 | 350,000 | 350,000 |
| - 20-10 (Jan 20) Housing Services Staffing review | 0 | 380,000 | 380,000 | 380,000 |
| Efficiency Savings | | | | |
| - Introduction of Multi-functional Printer Devices | 0 | (2,800) | (2,800) | (2,800) |
| - Income, Contract and Departmental Efficiencies | 0 | (6,500) | (6,500) | (6,500) |
| Other Growth and Savings | | | | |
| - 20-09 (Jan 20) Setting the Standards Scheme | 47,400 | 42,900 | 42,900 | 42,900 |
| Budget Transfers | 21,400 | 21,400 | 21,400 | 21,400 |
| NET EXPENDITURE | 6,321,300 | 5,955,100 | 9,912,900 | 9,912,900 |

HOUSING AND REGENERATION

PRIVATE SECTOR HOUSING

| | <u>2019/20</u> <u>Revised</u> <u>£</u> | <u>2020/21</u> <u>Budget</u> <u>£</u> | <u>2021/22</u> <u>Budget</u> <u>£</u> | <u>2022/23</u> <u>Budget</u> <u>£</u> |
|-------------------------|--|---|---|---|
| Home Improvement Agency | 0 | 0 | 0 | 0 |
| Private Sector Housing | 612,900 | 624,500 | 624,500 | 624,500 |
| | 612,900 | 624,500 | 624,500 | 624,500 |

| | <u>2019/20</u> <u>Revised</u> <u>£</u> | <u>2020/21</u> <u>Budget</u> <u>£</u> | <u>2021/22</u> <u>Budget</u> <u>£</u> | <u>2022/23</u> <u>Budget</u> <u>£</u> |
|--|--|---|---|---|
| Variation Analysis | | | | |
| 2019/20 ORIGINAL BUDGET | 656,900 | 656,900 | 656,900 | 656,900 |
| Inflation | 0 | 300 | 300 | 300 |
| Other Government or Outside Body Changes | | | | |
| - Pension Cost Increase | 0 | 14,500 | 14,500 | 14,500 |
| Efficiency Savings | | | | |
| - Income, Contract and Departmental Efficiencies | 0 | (300) | (300) | (300) |
| Budget Transfers | (44,000) | (46,900) | (46,900) | (46,900) |
| NET EXPENDITURE | 612,900 | 624,500 | 624,500 | 624,500 |

STRATEGIC PLANNING AND TRANSPORTATION

SUMMARY BY SERVICE AREA

| <u>SERVICE</u> | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| ECS Management and Support | 7,206,500 | 7,206,500 | 7,206,500 | 7,206,500 |
| Planning and Transport | 964,900 | 815,100 | 621,100 | 621,100 |
| Traffic and Engineering | (7,331,100) | (8,477,800) | (8,477,800) | (8,477,800) |
| Total Strategic Planning and Transportation | 840,300 | (456,200) | (650,200) | (650,200) |

| Variation Analysis | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2019/20 ORIGINAL BUDGET | (22,200) | (22,200) | (22,200) | (22,200) |
| Inflation | 401,200 | 569,800 | 569,800 | 569,800 |
| Changes in Government Grants | 0 | (15,000) | (15,000) | (15,000) |
| Efficiency Savings | 0 | (600,100) | (794,100) | (794,100) |
| Investment Priorities | 242,000 | 0 | 0 | 0 |
| Other Growth and Savings | 0 | (600,000) | (600,000) | (600,000) |
| Budget Transfers | 219,300 | 211,300 | 211,300 | 211,300 |
| NET EXPENDITURE | 840,300 | (456,200) | (650,200) | (650,200) |

STRATEGIC PLANNING AND TRANSPORTATION

SUBJECTIVE ANALYSIS

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <u>Expenditure</u> | | | | |
| Employees | 4,136,700 | 4,053,300 | 3,859,300 | 3,859,300 |
| Premises | 1,266,300 | 1,078,700 | 1,078,700 | 1,078,700 |
| Transport | 18,500 | 18,500 | 18,500 | 18,500 |
| Supplies & Services | 4,340,500 | 4,086,000 | 4,086,000 | 4,086,000 |
| Third Party Payments | 6,929,300 | 6,994,500 | 6,994,500 | 6,994,500 |
| Transfer Payments | 14,134,700 | 14,134,700 | 14,134,700 | 14,134,700 |
| Support Service Recharges | 2,529,900 | 2,590,600 | 2,590,600 | 2,590,600 |
| Depreciation & Impairment | 7,397,400 | 7,397,400 | 7,397,400 | 7,397,400 |
| TOTAL EXPENDITURE | 40,753,300 | 40,353,700 | 40,159,700 | 40,159,700 |
| <u>Income</u> | | | | |
| Other Grants & Contributions | (479,600) | (547,200) | (547,200) | (547,200) |
| Customer & Client Receipts | (39,109,400) | (40,014,400) | (40,014,400) | (40,014,400) |
| Recharge Income | (144,600) | (64,000) | (64,000) | (64,000) |
| Internal charges | (179,400) | (184,300) | (184,300) | (184,300) |
| TOTAL INCOME | (39,913,000) | (40,809,900) | (40,809,900) | (40,809,900) |
| TOTAL NET EXPENDITURE | 840,300 | (456,200) | (650,200) | (650,200) |

STRATEGIC PLANNING AND TRANSPORTATION

PLANNING AND TRANSPORT

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Building Control | 5,600 | 5,600 | 5,600 | 5,600 |
| Development Management | (662,800) | (797,700) | (797,700) | (797,700) |
| Information & Business Support | 258,600 | 258,600 | 258,600 | 258,600 |
| Policy & Design | 1,138,700 | 1,123,800 | 929,800 | 929,800 |
| Transport Strategy | 224,800 | 224,800 | 224,800 | 224,800 |
| | 964,900 | 815,100 | 621,100 | 621,100 |

| | <u>2019/20</u> <u>Revised</u> £ | <u>2020/21</u> <u>Budget</u> £ | <u>2021/22</u> <u>Budget</u> £ | <u>2022/23</u> <u>Budget</u> £ |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Variation Analysis | | | | |
| 2019/20 ORIGINAL BUDGET | 859,200 | 859,200 | 859,200 | 859,200 |
| Inflation | 45,700 | 61,200 | 61,200 | 61,200 |
| Changes in Government Grants | | | | |
| 17-178 (July 17) Self and Custom Build Expenditure | 0 | (15,000) | (15,000) | (15,000) |
| Efficiency Savings | | | | |
| - 16-138 (April 16) Shared Staffing Agreement | 0 | 0 | (194,000) | (194,000) |
| - 20-054 (Feb 20) Review of Charges | 0 | (135,000) | (135,000) | (135,000) |
| - Income, Contract and Departmental Efficiencies | 0 | (15,300) | (15,300) | (15,300) |
| Budget Transfers | 60,000 | 60,000 | 60,000 | 60,000 |
| NET EXPENDITURE | 964,900 | 815,100 | 621,100 | 621,100 |

STRATEGIC PLANNING AND TRANSPORTATION

ECS MANAGEMENT AND SUPPORT

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|---------------------|------------------|------------------|------------------|------------------|
| | <u>Revised</u> | <u>Budget</u> | <u>Budget</u> | <u>Budget</u> |
| | £ | £ | £ | £ |
| Precepts and Levies | 303,300 | 303,300 | 303,300 | 303,300 |
| Depreciation | 6,903,200 | 6,903,200 | 6,903,200 | 6,903,200 |
| | 7,206,500 | 7,206,500 | 7,206,500 | 7,206,500 |

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|--------------------------------|------------------|------------------|------------------|------------------|
| | <u>Revised</u> | <u>Budget</u> | <u>Budget</u> | <u>Budget</u> |
| | £ | £ | £ | £ |
| Variation Analysis | | | | |
| 2019/20 ORIGINAL BUDGET | 5,866,600 | 5,866,600 | 5,866,600 | 5,866,600 |
| Budget Transfers | 1,339,900 | 1,339,900 | 1,339,900 | 1,339,900 |
| NET EXPENDITURE | 7,206,500 | 7,206,500 | 7,206,500 | 7,206,500 |

STRATEGIC PLANNING AND TRANSPORTATION

TRAFFIC AND ENGINEERING

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|---------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | <u>Revised</u> | <u>Budget</u> | <u>Budget</u> | <u>Budget</u> |
| | £ | £ | £ | £ |
| CCTV | 474,500 | 305,000 | 305,000 | 305,000 |
| Concessionary Fares | 14,245,500 | 14,245,500 | 14,245,500 | 14,245,500 |
| Engineering - Parking & Traffic | 779,700 | 770,500 | 770,500 | 770,500 |
| Engineering - Highways | 2,187,700 | 2,016,300 | 2,016,300 | 2,016,300 |
| Engineering - Road Safety | 2,427,100 | 2,448,500 | 2,448,500 | 2,448,500 |
| Parking Administration | 2,765,700 | 2,523,700 | 2,523,700 | 2,523,700 |
| Parking including Contract Management | <u>(30,211,300)</u> | <u>(30,787,300)</u> | <u>(30,787,300)</u> | <u>(30,787,300)</u> |
| | <u>(7,331,100)</u> | <u>(8,477,800)</u> | <u>(8,477,800)</u> | <u>(8,477,800)</u> |

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | <u>Revised</u> | <u>Budget</u> | <u>Budget</u> | <u>Budget</u> |
| | £ | £ | £ | £ |
| Variation Analysis | | | | |
| 2019/20 ORIGINAL BUDGET | (6,748,000) | (6,748,000) | (6,748,000) | (6,748,000) |
| Inflation | 355,500 | 508,600 | 508,600 | 508,600 |
| Efficiency Savings | | | | |
| - 16-138 (April 16) Shared Staffing Agreement | 0 | (169,000) | (169,000) | (169,000) |
| - 16-256 (July16) Street Lighting Energy Efficiency | 0 | (189,000) | (189,000) | (189,000) |
| - 20-054 (Feb 20) Review of Charges | 0 | (5,900) | (5,900) | (5,900) |
| - Income, Contract and Departmental Efficiencies | 0 | (85,900) | (85,900) | (85,900) |
| Investment Priorities | | | | |
| - 19-211 (July 19) Parking IT System | 242,000 | 0 | 0 | 0 |
| Other Growth and Savings | | | | |
| - 19-33 (February 19) Review of Parking Charges | 0 | (600,000) | (600,000) | (600,000) |
| Budget Transfers | (1,180,600) | (1,188,600) | (1,188,600) | (1,188,600) |
| NET EXPENDITURE | <u>(7,331,100)</u> | <u>(8,477,800)</u> | <u>(8,477,800)</u> | <u>(8,477,800)</u> |

WANDSWORTH BOROUGH COUNCILFINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE –
23RD JANUARY 2020EXECUTIVE – 27TH JANUARY 2020Report by the Director of Resources on proposed additions to the General Fund
Capital ProgrammeSUMMARY

This is the annual General Fund capital bids report.

It is proposed to add capital schemes costing £45.5 million gross to the capital programme in 2019/20, 2020/21, 2021/22 and future years, including £4.1 million being met by grant, £10.7 million being met by Strategic Community Infrastructure Levy, £22.2 million being met by Nine Elms Funding and £8.6 million met by capital receipts.

The net Council-financed schemes would increase net revenue expenditure by £60,000 in a full year, equivalent to £0.45 Council Tax at Band D. A new budget framework for the General Capital Programme is therefore recommended for adoption by the Council.

GLOSSARY

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

Proposed additions to the General Capital Programme

RECOMMENDATIONS

1. The Finance and Corporate Resources Overview and Scrutiny Committee are recommended to support the recommendations in paragraph 2. If they approve any views, comments or recommendations on the report, these will be submitted to the Executive or the appropriate regulatory and other committees for their consideration.
2. The Executive is recommended to:
 - (a) approve the additions to the General Capital Programme and revenue effects as set out in Appendix A to this report;
 - (b) approve the £33 million of historic infrastructure expenditure which has previously been financed using General Fund capital receipts but which meets the CIL regulations requirements and can therefore be re-financed to utilise SCIL receipts (paragraph 24); and
 - (c) recommend the Council to adopt the capital programme summarised in paragraph 10, and shown in full in Appendix B, the capital resources statement shown in paragraph 30, and the limit on the Executive's discretion described in paragraph 36, as the framework for the general (non-Housing Revenue Account) capital budget.

INTRODUCTION

3. On 16th October 2019, on the recommendation of the Executive on 7th October 2019 (Paper No. 19-290), the Council adopted the General Capital Programme and its financing for the years 2019/20 to 2023/24. The Executive instructed all Directors to put forward any proposed additions for consideration in this cycle of meetings. This paper updates the previous review in the light of latest information on potential finance and of the additional spending now proposed.

NEW ADDITIONS TO THE GENERAL CAPITAL PROGRAMME

4. Due to the current financial circumstances and the overall pressures on council tax in the next few years, the process that was adopted in 2013 in respect of additions to the capital programme has again been used. The general assumptions in relation to the funding of new capital schemes are as follows:

Proposed additions to the General Capital Programme

- (a) schools expenditure for repairs and new places (both primary and secondary) will normally be limited to that funded from either Government grant or from directly linked site sales. The Department for Education has yet to notify the Council of its grant support for 2020/21. If further grant funding is received, a list of prioritised schemes will be presented to the Education and Children's Services Overview and Scrutiny Committee with a recommendation to approve additions to the capital programme at that time;
 - (b) for non-housing and non school-related Council operational property, schemes will be restricted to those that will either provide future revenue savings, are critical to keeping a property in use or will facilitate the Council's regeneration schemes. Schemes that are critical to keeping a property in use have been selected based upon the current condition information and maintenance forecast. These schemes are required to mitigate any health and safety issues (such as fire alarm replacement or electrical rewiring) or involve boiler/heating equipment at the end of its useful life. All schemes progressed will be conditional on retention of the properties for Council use beyond 2020. Total operational buildings bids are £3.1 million;
 - (c) routine bids for loans to leaseholders and Disabled Facilities Grants totalling £2.0 million are included in Appendix A and are funded from grant or other contributions and so have no impact on available General Fund capital receipts;
 - (d) highways and other related schemes bids include £3 million capital investment in carriageways and footways across the Borough; and
 - (e) schemes to be funded from Section 106 contributions or Community Infrastructure Levy (CIL) will be assessed on their merits and, whilst these may initially be predicated on assumed levels of receipts, any successful bids will ultimately need to take account of actual resources available.
5. Further consideration will also need to be given to any potential capital investment linked to the upcoming retendering of various leisure related contracts and any other investment priorities identified, and in particular how any such investment might be funded.
6. Following consultation with Cabinet Members, additions to the General Capital programme have been included, taking account of the resulting revenue costs. Gross additions, including budget variations requested of £45.5 million, are included with £10.7 million met by SCIL and Section 106 receipts, £4.1 million from grant and £8.6 million from capital receipts. The

Proposed additions to the General Capital Programme

additions of £45.5 million now recommended are shown in [Appendix A](#) to this report and are summarised as follows:

| Capital Bids Summary | Capital Costs | | | | Revenue Effects | | | |
|-------------------------------------|-----------------|-----------------|-----------------|-------------------------|-----------------|-----------------|-----------------|----------------------|
| | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Future Years £000 | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Full Year £000 |
| <u>Committee</u> | | | | | | | | |
| Adult Care & Health | 0 | 420 | 0 | 0 | 0 | 0 | 0 | 0 |
| Community Services & Open Spaces | 0 | 1,500 | 25 | 0 | 0 | 1 | 4 | 4 |
| Education & Children's Services | 225 | 2,284 | 0 | 0 | 0 | 0 | 0 | 0 |
| Finance & Corporate Resources | 0 | 2,531 | 2,325 | 3,500 | 0 | 6 | 20 | 26 |
| Housing & Regeneration (non-HRA) | 0 | 1,131 | 400 | 0 | 0 | 0 | 0 | 0 |
| Strategic Planning & Transportation | 100 | 1,992 | 8,271 | 20,833 | 0 | 1 | 16 | 30 |
| | <u>325</u> | <u>9,858</u> | <u>11,021</u> | <u>24,333</u> | <u>0</u> | <u>8</u> | <u>40</u> | <u>60</u> |
| <u>Financed By</u> | | | | | Total | | | |
| Grants & Contributions | 225 | 3,434 | 400 | 0 | 4,059 | | | |
| S106 / SCIL | 0 | 3,099 | 3,971 | 4,640 | 10,710 | | | |
| Nine Elms Funding | 0 | 906 | 2,900 | 18,393 | 22,199 | | | |
| Capital Receipts | 100 | 2,419 | 4,750 | 1,300 | 8,569 | | | |
| | <u>325</u> | <u>9,858</u> | <u>11,021</u> | <u>24,333</u> | <u>45,537</u> | | | |

- The proposed additions to the capital programme include CIL and DIFS (Development Infrastructure Funding Study) Nine Elms Section 106 contributions for schemes that are within the Vauxhall Nine Elms Opportunity (VNEB) Area. As residents continue moving into Nine Elms a range of projects are necessary to provide social and improved transport infrastructure for the incoming population and to assist with place-making. Bids totalling £24.3 million are recommended for approval and are detailed in [Appendix A](#). These include links with TfL, Nine Elms Park and other strategic links to surrounding areas.
- In addition to scheme specific environmental bids detailed in the Appendix relating to tree works, electric vehicle charging points, low emissions fleet purchase, LED lighting and cycling initiatives, a capital bid of £5 million of SCIL funding is recommended for approval to support the Wandsworth Environmental and Sustainability Strategy (Paper No. 20-27) being reported elsewhere on this agenda. Details of individual schemes will continue to be

Proposed additions to the General Capital Programme

developed and assessed against the SCIL regulations in order to allocate this budget or identify alternative funding, where appropriate.

REVISED GENERAL CAPITAL PROGRAMME

9. The programme approved in Paper No. 19-290 has been amended to reflect virements and budget variations subsequently, and budget variations for expenditure requested in this committee cycle. The changes are shown in the following table: -

| | 2019/20 | 2020/21 | 2021/22 | Future |
|---------------------------------------|----------------|----------------|----------------|---------------|
| | £000 | £000 | £000 | Years |
| | | | | £000 |
| Programme as per Paper No. 19-290 | 131,596 | 85,747 | 28,603 | 0 |
| Approved budget variations since then | 30 | 1,564 | | |
| Approved programme | 131,626 | 87,311 | 28,603 | 0 |
| Slippage | (11,198) | (2,637) | (2,556) | 16,391 |
| Additions now being requested | 325 | 9,858 | 11,021 | 24,333 |
| Revised programme | 120,753 | 94,532 | 37,068 | 40,724 |

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

| Revised Capital Programme | Capital Costs | | | | Revenue Effects | | |
|-------------------------------------|----------------------|-----------------|-----------------|-------------------------|------------------------|-----------------|-------------------|
| | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Future Years £000 | 2019/20 £000 | 2020/21 £000 | Full Year £000 |
| <u>Committee</u> | | | | | | | |
| Adult Care & Health | 1,278 | 519 | 0 | 0 | 5 | 10 | 11 |
| Community Services & Open Spaces | 12,365 | 2,161 | 25 | 0 | 32 | 70 | 75 |
| Education & Children's Services | 6,721 | 22,278 | 13,028 | 0 | 2 | 5 | 8 |
| Finance & Corporate Resources | 60,604 | 18,726 | 2,525 | 15,190 | 165 | 360 | 392 |
| Housing & Regeneration (non-HRA) | 3,150 | 6,231 | 930 | 0 | 0 | 21 | 42 |
| Strategic Planning & Transportation | 36,636 | 44,617 | 20,560 | 25,534 | 28 | 85 | 113 |
| | 120,753 | 94,532 | 37,068 | 40,724 | 232 | 551 | 641 |

Proposed additions to the General Capital Programme

| Financed By | 2019/20 | 2020/21 | 2021/22 | Future Years | Total |
|------------------------|----------------|---------------|---------------|-----------------|----------------|
| | £000 | £000 | £000 | £000 | |
| Grants & Contributions | 34,846 | 30,472 | 1,340 | 0 | 66,658 |
| S106 / NCIL | 16,154 | 2,346 | 9,779 | 0 | 28,279 |
| SCIL | 11,129 | 25,698 | 3,271 | 5,240 | 45,338 |
| Nine Elms Funding | 7,347 | 19,590 | 17,698 | 34,784 | 79,419 |
| Capital Receipts | 51,277 | 16,426 | 4,980 | 700 | 73,383 |
| | 120,753 | 94,532 | 37,068 | 40,724 | 293,077 |

FINANCING THE GENERAL FUND CAPITAL PROGRAMME

11. The potential sources of finance for the Council's capital expenditure are: -
- grants and other contributions earmarked for particular schemes or services, and obtained only on condition that a corresponding addition is made to the programme;
 - Government capital grants not earmarked for particular schemes or services;
 - Strategic Community Infrastructure Levy (SCIL), Neighbourhood Community Infrastructure Levy (NCIL) and Section 106 payments;
 - usable capital receipts and reserves (currently invested and generating revenue income);
 - contributions from Council revenue accounts; and
 - borrowing.
12. Using earmarked resources to finance capital spend has no financial cost to the Council as these resources are only to be used for this purpose. These are therefore the first source of finance for any qualifying schemes. Some resources are given for a specific project (e.g. TfL grant which is bid for using a list of proposed schemes) and some have a wider restriction (e.g. a S106 agreement may refer to provision of educational services rather than naming a school or ward) which gives the Council some scope to allocate them to finance priority schemes.
13. The use of grants or other contributions which are not earmarked or the Council's own receipts and reserves does have an opportunity cost, as they can only be used once. This cost is calculated as the loss of the interest that would have been received had this money been invested per the Council's Treasury Strategy.
14. Borrowing longer term has a higher interest rate than the Council is able to achieve on its short term investments. The recent increase in PWLB rates has increased the gap between the cost of borrowing and the loss of

Proposed additions to the General Capital Programme

interest from reducing investment levels. It is therefore an option that would only be considered when others have been exhausted. Borrowing incurs both interest costs and a need to either repay the principal or set aside a prudent amount to repay the loan on maturity if an interest only loan is taken. Both of these costs are a charge to the local taxpayer.

15. Any use of borrowing will add to future years' revenue costs at a time when future revenue support from central Government is uncertain and there are constraints on the level to which borrowing can be supported by council tax increases. Thus, the Council will continue to minimise the use of borrowing, although consideration will be given for its use to fund "invest to save" schemes where other funding is not available.
16. The Council currently has sufficient capital resources not to require borrowing over the next five years (as explained in more detail in paragraph 30). This is based on assumed levels of new capital receipts, CIL, S106 and other external resources. Any assumptions on new income are prudent, although there is still the possibility of external factors impacting on the core assumptions. Even if the Council were to have insufficient capital resources it has sufficient cash balances to finance any funding shortfall from internal borrowing (being borrowing from cash reserves which has opportunity cost of loss of investment income) rather than taking out a loan from PWLB or another source. This has a lower cost to the Council and gives more flexibility in repayment should the anticipated income be delayed rather than unavailable.
17. 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. Contributions from Council revenue accounts are rarely available for the General Capital Programme because of the impact on council tax. The major sources of finance for the Council's general capital expenditure are earmarked grants and contributions, realisation of investments and CIL. These are discussed in more detail below.

GRANTS AND REIMBURSEMENTS

18. Grants and reimbursements expected to support the programme over future years total £66.7 million. The most significant is a ringfenced capital grant yet to be received of £32.2 million to be used to fund the expansion of the Royal College of Art in Battersea. Other major schemes include Government grants for education schemes totalling around £21.2 million and schemes funded by Transport for London (TfL) grant of £3.9 million.

Proposed additions to the General Capital Programme

REALISATION OF INVESTMENTS

19. The amount of the Council's investments at any time reflects daily variations in routine cashflows as well as capital spending, debt redemption and new capital receipts. The Council's total cash invested as at 31st December 2019 was £615 million, but this includes all the Council's balances, both revenue and capital, and including reserves held 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 a small element of the Renewals Fund.
20. As the use of HRA receipts for capital spending in the General Fund is in most cases restricted by Regulation, forecast capital receipts shown in the table in paragraph 30 include mainly estimates relating to sales of General Fund sites already identified as surplus, amounting to £28.2 million over the next five years. These figures include estimates of further receipts due largely to the Atheldene redevelopment and, in general, future receipts are estimated to be at much lower levels than have been received in recent years. Limited HRA receipts are anticipated to become available for General Fund use, particularly for estate regeneration schemes, and £1 million per year is included for these. Capital receipts could also be used for revenue spend under the Government's "flexible use of capital receipts" initiative and reported to this committee in Paper No. 19-290. This could contribute to alleviating the pressure on revenue resources but would however reduce the availability of resources for capital spending.

COMMUNITY INFRASTRUCTURE LEVY

21. 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 or NCIL) from where they are received and the arrangements for this in Wandsworth are implemented through the Wandsworth Local Fund. After a further deduction of an amount set aside for administration, capped at 5%, outstanding CIL income is treated as general resources to fund general infrastructure works throughout the Borough, not ringfenced to the area of development. CIL income arising within the Vauxhall Nine Elms Opportunity (VNEB) Area will be subject to separate arrangements as set out in Paper No. 13-135 where

Proposed additions to the General Capital Programme

the payments will be used to pay for relevant infrastructure within the Opportunity Area.

22. Since its inception a prudent approach has been taken to the approval of schemes funded from CIL to ensure all expenditure commitments are fully funded as actual levels of receipts are affected by many varying factors outside the Council's control (such as general market conditions, the timing and phasing of developments and any subsequent revisions to planning applications). The Executive has already made decisions to commit SCIL to some schemes and expenditure has already been incurred as follows:

Strategic CIL Receipts, Projects Committed to and Expenditure Incurred to End Quarter 2 2019/20

| | £ | | |
|--|----------------------------------|---|---------------------------------|
| Total SCIL Receipts to 30.9.2019 | -68,668,148 | | |
| | SCIL Budget Committed £ | Expenditure Incurred to Date £ | Net Remaining Budget £ |
| Projects to be funded by SCIL | | | |
| Ark Putney Academy | 3,325,000 | 2,437,438 | 887,562 |
| CCTV Network Digital Upgrade | 1,000,000 | | 1,000,000 |
| Cremorne Footbridge* | 99,260 | 99,260 | 0 |
| Cycle Parking at Railway Stations Putney High Street | 500,000 | | 500,000 |
| St John Bosco College | 1,119,250 | | 1,119,250 |
| St Johns Hill Refurbishment | 1,120,000 | 1,120,000 | 0 |
| Upper Richmond Road & Putney Stations | 450,000 | 147 | 449,853 |
| Wandsworth Bridge Corrosion Protection | 2,000,000 | | 2,000,000 |
| Wandsworth One Way System** | 6,000,000 | 5,850 | 5,994,150 |
| Wandsworth One Way System** | 21,611,000 | | 21,611,000 |
| Total Approved SCIL Funded Projects | 37,224,510 | 3,662,695 | 33,561,815 |
| Other proposed uses of SCIL | | | |
| SCIL Infrastructure Maintenance (revenue) | 3,000,000 | 0 | 3,000,000 |
| Refinancing of Historic Infrastructure Expenditure | 33,000,000 | 33,000,000 | 0 |
| Other proposed uses of SCIL | 36,000,000 | 33,000,000 | 3,000,000 |
| SCIL Receipts Over Committed as at 30.9.2019 | 4,556,362 | | |
| Forecast of further CIL receipts by 31.3.2022 | -25,100,000 | | |
| Forecast SCIL Receipts Uncommitted by 31.3.2022 | -20,543,638 | | |
| Cash Balance of SCIL Receipts unspent as at 30.9.2019 | | -32,005,453 | |
| Notes: | | | |

Proposed additions to the General Capital Programme

*Paper 19-210 released the £18.2 million SCIL receipts committed in principle by the Council to the Cremorne Bridge scheme (less costs incurred to date of £99,260).

**The Council has committed up to £27.5 million towards costs for development and implementation towards the removal of Wandsworth's One Way System (current estimated total cost £79.2 million (Paper No. 19-268)). Wandsworth's contribution towards the scheme is to be funded by SCIL and Section 106 receipts. Only expenditure funded by SCIL contributions are shown in this table.

23. The figures above include the proposed use of an estimated £1 million per annum of SCIL receipts to fund revenue maintenance costs which fall within the CIL Regulations' definition of allowable expenditure. Final figures will form part of the outturn report each year.
24. In addition to the development of new schemes, Paper No. 19-210 also committed the Council to reviewing the funding of existing expenditure to ensure that SCIL financing is appropriately allocated and the Council's overall resources are used in the most effective manner. A review of all infrastructure related capital expenditure since the CIL charging levy was adopted has been undertaken. £33 million of historic infrastructure expenditure has been identified which has previously been financed using General Fund capital receipts but which meets the CIL regulations requirements and could therefore instead be financed by SCIL receipts. The schemes identified include significant investment in schools and the improvement/extension of leisure facilities, all originally funded by General Fund capital receipts but clearly recognisable as infrastructure investment necessary to support development in the Borough. A full list of these schemes is included as Appendix C to this report.
25. The table shows that, by the end of quarter two 2019/20, the gross amount of SCIL received was £68.668 million. Expenditure to date funded by SCIL is £36.663 million and future commitments to be funded by SCIL is £36.562 million. To date, therefore, £73.225 million of spend /commitments have been made against actual receipts of £68.668 million resulting in an over commitment of £4.556 million. In cash terms, however, there are £32 million of unspent receipts currently available.
26. The forecast for receipts in future years of £25.1 million is based on payment demand notices that have been issued to developers and where estimated due dates for payments are known, with a broader assumption of receipts made for 2021/22. Whilst this forecast is prudent, receipts are not guaranteed as actual levels are affected by many varying factors which are outside the Council's control such as general market conditions, the timing and phasing of developments and any subsequent revisions to planning

Proposed additions to the General Capital Programme

applications. SCIL receipts for future years beyond 2021/22, whilst expected, have not been forecast. There is a risk that future receipts could be lower than estimated, which would directly impact on the funding resources available to deliver any further new schemes. Given the uncertainty over level and timing of future SCIL receipts schemes will continue to be committed only once sufficient resources have actually been received.

27. There is therefore an estimated £20.544 million of SCIL available over the next three years that could be allocated to fund infrastructure schemes, including to meet the Council's climate change priorities. The additions to the capital programme recommended for approval in this report would commit £10.7 million of these available receipts and leave an uncommitted balance of £9.8 million. As cashflows for both SCIL receipts and SCIL-funded schemes develop and more accurate spend profiles are available, future reports will provide updates on the forecast SCIL balance available for allocating to specific schemes.
28. Capital schemes which have been included within this report to be funded by SCIL include £5 million for the Wandsworth Environment and Sustainability Strategy, funding for flood alleviation works, improvements to parks and leisure centres, LED lighting, low emission fleet vehicles and other public realm and cycling improvements.
29. There are further schemes which have not yet been approved, but for which plans are underway and which may be eligible to be funded by SCIL. Future capital bids are expected for these schemes, at which point financing will be considered, and proposed for approval at committee. Future bids may include further spending on cycle infrastructure, tree planting and public realm improvements.

USE OF CAPITAL RESOURCES

30. The table below compares the estimated capital resources with the capital payments to be financed. The £33 million balance at the start of 2019/20 will generally decrease over time as the use of receipts in each year exceeds the new receipts received.

Proposed additions to the General Capital Programme

| Table: Capital Resources Statement | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|----------------|----------------|
| | £000 | £000 | £000 | £000 | £000 |
| Usable Capital Resources at start of year | 33,368 | 52,762 | 27,336 | 21,326 | 19,126 |
| Add: Refinancing use of SCIL | 33,000 | - | - | - | - |
| Add: Grants and reimbursements | 34,846 | 30,472 | 1,340 | - | - |
| Add: S106 and CIL | 34,630 | 47,634 | 30,748 | 40,024 | - |
| Add: New capital receipts | 7,671 | 1,000 | 8,970 | 3,500 | 7,070 |
| Less: Capital expenditure (after slippage) | (90,753) | (104,532) | (47,068) | (45,724) | (5,000) |
| Usable Capital Resources at end of year | <u>52,762</u> | <u>27,336</u> | <u>21,326</u> | <u>19,126</u> | <u>21,196</u> |

REVENUE EFFECTS

31. 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.
32. The revenue effects, based on the loss of investment interest at the current budgeted rate, of the revised General Fund capital programme are shown in the table in paragraph 10, with a full year annual impact of £640,000 equivalent to £4.80 Band D council tax. This includes the revenue effects of the additions now proposed and shown in paragraph 6, amounting to £8,000 in 2020/21, £40,000 in 2021/22 and £60,000 in a full year (equivalent to £0.45 Band D Council Tax) and will be included as part of the 2020/21 Council Tax setting process.

GENERAL CAPITAL PROGRAMME FRAMEWORK

33. The table in paragraph 30 updates the general capital budget framework to take account of the latest forecast of spending, grants and receipts. It also includes reference to the financial years 2021/22, 2022/23 and 2023/24. To serve as the new framework, it needs to be adopted as such at a meeting of the full Council.
34. The capital framework was approved by the Finance and Corporate Resources OSC in Paper No. 15-25 and approved by the Executive on 28th January 2015. The purpose of the framework is to set and review every year an acceptable level of internal capital resources. This will allow the Council to maintain minimum balances to enable it to take advantage of any unplanned opportunities, such as the recent purchase of Sergeant Industrial Estate (Paper No. 19-196), which fit in to the Council's medium term plans.

Proposed additions to the General Capital Programme

35. In setting the level of balances required, the Council must balance the flexibility given by retaining capital resources against the cost of borrowing, whether internally from cash surpluses or externally in a formal debt instrument. The current projections show that capital resources are being used faster than new receipts are being generated. The refinancing of historic infrastructure spend from CIL (paragraph 24) has improved the level of resources but does not address the ongoing need to spend being in excess of new receipts. It is therefore likely that the Council will need to finance future capital schemes from borrowing in the medium term. The cost of borrowing will continue to be considered when approving additional spend which does not have external financing (such as earmarked grant or contributions) identified from the outset.
36. Annually the Council may commit to capital expenditure whereby a minimum level of capital receipts has to be retained, which acts as a limit on the Executive's discretion. The proposed limit for the five years of the framework of £10 million is now recommended for approval. It should be noted that cash investment balances in excess of £600 million give flexibility to make decisions promptly on time limited opportunities by using cash flow to ensure an opportunity is not missed and helps, to some extent, mitigate a lower level of capital balances available for use.
37. The additional full year annual impact of a reduction in capital resources from £52.8 million at the end of the current year to £20.8 million at the end of the framework period would be equivalent to about £2.16 on Band D Council Tax.

The Town Hall,
Wandsworth,
SW18 2PU.

MARK MAIDMENT
Director of Resources

15th January 2020

Background papers

There are no background papers to this report.

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

Appendix A to Paper No. 20-39

Proposed Additions to General Fund Capital Programme

Capital bids summary

| | Capital Costs | | | | Revenue Effects | | | |
|-------------------------------------|---------------|--------------|---------------|---------------|-----------------|----------|-----------|-----------|
| | 2019/20 | 2020/21 | 2021/22 | Future Years | 2019/20 | 2020/21 | 2021/22 | Full Year |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Adult Care & Health | 0 | 420 | 0 | 0 | 0 | 0 | 0 | 0 |
| Community Services & Open Spaces | 0 | 1,500 | 25 | 0 | 0 | 1 | 4 | 4 |
| Education & Children's Services | 225 | 2,284 | 0 | 0 | 0 | 0 | 0 | 0 |
| Finance & Corporate Resources | 0 | 2,531 | 2,325 | 3,500 | 0 | 6 | 20 | 26 |
| Housing & Regeneration (non-HRA) | 0 | 1,131 | 400 | 0 | 0 | 0 | 0 | 0 |
| Strategic Planning & Transportation | 100 | 1,992 | 8,271 | 20,833 | 0 | 1 | 16 | 30 |
| Total | 325 | 9,858 | 11,021 | 24,333 | 0 | 8 | 40 | 60 |

Financed by

| | 2019/20 | 2020/21 | 2021/22 | Future Years | Total |
|------------------------|------------|--------------|---------------|---------------|---------------|
| Grants & Contributions | 225 | 3,434 | 400 | 0 | 4,059 |
| SCIL | 0 | 3,099 | 2,971 | 4,640 | 10,710 |
| Nine Elms CIL | 0 | 906 | 2,900 | 18,393 | 22,199 |
| Capital Receipts | 100 | 2,419 | 4,750 | 1,300 | 8,569 |
| Total | 325 | 9,858 | 11,021 | 24,333 | 45,537 |

Appendix A to Paper No. 20-39

Proposed Additions to General Fund Capital Programme

| | | Capital Costs | | | | Revenue Effects | | | |
|---------------------------------------|-------|-----------------|-----------------|-----------------|-------------------------|-----------------|-----------------|-----------------|-------------------|
| | | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Future Years £000 | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Full Year £000 |
| <u>Adult Care & Health</u> | | | | | | | | | |
| Equipment and Minor Adaptations | Grant | 0 | 330 | 0 | | 0 | 0 | 0 | 0 |
| Better At Home Improvement Service | Grant | 0 | 90 | 0 | | 0 | 0 | 0 | 0 |
| Total Adult Care & Health | | 0 | 420 | 0 | 0 | 0 | 0 | 0 | 0 |

Appendix A to Paper No. 20-39**Proposed Additions to General Fund Capital Programme**

| | Funded by | Capital Costs | | | | Revenue Effects | | | |
|--|-----------|-----------------|-----------------|-----------------|-------------------------|-----------------|-----------------|-----------------|-------------------|
| | | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Future Years £000 | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Full Year £000 |
| Community Services & Open Spaces | | | | | | | | | |
| Leisure Centres & Sports Services | | | | | | | | | |
| Tooting Bec Lido - Amelioration works to the electric sub-station | Receipts | | 329 | | | | 1 | 3 | 3 |
| All Leisure Centres - Latchmere, Balham, Tooting Leisure, Wandle, Putney, Roehampton. Renewal of Sports and Studio Hall flooring | SCIL | | 139 | | | | | | |
| Tooting Bec Lido - Health & Safety Repairs | Receipts | | 25 | 25 | | | - | - | 0 |
| Roehampton Leisure Centre - Renewal of roof coverings | SCIL | | 170 | | | | | | |
| Wandle Recreation Centre - Replacement of Netting and Fences for the Artificial Pitches and Patch Repairs | SCIL | | 102 | | | | | | |
| Latchmere Leisure Centre - Replacement of significantly leaning overflow car park boundary wall | Receipts | | 68 | | | | - | 1 | 1 |
| Falcon Park Community Sports Centre - Additional safeguarding, security and facility management items installations | SCIL | | 40 | | | | | | |
| Battersea Park - Expand Fountain toilets | SCIL | | 90 | | | | | | |
| Total Leisure Centres & Sports Services | | 0 | 963 | 25 | 0 | - | 1 | 4 | 4 |
| Parks & Open Spaces | | | | | | | | | |
| Battersea Park - LED lighting | SCIL | | 384 | | | | | | |
| Lady Allen Playground: fencing, renovation and security | SCIL | | 153 | | | | | | |
| Total Parks & Open Spaces | | 0 | 537 | 0 | 0 | - | - | - | - |
| Total Community Services & Open Spaces | | 0 | 1,500 | 25 | 0 | - | 1 | 4 | 4 |

Appendix A to Paper No. 20-39

Proposed Additions to General Fund Capital Programme

| | | Funded by | | Capital Costs | | | | Revenue Effects | | | |
|--|--------------|------------|--------------|---------------|----------|----------|-----------------|-----------------|----------|----------|-----------|
| | | | | 2019/20 | 2020/21 | 2021/22 | Future Years | 2019/20 | 2020/21 | 2021/22 | Full Year |
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Education & Children's Services | | | | | | | | | | | |
| Heathmere School – proposed expansion | Contribution | 225 | 1,883 | | | | | | | | |
| Oakdene - Internal refurbishment and remodelling | Receipts | | 218 | | | | 1 | 2 | 2 | | |
| Falcon Grove Family Assessment Centre - Internal refurbishment and remodelling | Receipts | | 48 | | | | - | - | - | | |
| Nursery for St Michael's CE Primary School | SCIL | | 135 | | | | | | | | |
| Total Education & Children's Services | | 225 | 2,284 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

Appendix A to Paper No. 20-39**Proposed Additions to General Fund Capital Programme**

| | Funded by | Capital Costs | | | | Revenue Effects | | | |
|--|-----------|-----------------|-----------------|-----------------|-------------------------|-----------------|-----------------|-----------------|-------------------|
| | | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Future Years £000 | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Full Year £000 |
| Finance & Corporate Resources | | | | | | | | | |
| Operational Buildings | | | | | | | | | |
| Statutory Compliance Remedial Works Core Buildings | Receipts | | 500 | 500 | 500 | | 2 | 7 | 9 |
| Emergency Plant and Equipment In Core Buildings | Receipts | | 500 | 500 | | | 2 | 7 | 9 |
| Cyclical Roof and Fabric Replacement/ Repairs | Receipts | | 250 | 250 | | | 1 | 3 | 4 |
| Former Alvering Library (landlord obligation) - Roof Replace | Receipts | | 81 | | | | - | 1 | 1 |
| Total Operational Buildings | | 0 | 1,331 | 1,250 | 500 | 0 | 5 | 18 | 24 |
| IT Infrastructure - Security and Resilience | Receipts | 0 | 200 | 75 | | | 1 | 2 | 2 |
| Wandsworth Environmental and Sustainability Strategy | SCIL | | 1,000 | 1,000 | 3,000 | | | | |
| | | 0 | 1,200 | 1,075 | 3,000 | 0 | 1 | 2 | 2 |
| Total Finance & Corporate Resources | | 0 | 2,531 | 2,325 | 3,500 | 0 | 6 | 20 | 26 |

Appendix A to Paper No. 20-39

Proposed Additions to General Fund Capital Programme

| | | Capital Costs | | | | Revenue Effects | | | |
|--|---------------|-----------------|-----------------|-----------------|-------------------------|-----------------|-----------------|-----------------|-------------------|
| | | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Future Years £000 | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Full Year £000 |
| <u>Housing & Regeneration (non-HRA)</u> | | | | | | | | | |
| Loans to Leaseholders | Contributions | | | 400 | | | | | 0 |
| Disabled Facilities Grants | Grant | 0 | 1,131 | 0 | | 0 | | | 0 |
| Total Housing & Regeneration (non-HRA) | | 0 | 1,131 | 400 | | 0 | 0 | 0 | 0 |

Appendix A to Paper No. 20-39**Proposed Additions to General Fund Capital Programme**

| | Funded by | Capital Costs | | | | Revenue Effects | | | |
|--|-----------|-----------------|-----------------|-----------------|-------------------------|-----------------|-----------------|-----------------|-------------------|
| | | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Future Years £000 | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Full Year £000 |
| Strategic Planning & Transportation | | | | | | | | | |
| Highway Services | | | | | | | | | |
| Gully Renewals | Receipts | 100 | 100 | 100 | 200 | | | | |
| Flood Alleviation Works | Receipts | | 100 | 300 | 600 | 1 | | 2 | 2 |
| One Way Streets - Conversion to Two Way for Cycling | SCIL | | 80 | 80 | 340 | | | | |
| Trewint Street Bridge Improvements | SCIL | | | 466 | 1,125 | | | | |
| Boroughwide - Tree Works | SCIL | | 150 | 175 | 175 | | | | |
| Capitalised Repairs - Carriageways | Receipts | | | 2,000 | | | | 9 | 18 |
| Capitalised Repairs - Footways | Receipts | | | 1,000 | | | | 5 | 10 |
| Putney High Street - Public Realm & Environment Imprc | SCIL | | 406 | | | | | | |
| Electric Vehicle Charging Points | SCIL | | 250 | 250 | | | | | |
| Low Emission Highways Maintenance Fleet | SCIL | | | 1,000 | | | | | |
| Total Highway Services | | 100 | 1,086 | 5,371 | 2,440 | 0 | 1 | 16 | 30 |
| Schemes Funded by S106 Contributions/CIL in the Vauxhall and Nine Elms Opportunity Area | | | | | | | | | |
| Nine Elms Highways, Pedestrian and Public Realm | NECIL | | | | 8,542 | | | | |
| Nine Elms Park | NECIL | | 906 | 2,900 | 6,568 | | | | |
| Strategic Links (key gateways) | NECIL | | | | 2,103 | | | | |
| Nine Elms - other various | NECIL | | | | 1,180 | | | | |
| TOTAL S106/CIL | | 0 | 906 | 2,900 | 18,393 | 0 | 0 | 0 | 0 |
| Total Strategic Planning & Transportation | | 100 | 1,992 | 8,271 | 20,833 | 0 | 1 | 16 | 30 |

SUMMARY OF GENERAL FUND CAPITAL PROGRAMME 2019/20 - 2021/22

| | REVISED PROGRAMME | | | | Total £000 |
|---|-------------------|-----------------|-----------------|-------------------------|----------------|
| | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Future Years £000 | |
| General Fund Capital Programme | | | | | |
| Adult Care & Health Services | 1,278 | 519 | 0 | 0 | 1,797 |
| Community Services & Open Spaces | 12,365 | 2,161 | 25 | 0 | 14,551 |
| Education & Children's Services | 6,721 | 22,278 | 13,028 | 0 | 42,027 |
| Finance & Corporate Resources | 60,604 | 18,726 | 2,525 | 15,190 | 97,045 |
| Housing & Regeneration (non-HRA) | 3,150 | 6,231 | 930 | 0 | 10,311 |
| Strategic Planning & Transportation | 36,636 | 44,617 | 20,560 | 25,534 | 127,347 |
| TOTAL GENERAL FUND CAPITAL PROGRAMME | 120,753 | 94,532 | 37,068 | 40,724 | 293,077 |

Use of Capital Resources

| | | | | | |
|---------------------------------------|----------------|---------------|---------------|---------------|----------------|
| Grants & Contributions | 34,846 | 30,472 | 1,340 | 0 | 66,658 |
| S106 & NCIL | 16,154 | 2,346 | 9,779 | 0 | 28,279 |
| SCIL | 11,129 | 25,292 | 3,271 | 5,240 | 44,932 |
| Nine Elms CIL | 7,347 | 19,590 | 17,698 | 34,784 | 79,419 |
| Capital Receipts | 51,277 | 16,832 | 4,980 | 700 | 73,789 |
| TOTAL USE OF CAPITAL RESOURCES | 120,753 | 94,532 | 37,068 | 40,724 | 293,077 |

SUMMARY OF GENERAL FUND CAPITAL PROGRAMME 2019/20 - 2021/22

| | REVISED PROGRAMME | | | | Total |
|---|-------------------|---------------|---------------|---------------|----------------|
| | 2019/20 | 2020/21 | 2021/22 | Future Years | |
| | £000 | £000 | £000 | £000 | £000 |
| <u>ADULT CARE & HEALTH SERVICES</u> | | | | | |
| Adult Care | 1,278 | 519 | 0 | 0 | 1,797 |
| <u>COMMUNITY SERVICES</u> | | | | | |
| Leisure Centres and Sports Services | 1,252 | 963 | 25 | 0 | 2,240 |
| Public Halls/Community Centres | 230 | 0 | 0 | 0 | 230 |
| Parks and Open Spaces | 3,691 | 787 | 0 | 0 | 4,478 |
| Cemeteries and Crematoria | 925 | 0 | 0 | 0 | 925 |
| Libraries and Heritage | 3,677 | 411 | 0 | 0 | 4,088 |
| Neighbourhood CIL Schemes | 2,589 | 0 | 0 | 0 | 2,589 |
| | 12,365 | 2,161 | 25 | 0 | 14,551 |
| <u>EDUCATION & CHILDREN'S SERVICES</u> | | | | | |
| Secondary Education | 2,100 | 10,743 | 0 | 0 | 12,843 |
| Primary Education | 2,328 | 9,364 | 12,088 | 0 | 23,780 |
| Special Schools/Other | 1,122 | 887 | 0 | 0 | 2,009 |
| Other Education Funded Schemes | 831 | 790 | 940 | 0 | 2,561 |
| Other Children's Services | 340 | 494 | 0 | 0 | 834 |
| | 6,721 | 22,278 | 13,028 | 0 | 42,027 |
| <u>FINANCE & CORPORATE SERVICES</u> | | | | | |
| Operational Buildings | 2,371 | 2,623 | 1,250 | 500 | 6,744 |
| IT Services | 499 | 250 | 75 | 0 | 824 |
| Property Services | 32,513 | 4,017 | 0 | 0 | 36,530 |
| Economic Development | 20 | 0 | 0 | 0 | 20 |
| Environmental Services | 1,127 | 0 | 0 | 0 | 1,127 |
| £5m Emerging environmental strategy fund | 0 | 1,000 | 1,000 | 3,000 | 5,000 |
| Schemes in the Nine Elms Regeneration Area | 1,749 | 790 | 200 | 11,690 | 14,429 |
| General Finance & Corporate Services | 22,325 | 10,046 | 0 | 0 | 32,371 |
| | 60,604 | 18,726 | 2,525 | 15,190 | 97,045 |
| <u>HOUSING GENERAL FUND</u> | | | | | |
| Loans to Leaseholders | 400 | 400 | 400 | 0 | 1,200 |
| Empty Properties Grant | 500 | 500 | 530 | 0 | 1,530 |
| Disabled Facilities Grant | 1,450 | 1,131 | 0 | 0 | 2,581 |
| Other Housing Schemes | 800 | 4,200 | 0 | 0 | 5,000 |
| | 3,150 | 6,231 | 930 | 0 | 10,311 |
| <u>STRATEGIC PLANNING AND TRANSPORTATION</u> | | | | | |
| Planning Services | 210 | 0 | 0 | 0 | 210 |
| CCTV Schemes | 644 | 0 | 0 | 0 | 644 |
| Highways Schemes | 20,470 | 44,287 | 19,539 | 23,294 | 107,590 |
| Strategic CIL Schemes | 11,129 | 330 | 1,021 | 2,240 | 14,720 |
| Neighbourhood CIL Schemes | 4,183 | 0 | 0 | 0 | 4,183 |
| | 36,636 | 44,617 | 20,560 | 25,534 | 127,347 |
| TOTAL GENERAL FUND CAPITAL PROGRAMME | 120,753 | 94,532 | 37,068 | 40,724 | 293,077 |

FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE**January 2020****Use of Capital Resources**

| | 2019/20 | 2020/21 | 2021/22 | Future Years | Total |
|---|----------------|---------------|---------------|-----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| <u>Adult Care & Health</u> | | | | | |
| Disabled Facilities Grant | 390 | 420 | 0 | 0 | 810 |
| S106 & NCIL | 41 | 0 | 0 | 0 | 41 |
| Capital Receipts | 847 | 99 | 0 | 0 | 946 |
| | 1,278 | 519 | 0 | 0 | 1,797 |
| <u>Community Services & Open Spaces</u> | | | | | |
| S106 & NCIL | 3,336 | 0 | 0 | 0 | 3,336 |
| SCIL | 0 | 1,078 | 0 | 0 | 1,078 |
| Other Grants and Reimbursements | 1,825 | 0 | 0 | 0 | 1,825 |
| Capital Receipts | 7,204 | 1,083 | 25 | 0 | 8,312 |
| | 12,182 | 2,161 | 25 | 0 | 14,368 |
| <u>Education & Children's Services</u> | | | | | |
| Basic Need/LA Maintenance | 4,863 | 13,966 | 0 | 0 | 18,829 |
| Schools Devolved Capital | 646 | 790 | 940 | 0 | 2,376 |
| S106 & NCIL | 400 | 1,350 | 0 | 0 | 1,750 |
| SCIL | 0 | 1,023 | 0 | 0 | 1,023 |
| Nine Elms CIL | 0 | 2,500 | 12,088 | 0 | 14,588 |
| School Contributions | 472 | 2,155 | 0 | 0 | 2,627 |
| Capital Receipts | 340 | 494 | 0 | 0 | 834 |
| | 6,721 | 22,278 | 13,028 | 0 | 42,027 |
| <u>Finance & Corporate Resources</u> | | | | | |
| S106 & NCIL | 265 | 0 | 0 | 0 | 265 |
| SCIL | 0 | 1,000 | 1,000 | 3,000 | 5,000 |
| Nine Elms CIL | 1,749 | 790 | 200 | 11,690 | 14,429 |
| Government grant for RCA expansion | 22,143 | 10,046 | 0 | 0 | 32,189 |
| Other Grants and Reimbursements | 20 | 0 | 0 | 0 | 20 |
| Capital Receipts | 36,610 | 6,890 | 1,325 | 500 | 45,325 |
| | 60,787 | 18,726 | 2,525 | 15,190 | 97,228 |
| <u>Housing & Regeneration (non-HRA)</u> | | | | | |
| Disabled Facilities Grant | 1,450 | 1,131 | 0 | 0 | 2,581 |
| S106 & NCIL | 1,300 | 0 | 0 | 0 | 1,300 |
| Other Grants and Reimbursements | 400 | 400 | 400 | 0 | 1,200 |
| Capital Receipts | 0 | 4,700 | 530 | 0 | 5,230 |
| | 3,150 | 6,231 | 930 | 0 | 10,311 |
| <u>Strategic Planning & Transportation</u> | | | | | |
| S106 & NCIL | 10,995 | 996 | 9,779 | 0 | 21,770 |
| SCIL | 11,129 | 22,191 | 2,271 | 2,240 | 37,831 |
| Nine Elms CIL | 5,598 | 16,300 | 5,410 | 23,094 | 50,402 |
| Transport for London | 2,337 | 1,564 | 0 | 0 | 3,901 |
| Other Grants and Reimbursements | 300 | 0 | 0 | 0 | 300 |
| Capital Receipts | 6,276 | 3,566 | 3,100 | 200 | 13,142 |
| | 36,636 | 44,617 | 20,560 | 25,534 | 127,347 |
| Total Use of Capital Resources | 120,753 | 94,532 | 37,068 | 40,724 | 293,077 |

| | | | | | |
|---------------------------------------|----------------|---------------|---------------|---------------|----------------|
| Grants & Contributions | 34,846 | 30,472 | 1,340 | 0 | 66,658 |
| S106 & NCIL | 16,154 | 2,346 | 9,779 | 0 | 28,279 |
| SCIL | 11,129 | 25,292 | 3,271 | 5,240 | 44,932 |
| Nine Elms CIL | 7,347 | 19,590 | 17,698 | 34,784 | 79,419 |
| Capital Receipts | 51,277 | 16,832 | 4,980 | 700 | 73,789 |
| Total Use of Capital Resources | 120,753 | 94,532 | 37,068 | 40,724 | 293,077 |

ADULT CARE AND HEALTH

| <u>Scheme</u> | <u>Ward</u> | <u>Funded by</u> |
|---|-------------|------------------|
| <u>Adult Care & Health</u> | | |
| Adaptations for Disabled | Boroughwide | Grant |
| Better at Home Improvement Scheme | Boroughwide | Grant |
| Gwynneth Morgan Day Centre Refurbishment | Fairfield | Receipts |
| St Michael's Community Centre Redevelopment | Northcote | S106 |
| Social Care IT System (Mosaic) | Boroughwide | Receipts |
| Total Adult Care & Health | | |

| REVISED PROGRAMME | | | | Total Cost of Scheme | Variance Under (-) Over (+) Total |
|-------------------|------------|----------|-----------------|-------------------------|--|
| 2019/20 | 2020/21 | 2021/22 | Future Years | | |
| £000 | £000 | £000 | £000 | £000 | £000 |
| 300 | 330 | 0 | 0 | n/a | 0 |
| 90 | 90 | 0 | 0 | 180 | 0 |
| 636 | 99 | 0 | 0 | 3,502 | 0 |
| 41 | 0 | 0 | 0 | 196 | 0 |
| 210 | 0 | 0 | 0 | 210 | 0 |
| 1,278 | 519 | 0 | 0 | 5,924 | 0 |

COMMUNITY SERVICES AND OPEN SPACES

| Scheme | Ward | Funded by | REVISED PROGRAMME | | | | Total Cost of Scheme | Variance Under (-) Over (+) Total |
|--|-------------------|-----------|-------------------|------------|-----------|--------------|----------------------|-----------------------------------|
| | | | 2019/20 | 2020/21 | 2021/22 | Future Years | | |
| | | | £000 | £000 | £000 | £000 | £000 | |
| Leisure Centres & Sports Services | | | | | | | | |
| Furzedown Recreation Ground - 3G Pitch replacement | Furzedown | Receipts | 6 | 0 | 0 | 0 | 80 | |
| Latchmere Leisure Centre Boundary Wall Repairs | Latchmere | Receipts | 107 | 0 | 0 | 0 | 107 | |
| Putney Leisure Centre : - Pool Roof Renewals | Thamesfield | Receipts | 74 | 0 | 0 | 0 | 275 | |
| Tooting Bec Lido Pavilion | Bedford | Grant | 287 | 0 | 0 | 0 | 903 | |
| Tooting Bec Lido - Poolside Surface Refurbishment | Bedford | Receipts | 49 | 0 | 0 | 0 | 50 | |
| Tooting Bec Lido - Structural Stabilisation & Filter House Replacement | Bedford | Receipts | 546 | 0 | 0 | 0 | 549 | |
| Tooting Leisure Centre - Fire Alarm Renewal | Tooting | Receipts | 94 | 0 | 0 | 0 | 120 | |
| Tooting Leisure Centre - Replacement of Failed Pool Basin Tiling | Tooting | Receipts | 90 | 0 | 0 | 0 | 173 | |
| Tooting Bec Lido - Amelioration works to the electric sub-station | Bedford | Receipts | 0 | 329 | 0 | 0 | 329 | |
| All Leisure Centres - Latchmere, Balham, Tooting Leisure, Wandle, Putney, Roehampton. Renewal of Sports and Studio Hall flooring | Boroughwide | SCIL | 0 | 139 | 0 | 0 | 139 | |
| Tooting Bec Lido - Health & Safety Repairs (tidy up and relay pool drain surround) | Bedford | Receipts | 0 | 25 | 25 | 0 | 50 | |
| Roehampton Leisure Centre - Renewal of roof coverings | Roehampton | SCIL | 0 | 170 | 0 | 0 | 170 | |
| Wandle Recreation Centre - Replacement of Netting and Fences for the Artificial Pitches and Patch Repairs | Southfields | SCIL | 0 | 102 | 0 | 0 | 102 | |
| Latchmere Leisure Centre - Replacement of significantly leaning overflow car park boundary wall | Latchmere | Receipts | 0 | 68 | 0 | 0 | 68 | |
| Falcon Park Community Sports Centre - Additional safeguarding, security and facility management items installations | Latchmere | SCIL | 0 | 40 | 0 | 0 | 40 | |
| Battersea Park - Expand Fountain Toilets | Queenstown | SCIL | 0 | 90 | 0 | 0 | 90 | |
| Total Leisure Centres & Sports Services | | | 1,252 | 963 | 25 | 0 | 3,245 | |
| Public Halls & Community Centres | | | | | | | | |
| Cromwell House Community Space | Queenstown | S106 | 183 | 0 | 0 | 0 | 750 | |
| Civic Suite - Renewal of Roof Covering | Fairfield | Receipts | 47 | 0 | 0 | 0 | 73 | |
| Total Public Halls & Community Centres | | | 230 | 0 | 0 | 0 | 823 | |
| Parks & Open Spaces | | | | | | | | |
| Battersea Park - River Wall | Queenstown | Receipts | 127 | 0 | 0 | 0 | 260 | |
| Battersea Park - Improvements funded from Formula E | Queenstown | Receipts | 401 | 0 | 0 | 0 | 583 | |
| Battersea Park - Restoration of pedestrian gate access | Queenstown | S106 | 44 | 0 | 0 | 0 | 100 | |
| Beatrix Potter Allotment Boundary Wall Repairs | Wandsworth Common | Receipts | 30 | 0 | 0 | 0 | 137 | |
| Falcon Park - New 3G Pitch | Latchmere | Grant | 1,125 | 0 | 0 | 0 | 1,930 | |
| Huguenot Burial Ground -39-41 East Hill | Fairfield | S106 | 330 | 0 | 0 | 0 | 276 | |
| King George's Park | Southfields | S106 | 200 | 0 | 0 | 0 | 200 | |
| Latchmere Recreation Scheme | Latchmere | S106 | 65 | 0 | 0 | 0 | 65 | |
| St Mary's Church Boundary Wall - Essential Repairs | St Mary's Park | Grant | 15 | 0 | 0 | 0 | 33 | |
| Tooting Common Heritage Project | Bedford | Grant | 947 | 0 | 0 | 0 | 1,307 | |
| Paths Resurfacing in Parks | Boroughwide | Receipts | 59 | 0 | 0 | 0 | 254 | |
| Resurfacing of Footpaths | Boroughwide | Receipts | 150 | 150 | 0 | 0 | 300 | |
| Refurbishment and Replacement of Boundary Railings | Boroughwide | Receipts | 100 | 100 | 0 | 0 | 200 | |
| Wandsworth Park Access Improvement | Thamesfield | S106 | 76 | 0 | 0 | 0 | 76 | |
| Wandsworth Park - Tennis Court Refurbishment | Thamesfield | S106 | 22 | 0 | 0 | 0 | 22 | |
| Battersea Park - LED Lighting | Queenstown | SCIL | 0 | 384 | 0 | 0 | 384 | |
| Lady Allen Playground - Fencing, Renovation and Security Measures | Northcote | SCIL | 0 | 153 | 0 | 0 | 153 | |
| Total Parks & Open Spaces | | | 3,692 | 787 | 0 | 0 | 6,281 | |
| Cemeteries & Crematoria | | | | | | | | |
| Putney Vale Crematorium - replacement of cremators | Roehampton | Receipts | 725 | 0 | 0 | 0 | 966 | |
| Putney Vale Crematorium - electrical rewire | Roehampton | Receipts | 200 | 0 | 0 | 0 | 200 | |
| Total Cemeteries & Crematoria | | | 925 | 0 | 0 | 0 | 1,166 | |

| Scheme | Ward | Funded by | REVISED PROGRAMME | | | | Total Cost of Scheme | Variance Under (-) Over (+) Total |
|---|-------------------|-----------|-------------------|--------------|-----------|--------------|----------------------|-----------------------------------|
| | | | 2019/20 | 2020/21 | 2021/22 | Future Years | | |
| | | | £000 | £000 | £000 | £000 | | |
| Libraries & Heritage | | | | | | | | |
| Balham Library - Boiler Replacement | Balham | Receipts | 0 | 137 | 0 | 0 | 137 | 0 |
| Battersea Library - Public Toilets | Shaftsbury | Receipts | 43 | 0 | 0 | 0 | 55 | 0 |
| Battersea Library - Boiler Replacement | Shaftsbury | Receipts | 0 | 152 | 0 | 0 | 152 | 0 |
| Putney Library - Boiler Replacement | Thamesfield | Receipts | 0 | 122 | 0 | 0 | 122 | 0 |
| Tooting Library - Waterproofing of Basement Area | Graveney | Receipts | 95 | 0 | 0 | 0 | 101 | 0 |
| Wandsworth Town Library Fit-Out | Fairfield | Receipts | 3,539 | 0 | 0 | 0 | 3,552 | 0 |
| Total Libraries & Heritage | | | 3,677 | 411 | 0 | 0 | 4,119 | 0 |
| Neighbourhood CIL Schemes | | | | | | | | |
| Battersea Arts Centre | Shaftsbury | NCIL | 332 | 0 | 0 | 0 | 334 | 0 |
| Battersea Park - Playground Improvements | Queenstown | NCIL | 300 | 0 | 0 | 0 | 170 | 0 |
| Falcon Park Improvements | Latchmere | NCIL | 171 | 0 | 0 | 0 | 141 | 0 |
| Fishponds Playing Fields | Tooting | NCIL | 38 | 0 | 0 | 0 | 38 | 0 |
| Furzedown Recreation Ground- Bowling Green Pavilion | Furzedown | NCIL | 111 | 0 | 0 | 0 | 111 | 0 |
| Fred Wells Garden refurbishment | St Mary's Park | NCIL | 327 | 0 | 0 | 0 | 327 | 0 |
| Garratt Park playground refurbishments and replacement of equipment | Earlsfield | NCIL | 209 | 0 | 0 | 0 | 213 | 0 |
| Graveney Gardens Pocket Park Scheme | Graveney | NCIL | 15 | 0 | 0 | 0 | 15 | 0 |
| Leaders Garden new footpath, tree work and seating | Thamesfield | NCIL | 31 | 0 | 0 | 0 | 79 | 0 |
| Leaders Gardens - Playspace Improvements | Thamesfield | NCIL | 6 | 0 | 0 | 0 | 61 | 0 |
| Riverwalk Improvements and Riverside Lighting - Vicarage Gardens | St Mary's Park | NCIL | 75 | 0 | 0 | 0 | 75 | 0 |
| Roehampton Vale / Putney Vale cemetery resiting a block | Roehampton | NCIL | 18 | 0 | 0 | 0 | 82 | 0 |
| Swaby Gardens Improvements | Earlsfield | NCIL | 26 | 0 | 0 | 0 | 163 | 0 |
| Tours Passage alleyway - streetscape & lighting improvements | Latchmere | NCIL | 172 | 0 | 0 | 0 | 174 | 0 |
| Wandsworth Common Ballpen - upgrade | Northcote | NCIL | 32 | 0 | 0 | 0 | 146 | 0 |
| Wandsworth Common, Chivalry Road play space - redesign | Northcote | NCIL | 155 | 0 | 0 | 0 | 185 | 0 |
| Wandsworth Common Pitch Drainage | Northcote | NCIL | 7 | 0 | 0 | 0 | 180 | 0 |
| Wandsworth Common, St. Mark's play space - redesign and refurbishment | Northcote | NCIL | 84 | 0 | 0 | 0 | 84 | 0 |
| Wandsworth Park LED lighting | Thamesfield | NCIL | 40 | 0 | 0 | 0 | 40 | 0 |
| Windmill Gardens - playspace | Wandsworth Common | NCIL | 220 | 0 | 0 | 0 | 226 | 0 |
| Lady Allen Playground | Northcote | NCIL | 13 | 0 | 0 | 0 | 13 | 0 |
| Furzedown Rec Play equipment | Furzedown | NCIL | 33 | 0 | 0 | 0 | 33 | 0 |
| Pleasance Play area | West Putney | NCIL | 175 | 0 | 0 | 0 | 175 | 0 |
| Total Neighbourhood CIL Schemes | | | 2,589 | 0 | 0 | 0 | 3,065 | 0 |
| Total Community Services & Open Spaces | | | 12,365 | 2,161 | 25 | 0 | 18,699 | -6 |

EDUCATION AND CHILDREN'S SERVICES

| Scheme | Ward | Funded by | REVISED PROGRAMME | | | | Variance | |
|---|--------------------------|--------------|-------------------|---------------|---------------|----------|-------------------------|--------------------------------|
| | | | 2019/20 | 2020/21 | 2021/22 | Future | Total Cost of Scheme | Under (-) Over (+) Total |
| | | | £000 | £000 | £000 | Years | | |
| Primary Education - Expansion | | | | | | | | |
| Floreat/Atheldene - Primary School (New Build) | Earlsfield | Grant | 50 | 100 | 0 | 0 | 7,319 | 0 |
| Brandlehow Primary School (Additional 0.5FE) | Thamesfield | Grant | 700 | 2,289 | 0 | 0 | 3,000 | 0 |
| Oasis Academy Putney School (New Build) | Thamesfield | Grant | 50 | 112 | 0 | 0 | 7,890 | 0 |
| Heathmere Primary School (Dining Hall Facilities) | Roehampton | Contribution | 225 | 1,883 | 0 | 0 | 2,108 | 0 |
| Nursery for St Michael's CE Primary School | East Putney | SCIL | 0 | 135 | 0 | 0 | 135 | 0 |
| St George's Primary School Expansion | Queenstown | Grant | 0 | 1,350 | 0 | 0 | 1,350 | 0 |
| Primary School Land Costs (Nine Elms) | Queenstown | Nine Elms | 400 | 2,500 | 12,088 | 0 | 15,000 | 0 |
| | | | 1,424 | 8,369 | 12,088 | 0 | 36,802 | 0 |
| Primary Education Planned Maintenance | | | | | | | | |
| Alderbrook Primary School Roof Replacement | Balham | Grant | 17 | 136 | 0 | 0 | 153 | 0 |
| Broadwater Primary School Boiler Replacement | Tooting | Grant | 173 | 0 | 0 | 0 | 173 | 0 |
| Falconbrook Primary School Replacement Electrical Distribution Boards | Latchmere | Grant | 30 | 0 | 0 | 0 | 30 | 0 |
| Fircroft Primary School - Toilets | Tooting | Grant | 150 | 156 | 0 | 0 | 306 | 0 |
| Heathmere Primary School Replace Mesh Fence | Roehampton | Grant | 10 | 135 | 0 | 0 | 145 | 0 |
| Heathmere Primary School Roof /Guttering & Window Replacement | Roehampton | Grant | 100 | 395 | 0 | 0 | 495 | 0 |
| Sellincourt Primary School EY Build Refurb | Graveney | Grant | 72 | 0 | 0 | 0 | 72 | 0 |
| Southmead Primary School Boiler Replacement | West Hill | Grant | 161 | 0 | 0 | 0 | 161 | 0 |
| Condition Surveys | Boroughwide | Grant | 40 | 0 | 0 | 0 | 40 | 0 |
| Design Development - Feasibility for 2020/21 Schemes | Boroughwide | Grant | 25 | 0 | 0 | 0 | 25 | 0 |
| Sheringdale Primary School - Ventilation | Southfields | Grant | 50 | 103 | 0 | 0 | 173 | -234 |
| Programme Contingency | Boroughwide | Grant | 75 | 70 | 0 | 0 | 145 | 0 |
| | | | 903 | 995 | 0 | 0 | 1,918 | -234 |
| Total Primary Education | | | 2,328 | 9,364 | 12,088 | 0 | 38,720 | -234 |
| Secondary Education Expansion | | | | | | | | |
| Ark Putney Academy (Former Elliott School) (Additional 2FE with 6th form) | West Putney | Grant | 1,000 | 2,631 | 0 | 0 | 32,569 | -478 |
| Chestnut Grove Academy (Additional 1FE) | Nightingale | Grant | 500 | 3,928 | 0 | 0 | 4,446 | 0 |
| St. Cecilia's Church of England School (Additional 1FE) | West Hill | Grant | 500 | 3,776 | 0 | 0 | 4,294 | 0 |
| Ashcroft Academy (Additional 1FE) | Boroughwide | Grant | 100 | 408 | 0 | 0 | 508 | 0 |
| Total Secondary Education | | | 2,100 | 10,743 | 0 | 0 | 41,817 | -478 |
| Special Schools Expansion | | | | | | | | |
| Greenmead/Ronald Ross - School Places | West Hill West Putney | Grant | 100 | 0 | 0 | 0 | 17,607 | 198 |

EDUCATION AND CHILDREN'S SERVICES

| Scheme | Ward | Funded by | REVISED PROGRAMME | | | | Total Cost of Scheme | Variance Under (-) Over (+) Total |
|---|-------------|-----------------------|-------------------|---------------|---------------|--------------|----------------------|-----------------------------------|
| | | | 2019/20 | 2020/21 | 2021/22 | Future Years | | |
| | | | £000 | £000 | £000 | £000 | | |
| Paddock School – Provision for Expansion (Phase 3 & 4) | Roehampton | Grant | 40 | 300 | 0 | 0 | 775 | 334 |
| | | | 140 | 300 | 0 | 0 | 18,382 | 532 |
| Special School Planned Maintenance / Other | | | | | | | | |
| Bradstow School Cold Water Storage and Distribution System | | Grant | 97 | 0 | 0 | 0 | 97 | 0 |
| Paddock School Kitchen | Roehampton | Grant | 60 | 97 | 0 | 0 | 157 | 0 |
| Paddock School Replacement Boilers/Pipework & Radiators | Roehampton | Grant | 425 | 0 | 0 | 0 | 425 | 0 |
| Linden Lodge Renewal of Existing Platform (Scissor) Lift | West Hill | Contributions | 0 | 115 | 0 | 0 | 115 | 0 |
| Oak Lodge Special School Boilers and Pipework | Nightingale | Grant & Contributions | 400 | 157 | 0 | 0 | 718 | 0 |
| Oakdene - Internal Refurbishment and Remodelling | Graveney | Grant | 0 | 218 | 0 | 0 | 218 | 0 |
| | | | 982 | 587 | 0 | 0 | 1,730 | 0 |
| Total Special School / Other | | | 1,122 | 887 | 0 | 0 | 20,112 | 532 |
| Other Education Funded Schemes | | | | | | | | |
| Schools Devolved Capital | Boroughwide | Grant | 646 | 790 | 940 | 0 | 3,289 | -25 |
| Healthy Pupils | Boroughwide | Grant | 185 | 0 | 0 | 0 | 207 | 0 |
| Total Other Education Funded Schemes | | | 831 | 790 | 940 | 0 | 3,496 | -25 |
| Total Education | | | 6,381 | 21,784 | 13,028 | 0 | 104,144 | -205 |
| Other Children's Services | | | | | | | | |
| Conversion/Extension Foster Carers' Properties | Boroughwide | Receipts | 100 | 134 | 0 | 0 | 510 | 0 |
| Heathbrook Park Youth Club Roof Repairs | Queenstown | Receipts | 20 | 19 | 0 | 0 | 39 | 0 |
| Tooting Hub, St Peter's Church Installation of Chain Link Fencing | Tooting | Receipts | 20 | 66 | 0 | 0 | 86 | 0 |
| Various Retention Payments | Boroughwide | Receipts | 200 | 227 | 0 | 0 | 825 | 248 |
| Falcon Grove Family Assessment Centre - Internal refurbishment | Latchmere | Receipts | 0 | 48 | 0 | 0 | 48 | 0 |
| Total Other Children's Services | | | 340 | 494 | 0 | 0 | 1,508 | 248 |
| Total Education & Children's Services | | | 6,721 | 22,278 | 13,028 | 0 | 105,652 | 43 |

FINANCE AND CORPORATE SERVICES

| Scheme | Ward | Funded by | REVISED PROGRAMME | | | | Total Cost of Scheme £'000 | Variance Under (-) Over (+) Total £'000 |
|---|--------------------|-------------|-------------------|-----------------|-----------------|----------------------|-------------------------------|--|
| | | | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | Future Years £000 | | |
| Operational Buildings | | | | | | | | |
| Operational Property Plant Renewal | Boroughwide | Receipts | 1,528 | 1,292 | 0 | 0 | 5,923 | 0 |
| Statutory Compliance Remedial Works to Core Buildings | Boroughwide | Receipts | 300 | 0 | 0 | 0 | 300 | 0 |
| Emergency Plant & Equipment Renewals to Core Buildings | Boroughwide | Receipts | 200 | 0 | 0 | 0 | 200 | 0 |
| Air Conditioning to IT Server Centre in Town Hall | Fairfield | Receipts | 97 | 0 | 0 | 0 | 97 | 0 |
| Reed House - Lift and Drainage | Fairfield | Receipts | 215 | 0 | 0 | 0 | 215 | 0 |
| Statutory Compliance Remedial Works Core Buildings | Boroughwide | Receipts | 0 | 500 | 500 | 500 | 1,500 | 0 |
| Emergency Plant and Equipment In Core Buildings | Boroughwide | Receipts | 0 | 500 | 500 | 0 | 1,000 | 0 |
| Cyclical Roof and Fabric Replacement/ Repairs | Boroughwide | Receipts | 0 | 250 | 250 | 0 | 500 | 0 |
| Former Alvering Library Roof Renewal (landlord obligation) | Wandsworth Common | Receipts | 0 | 81 | 0 | 0 | 81 | 0 |
| Frogmore House - Renew Roof Covering and Insulation | Fairfield | Receipts | 31 | 0 | 0 | 0 | 140 | 0 |
| Total Operational Buildings | | | 2,371 | 2,623 | 1,250 | 500 | 9,956 | 0 |
| IT Services | | | | | | | | |
| ICT Infrastructure | | Receipts | 499 | 250 | 75 | 0 | 1,449 | 0 |
| Total IT Services | | | 499 | 250 | 75 | 0 | 1,449 | 0 |
| Property Services | | | | | | | | |
| Acquisition of Atheldene and Surrounding Sites | Earlsfield | Receipts | 1,838 | 4,017 | 0 | 0 | 8,772 | 0 |
| Strategic Site Purchase - Sergeant Industrial Estate | Earlsfield | Receipts | 30,000 | 0 | 0 | 0 | 30,000 | 0 |
| Works to Land and Property Prior to Sale | Boroughwide | Receipts | 45 | 0 | 0 | 0 | 58 | 0 |
| Letting of Gladstone House | Fairfield | Receipts | 600 | 0 | 0 | 0 | 600 | 0 |
| The Venue - Doddington Estate | Queenstown | Receipts | 30 | 0 | 0 | 0 | 30 | 0 |
| Total Property Services | | | 32,513 | 4,017 | 0 | 0 | 39,460 | 0 |
| Economic Development | | | | | | | | |
| Balham & Mitcham Lane Public Realm | BalhamFurzedown | Grant | 20 | 0 | 0 | 0 | 616 | 0 |
| Total Economic Development | | | 20 | 0 | 0 | 0 | 616 | 0 |
| Environmental Services | | | | | | | | |
| St George's Mortuary Expansion | Tooting | Receipts | 134 | 0 | 0 | 0 | 134 | 0 |
| Coroner's Court | Out of Borough | Receipts | 993 | 0 | 0 | 0 | 993 | 0 |
| Total Environmental Services | | | 1,127 | 0 | 0 | 0 | 1,127 | 0 |
| Wandsworth Environmental and Sustainability Strategy | Boroughwide | SCIL | 0 | 1,000 | 1,000 | 3,000 | 5,000 | 0 |
| Schemes in the Nine Elms Regeneration Area | | | | | | | | |
| Project Development Fees | Queenstown | Nine Elms | 200 | 200 | 200 | 0 | 600 | 0 |
| Utilities | Queenstown | Nine Elms | 140 | 320 | 0 | 0 | 536 | 0 |
| Pedestrian Bridge | Queenstown | Nine Elms | 79 | 0 | 0 | 0 | 2,372 | 0 |
| Health Facilities | Queenstown | Nine Elms | 1,300 | 0 | 0 | 11,690 | 12,990 | 0 |
| BPS 106 Sports and Playspace Improvements | Queenstown | CIL | 30 | 270 | 0 | 0 | 300 | 0 |
| Total Schemes in the Nine Elms Regeneration Area | | | 1,749 | 790 | 200 | 11,690 | 16,798 | 0 |
| General Finance & Corporate Services | | | | | | | | |
| Loans to Other Bodies | Other | Receipts | 100 | 0 | 0 | 0 | 100 | 0 |
| Royal College of Art expansion | St Mary's Park | Grant | 22,143 | 10,046 | 0 | 0 | 54,155 | 0 |
| St Anne's Primary/Ark John Archer/Highview - green screen | Boroughwide | NCIL | 55 | 0 | 0 | 0 | 55 | 0 |
| Chesterton Primary School green screen | Latchmere | NCIL | 27 | 0 | 0 | 0 | 27 | 0 |
| Total General Finance & Corporate Services | | | 22,325 | 10,046 | 0 | 0 | 54,337 | 0 |
| TOTAL FINANCE & CORPORATE SERVICES | | | 60,604 | 18,726 | 2,525 | 15,190 | 128,743 | 0 |

HOUSING & REGENERATION (non-HRA)

| Scheme | Ward | Funded by | REVISED PROGRAMME | | | | Total Cost of Scheme | Variance Under (-) Over (+) Total |
|---|-------------|-----------------|-------------------|--------------|------------|--------------|----------------------|-----------------------------------|
| | | | 2019/20 | 2020/21 | 2021/22 | Future Years | | |
| | | | £000 | £000 | £000 | £000 | | |
| Loans to Leaseholders | Boroughwide | Contributions | 400 | 400 | 400 | 0 | 784 | -66 |
| Empty Properties Grant | Boroughwide | S106 & Receipts | 500 | 500 | 530 | 0 | 2,105 | 0 |
| Disabled Facilities Grants | Boroughwide | Grants | 1,450 | 1,131 | 0 | 0 | 3,284 | -79 |
| Other Housing Schemes | | | | | | | | |
| Wandsworth Affordable Housing Programme | Boroughwide | S106 & Receipts | 550 | 3,450 | 0 | 0 | 4,000 | 0 |
| Affordable Home Ownership | Boroughwide | S106 & Receipts | 250 | 750 | 0 | 0 | 1,000 | 0 |
| | | | 800 | 4,200 | 0 | 0 | 5,000 | 0 |
| TOTAL HOUSING & REGENERATION (non-HRA) | | | 3,150 | 6,231 | 930 | 0 | 11,173 | -145 |

STRATEGIC PLANNING AND TRANSPORTATION

| Scheme | Ward | Funded by | REVISED PROGRAMME | | | | Total Cost of Scheme | Variance Under (-) Over (+) Total |
|--|----------------|-----------|-------------------|--------------|--------------|--------------|----------------------|-----------------------------------|
| | | | 2019/20 | 2020/21 | 2021/22 | Future Years | | |
| | | | £000 | £000 | £000 | £000 | £'000 | £'000 |
| Planning Services | | | | | | | | |
| Hosted Web Based Planning and Related Services IT System | | Receipts | 210 | 0 | 0 | 0 | 210 | 0 |
| Total Planning Services | | | 210 | 0 | 0 | 0 | 210 | 0 |
| CCTV Schemes | | | | | | | | |
| Mobile CCTV to Combat Flytipping | Boroughwide | Receipts | 15 | 0 | 0 | 0 | 15 | 0 |
| CCTV Cameras for Traffic Monitoring & Enforcement | Boroughwide | Receipts | 11 | 0 | 0 | 0 | 100 | 0 |
| CCTV Upgrade in Town Centres | Boroughwide | Receipts | 390 | 0 | 0 | 0 | 390 | 0 |
| New CCTV Control Room | Boroughwide | Receipts | 228 | 0 | 0 | 0 | 405 | 0 |
| Wandsworth CCTV Network Digital Upgrade | Boroughwide | SCIL | 1,000 | 0 | 0 | 0 | 1,000 | 0 |
| Total CCTV Schemes | | | 1,644 | 0 | 0 | 0 | 1,910 | 0 |
| Highway Services | | | | | | | | |
| Blocked Gullies | Boroughwide | Receipts | 119 | 100 | 100 | 200 | 519 | 0 |
| Capitalised Repairs -Carriageways | Boroughwide | Receipts | 2,242 | 2,000 | 2,000 | 0 | 8,931 | 0 |
| Capitalised Repairs - Footways | Boroughwide | Receipts | 1,095 | 1,000 | 1,000 | 0 | 4,960 | 0 |
| Signs & Poster Boards - boroughwide | Boroughwide | Receipts | 150 | 0 | 0 | 0 | 150 | 0 |
| Street LED Lighting | Boroughwide | Receipts | 426 | 0 | 0 | 0 | 4,731 | 0 |
| Street Trees | Boroughwide | Receipts | 60 | 60 | 0 | 0 | 120 | 0 |
| Boroughwide - Tree Works | Boroughwide | SCIL | 0 | 150 | 175 | 175 | 500 | 0 |
| Putney High Street - Public Realm & Environment Improvements | Thamesfield | SCIL | 1,119 | 406 | 0 | 0 | 1,525 | 0 |
| Cremorne Footbridge, Detailed Design Consultancy | St Mary's Park | SCIL | 66 | 0 | 0 | 0 | 160 | 0 |
| Upper Richmond Road and Putney Stations | Thamesfield | SCIL | 2,000 | 0 | 0 | 0 | 2,000 | 0 |
| Cycle Parking at Railway Stations | Boroughwide | SCIL | 500 | 0 | 0 | 0 | 500 | 0 |
| St John's Hill Bridge Refurbishment | Northcote | SCIL | 450 | 0 | 0 | 0 | 450 | 0 |
| Wandsworth Bridge Corrosion Protection | St Mary's Park | SCIL | 5,994 | 0 | 0 | 0 | 6,000 | 0 |
| Flood Alleviation Works | Boroughwide | SCIL | 0 | 100 | 300 | 600 | 1,000 | 0 |
| One Way Streets - Conversion to Two Way for Cycling | Boroughwide | SCIL | 0 | 80 | 80 | 340 | 500 | 0 |
| Trewint Street Bridge Improvements | Earlsfield | SCIL | 0 | 0 | 466 | 1,125 | 1,591 | 0 |
| Total Highway Services | | | 14,221 | 3,896 | 4,121 | 2,440 | 33,637 | 0 |
| Transport for London Funded Schemes | | | | | | | | |
| Local Improvement Plan | | | | | | | | |
| Local Improvement Plan 2019/20 | Boroughwide | Grant | 2,287 | 0 | 0 | 0 | 4,105 | -167 |
| Local Improvement Plan 2020/21 | Boroughwide | Grant | 0 | 1,514 | 0 | 0 | 1,514 | 0 |
| | | | 2,287 | 1,514 | 0 | 0 | 5,619 | -167 |
| Other Schemes | | | | | | | | |
| Flexible Funding 2019/20 | Boroughwide | Grant | 50 | 0 | 0 | 0 | 53 | -49 |
| Flexible Funding 2020/21 | Boroughwide | Grant | 0 | 50 | 0 | 0 | 50 | 0 |
| | | | 50 | 50 | 0 | 0 | 103 | -49 |
| Total Transport for London Funded Schemes | | | 2,337 | 1,564 | 0 | 0 | 5,722 | -216 |

| Scheme | Ward | Funded by | REVISED PROGRAMME | | | | Total Cost of Scheme £'000 | Variance Under (-) Over (+) Total £'000 |
|--|----------------|------------|-------------------|---------------|---------------|---------------|-------------------------------|--|
| | | | 2019/20 | 2020/21 | 2021/22 | Future Years | | |
| | | | £000 | £000 | £000 | £000 | | |
| Schemes Funded by Section 106 or CIL in the Vauxhall and Nine Elms Opportunity Area | | | | | | | | |
| Riverwalk | Queenstown | Nine Elms | 120 | 1,500 | 0 | 0 | 4,533 | 0 |
| Increased Bus Capacity and Pump Priming New Services | Queenstown | Nine Elms | 0 | 2,500 | 2,510 | 0 | 5,014 | 0 |
| Improvement to Battersea Park Station | Queenstown | Nine Elms | 1,887 | 6,000 | 5,004 | 0 | 13,004 | 0 |
| Nine Elms Highways, Pedestrian and Public Realm | Queenstown | Nine Elms | 2,892 | 2,950 | 4,775 | 12,720 | 24,024 | 0 |
| Queenstown Road - Footways and Cycle Facilities | Queenstown | Nine Elms | 0 | 350 | 0 | 0 | 350 | 0 |
| Queenstown Road Corridor Scheme (Nine Elms Element) | Queenstown | Nine Elms | 0 | 1,000 | 1,000 | 0 | 2,000 | 0 |
| Key Gateways | Queenstown | Nine Elms | 100 | 500 | 1,900 | 0 | 2,258 | -53 |
| Thessaly Road | Queenstown | Nine Elms | 600 | 1,500 | 0 | 0 | 3,785 | 0 |
| Nine Elms - Other Schemes | Queenstown | Nine Elms | 0 | 0 | 0 | 10,374 | 10,374 | 0 |
| | | | 5,599 | 16,300 | 15,189 | 23,094 | 65,342 | -53 |
| Section 106 agreements under the Town & Country Planning Act 1990 Other Schemes | | | | | | | | |
| Alton Road 3-5 SW15 | Roehampton | S106 | 0 | 20 | 0 | 0 | 20 | 0 |
| Arton Wilson House, 85 Roehampton Lane SW15 | Roehampton | S106 | 0 | 100 | 0 | 0 | 100 | 0 |
| ASDA Clapham Junction | Shaftsbury | S106 | 0 | 81 | 0 | 0 | 90 | 0 |
| Caius House Open Space Area | St Mary's Park | S106 | 0 | 61 | 0 | 0 | 102 | 0 |
| Falcon Wharf - TfL London Buses | Latchmere | S106 | 0 | 64 | 0 | 0 | 64 | 0 |
| Former Ralph West Halls, 45, Worfield St | St Mary's Park | S106 | 393 | 0 | 0 | 0 | 538 | 0 |
| Griffon and Lanner House, Winstanley Road SW11 | Latchmere | S106 | 0 | 17 | 0 | 0 | 24 | 0 |
| Hardwicks Way 1-9 and 2-6 | Southfields | S106 | 0 | 80 | 0 | 0 | 83 | 0 |
| IMA House, 20 Northfields SW18 | Thamesfield | S106 | 0 | 35 | 0 | 0 | 143 | 0 |
| Merton Road 249-251 | Southfields | S106 | 0 | 19 | 0 | 0 | 76 | 0 |
| Parkview - Queens Circus | Queenstown | S106 | 0 | 14 | 0 | 0 | 20 | 0 |
| Putney Bridge Road 50-52 Former South Thames Coll | Thamesfield | S106 | 0 | 15 | 0 | 0 | 15 | 0 |
| Putney Bridge Road 118 | Thamesfield | S106 | 0 | 14 | 0 | 0 | 14 | 0 |
| Queen Mary's Hospital, Roehampton Lane SW15 | Roehampton | S106 | 0 | 18 | 0 | 0 | 25 | 0 |
| Ram Brewery | Fairfield | S106 | 20 | 0 | 0 | 0 | 64 | 0 |
| Removal of River Wandle Half Tide Weir | Fairfield | S106 | 925 | 0 | 0 | 0 | 2,937 | 0 |
| St Georges Grove - TfL London Buses | Earlsfield | S106 | 0 | 153 | 0 | 0 | 300 | 0 |
| South Thames College, Wandsworth Site, SW18 | Fairfield | S106 | 0 | 14 | 0 | 0 | 68 | 0 |
| The Plough Public House St John's Hill | Fairfield | S106 | 0 | 19 | 0 | 0 | 19 | 0 |
| Upper Richmond Road 77-83 | East Putney | S106 | 554 | 0 | 0 | 0 | 555 | 0 |
| Upper Richmond Road 84-88 | East Putney | S106 | 772 | 0 | 0 | 0 | 772 | 0 |
| Upper Richmond Road 131-133 | East Putney | S106 | 29 | 0 | 0 | 0 | 204 | 0 |
| Wandsworth Business Village, 3-9 Broomhill Rd | Southfields | S106 | 0 | 24 | 0 | 0 | 138 | 0 |
| Wandsworth Enterprise Park | Fairfield | S106 | 0 | 38 | 0 | 0 | 79 | 0 |
| Westfield House, Knaresborough Drive | Southfields | S106 | 0 | 210 | 0 | 0 | 233 | -200 |
| Wandsworth One Way System | Fairfield | S106 | 4,954 | 21,611 | 0 | 0 | 27,500 | 0 |
| Other Schemes | Boroughwide | S106 | 116 | 0 | 0 | 0 | 882 | 441 |
| | | | 7,763 | 22,607 | 0 | 0 | 35,064 | 241 |
| Other Highways Schemes | | | | | | | | |
| Pay and Display Machine Replacement | Boroughwide | Receipts | 380 | 0 | 0 | 0 | 4,113 | 0 |
| Electric Vehicle Charging Points | Boroughwide | Grant/SCIL | 300 | 250 | 250 | 0 | 800 | 0 |
| Low Emission Highways Maintenance Fleet | Boroughwide | SCIL | 0 | 0 | 1,000 | 0 | 1,000 | 0 |
| | | | 680 | 250 | 1,250 | 0 | 5,913 | 0 |
| TOTAL HIGHWAYS SCHEMES | | | 30,599 | 44,617 | 20,560 | 25,534 | 145,678 | -28 |

| Scheme | Ward | Funded by | REVISED PROGRAMME | | | | Total Cost of Scheme | Variance Under (-) Over (+) Total |
|--|----------------|-----------|-------------------|---------------|---------------|---------------|----------------------|-----------------------------------|
| | | | 2019/20 | 2020/21 | 2021/22 | Future Years | | |
| | | | £000 | £000 | £000 | £000 | | |
| Traffic and Engineering | | | | | | | | |
| Battersea Church Road Feasibility Study | St Mary's Park | NCIL | 20 | 0 | 0 | 0 | 20 | 0 |
| Bedford Hill Public Realm and Road Safety | Bedford | NCIL | 379 | 0 | 0 | 0 | 403 | 0 |
| Chesterton Primary School green screen | Latchmere | NCIL | 27 | 0 | 0 | 0 | 0 | 0 |
| Doddington Square | Queenstown | NCIL | 224 | 0 | 0 | 0 | 224 | 0 |
| Dover House Road Parade - Streetscape Enhancements | West Putney | NCIL | 263 | 0 | 0 | 0 | 284 | 0 |
| Heathbrook Youth Centre / Elays Network Scheme | Queenstown | NCIL | 49 | 0 | 0 | 0 | 49 | 0 |
| Lavender Gardens Access Path | Shaftesbury | NCIL | 128 | 0 | 0 | 0 | 128 | 0 |
| Old York Road - Public Realms | Fairfield | NCIL | 30 | 0 | 0 | 0 | 30 | 0 |
| Ornamental Heritage & Riverside Ltg - Battersea | St Mary's Park | NCIL | 247 | 0 | 0 | 0 | 247 | 0 |
| Ornamental Heritage & Riverside Ltg - Putney | Thamesfield | NCIL | 111 | 0 | 0 | 0 | 111 | 0 |
| Ornamental Heritage & Riverside Ltg - Wandsworth | Fairfield | NCIL | 72 | 0 | 0 | 0 | 72 | 0 |
| Putney Bridge floodlighting | Thamesfield | NCIL | 349 | 0 | 0 | 0 | 500 | 0 |
| Putney High Street Improvements | Thamesfield | NCIL | 250 | 0 | 0 | 0 | 250 | 0 |
| Putney Lower Common Cemetery | Thamesfield | NCIL | 78 | 0 | 0 | 0 | 78 | 0 |
| Putney Park Lane improvements | West Putney | NCIL | 155 | 0 | 0 | 0 | 258 | 0 |
| Southfields Public Realm Upgrade | Southfields | NCIL | 430 | 0 | 0 | 0 | 430 | 0 |
| Wandle Valley Park - Improved Gateways | Earlsfield | NCIL | 159 | 0 | 0 | 0 | 114 | 0 |
| Wandsworth Bridge floodlighting | St Mary's Park | NCIL | 730 | 0 | 0 | 0 | 730 | 0 |
| Street improvements Doddington parade | Queenstown | NCIL | 145 | 0 | 0 | 0 | 145 | 0 |
| Elmbourne Road Improvements | Nightingale | NCIL | 135 | 0 | 0 | 0 | 135 | 0 |
| Mitcham Lane Feasibility | Furzedown | NCIL | 20 | 0 | 0 | 0 | 20 | 0 |
| West Putney area through traffic study | West Putney | NCIL | 60 | 0 | 0 | 0 | 60 | 0 |
| Putney Wharf Church & Brewhouse Lane | Thamesfield | NCIL | 150 | 0 | 0 | 0 | 150 | 0 |
| Total Traffic and Engineering | | | 4,210 | 0 | 0 | 0 | 4,438 | 0 |
| TOTAL STRATEGIC PLANNING AND TRANSPORTATION | | | 36,663 | 44,617 | 20,560 | 25,534 | 152,236 | -28 |

SECTION 2
TREASURY MANAGEMENT

WANDSWORTH BOROUGH COUNCILFINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY
COMMITTEE – 13TH FEBRUARY 2020EXECUTIVE – 24TH FEBRUARY 2020Report by the Director of Resources on the Council's Treasury Policy and Capital
Strategy for 2020/21SUMMARY

This report reviews the Treasury Management activities so far during 2019/20 and makes proposals for 2020/21 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.

Rates remain historically low, and the financial environment continues to be difficult.

Approval is now sought for an updated Treasury Policy Statement for 2020/21, including the determination of the Council's borrowing limit and operational boundary, and the minimum revenue provision policy for the financial year 2020/21.

Investments have increased during 2019/20 from £581 million to £605 million at the end of December 2019, and interest rates averaged 1.73% throughout the year. Investments are expected to remain at similar levels. Long term investments in pooled vehicles have maintained or increased in capital value while generating revenue returns of 4.3% and above.

Debt has reduced from £119 million to £102 million reflecting repayments of Public Works Loan Board debt.

Also included in the report as Appendix E is the Council's capital strategy for 2020/21 which sets out the long-term context within which capital expenditure, borrowing and investment decisions are made.

GLOSSARY

| | |
|-------|---|
| BIDS | Business Improvement Districts |
| CCLA | Charities, Church of England, Local Authorities |
| CIPFA | Chartered Institute of Public Finance and Accountancy |
| DMADF | Debt Management Account Deposit Facility |
| DSB | Dedicated Schools Budget |
| HRA | Housing Revenue Account |

| | |
|-------|--|
| MHCLG | Ministry for Housing, Communities and Local Government |
| MMFs | Money Market Funds |
| MRP | Minimum Revenue Provision |
| PWLB | Public Works Loan Board |

RECOMMENDATIONS

1. The Finance 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 to recommend the Council -
 - (a) to authorise the Director of Resources to determine the Council's Treasury Policy Statement for 2020/21 based on the Statement in Appendix A;
 - (b) to approve, as required under Section 3 of Part 1 of the Local Government Act 2003, for the financial year 2020/21 an authorised borrowing limit and operational boundary of £108 million as shown in paragraph 21;
 - (c) to approve, as recommended under Guidance issued under the Local Government Act 2003, a minimum revenue provision (MRP) for 2020/21 to repay internal borrowing by the Dedicated Schools Budget (DSB) over a period of twelve years, as shown in paragraphs 22 to 24; and
 - (d) to approve the Council's Capital Strategy for 2020/21 as set out in Appendix E.

INTRODUCTION

3. The Council's Treasury Policy Statement defines both the overall arrangements for treasury management and the expectations for the ensuing financial year. These arrangements are in accordance with the 'Treasury Management Code' issued by CIPFA in 2002, and subsequently revised in 2011 and late 2017. They also have regard to the 'Prudential Code,' issued by CIPFA, and considered by the Council based on Paper No. 04-129 in January 2004, and to Investment Guidance issued under Section 15 of the Local Government Act 2003 by the MHCLG. The recent amendments in late 2017 to the Treasury Management Code relate to investments that are not part of treasury management activity and do not arise from cash flows and debt management. These are commercial investments such as purchase of investment properties, investments in subsidiaries or investments for service objectives including regeneration. The Council's approach to these types of investments is included within a Capital Strategy which is required by CIPFA's amended Prudential Code and is to be reported and approved by full Council before 31st March 2020. This is included as Appendix E to this report.
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

Treasury Policy Statement 2020/21

review of the Statement was in February 2019 (Paper No. 19-80) but it was updated more recently in Paper No 19-212 in July 2019. This updated Statement is attached as Appendix A to this report. Subsequent paragraphs comment on experience to date in 2019/20, and policy for 2020/21 and later years.

GENERAL TREASURY MANAGEMENT EXPERIENCE IN 2019/20

5. The Council's investments have averaged over £625 million throughout the year. The Bank of England's Monetary Policy Committee has retained its bank rate at 0.75% since August 2018 and short-term investment rates have also remained around this level. Ongoing uncertainty around details of the UK's exit from the European Union has also continued to suppress rates. Many UK institutions are on "negative watch" with rating agencies due to this uncertainty. This has had to be managed by the Council to the extent that, under its current treasury management policy, a negative watch rating restricts investment with that counterparty to a maximum of six months, thereby limiting new long-term investments outside of local authorities.
6. The Council's overall average interest rate for short term investments was 1.73% to the end of December, however as explained above it is anticipated that rates will fall by year end. New short-term investments for less than one year are now averaging 0.98%, compared to an average of 1.05% at the same time last year. Rates on the other short-term Council investments, mainly MMFs and Short Dated Bond Funds, have also seen an average reduction of 0.05%. Whilst opportunities for two-year investments at suitable rates have been limited, £25 million has been arranged with other local authorities at an average rate of 1.30%.
7. The longer-term investment of £25 million in the CCLA Property Fund has distributed dividend income of over 4.5% so far in 2019/20 and continues to boost revenue returns. The capital value of the Fund remains above its nominal value.
8. Other long-term investments totalling £50 million were placed in three multi-asset funds during August 2018 for a period of three to five years. As the Council is expected to have substantial cash balances over this period and rates are expected to remain at low levels, these investments provide an opportunity to access increased yield. The funds are Fidelity Multi-Asset Fund, Artemis Monthly Distribution Fund and JP Morgan Multi-Asset Income Fund. They are pooled funds with a diversified asset mix, predominantly of bonds and equities, but with smaller amounts of other asset categories such as property and infrastructure. They distribute revenue income and are subject to movements in capital value. The Funds have distributed revenue income of around £1.4 million for the period until the end of December, at an average rate of 4.48%. The capital values have increased to £50.2 million, compared to £46.5 million as at the same time last year. Investments of this type are by their nature subject to volatility.
9. In addition to its treasury management activity, the Council has direct property investment, having purchased eight properties for financial return as part of a

planned strategy taking into account location, strength of covenant, lot size, lettability and yield. The aim is to generate ongoing income for the Council. The purchase of these properties has been funded from Council resources and so does not present the same risk as those funded directly from borrowing, for which several councils have recently received adverse publicity. Officers actively manage both the properties and the relationship with the tenants to secure the ongoing income stream and the average rate of return in 2019/20 is 5.1%.

10. Following its Joint Venture (JV) with Taylor Wimpey the Council has agreed to lend up to £50 million to aid the cash flow of the Winstanley and York Road regeneration scheme. The investment return is linked to LIBOR at the time the funding is requested (via a monthly draw down) and represents a comparable rate to commercial finance. There is no formal target for this investment but the rate being achieved is of financial benefit to the Council.
11. A full report on the 2019/20 treasury management record will be made to committee in July 2020, in accordance with the arrangements prescribed in the Policy Statement. Meanwhile, [Appendix B](#) shows the current rate of return achieved for short term investments. The Council's fixed term deposits are outperforming the liquidity funds as would be expected.
12. Investments The Council began the year 2019/20 with investments of £581 million, which increased to £605 million at the end of December. The level of investment has never fallen below the opening level, and on average has been around £625 million. The size and composition of the Council's investments at 31st March 2019 and 31st December 2019 is shown in [Appendix C](#).
13. Debt The size and composition of the Council's debt at 31st March 2019 and 31st December 2019 is shown in [Appendix D](#). Gross debt has reduced from £119 million to £102 million reflecting repayments of Public Works Loans Board (PWLB) debt. A further repayment will be made before the end of 2019/20. No new long-term borrowing has been undertaken, and none is expected for the remainder of the year.
14. The use of Money Market Funds by local authorities as non-capital expenditure is governed by regulation which refers to European legislation. The wording of this regulation is being amended to take effect from the date the United Kingdom ceases to be a member of the European Union.
15. The IFRS9 accounting standard on (measurement of) Financial Instruments was updated from 2018/19. This change meant that annual gains or losses arising from changes in fair value of pooled investments such as the CCLA Property Fund and the Multi-Asset Funds being would be charged to revenue in the General Fund. However after representations from local authorities Government introduced a mandatory statutory override commencing in 2018/19 for a period of five years requiring local authorities to reverse out all unrealised fair value movements from pooled investment funds. This means that the General Fund and Council Tax payers will continue to be protected from such annual movements until the end of 2022/23.

Treasury Policy Statement 2020/21**PROPOSED UPDATED TREASURY POLICY STATEMENT**

16. As detailed in paragraph 10 the Winstanley York Road JV has been drawing down monthly on its agreement with the Council in order to fund Phase 0 of the regeneration scheme. This is subject to an overall limit of £50 million although it is likely that the full amount of the bond will not be required. However a further opportunity to provide capital funding for Phase 1 is likely to arise as the scheme progresses and it is proposed that the policy statement is amended to allow consideration of this. The JV is currently assessing its likely cash flow needs and appropriate legal and financial advice will be sought by the Council to ensure an appropriate level of security on any loan. Final details of any further bond issue, including the amount, will be reported to Members via SO83(A).
17. A similar opportunity may arise in relation to the Alton regeneration scheme and it is proposed to amend the wording in the policy statement to allow for such an agreement with a development partner.
18. The changes are shown in **bold** in paragraph 3.2.4.(b)(iv) in Appendix A.

TREASURY MANAGEMENT STRATEGY FOR 2020/21

19. The Strategy for 2020/21 considers the outlook for investment and debt levels for the period 2020/21 to 2022/23, taking into account estimates of major cash flow movements. These estimates are shown in the table in paragraph 4.1 in Appendix A.
20. The Council is budgeting to begin the year with investments of around £509 million. Repayments of £17.2 million of PWLB loans taken up for the Housing Revenue Account (HRA) on 28th March 2012 will fall due during the year. The estimated movements for the following two years based upon current cash flows show that investments are likely to reduce as the HRA regeneration schemes progress and other balances fall.
21. Authorised Borrowing Limit and Operational Boundary for 2020/21 The Council has to set a borrowing limit and operational boundary for 2020/21 under Section 3 of Part 1 of the Local Government Act 2003. This limit refers only to gross borrowing, ignoring investments, and it is intended that it reflects the maximum amount that a local authority decides that it can borrow without further reference back to Council. This limit was set at £125 million in February 2019, reflecting the existing long-term borrowing of £103 million at 1 April 2019, 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 £86 million at 1st April 2020 and no new long-term borrowing is currently planned. A limit of £108 million is therefore proposed for the borrowing limit and operational boundary for 2020/21, reflecting the existing borrowing, and allowing for other possible requirements.

22. MRP Statement for 2020/21 Regulations issued under the Local Government Act 2003 require local authorities to calculate an annual amount of MRP to be set aside from revenue for the repayment of debt that is “prudent”. Accompanying guidance, to which local authorities should have regard, recommends the preparation of an annual statement of policy on making MRP, for approval by full Council. The MRP should not take account of capital expenditure on housing assets.
23. For Wandsworth a “prudent” MRP was, until 2017/18, nil, reflecting the fact that the Council’s debt relates to the Housing Revenue Account. However, in 2016/17 internal borrowing of £7 million took place to partially fund the scheme to develop Greenmead/Ronald Ross schools to be charged to the Dedicated Schools Budget (DSB).
24. It was proposed that the Council would have an MRP, commencing in 2017/18 and charged to the DSB, to repay any such internal borrowing, at the equivalent to the PWLB rate for nine years. For 2018/19 onwards, the repayment period has been extended to twelve years. This will still more than cover any minimum required under guidance for a “prudent” MRP.

CAPITAL STRATEGY

25. The requirement to produce an annual Capital Strategy was introduced in 2018 by amendments to CIPFA’s Prudential Code. The Prudential Code allows local authorities to set their own limits on borrowing as part of the freedoms and flexibilities introduced in the 2003 Local Government Act. This is achieved by setting limits to ensure that spending is affordable, prudent and sustainable. The addition of a Capital Strategy to this framework gives further context and direction to these decisions. This has recently been enhanced by the CIPFA Prudential Property Investment guidance which specifically addresses the decision making process for investing in property.
26. The need for a Capital Strategy has arisen primarily because of changes in both the economic and regulatory landscape affecting local authorities and changes in borrowing and investment activities. Local authorities have become increasingly complex and engaging in commercial activities has become much more widespread. Many local authorities are now investing in assets that fall outside the scope of traditional Treasury Management investments, particularly property assets. Setting a Capital Strategy which covers the use of such investments improves transparency and ensures sound decision-making.
27. The Ministry for Housing, Communities and Local Government (MHCLG) has policy responsibility for the Prudential System and made amendments to the Guidance on Local Authority Investments for 2018/19. This revised guidance, issued under Section 15 of the Local Government Act 2003, is intended to support and in some cases supplement the disclosures required by CIPFA in the Capital Strategy. The MHCLG believes that most authorities are behaving sensibly and proportionately but has expressed concern about the risks associated with the scale of investment in non-treasury type assets of a few authorities.

Treasury Policy Statement 2020/21

28. The proposed Capital Strategy for 2020/21 is set out in Appendix E. The Strategy brings together the Council's arrangements under both the Prudential Code and the Treasury Management Code. The strategy covers capital expenditure and its resources for both the General Fund and the Housing Revenue Account (HRA), treasury management investments, investments that are not part of treasury management activity, borrowing and MRP.

SUPPORTING THE WANDSWORTH ENVIRONMENT AND SUSTAINABILITY STRATEGY (WESS)

29. The Council's treasury investments and their impact on the WESS will be assessed alongside the review of Pension Fund investments which is currently under way.

The Town Hall
Wandsworth
SW18 2PU

MARK MAIDMENT
Director of Resources

5th February 2020

Background Papers

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

WANDSWORTH BOROUGH COUNCILTREASURY POLICY STATEMENT - FEBRUARY 20201. SCOPE OF CORPORATE TREASURY MANAGEMENT

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

2. ADMINISTRATION

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

Treasury Policy Statement

- (b) to administer the Council's external debt within the ambit of any policy as to borrowing which the Council may have from time to time determined, and specifically:
 - (i) to raise, repay, renew and otherwise vary the terms of the loans; and
 - (ii) to enter into any collateral agreements necessary to facilitate effective debt management; and
 - (iii) to negotiate and enter into leasing agreements in order to finance the acquisition of vehicles, plant and equipment and to enter into any collateral agreements necessary to facilitate an effective leasing policy.
- 2.3. The Director of Resources shall submit for the approval of the full Council by 31st March of each year, a Treasury Policy Statement defining the overall arrangements and strategy for the ensuing financial year, a report on the exercise of his delegated authority by 30th September in the following financial year, and a mid-year review report. Such statements and reports will have regard to good professional practice and relevant codes such as the CIPFA Guide to Treasury Management in the Public Services. The Policy Statement shall distinguish between general strategy, which shall be followed without exception, and strategy specific to the circumstances foreseen for the coming year, from which the Director may depart if changed circumstances so require provided that the departure shall be reported to the next available meeting of the Finance 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 Debt Management Account Deposit Facility (DMADF).
- 2.4. Day-to-day Treasury Management responsibilities shall be handled by the Financial Management Division of the Resources Department, in accordance with a Treasury Systems Document. The Treasury Systems Document shall contain details of the Council's Treasury Management Practices, including how the Council manages and controls the relevant activities.
- 2.5. Treasury Management activities and issues shall be reviewed at least monthly at the Treasury Management meeting within the Resources Department chaired by the Director and attended by the Assistant Director (Financial Management). This meeting discusses strategic decisions relating to items such as structure of investments and timing of long-term borrowing. The Director of Resources or, in his absence, the 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 the Council to carry out an independent review of the Council's Treasury Management activities.

3. GENERAL STRATEGY

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

3.2. Investment:

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

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

| <u>Policy para 3.2.2</u> | <u>Short-term rating</u> | <u>Long-term rating</u> | <u>Short-term watch</u> | <u>Institution</u> | <u>Maximum Investment</u> | <u>Maximum Investment > 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/ NatWest PLC | £50m | Overnight only |

Treasury Policy Statement

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

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

The above investment criteria shall be regarded as maximum levels and due regard shall be had to market conditions. Restrictions on the above limits may be placed from time to time on a temporary basis by the Director of Resources or in his absence the Assistant Director (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 MMFs with AAA ratings or with Short Dated Income Funds with AA ratings. Investments shall be placed in accordance with the following criteria:

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

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

- (a) Investments shall be for no longer than two years, unless specifically identified as one of the exceptions under b) below. The amount that can prudently be invested for longer than 364 days, but for no longer than two years must relate to forecasts of investments taking into account foreseeable net spending needs and allowing for adequate reserves and contingencies. As investment levels are expected to remain above ~~£300 350~~ million for the next two years, a prudent limit for the maximum amount to be invested for longer than 364 days but for no longer than two years is ~~£100 150~~ 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 Resources, subject to an overall maximum limit of £5 million per loan.
- (iv) Loans may be made through bond instruments issued by any Joint Venture arrangement, **development partner** or vehicle set up for the purpose of regenerating the Council's housing estates. Any such investment shall not exceed £50 million **per bond issue**.
- (v) Loans may be made to Wandsworth based Business Improvement Districts (BIDS) for start-up loans at up to market rates of interest to an overall maximum limit of £1 million.
- (vi) Investments may be made from the Pensions Resilience Reserve and other cash balances up to an aggregate limit of £50 million for around five years, subject to meeting the criteria do not count as capital expenditure. The following classes of assets may be utilised – Individual Corporate Bonds (grade BBB and above), Fixed Income Funds, Equity Funds and Mixed Asset Funds (including Multi Asset Credit). In addition investments may be made in products akin to those currently used by the Pension Fund. Where practicable, suitable hedging arrangements will be made on all such investments; however it is recognised that hedging (outside a fund) against downside risk will often be cost prohibitive therefore risk management will focus on diversification. The total amount invested with any one manager shall not exceed £20 million unless capital appreciation takes an initial investment over that value.
- (vii) The investment of amounts set aside from HRA reserves for repayment of long-term PWLB loans which may be invested for longer periods, as long as the maturity date is no later than the maturity date of the long-term PWLB loan.

3.3. No credit arrangements shall be undertaken except:

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

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

Treasury Policy Statement**4. STRATEGY FOR 2020/21**

4.1. The following table considers the outlook for investment and debt levels for the period 2020/21 to 2022/23 considering estimates of major cash flow movements.

| | <u>2020/21</u> £'m | <u>2021/22</u> £'m | <u>2022/23</u> £'m |
|---|-----------------------|-----------------------|-----------------------|
| Estimated investments 1st April | 509.3 | 401.1 | 329.6 |
| Estimated debt 1st April | -86.0 | -68.8 | -51.6 |
| Deposit facilities for other bodies & funds | -0.5 | -0.5 | -0.5 |
| <u>Net investments/debt 1st April</u> | <u>422.8</u> | <u>331.8</u> | <u>277.5</u> |
| Deduct | | | |
| Capital payments - general | -94.5 | -37.1 | -40.7 |
| Capital payments - HRA | -165.3 | -103.8 | -100.7 |
| Payment of capital receipts to Government (Pooling) | -2.6 | -2.6 | -2.6 |
| Net Movement in funds, reserves & provisions | 7 | -5 | -16 |
| Add | | | |
| Capital receipts | 1.0 | 9.0 | 3.5 |
| HRA capital receipts | 47.0 | 16.6 | 8.4 |
| Capital grants | 78.1 | 32.1 | 40.0 |
| Revenue provision for capital & credit liabilities | 38.3 | 36.5 | 37.4 |
| | | | |
| In-year net cash movement before loans | <u>-91</u> | <u>-54.3</u> | <u>-70.7</u> |
| | | | |
| Net investments/debt 31st March | <u>331.8</u> | <u>277.5</u> | <u>206.8</u> |
| | | | |
| Estimated investments 31st March | 401.1 | 329.6 | 241.7 |
| Estimated long-term debt 31st March | -68.8 | -51.6 | -34.4 |
| Deposit facilities for other bodies | -0.5 | -0.5 | -0.5 |
| | | | |
| Repayment of debt | 17.2 | 17.2 | 17.2 |
| Change in use of deposit facilities | 0.0 | 0.0 | 0.0 |

4.2. The Council is expected to begin the year with investments of around £509 million. Repayments of £17.2 million of new PWLB loans taken up for the HRA on 28th March 2012 fall due during the year. The estimated movements for the following two years based upon current cash flows show that investments are likely to fall as the HRA Regeneration schemes progress and the level of other balances reduces.

(Paper No. 20-102)

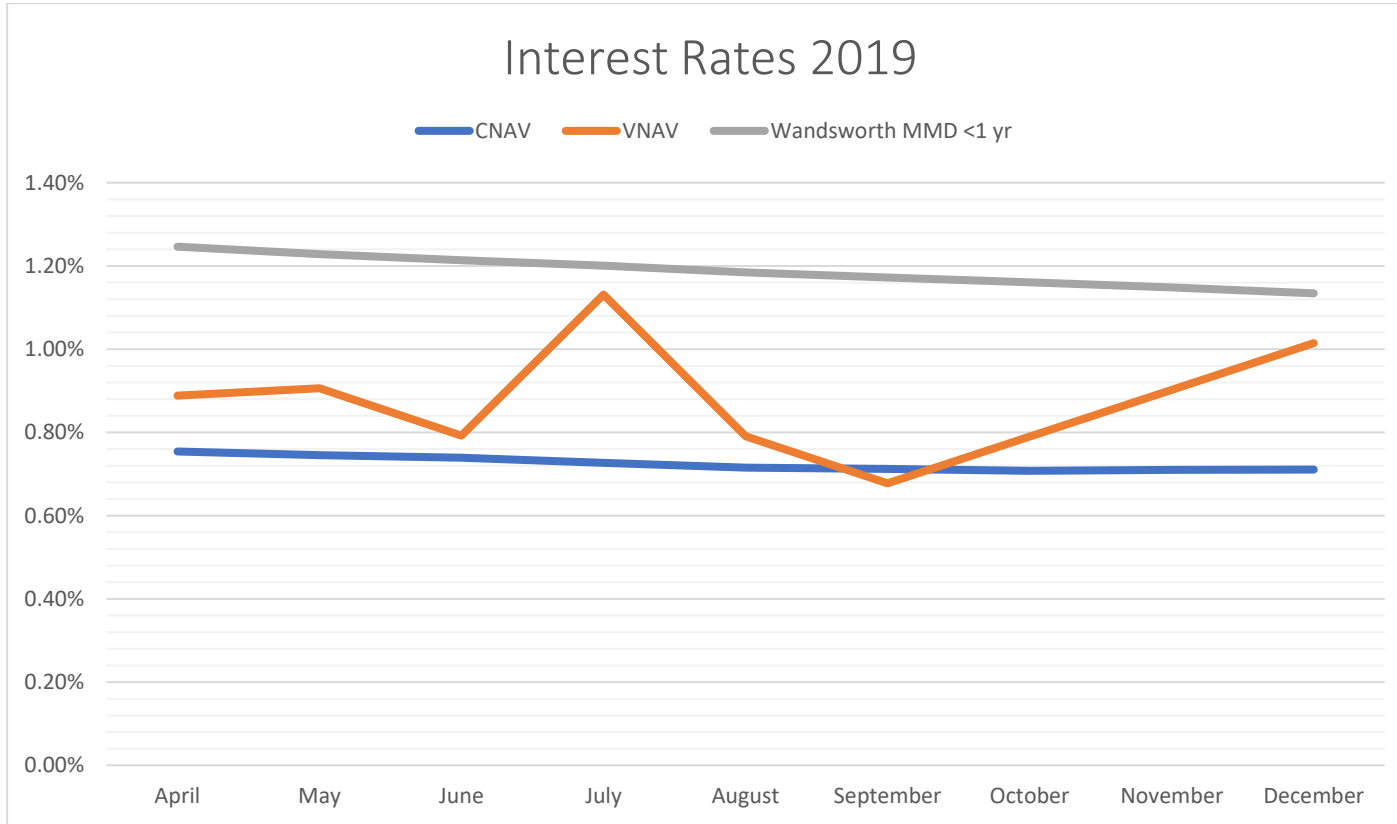
Treasury Policy Statement

4.3. Authorised Borrowing Limit and Operational Boundary for 2020/21 The Council has to set a borrowing limit and operational boundary for 2020/21 under Section 3 of Part 1 of the Local Government Act 2003. This limit refers only to gross borrowing, ignoring investments, and it is intended that it reflects the maximum amount that a local authority decides that it can borrow without further reference back to Council. This limit was set at £125 million in February 2019, reflecting the existing long-term borrowing of £103 million at 1 April 2019, 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 £86 million at 1st April 2020 and no new long-term borrowing is currently planned. A limit of £108 million is therefore proposed for the borrowing limit and operational boundary for 2019/20, reflecting the existing borrowing, and allowing for other possible requirements.

The Town Hall
Wandsworth
SW18 2PU

5th February 2020

Appendix B
Paper No. 20-102



APPENDIX C
Paper No. 20-102

TOTAL INVESTMENTS

| | 31st December 2019 | | FITCH RATING | | | |
|---|---------------------------|----------------------|---------------------|---------------|----------------|--------------|
| | <u>INTEREST</u> | <u>AMOUNT</u> | Long- | Short- | S-T | |
| | <u>RATE</u> | | term | term | Outlook | |
| | % | £'m | | | | |
| <u>OVERNIGHT</u> | | | | | | |
| Royal Bank of Scotland | 0.05% | 0.0 | | | | |
| | | <u>0.0</u> | | | | |
| <u>MONEY MARKET & SHORT DATED INCOME FUNDS</u> | | | | | | |
| Aberdeen Liquidity (CNAV) | | 21.60 | | | AAA rating | |
| Federated Global Sterling (VNAV) | | 29.70 | | | AAA rating | |
| Royal London Cash Plus Fund | | 10.00 | | | AAA rating | |
| | | <u>61.3</u> | | | | |
| <u>SHORT FIXED < 3 MONTHS</u> | | | | | | |
| Thurrock Council | 1.15% | 10.0 | | | | |
| North Tyneside Metropolitan Borough Council | 1.15% | 5.0 | | | | |
| North Tyneside Metropolitan Borough Council | 1.20% | 10.0 | | | | |
| London Borough of Hackney | 1.15% | 10.0 | | | | |
| East Ayrshire Council - Kilmarnock | 1.13% | 10.0 | | | | |
| Australia and New Zealand Banking Group Ltd. | 1.16% | 10.0 | AAA | AA- | F1+ | Not Negative |
| Thurrock Council | 1.15% | 10.0 | | | | |
| | | <u>65.0</u> | | | | |
| <u>SHORT FIXED > 3 MONTHS</u> | | | | | | |
| Lancashire County council | 1.00% | 10.0 | | | | |
| West Dunbartonshire Council | 1.00% | 10.0 | | | | |
| Australia and New Zealand Banking Group Ltd. | 1.12% | 10.0 | AAA | AA- | F1+ | Not Negative |
| Lancashire County council | 1.10% | 10.0 | | | | |
| Lloyds Bank Plc (RFB) | 1.25% | 5.0 | AA | A+ | F1 | Negative |
| First Abu Dhabi Bank PJSC | 1.10% | 10.0 | AA | AA- | F1+ | Not Negative |
| Thurrock Council | 1.07% | 10.0 | | | | |
| Australia and New Zealand Banking Group Ltd. | 1.12% | 10.0 | AAA | AA- | F1+ | Not Negative |
| Highland Council | 1.30% | 2.5 | | | | |
| Thurrock Council | 1.10% | 6.0 | | | | |
| | | <u>83.5</u> | | | | |
| <u>SHORT FIXED > 6 MONTHS</u> | | | | | | |
| Highland Council | 0.95% | 5.0 | | | | |
| Cambridgeshire County Council | 0.98% | 10.0 | | | | |
| Highland Council | 0.95% | 10.0 | | | | |
| North Tyneside Metropolitan Borough Council | 0.95% | 4.0 | | | | |
| North Tyneside Metropolitan Borough Council | 0.95% | 3.0 | | | | |
| Cambridgeshire County Council | 0.98% | 10.0 | | | | |
| Cambridgeshire County Council | 0.98% | 0.0 | | | | |
| Lancashire County council | 0.95% | 10.0 | | | | |
| First Abu Dhabi Bank PJSC | 1.00% | 10.0 | AA | AA- | F1+ | Not Negative |
| London Borough of Croydon | 0.80% | 10.0 | | | | |
| London Borough of Waltham Forest | 1.02% | 10.0 | | | | |
| London Borough of Croydon | 0.80% | 10.0 | | | | |
| North Lanarkshire Council | 0.92% | 5.0 | | | | |
| First Abu Dhabi Bank PJSC | 1.00% | 10.0 | AA | AA- | F1+ | Not Negative |
| Lancashire County council | 1.40% | 10.0 | | | | |
| Plymouth Council | 0.90% | 10.0 | | | | |
| Glasgow City Council | 0.85% | 15.0 | | | | |
| West Dunbartonshire Council | 0.95% | 8.0 | | | | |
| North Ayrshire Council | 0.93% | 5.0 | | | | |
| Salford Council | 0.90% | 5.0 | | | | |
| Aberdeenshire Council | 0.90% | 10.0 | | | | |
| Corby Borough Council | 0.90% | 7.5 | | | | |
| Great Yarmouth Borough Council | 1.25% | 11.0 | | | | |
| Thurrock Council | 0.95% | 10.0 | | | | |
| Cambridgeshire County Council | 0.93% | 10.0 | | | | |
| Australia and New Zealand Banking Group Ltd. | 1.02% | 10.0 | AAA | AA- | F1+ | Not Negative |
| City of Plymouth | 0.92% | 10.0 | | | | |
| First Abu Dhabi Bank PJSC | 0.98% | 10.0 | AA | AA- | F1+ | Not Negative |

| | | | | | | |
|--|-------|--------------|----|---|----|--------------|
| Goldman Sachs International Bank | 1.00% | 10.0 | AA | A | F1 | Not Negative |
| | | 248.5 | | | | |
| <u>SHORT FIXED > 1 YEAR</u> | | | | | | |
| Barnsley Metropolitan County Council | 1.40% | 5.0 | | | | |
| Lancashire County council | 1.20% | 10.0 | | | | |
| Lancashire County council | 1.30% | 10.0 | | | | |
| Wokingham Borough Council | 1.45% | 10.0 | | | | |
| Cambridgeshire County Council | 1.40% | 10.0 | | | | |
| City of Lincoln Council | 1.40% | 7.0 | | | | |
| | | 52.0 | | | | |
| CCLA Property Fund | | 25.0 | | | | |
| Multi-Asset Funds | | | | | | |
| Artemis Monthly Distribution Fund | | 15.0 | | | | |
| Fidelity Multi-Asset Income Fund | | 20.0 | | | | |
| JP Morgan Multi-Asset Income Fund | | 15.0 | | | | |
| | | 50.0 | | | | |
| Winstanley and York Road Regeneration | | 27.10 | | | | |
| Mutuals & similar organisations | | 0 | | | | |
| | | 612.4 | | | | |
| less amount invested on behalf of WRWA | | -7.39 | | | | |
| less amount invested on behalf of NESCB | | -0.55 | | | | |
| <u>TOTAL INVESTMENTS</u> | | 604.5 | | | | |

| 31st March 2019 | | | | | | |
|---|------------------------|----------------------|---------------------|---------------|----------------|--------------|
| | <u>INTEREST</u> | <u>AMOUNT</u> | FITCH RATING | | | |
| | <u>RATE</u> | | Long- | Short- | S-T | |
| | % | £'m | term | term | Outlook | |
| <u>OVERNIGHT</u> | | | | | | |
| Royal Bank of Scotland | 0.05% | 0.0 | | | | |
| | | 0.0 | | | | |
| <u>MONEY MARKET & SHORT DATED INCOME FUNDS</u> | | | | | | |
| Federated Global Sterling (CNAV) | | 7.90 | | AAA rating | | |
| Statestreet Sterling (CNAV) | | 5.00 | | AAA rating | | |
| Federated Global Sterling (VNAV) | | 10.00 | | AAA rating | | |
| Standard Life (VNAV) | | 4.60 | | AAA rating | | |
| Royal London Cash Plus Fund | | 10.00 | | AAA rating | | |
| | | 37.5 | | | | |
| <u>SHORT FIXED < 3 MONTHS</u> | | | | | | |
| Australia and New Zealand Banking Group Ltd. | 0.93% | 10.0 | AAA | AA- | F1+ | Not Negative |
| Australia and New Zealand Banking Group Ltd. | 0.92% | 10.0 | AAA | AA- | F1+ | Not Negative |
| Australia and New Zealand Banking Group Ltd. | 0.95% | 10.0 | AAA | AA- | F1+ | Not Negative |
| Lloyds Bank Plc (RFB) | 1.00% | 5.0 | AA | A+ | F1 | Not Negative |
| Goldman Sachs International Bank | 1.22% | 10.0 | AA | A | F1 | Not Negative |
| Lancashire County Council | 1.02% | 5.0 | | | | |
| Commonwealth Bank of Australia | 0.98% | 10.0 | AAA | AA- | F1+ | Not Negative |
| Commonwealth Bank of Australia | 0.89% | 5.0 | AAA | AA- | F1+ | Not Negative |
| Wirral M B C | 0.85% | 5.0 | | | | |
| Islington Council | 0.85% | 10.0 | | | | |
| Bournemouth Borough Council | 0.86% | 10.0 | | | | |
| West Berkshire Council | 0.86% | 2.0 | | | | |
| Swindon Borough Council | 0.85% | 5.0 | | | | |
| Credit Industriel et Commercial | 0.94% | 10.0 | AA | A+ | F1 | Not Negative |
| | | 107.0 | | | | |
| <u>SHORT FIXED > 3 MONTHS</u> | | | | | | |

| | | | | | | |
|--|-------|--------------|-----|-----|-----|--------------|
| Lancashire County Council | 0.90% | 10.0 | | | | |
| United Overseas Bank Ltd. | 0.92% | 5.0 | AAA | AA- | F1+ | Not Negative |
| Bank of Montreal | 0.96% | 5.0 | AAA | AA- | F1+ | Not Negative |
| Toronto-Dominion Bank | 0.97% | 5.0 | AAA | AA- | F1+ | Not Negative |
| Cambridge County Council | 1.00% | 10.0 | | | | |
| Toronto-Dominion Bank | 0.91% | 10.0 | AAA | AA- | F1+ | Not Negative |
| Toronto-Dominion Bank | 0.97% | 10.0 | AAA | AA- | F1+ | Not Negative |
| Canadian Imperial Bank of Commerce | 0.94% | 10.0 | AAA | AA- | F1+ | Not Negative |
| Birmingham City Council | 0.70% | 10.0 | | | | |
| Corby Borough Council | 1.00% | 4.5 | | | | |
| First Abu Dhabi Bank PJSC | 1.07% | 10.0 | AA | AA- | F1+ | Not Negative |
| Enfield Council | 1.05% | 10.0 | | | | |
| Doncaster Metropolitan Borough Council | 0.73% | 5.0 | | | | |
| | | 104.5 | | | | |

SHORT FIXED > 6 MONTHS

| | | | | | | |
|--|-------|--------------|-----|-----|-----|--------------|
| Lloyds Bank Plc (RFB) | 1.10% | 5.0 | AA | A+ | F1 | Not Negative |
| First Abu Dhabi Bank PJSC | 1.13% | 10.0 | AA | AA- | F1+ | Not Negative |
| Wolverhampton City Council | 0.80% | 8.0 | | | | |
| Toronto-Dominion Bank | 1.07% | 5.0 | AAA | AA- | F1+ | Not Negative |
| London Borough of Croydon | 1.05% | 10.0 | | | | |
| Thurrock Council | 1.09% | 5.0 | | | | |
| Thurrock Council | 1.09% | 5.5 | | | | |
| First Abu Dhabi Bank PJSC | 1.21% | 10.0 | AA | AA- | F1+ | Not Negative |
| Lancashire County council | 0.85% | 10.0 | | | | |
| London Borough of Southwark | 1.05% | 10.0 | | | | |
| DBS Bank Ltd. | 1.15% | 20.0 | AAA | AA- | F1+ | Not Negative |
| Exeter City Council | 0.90% | 10.0 | | | | |
| Cambridgeshire County Council | 1.15% | 10.0 | | | | |
| North Tyneside Council | 1.15% | 5.0 | | | | |
| North Tyneside Council | 1.15% | 4.0 | | | | |
| National Australia Bank Ltd. | 1.13% | 10.0 | AAA | AA- | F1+ | Not Negative |
| Cambridgeshire County Council | 1.15% | 10.0 | | | | |
| National Australia Bank Ltd. | 1.13% | 10.0 | | | | |
| National Bank of Canada | 1.15% | 10.0 | AAA | AA- | F1+ | Not Negative |
| Thurrock Council | 1.15% | 10.0 | | | | |
| Australia and New Zealand Banking Group Ltd. | 1.16% | 10.0 | AAA | AA- | F1+ | Not Negative |
| East Ayrshire Council - Kilmarnock | 1.13% | 10.0 | | | | |
| London Borough of Hackney | 1.15% | 10.0 | | | | |
| North Tyneside M.B.C | 1.20% | 10.0 | | | | |
| North Tyneside M.B.C | 1.15% | 5.0 | | | | |
| | | 222.5 | | | | |

SHORT FIXED > 1 YEAR

| | | | | | | |
|--------------------------------|-------|-------------|--|--|--|--|
| Highlands Council | 1.30% | 2.5 | | | | |
| Great Yarmouth Borough Council | 1.25% | 11.0 | | | | |
| Lancashire County council | 1.40% | 10.0 | | | | |
| City of Lincoln Council | 1.40% | 7.0 | | | | |
| Cambridgeshire County Council | 1.40% | 10.0 | | | | |
| Wokingham Borough Council | 1.45% | 10.0 | | | | |
| | | 50.5 | | | | |

CCLA Property Fund**25.0****Multi-Asset Funds**

| | | | | | | |
|-----------------------------------|------|-------------|--|--|--|--|
| Artemis Monthly Distribution Fund | 15.0 | | | | | |
| Fidelity Multi-Asset Income Fund | 20.0 | | | | | |
| JP Morgan Multi-Asset Income Fund | 15.0 | | | | | |
| | | 50.0 | | | | |

Mutuals & similar organisations**0.1****597.1**

| | | | | | | |
|---|--------|--|--|--|--|--|
| less amount invested on behalf of WRWA | -15.24 | | | | | |
| less amount invested on behalf of NESCB | -0.77 | | | | | |

TOTAL INVESTMENTS**581.1**

APPENDIX D
Paper No. 20-102

TOTAL DEBT

| | Maturity Date | Rate of Interest | Balance 31/03/2019 | Balance 31/12/2019 |
|---|----------------------|-------------------------|---------------------------|---------------------------|
| | | | % | £'000 |
| | | | £'000 | £'000 |
| <u>Long-Term Debt</u> | | | | |
| PWLB EIP Loans | 28/03/2025 | 1.69% | 103,211 | 94,610 |
| Total Long-Term Debt | | | <u>103,211</u> | <u>94,610</u> |
| <u>Deposit Facilities for other Bodies</u> | | | | |
| NESCB | | | 770 | 550 |
| WRWA | | | 15,238 | 7,388 |
| <u>TOTAL DEBT</u> | | | <u>119,219</u> | <u>102,548</u> |

WANDSWORTH BOROUGH COUNCIL**THE COUNCIL'S CAPITAL STRATEGY 2020/21**

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

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

Overview of Governance Process

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

Long-term view of capital spending plans

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

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- 2.6 Due to the current pressures on the Council's finances and council tax, potential capital schemes are considered in the context of whether any specific capital resources will be available to contribute towards the funding of the scheme and the revenue impact of the scheme. General assumptions are as follows:
- a) expenditure for repairs and new pupil places will normally be limited to that funded from either Government grant or from directly linked site sales.
 - b) For non-housing and non-school related Council operational property, schemes are restricted to those that will either provide future revenue savings, are essential to deliver the Council's priorities (including in relation to climate change mitigation), are critical to keeping a property in use, or will facilitate the Council's regeneration schemes. Schemes that are critical to keeping a property in use are selected based upon the current condition information and maintenance forecast.
 - c) Schemes to be funded from Section 106 or Community Infrastructure Levy (CIL) are assessed on their merits and the actual resources available and any restrictions within specific development agreements on the funding's use.
 - d) Highways type schemes and other areas where there is a regular annual budget are considered in the light of available resources including possible grant contributions.
- 2.7 The potential sources of finance for the General Fund capital programme are:
- a) Grants – either earmarked for specific schemes or services, or available for any scheme. There is no revenue effect, provided that the receipt of grant is not significantly delayed.
 - b) CIL and Section 106 – can be used to finance capital infrastructure works. There is no revenue effect.
 - c) Revenue and Renewals Fund – other than specific schemes from the Renewals Fund this is rarely used because of the impact upon council tax.
 - d) Capital Receipts freely available to the General Fund – these are used where resources from the above three categories are not available. There is a loss of investment interest associated with their use. The Council has an active policy of rationalising and disposing of under-utilised assets and has used the proceeds extensively over time to support the capital programme. The framework takes account of the forecast availability of capital receipts in determining the size of the capital programme that is affordable and does not permit the forecast level to fall below a specified minimum level. To further mitigate any risk of resources falling below a prudent level, the estimates of capital receipts are reduced by 20% before determining the minimum level of receipts in the framework. There is also

the possibility of capital receipts being used for revenue spend in limited circumstances under the Government's "flexible use of receipts" initiative. This could contribute to alleviating the pressure on revenue resources but would reduce the availability of resources for capital spending.

- e) Borrowing – this is currently not used other than in the limited circumstances of internal borrowing for a school spend-to-save scheme. Borrowing is financially disadvantageous compared to other sources of finance. No external borrowing is currently carried out.

- 2.8 The table below compares the current estimated capital resources with the capital payments to be financed and shows a reduction in the available usable capital receipts over the five year period, with £21 million expected to be available at the end of the five years.

| Table: Capital Resources Statement | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|----------------|----------------|
| | £000 | £000 | £000 | £000 | £000 |
| Usable Capital Resources at start of year | 33,368 | 52,762 | 27,336 | 21,326 | 19,126 |
| Add: Refinancing use of SCIL | 33,000 | - | - | - | - |
| Add: Grants and reimbursements | 34,846 | 30,472 | 1,340 | - | - |
| Add: S106 and CIL | 34,630 | 47,634 | 30,748 | 40,024 | - |
| Add: New capital receipts | 7,671 | 1,000 | 8,970 | 3,500 | 7,070 |
| Less: Capital expenditure (after slippage) | (90,753) | (104,532) | (47,068) | (45,724) | (5,000) |
| Usable Capital Resources at end of year | <u>52,762</u> | <u>27,336</u> | <u>21,326</u> | <u>19,126</u> | <u>21,196</u> |

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

Overview of Governance Process

- 3.1 The HRA Budget Framework is another of the Council's four financial frameworks as detailed in the Council's Medium Term Financial Strategy. It is based upon the 30-year HRA business plan that models the cycles of work necessary to maintain the housing stock to decent homes standard. The framework plots both projected capital and revenue resources. It is reset annually in January by the Executive, monitored throughout the year by the Director of Resources and the Overview and Scrutiny Committee, and generally reviewed in September or November by the Executive. When setting rents for the Council's housing stock, regard is given to the overriding objective of keeping the HRA business plan in balance. It is also the subject of specific risk management reports by the Assistant Director of Resources (Revenues).
- 3.2 The HRA business plan is also the basis for the four-year budget framework that sets parameters within which the Executive may commit HRA resources under the Council's constitution.

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- 3.3 The HRA capital programme element of the business plan follows a similar approach to the General Fund capital programme in that the cash flows for existing approved schemes are reviewed in September or November by the Executive, additions are approved in January and schemes can be approved and added to the programme during other committee cycles subject to approval of budget variations.

Long-term view of capital spending plans

- 3.4 In addition to the four-year budget framework of spend and resources the HRA capital programme considers estimated spend and affordable resources over the 30-years of the Business Plan.
- 3.5 The potential sources of finance for the capital programme are in some cases similar to those for the General Fund programme but with other notable differences: -
- a) Grants and reimbursements – Section 106 grants, other capital grants and reimbursements, in particular from leaseholders.
 - b) Right to Buy capital receipts – the receipts from Right to Buy (RTB) sales that are to be used for one-to-one replacement build.
 - c) Non-RTB capital receipts – receipts arising from disposals of HRA sites or from vacant property sales.
 - d) Borrowing – this currently represents internal borrowing for one-for-one replacement build. The government restricts the use of one-for-one receipts to a maximum of 30% of the cost of the replacement build, and this generally represents the other 70% of the scheme costs. It is assumed the external borrowing will begin to be required from 2021/22. HRA borrowing, whether internal or external, increases HRA debt. HRA debt in Wandsworth is currently £272 million. The Council's planned regeneration and self-build schemes will lead to a significant increase in HRA borrowing over the next 5-10 years.
 - e) Major Repairs Reserve – this is used where resources from the above four categories are not available. Any amount used must be affordable within the 30-year business plan.
- 3.6 The overriding aim of the HRA capital programme is to maintain an investment level consistent with that assumed in the stock condition survey in order to keep, as a minimum standard, the housing stock decent. The risk of changes to the assumptions used in the business plan and the effect on reserves are considered.

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

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Total Expenditure | <u>112,117</u> | <u>165,250</u> | <u>103,824</u> | <u>100,702</u> |
| Financed By: | | | | |
| Capital Receipts | 14,836 | 4,000 | 1,627 | 1,006 |
| Capital Grants & Reimbursements | 28,544 | 36,804 | 8,747 | 720 |
| Leaseholder Major Works Charges | 4,250 | 6,170 | 6,335 | 6,732 |
| Borrowing | 6,617 | 4,667 | 51,463 | 80,014 |
| Major Repairs Reserve | 57,870 | 113,609 | 35,652 | 12,230 |
| Total Financing | <u>112,117</u> | <u>165,250</u> | <u>103,824</u> | <u>100,702</u> |

4. **Investment**

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

Treasury Management Investments

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

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- 4.4 The Director of Resources' responsibilities for Treasury Management are prescribed in the Council's Financial Regulations. Treasury Management activities and issues are reviewed monthly by a Treasury meeting within the Resources Directorate and attended by the Director of Resources. Day to day Treasury Management activities are handled by the Financial Management Division of the Resources Directorate in accordance with a Treasury Procedure Document. Treasury Management staff attend training courses to ensure they maintain sufficient knowledge and keep up to date with current developments.
- 4.5 Treasury Management advisers are appointed at least once within the lifetime of each Council to carry out an independent review of the Council's Treasury Management activities.
- 4.6 The Council's detailed investment policy is contained within the Treasury Policy Statement. Its overriding purpose is the control of risk. It specifies the types of investments that may be used and the limits of their use. These limits relate to the maximum time period for each investment type and to the maximum amount that may be held at any one time. The choice of limits is governed by the requirement to safeguard the security of the Council's portfolio and to spread risk through suitable diversification. The Council uses credit rating information from the three main credit rating agencies (Fitch, Moody's and Standard and Poor's) and this data is supplemented by other available information where appropriate. The limits also consider liquidity requirements and finally the yield that may be obtained.
- 4.7 The Council held investments of £605 million at 31st December 2019 at an average rate of 1.73% for the year. The Council is budgeting to begin 2020/21 with investments of around £509 million and the estimated movements for the following two years based upon current cash flows show that investments are likely to reduce as the HRA Regeneration schemes progress and other balances fall.

Investments that are not part of Treasury Management Activity

- 4.8 The Council may invest in other financial assets and property primarily for financial return that are not part of Treasury Management activity. These activities are subject to similar assessments of risk as for Treasury Management investments, with CIPFA having issued Prudential Property Investment guidance this year to cover investment in property. They are approved as part of the capital programme as described in Sections 2 or 3 of this Capital Strategy.
- 4.9 Investment Property. The Council's Corporate Asset Strategy was approved by the Executive in November 2015. One of its aims was to identify opportunities to generate General Fund income by acquiring commercial property in strategic locations and in some cases transferring surplus operational properties to the investment portfolio. Legal advice confirmed that it is legal for the Council to invest in property in or out of the Borough; in

particular Section 12 of the Local Government Act 2003 enables the Council to invest “for the purposes of the prudent management of its financial affairs”.

- 4.10 All asset strategy schemes are part of the Council’s rigorous value for money appraisals and require Executive approval in the same way as other Council capital spending proposals. The budget for acquisition of investment properties is only added to the General Fund capital programme after consideration of affordability in the light of the available capital resources. All schemes are financed by capital receipts generally available to support the capital programme in the usual way. No borrowing has been taken up to facilitate such investments.
- 4.11 Suitable properties for purchase by the Council are selected after going through robust procedures to assess the security of the investment in the short, medium and longer term, that the risk of not achieving satisfactory rental returns is minimised and that there are the best prospects of future rental and capital growth. The Council’s budget for property purchases limits acquisitions to small retail, office or industrial units and does not allow for investment in large industrial parks or shopping centres.
- 4.12 The Council’s valuers are supported through the acquisition process by specialist property investment surveyors and legal advisers. The Council may contact agents in the market to help identify potential investment properties for sale as these are not frequently widely marketed, or commission its specialist property advisers to undertake a search for suitable properties. The adviser undertakes negotiations with the vendor for the acquisition subject to approval by officers. A set of assessment criteria are used in evaluating the suitability of properties. These criteria are as follows: -
- a) Location
 - b) Tenancy strength/strength of covenant
 - c) Length of tenure
 - d) Occupier’s lease length
 - e) Repairing terms/obligations
 - f) Lot size (value of the investment)
- 4.13 These criteria are assessed against weighting factors ranging from Excellent to Unacceptable.
- 4.14 If a property is considered to be acceptable the Council commissions a Property Investment Surveyor (not the same one used to identify the property) to provide a market report on the property. This report will include commentary on the credit worthiness of the tenant, an opinion of value and a recommendation in respect of the provisionally agreed acquisition price. This is undertaken in accordance with the Royal Institute of Chartered Surveyors Red Book.
- 4.15 Prior to acquiring any properties, officers also undertake a further due diligence exercise including reviewing the leases, commissioning a building

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survey and report, a mechanical and electrical survey, a valuation report, and ensuring that there is an Energy Performance Certificate in place with a rating of at least D. Solicitors also undertake legal due diligence with a further review of the leases, the planning position and a report on title, highlighting any potential title defects.

- 4.16 All investment properties are revalued annually at fair value as part of the Council's preparation of final accounts and audit process. Consideration is given at the end of each financial year as to whether impairment of any properties is required.
- 4.17 Between 2014/15 and 2017/18 £30 million was added to the capital programme for the acquisition of investment properties. The programme has not continued into later years. Eight properties were acquired under the policy and they are due to generate annual revenue income of £1.4 million per annum in 2019/20. The scale of this activity is considered to be proportionate in relation to the overall size of the capital programme and has all been financed from available resources with no borrowing. The revenue income earned is also considered to be proportionate in terms of the overall revenue budget of the authority and the authority is not over reliant on this source of income.
- 4.18 Loans supporting Service Outcomes. The Council may make loans to organisations such as Staff Mutuels, other Service Providers, Voluntary Organisations or start up loans to Wandsworth based Business Improvement Districts. The Council's Treasury Policy Statement includes the terms under which such investments can be made. If the loan is for cash flow or revenue purposes it is reported as part of the Council's treasury investments. Amounts invested are small and at the end of 2018/19 only £0.263 million was outstanding. Loans can also be made for capital purposes, and such loans are approved as part of the capital programme. The main element of this is loans to leaseholders to allow them to pay their share of major works and at the end of 2018/19 there was £0.771million outstanding.

5 Borrowing

- 5.1 **External Borrowing.** The Council's only external long-term borrowing is the Public Works Loan Board (PWLB) debt taken up for the HRA Subsidy Buy-Out in 2012. This is repayable in equal instalments of principal and is due to be fully repaid in 2025. The original loan was for £223 million and currently £103 million remains outstanding. The interest due is fully charged to the Council's HRA. The Council also offers deposit facilities to other bodies such as the North East Surrey Crematorium Board and generally has less than £1 million of temporary debt outstanding. The Council's General Fund has no external debt other than any amounts relating to these deposit facilities.
- 5.2 **Internal Borrowing.** This arises where capital expenditure is neither financed by those sources of finance other than borrowing described in paragraphs 2.7 and 3.5, nor matched by a corresponding increase in external borrowing. In

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recent years the Council has had substantial cash balances, and these have been used to support internal borrowing where required as it is cheaper than external borrowing. The HRA borrowed £210 million internally for the HRA subsidy buy-out in 2012 to supplement the £223 million external borrowing. This has been partially repaid and it is anticipated that £114 million will remain outstanding at the end of 2019/20. The HRA has also borrowed internally to support 70% of the spend for one-for-one replacement as detailed in 3.5 d). This borrowing is repaid in the year following its advance. The General Fund has not internally borrowed for many years other than for a school spend to save scheme as mentioned in 2.7 c). Cash balances for internal borrowing are only available to the extent that the Council has reserves that have not yet been required for their original purpose and the availability may well reduce over the next few years.

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

| | <u>31 March</u> <u>2020</u> | <u>31 March</u> <u>2021</u> | <u>31 March</u> <u>2022</u> | <u>31 March</u> <u>2023</u> |
|--------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | £000 | £000 | £000 | £000 |
| External Borrowing | 86,009 | 68,807 | 51,605 | 34,404 |
| Internal Borrowing | 159,775 | 146,904 | 132,769 | 120,818 |
| | <u>245,783</u> | <u>215,711</u> | <u>184,374</u> | <u>155,221</u> |

- 5.4 **Minimum Revenue Provision.** Regulations issued under the Local Government Act 2003 require local authorities to calculate an annual amount of minimum revenue provision (MRP) to be set aside from revenue for the repayment of debt that is "prudent". The MRP should not take account of capital expenditure on HRA assets. The Council has an MRP to repay the internal borrowing by the Dedicated Schools Budget (DSB) for a spend-to-save scheme as referred to in 2.7c). This was originally to be repaid over nine years but has been extended for a further twelve years, will be fully charged to the DSB and will more than cover any minimum required under guidance. The annual statement on the Council's MRP policy is contained within the Treasury Policy Statement and approved by full Council in February or March.
- 5.5 **Voluntary Revenue Provision.** Although the HRA is not required by regulation to provide an MRP, an equivalent amount has been prudently charged to the HRA on an annual basis as a voluntary revenue provision. For the HRA in Wandsworth the policy is to charge an annual amount to reflect

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both the actual repayment of the HRA's external debt and the repayment of its internal borrowing over agreed time periods.

- 5.6 **Authorised and Operational Borrowing Limits.** Section 3 of Part 1 of the Local Government Act 2003 requires local authorities to set a borrowing limit and operational boundary each year. This is contained within the Treasury Policy Statement and approved by full Council in February or March each year. The limit was set at £125 million in February 2019 for 2019/20 and a limit of £108 million is proposed for 2020/21.
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SECTION 3
COUNCIL HOUSING BUDGETS

WANDSWORTH BOROUGH COUNCILHOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE –
22ND JANUARY 2020EXECUTIVE – 27TH JANUARY 2020COUNCIL – 5TH FEBRUARY 2020Joint Report by the Director of Resources and the Director of Housing and Regeneration on the
Housing Revenue Account Rents and Service Charges for Council Dwellings and Non-
Residential ChargesSUMMARY

In January or February each year the Council has a duty under the Local Government and Housing Act 1989 to formulate proposals for expenditure and income for its housing stock for the following financial year which will ensure that no debit balance occurs for that year on the Housing Revenue Account. Consequently, this report reviews various matters appertaining to the Housing Revenue Account, including Council housing rents and charges, the housing capital programme and the overall Housing Revenue Account budget framework for the years 2019/20 to 2022/23.

The report first recommends additions to the Housing Revenue Account capital programme of £73.380 million as set out in Appendix B to this report before turning to proposals for revenue expenditure and income. Insofar as proposals for income are concerned, the Council has a duty to review Council housing rents.

Taking account of all relevant factors, including the Council's revised policy on Rent Setting (Paper No. 20-04 elsewhere on this agenda) the Cabinet Member for Housing recommends that average rent increases of 2.1% are applied to the social rented housing stock and affordable rent properties and proposes general increases in non-residential charges of 3.4% as set out in Appendix D, all to take effect from the first Monday in April 2020.

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

GLOSSARY

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

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RPI Retail Price Index

RECOMMENDATIONS

1. The Housing and Regeneration Overview and Scrutiny Committee are recommended to support the recommendations in paragraph 3.
2. If the Overview and Scrutiny Committee approve any views, comments or recommendations on this report, these will be submitted to the Executive for their consideration.
3. The Cabinet Member for Housing recommends the Executive to recommend to the Council as follows:
 - (a) that the Housing Revenue Account capital programme additions totalling £73.380 million as set out in Appendix B to the report be approved and that accordingly the total capital programme over the Housing Revenue Account budget framework period summarised in Appendix C to the report be adopted as the Housing Revenue Account approved capital programme;
 - (b) that the procurement governance arrangements in relation to the Housing Revenue Account capital programme as set out in paragraph 16 be approved;
 - (c) to approve that rents for all existing tenants in social properties be increased from the first Monday in April 2020 by the maximum allowed under the statutory framework and in line with the revised rent policy, namely:
 - i) 2.7% (September 2019 CPI +1%) for tenants whose current rent is below the flexibility level of Formula Rent + 5% (+ 10% for supported housing properties), and
 - ii) 1.7% (September 2019 CPI only) for tenants whose current rent is above the flexibility level;
 - (d) to approve that rents for existing tenants in affordable housing properties be increased from the first Monday in April 2020 by the maximum allowed, namely 2.7% (September 2019 CPI + 1%);
 - (e) that for properties sold under the Right to Part Buy scheme a rent increase of 2.7% (September 2019 CPI + 1%) be approved to take effect from the first Monday in April 2020;
 - (f) to note that tenant service charges will continue to be set on a cost recovery basis, with a general individual cap applied of 2.7% (September 2019 CPI + 1%), except in exceptional cases where costs have increased significantly due to exceptional inflationary increases for the specific charge or a change in service specification (for example the new cleaning contract);
 - (g) to note that an over-riding restriction is maintained that all tenants with combined rent and service charges in excess of an amount equivalent to 45%

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of the benefit cap (currently £199 per week) have their rent frozen at their current level;

- (h) that the Director of Housing and Regeneration be authorised to serve notices upon tenants of Housing Revenue Account dwellings, advising that the changes in rents and service charges will be applied from the first Monday in April 2020 where applicable;
- (i) that the non-residential charges as set out in Appendix D to the report be approved with effect from the first Monday in April 2020;
- (j) that the estimates shown in Appendix E to the report for the Housing Revenue Account for the financial years 2019/20 to 2022/23 be adopted as the Housing Revenue Account budget framework, subject to any budget variations subsequently approved by the Executive within the overriding restriction that the Housing Revenue Account reserves shown for 31st March 2023 should not be forecast by the Director of Resources to reduce by more than £40 million; and
- (k) that the Director of Resources be authorised to prepare the statutory Housing Revenue Account statement for 2020/21 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 2020/21, 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

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publication, which is then available for reference in public libraries in the borough and on the Council's website.

HRA Estimates and Business Plan – proposals for capital expenditure

6. The HRA capital expenditure estimates have been based on the current cash flows for the approved capital programme adjusted for slippage as approved in the HRA Business Plan update in September 2019 (Paper No. 19-251) and any budget variations and budget variations approved since as summarised in Appendix A to this report.
7. The Director of Resources and the Director of Housing and Regeneration propose additions totalling £73.380 million as summarised below and as set out in detail in Appendix B for consideration.

| Programme Area | 2019/20 | 2020/21 | 2021/22 | 2022/23 onwards | Total |
|------------------------|----------------|----------------|----------------|------------------------|---------------|
| | £000s | £000s | £000s | £000s | £000s |
| Repairs & Improvements | - | 1,774 | 10,495 | 17,731 | 30,000 |
| Estate Improvements | - | - | 100 | - | 100 |
| Site Developments | - | 1,500 | 1,225 | - | 2,725 |
| Regeneration | 103 | 5,528 | 7,282 | 20,342 | 33,255 |
| House Purchase Grants | - | 900 | 1,900 | 4,000 | 6,800 |
| Purchase of Properties | - | - | - | 500 | 500 |
| TOTAL | 103 | 9,702 | 21,002 | 42,573 | 73,380 |

Repairs & Improvements

8. The HRA Business Plan includes funding for assumed levels of capital spend over the next 30 years based on a stock condition survey and the data and information held on stock and key components. The stock condition survey is a statistically based estimate used to inform assumptions within the business plan on the future level of capital resources required to maintain the Council's housing stock to the Decent Homes standard. An update of the survey was last undertaken in 2012, the results of which continue to inform the current assumptions within the business plan on future levels of capital spend. The approved capital programme includes provision to update the stock condition survey during 2020/21 which aligns with the development of the specific module contained with the new housing management IT system. The Council's housing management system 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.
9. The previous stock condition survey identified that on average £25 million (at 2012 prices, equivalent to £31.4 million at current 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.

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10. The proposed capital additions include all foreseeable works derived from the current stock condition survey, both in terms of meeting and maintaining the Decent Homes standard and delivering a programme of “Decent Homes Plus” works at a total cost of £30 million. The level of bids submitted is broadly in line with the expenditure requirements assumed in the business plan when considering the resources made available in the previous years.
11. In total £9.425 million of the bids submitted relates to window and roof renewal schemes and the replacement of individual and communal boiler and heating systems. All of these bids will deliver improvements in energy efficiency and therefore align with the Council’s wider priorities on tackling the declared climate emergency.

Regeneration Schemes

12. Further capital bids on the Winstanley/York Road and Alton regeneration schemes include bids for both the regeneration project teams for 2021/22. In addition, there are a number of bids relating to site re-provision and residential development costs across both schemes coming forward at this time in line with the scheme projected delivery timeframes. All costs relating to the regeneration schemes are considered to be project costs and are therefore included in the overall estimates of scheme cost cash flows within the HRA business plan. Future HRA capital bids in relation to these schemes, including for necessary compulsory purchase orders, will continue to be included for approval at the appropriate time.

New Build & Site Developments

13. Also proposed are bids which form part of the expanded development programme delivering 1,000 new homes in the Borough on Council owned land for continued feasibility studies and to ensure sufficient resources are available for contingencies and unforeseen risks for sites that already have approval and are under construction. Budget approvals for the development of further sites within the expanded programme will be approved on a phase by phase basis at the relevant time.

Other HRA Capital Bids

14. Additionally the Director of Housing and Regeneration has included an Environmental Improvement bid of £100,000 for continued playground refurbishment, a bid for increased resources for the House Purchase Grant scheme following on from the review in Paper No. 19-167 and a standard Purchase of Property bid of £500,000 for 2022/23.
15. The resulting capital programme over the HRA budget framework period is shown in summary below with the full detail contained in [Appendix C](#). The total planned capital expenditure over the budget period 2019/20 – 2023/24 totals £483.030 million.

| Programme Area | 2019/20 | 2020/21 | 2021/22 | 2022/23 onwards | Total |
|------------------------|----------------|----------------|----------------|------------------------|----------------|
| | £000s | £000s | £000s | £000s | £000s |
| Repairs & Improvements | 32,083 | 59,298 | 35,454 | 47,030 | 173,865 |

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| | | | | | |
|------------------------|----------------|----------------|----------------|----------------|----------------|
| Estate Improvements | 1,013 | 285 | 410 | 596 | 2,304 |
| Site Developments | 12,306 | 30,365 | 13,839 | 636 | 57,146 |
| Regeneration | 48,220 | 61,210 | 49,621 | 49,077 | 208,128 |
| House Purchase Grants | 4,234 | 4,000 | 4,000 | 4,000 | 16,234 |
| Purchase of Properties | 13,890 | 10,092 | 500 | 500 | 24,982 |
| Other | 371 | - | - | - | 371 |
| TOTAL | 112,117 | 165,250 | 103,824 | 101,839 | 483,030 |

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

HRA Estimates and Business Plan – proposals for capital income

17. On existing policies, the financing of the HRA capital programme comes from several sources as follows: -
- (a) Current government regulations allow any housing capital receipts resulting from land and property sales other than statutory Right to Buy sales to be retained by the Council. Current projections are that usable receipts of £12 million will be generated in 2019/20 which, based on current Council policy, includes income from the sale of vacant properties that is to be reinvested into future purchases for low cost rent. Based on receipts to date it is anticipated that there will be £10 million made available for re-provision in 2020/21 with actual figures confirmed and approved by the Housing and Regeneration Overview and Scrutiny Committee and the Executive as part of the annual review of resources report in June/July 2020. The business plan generally assumes an ongoing level of receipts from the disposal of minor sites at around £1 million per year;
 - (b) Capital receipts from Right to Buy sales are covered by a voluntary agreement between the Council and the Ministry for Housing, Communities and Local Government (MHCLG) whereby retained receipts from Right to Buy sales over an assumed level must be utilised to fund no more than 30% of the replacement and development cost of re-provision of low cost social housing within three years of receiving those receipts. The business plan assumes £2.836 million of capital receipts (known as Right to Buy one-for-one replacement receipts) are applied in 2019/20 and £2 million in 2020/21 as generally the level of retained receipts has now been exhausted with only those receipts forecast to be received in year being recycled into re-provision;
 - (c) As approved in the September 2015 HRA Business Plan update (Paper No. 15-315) the Council has the option of funding the social and affordable housing elements of the two regeneration schemes from section 106 affordable housing contributions, grant funding or additional Right to Buy one-for-one replacement receipts insofar as they are available. The current business plan therefore

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assumes that £25.172 million of the future regeneration re-provision cost of the development of Shuttleworth Road is met from section 106 affordable housing contributions. In addition, where retained RTB receipts have been fully utilised it is assumed the balance of the costs totalling £20.16 million will be also funded from section 106 affordable housing contributions;

- (d) Available grant funding. The HRA Business Plan includes grant of £16.129 million from the Greater London Authority (GLA) for the cost of the replacement cladding at Sudbury House and Castlemaine Tower and £13.354 million of grant from the GLA towards the cost of new units at Shuttleworth Road and through the "Building Council Housing for London" programme. The total grant funding becoming available is estimated at £9.26 million in 2019/20 and £12.221 million in 2020/21 with the remainder becoming due in future years;
- (e) Where capital expenditure is incurred in relation to properties previously sold on long leases the costs are chargeable to the leaseholder as part of the annual service charge bill. The estimated level of leaseholder major works contributions is £4.25 million in 2019/20 and £6.17 million in 2020/21;
- (f) Internal and External Borrowing. Short-term internal borrowing is utilised to fund the balance of expenditure on Right to Buy re-provision schemes with longer term external borrowing likely to be taken on to fund the regeneration schemes and the expanded programme delivery. The assumption is that £6.617 million of new borrowing will be required in 2019/20 and £4.667 million in 2020/21 to support current ongoing re-provision commitments. Over the 30-year business plan it is currently assumed that between £450 - £500 million of new external debt will be required with the majority of this being required over the next ten years; and
- (g) Contributions to or from the Major Repairs Reserve consisting of a revenue charge for depreciation, as defined by accounting regulations, that continues to be put into the HRA's major repairs capital reserve and is used to fund capital works. The charge, which takes into account actual inflation levels, stock movements and depreciation on non-dwellings such as garages, is estimated to contribute £21.6 million in 2019/20 and £22.2 million in 2020/21 towards funding future capital works; and the HRA's capital and revenue reserves, which totalled £343.421 million at the beginning of 2019/20, insofar as these continue to remain available.
18. In summary, and based on the overall expenditure proposals, the HRA capital programme will require financing as follows in the table below: -

| | 2019/20 | 2020/21 | 2021/22 | 2022/23 onwards | Total |
|---------------------------------|----------------|----------------|----------------|------------------------|----------------|
| | £m | £m | £m | £m | £m |
| Total Expenditure | 112.117 | 165.250 | 103.824 | 101.839 | 483.030 |
| Financed By: | | | | | |
| (a) Capital Receipts | 12.000 | 2.000 | 1.000 | 1.000 | 16.000 |
| (b) Right to Buy 1-4-1 Receipts | 2.836 | 2.000 | 0.627 | 0.006 | 5.469 |

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| | | | | | |
|--|----------------|----------------|----------------|----------------|-----------------|
| (c) S106 Receipts | 19.284 | 24.583 | 0.745 | 0.720 | 45.332 |
| (d) Capital Grant | 9.260 | 12.221 | 8.002 | - | 29.483 |
| (e) Leaseholder Major Works Charges | 4.250 | 6.170 | 6.335 | 6.732 | 23.487 |
| (f) Borrowing | 6.617 | 4.667 | 51.463 | 80.014 | 142.761 |
| (g) Contribution to (-) / from (+) Major Repairs Reserve | +57.870 | +113.609 | +35.652 | +13.367 | +220.498 |
| | | | | | |
| Total Financing | 112.117 | 165.250 | 103.824 | 101.839 | 483.030 |

19. Based on the estimated levels of capital expenditure and the anticipated sources of capital financing the balance on the Major Repairs Reserve is expected to reduce from a current position of £207 million (opening balance 2019/20) to less than £50 million by 2020/21. This includes the reliance on both internal and external borrowing as shown in the table above. The position regarding financing will continue to be kept under review by the Director of Resources to ensure the most effective and prudent use of available resources.

HRA Estimates and Business Plan – proposals for revenue expenditure

Supervision. Management & Maintenance Expenditure

20. The updated business plan allows for inflation in 2020/21 of 2% on salaries (in line with current projections) and inflationary increases in line with the Consumer Price Index (CPI) or other relevant index where those costs are linked to specific contracts. The budgeted level of spend on the management and revenue maintenance of properties in 2020/21 is £3,130 per dwelling after adjusting for leasehold and tenants' service charges income. This average management and maintenance cost for 2020/21 includes all budget variations approved by the Executive in this year to date and other budget adjustments proposed in this cycle and within the development budget process.
21. Going forward, expenditure at broadly these levels has been anticipated in the HRA business plan, although this element of spend must be kept under constant review to ensure the long-run viability of the business plan. To put into context an ongoing increase in expenditure of just £100,000 per annum would reduce the estimated overall reserves after 30 years by £5 million when taking in to account inflation and the future loss of compounded interest on this additional expenditure. This highlights the significant impact that relatively small annual expenditure adjustments have on the overall long-term financial position and the sensitivity of the business plan.

Capital Financing Costs

22. 2012/13 saw an end to the national HRA subsidy system which saw a quarter of all Wandsworth rents pass to other local authorities. The subsidy system was replaced with self-financing. Self-financing required the Council to take on a significant sum of debt as the necessary price of "buying out" of the HRA subsidy system and in lieu of all future payments it made into the national pot. The final settlement figure for Wandsworth required a one-off buyout cash payment to the government of £434 million. This was initially funded by borrowing from the government's Public Works

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Loan Board (£224 million to be fully repaid over 13 years) and using £210 million of Council reserves (referred to as “internal borrowing”).

23. As approved in Paper No. 15-315, and in response to the amended financial outlook for the HRA business plan at that time, the borrowing term of the internal borrowing element of the outstanding debt was extended and is currently estimated to be repaid by 2031/32.
24. Based on the interest rates borrowed at for this self-financing debt, together with the ongoing servicing of the existing debt in the HRA and the financing of new borrowing for the Right to Buy re-provision and other capital schemes where needed, borrowing is estimated to cost the HRA £4.63 million in interest and require principal loan repayments totalling £50.021 million during 2019/20 reducing to £3.957 million in interest and £34.321 million for repayments in 2020/21. This has been incorporated within the business plan and budget framework. As previously highlighted, significant levels of external borrowing are anticipated over the next ten years to support the Council’s regeneration schemes and expanded delivery programme and are included in current projections.

Other Expenses

25. Other expenses include provision for bad debts and other miscellaneous costs incurred in the HRA. The budget for 2019/20 has been set at £2.77 million in line with current estimates increasing to £3.309 million in 2020/21 due to an increase in the bad debt provision for rents and service charges as the transition from housing benefit to universal credit continues.

HRA Estimates and Business Plan – proposals for revenue income

Tenants’ Rents and Service Charges

26. The average Council social dwelling rent in Wandsworth is currently £123.59 per week. In addition, average housing management related service charges of £7.32 per week are charged to tenants, creating a total average charge of £130.91 all of which is eligible for housing benefit where applicable. There are significant variations in actual rents around this average ranging from £44.76 to £366.51 per week depending on the size and location of the property.
27. 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 £222.54 for a one bedroom property to £442.42 for 4 bedrooms or more, excluding service charges, depending on where the property is situated. Wandsworth’s own rent levels are still therefore significantly below the market rate for equivalent properties available on the private rental market.

The Total Welfare Benefit Cap

28. 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

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affordable it was considered that such costs should be no more than 45% of the benefit cap. Accordingly, the Council's rent policy applicable at that time restricted those rents above £225 per week.

29. The Welfare Reform and Work Act 2016 reduced the benefit cap further to £23,000 per annum for existing claimants in London from December 2016. 45% of this equates to an affordable rent and service charge level of £199 per week. The Council's current Discretionary Housing Payments (DHP) policy awards DHP, on receipt of an application, to those households with children affected by the benefit cap where the eligible rent is in excess of 45% of the households capped benefit income. The Council currently has 667 properties charged weekly rent and service charges higher than £199 per week.
30. The Council will continue to use its ability to recycle HRA resources into funding DHP to protect those on benefits affected by the benefit cap whilst those that have the ability to pay continue to pay and/or receive benefits to assist with covering rent and service charges. However, this will need to be reviewed in the event of the Council no longer being able to recycle HRA funds to pay DHP as the Council has to apply for an annual Direction to enable it to do so which is not guaranteed beyond 2019/20 at this time. The Direction is generally applied for early in the respective financial year.

Impact of Welfare Reform on Housing Benefit Claimants

31. Prior to 2013, any increase in rents for those tenants on Housing Benefit was fully covered by a corresponding increase in Housing Benefit. This enabled the Council to make rent decisions, without affecting those on benefits who might have been deemed unable to pay any increased rent themselves. However, since the government's welfare reforms introduced Universal Credit, maximum benefit caps and benefit reductions for those Council tenants deemed to be under occupying, this is no longer the case. There are currently 689 (821 last year) Council tenants affected who have had their housing benefit reduced as a result of under occupation, of which 23 (36 last year) are currently receiving a DHP to top up their benefit. The total welfare benefit cap affects 62 (98 last year) Council tenants, of which 12 (15 last year) are receiving a DHP to help cover their rent charge.

The Government's Direction on Rent Setting from April 2020

32. As reported elsewhere on this agenda (Paper No. 20-04) from 2020, the Government intends to bring all registered social housing providers (including local housing authority landlords) under the remit of the Regulator of Social Housing which sets the rent standard for such providers to follow. The rent standard which is to apply from 2020/21 onwards, and for a period of five years, stipulates the requirements with regards to social rents.
33. The rent standard replaces the provisions of the Welfare Reform and Work Act 2016 which included a requirement that all social housing registered providers must reduce social housing rents by 1% each year for four years (2016/17 – 2019/20). This rent reduction was mandatory whereas the Government's previous directions to stock holding councils on rent setting were all based on guidance only.

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34. As a result of the new rent standard, which outlines a new statutory framework within which local authorities must act when making their annual rent decision, Paper No. 20-04 (elsewhere on this agenda) recommends the adoption of a new rent policy underpinning this, including any discretionary elements requiring Member decision. The recommendations for 2020/21, proposed in consultation with the Cabinet Member for Housing and Regeneration, are outlined in the following paragraphs.

Social Rent Properties

35. It is recommended that the Council applies the full rent increase allowable under the statutory framework, subject to a local freeze for properties where combined rent and service charge exceeds the assumed housing element of the Government's benefit cap (£199 per week). This increase is variable based on the current rent charged to a property to be applied from the first Monday in April as follows:
- i) 2.7% (September CPI +1%) for tenants whose current rent is below the flexibility level of Formula Rent + 5% (10% for supported housing properties)
 - ii) 1.7% (September CPI) for tenants whose current rent is above the flexibility level;
36. It should be noted that the HRA Business Plan (as approved in September 2019 – Paper No. 19-251) made assumptions on future income in line with this and applying lower increases would adversely affect future resources at a time when the Council is engaging in a significant programme of regeneration and other development and investment programmes which rely on these resources, the future costs for which are uncertain and carry risk. Furthermore, it is worth noting that inflation levels remain historically low. The business plan also assumes rents continuing to be set in line with the new rent standard over the life of the plan, although it should be noted that there has been no Government commitment on rent levels beyond 2025/26.

Affordable Rent Properties

37. There are currently 328 Council properties let on affordable rent terms (rather than social rents). In line with Government requirements, this includes properties that have been developed as part of the GLA Affordable Housing Programme, those associated conversions from social rent to support development costs and those that have been acquired using Right to Buy one-for-one replacement receipts, both in and out of borough.
38. The new rent standard in relation to affordable rent properties sets an absolute cap on rent increases of CPI+1% and, for the reasons outlined in the rent policy report, it is similarly recommended that the full increase now be applied for tenants in such properties, similarly subject to the rent freeze policy for combined rents and service charges in excess of the assumed housing element of the benefit cap (£199 per week). It is therefore proposed that rents for tenants in Affordable rent properties be increased by 2.7% from the first Monday in April 2020.

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Right to Part Buy

39. Under the Council's own Right to Part Buy scheme (Paper No. 16-427), initial rent levels are based on a proportion of the current rent charged at the time of purchase which is then subject to annual increases at CPI + 1%. It is therefore proposed that any properties sold under the Right to Part Buy scheme also have rents increased by 2.7% from the first Monday in April 2020.

Rent Increase Financial Summary

40. Current forecast estimates suggest that applying the increase as proposed will result in an approximate average increase of 2.1%. Over the past four years, all tenants have experienced an absolute reduction in their rents of 4%, equivalent to a 9.6% reduction after accounting for inflation. This reduction would have been a real gain to those tenants expected to pay some or all of their rents out of their own resources. After the proposed rent increase the average rent (excluding service charges) is estimated to be £126.20 per week, which is still around 1.8% lower than it was in 2015.
41. An average 2.1% rent increase will yield a further £2.3 million of rental income and is in line with assumptions contained within the HRA Business Plan reported in September 2019. This follows the loss of £10 million of annual rental income following four years of rent reductions, the impact of which has been absorbed within the HRA Business Plan. It is worth noting that the Council took on significant debt in 2012 as part of the buyout of the HRA subsidy system with an expectation at the time that future rental income streams would be linked to a rate in excess of inflation each year.
42. Whilst the overall Wandsworth HRA Business Plan remains healthy as a result of prudent budgeting over many years whilst continuing high levels of investment in Council stock, decisions must be mindful of the longer term outlook, especially given the ambitious regeneration programmes currently being undertaken which are projected to have an effect on Council reserves in the short to medium term and rely on assumptions of continuing growth in rental income in coming years.

Tenants' Service Charges

43. In addition to rent, some tenants currently pay a service charge. Whilst rent generally covers charges associated with the occupation of a dwelling such as maintenance and general housing management, service charges usually reflect additional services connected to the upkeep of communal facilities rather than particular occupation of a dwelling. Tenants therefore receive different types of services, paid for via tenants' service charges, depending on the property in which they live.
44. Individual service charges for tenants were first introduced in 2004/05 as part of the then Government's rent restructuring "unpooling" policy and recovered costs which were previously included in the rent charge. Tenant service charges are calculated each year using a calculation broadly equivalent to that used to calculate leaseholders' service charges. All the service charges unpooled to date are eligible for housing benefit on the same basis as housing rents. Since 2016/17 service

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

45. The current average weekly charges are shown in the table below: -

| Service Charge | No. of Properties Charged | Average Charge (Per Week) | Lowest Weekly Charge | Highest Weekly Charge |
|------------------------|----------------------------------|----------------------------------|-----------------------------|------------------------------|
| Estate Cleaning | 13,759 | £2.43 | £0.03 | £12.06 |
| Garden Maintenance | 14,394 | £0.61 | £0.01 | £4.51 |
| Block Cleaning | 13,009 | £2.20 | £0.02 | £16.72 |
| Communal Electricity | 13,683 | £1.34 | £0.01 | £10.68 |
| Paladins | 12,744 | £0.35 | £0.10 | £1.44 |
| Aerials | 6,672 | £0.04 | £0.01 | £0.32 |
| Entrycall | 11,163 | £0.34 | £0.01 | £4.37 |
| Sheltered Wardens | 1,076 | £25.91 | Flat Fee £25.91 | |
| Overall Average | | £7.32 | | |

46. As these service charges are calculated based on cost recovery, current Council policy means they will not require annual Committee decisions to set the levels for the forthcoming year. The general principle will be that actual costs from the previous completed financial year (which may include an element of variable repair costs) will be used as the base for calculating next year's charges adjusted for estimated inflation, much in the same way as with leaseholder service charges.
47. The 2003 Guide to Social Rent Reforms in the Local Authority Sector which first introduced the concept of unpooling tenants' service charges and the 2014 Guidance on Rents for Social Housing state that authorities are expected to set reasonable and transparent service charges which reflect the service being provided to tenants. The guidance reiterates that service charges are not governed by the same factors as rent charges, however authorities should endeavour to keep increases for service charges within the previous limit on rent changes, of CPI + 1%, to help keep charges affordable. The only exception to this expectation is where new or extended services are introduced, where an additional charge may need to be made, although the Council reserves the right to also implement larger increases in particularly volatile areas like energy costs.
48. Where there is a new or extended service being introduced, authorities are expected to consult appropriately with tenants before introducing new or extended services and associated charges. There is no proposal to introduce any new service charges for 2020/21, although it should be noted that the new housing block and estate cleaning contract which commences from April 2020 will lead to some above CPI + 1% increases due to the enhanced specification.
49. Tenants will continue to receive charges only for the particular services they receive, to be fully covered by housing benefit where tenants are eligible. Where tenants have been moved onto Universal Credit, protection is still provided by the service charges being included within the capped limit above which Council policy allows a tenant to be eligible for DHP.

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

50. The estimate for tenants' service charge income falls under the Other Income heading within the HRA framework. The estimated level of income is £6.764 million in 2019/20 and £7.396 million in 2020/21.

Leaseholder Service Charge Income

51. As set out within the respective leases, leaseholders are required to contribute their relative share of repairs and maintenance as part of the annual service charge billing process. The estimated level of leaseholder revenue service charge contributions is £14.528 million in 2019/20 which is based on the bills raised to date in 2019/20 and an estimate of those still to be billed, and £14.346 million in 2020/21. The 2020/21 estimate includes an estimate for the increased income expected from the revised cleaning contract.

Other Income

52. Other Income covers a range of other income sources to the HRA, including tenants' service charge income and interest earned on HRA balances as well as other miscellaneous income streams, of which one is commission from Thames Water.
53. As previously reported (Paper No. 17-10) the Council has an agency agreement with Thames Water to collect water rates on their behalf from its tenants. Annually Thames Water advises the Council how much to collect and the amounts are included within tenants' rent accounts. To cover its costs the Council receives a commission and this is credited in its entirety to the HRA. The commission expected in 2019/20 totals just under £1 million. The water rate charges passed on to tenants are at the same rate as if they were a private individual living in a comparable property in the borough so essentially Thames Water bears the cost of the commission as a trade off for not having to directly collect the water charges from Council tenants.
54. Thames Water has historically had similar arrangements with most local authorities in their supply area but has now decided to unilaterally end all these agreements and collect the charges themselves. Many councils have already transferred their collection to Thames Water (over 450,000 properties so far). The agreement with Wandsworth will terminate at the end of March 2020 and from then onwards all Wandsworth tenants will receive water bills direct from Thames Water (as all leaseholders do) rather than from the Council through their rent account. The charge that tenants must pay for water will be no different to the amount they would have paid if the collection had remained with the Council.
55. Both the Council and Thames Water will shortly be writing to residents telling them of the new arrangements. The change will also be communicated within rent review letters, notification of charge letters and on the Council's website.
56. The updated business plan has therefore removed the £1 million per annum (at current prices) commission from future income projections in line with the decision by Thames Water to take the collection back in-house. Over the life of the business plan this equates to a reduction in balances of £50 million when taking into account the compounding of interest on balances.

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

57. With regards to interest on balances the HRA's balances are invested on a pooled arrangement as part of the Council's overall investment strategy to obtain the best possible return. The current rate of interest is estimated at 1.58% for both 2019/20 and 2020/21. The estimated level of investment income is £6.848 million in 2019/20 and £6.210 million in 2020/21. The reduction in 2020/21 reflects the anticipated running down of the HRA balances as referred to throughout this report.

HRA NON-RESIDENTIAL CHARGES

58. The current policy on the setting of non-residential charges for garages, parking lots and storsheds was approved by the Executive in July 2002 (Paper No. 02-594), with charging criteria established with the aim of ensuring charges reflect relative quality and desirability of sites and are sensitive and responsive to market demand. Following that decision, revised charges were implemented from October 2002 and have been further reviewed each year since as part of the January Committee cycle, with the most recent review in January 2019 (Paper No. 19-03).
59. 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 3.4%, in line with the Council's current charging policy, with effect from the first Monday in April 2020. The current and proposed new weekly net rent price banding for garages are shown in Appendix D, Table 1.
60. Some garages have a supply of running water and/or drainage connected to the mains sewers, for which a charge is made. The current charge is £0.49 per week. This will be revised in accordance with increases as advised by the water provider (currently Castle Water, previously Thames Water) which are yet to be confirmed.
61. 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 3.4%. 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 2020.
62. There are a number of other charges made for replacement permits, keys and door entry fobs, as well as a charge the Council levies for pre-assignment enquiries in respect of leaseholders selling their property. It is proposed that with effect from the first Monday in April 2020, these prices also be increased by an average 3.4% for replacement permits, keys and door entry fobs and pre-assignment income as set out in Appendix D, Table 3.
63. The total estimated increase in budgeted income arising from the proposed non-residential charges is £40,000 in 2020/21 and subsequent years and has been incorporated in the HRA budget framework presented as part of this report for approval.

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

HRA BUDGET FRAMEWORK

64. The HRA business plan and budget framework is approved by the Council each year together with a controlling parameter to limit the annual expenditure and the consequential reduction in the forecast capital and revenue reserve levels that the Executive can commit to within each framework period. In January 2017 this controlling parameter was set at a level of £40 million (Paper No. 17-9).
65. The HRA business plan and budget framework reported to this Committee and the Executive in September 2019 (Paper No. 19-251) 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 the HRA budget framework that reflects the proposals in this report covering the period to 31st March 2023, before which time predicted HRA reserves must not be reduced by more than £40 million from the presently predicted £233.903 million.
66. If at any point the level of HRA reserves are predicted to fall below this minimum level the HRA framework would require revision and approval by full Council.
67. The HRA business plan graph provides an overview of HRA trends for the coming years and the latest forecast of reserves is shown at Appendix F. The graphical representation takes into account the latest estimates of revenue spend and capital expenditure in line with the stock condition survey and assumes that all self-financing existing debt is repaid by 2031/32.
68. In previous years the reserve position also used to be demonstrated over a longer 30-year business planning period but in view of the sensitive nature of the long term assumptions underpinning the business plan, the assumptions on which it is based and the external factors that can and do influence the position significantly, projected surpluses needed be viewed with caution and could therefore not be relied on. The total reserves position projected over a shorter term (over 10 years) should therefore be a more accurate representation, and generally more reliable.
69. Total reserves start at £343 million and generally reduce throughout the extended repayment term of the self-financing borrowing and the regeneration and development programme to an estimated £244 million over the 10 year period. This graph therefore confirms that, based on the recommendations contained within this report, the HRA business plan continues to remain viable whilst highlighting that further expenditure growth (of both capital and revenue nature) needs to continue to be tightly controlled to ensure ongoing viability.
70. These future forecast surpluses involve a raft of assumptions on future spend and income levels which if varied can have a significant effect on available resources. In addition, the Localism Act 2011 includes provision for the Secretary of State to re-open the self-financing settlement “if there has been a change in any matter that was taken into account” in the settlement; quite what circumstances this could cover is not certain. There is therefore a risk of over-reliance on future projected surpluses which could throw the HRA business plan out of balance and necessitate additional borrowing, higher rents (if permissible) or reduced service provision in future years.

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

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

CABINET MEMBER FOR HOUSING

72. As referenced in paragraph 34, the Cabinet Member for Housing has been consulted and, taking all matters into account, considers an average rent increase of 2.1%, or an average £2.61 per week increase for applicable social rents, in line with the latest legislation and the Council's proposed revised rent policy, to be necessary and appropriate. The Cabinet Member also considers that increases for affordable rents both in and out of the borough of 2.7% 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 reflect the cost of services provided. Finally, the Cabinet Member considers that the proposed increases in non-residential charges as set out in Appendix D to this report are appropriate.
73. 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

74. Taking into account the previously approved HRA Business Plan Update (Paper No. 19-251) it is now recommended that an average increase of 2.1% be applied to the Council's social and affordable rents with effect from the first Monday in April 2020 in line with the Council's Rent Setting Policy. It is also recommended that non-residential charges are increased generally by 3.4%, also with effect from the first Monday in April 2020.
75. Significant levels of future surpluses are forecast by the end of the HRA business plan however these need to continue to be viewed with caution as they are in no way guaranteed. The business plan is based on a raft of assumptions on future spend and income levels which if varied can have a significant effect on available resources. In addition, the self-financing settlement could be re-opened at some point in the future. There is therefore a risk of over-reliance on future projected surpluses which could throw the HRA business plan out of balance in the short-term.
76. 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 and ensure ongoing viability.

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

MARK MAIDMENT
Director of Resources

BRIAN REILLY
Director of Housing and Regeneration

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Wandsworth
SW18 2PU

14th January 2020

Background Papers

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

1. The Council's budget book publication - 2019/20
2. ODPM - A Guide to Social Rent Reforms in the Local Authority Sector - Feb 2003
3. DCLG - The Government's Guidance on Rents for Social Housing – May 2014
4. Secretary of State - The Direction on the Rent Standard – Feb 2019
5. MHCLG - Policy statement on rents for social housing – Feb 2019

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the Democratic Services Manager (Ms Thayyiba Shaah – tel: 020 8871 6039; email thayyiba.shaah@richmondandwandsworth.gov.uk) can supply it if required.

Housing Revenue Account - Approved Capital Programme & Virements

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> |
|--|----------------|----------------|----------------|----------------|
| | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> |
| MAJOR REFURBISHMENT OF ESTATES | 20,359 | 39,171 | 18,401 | 28,363 |
| RE-LIFTING | 3,106 | 5,315 | 2,618 | 45 |
| RE-WIRING | 777 | 2,434 | 2,001 | 800 |
| HEATING IMPROVEMENTS | 1,876 | 1,133 | 20 | - |
| HEATING REPAIRS | 1,359 | 1,878 | 1,539 | 91 |
| SPECIAL REPAIRS | 2,039 | 2,230 | - | - |
| SHELTERED HOUSING | 786 | 1,661 | 100 | - |
| ADAPTATIONS FOR DISABLED | 1,550 | 1,550 | - | - |
| ENTRYCALL & CCTV | 231 | 2,152 | 280 | - |
| TOTAL REPAIRS AND IMPROVEMENTS | 32,083 | 57,524 | 24,959 | 29,299 |
| ENVIRONMENTAL & ESTATE IMPROVEMENTS | 1,013 | 285 | 310 | 596 |
| SITE DEVELOPMENTS & EXPANDED PROGRAMME | 12,306 | 28,865 | 12,614 | 636 |
| REGENERATION PROJECTS | 48,117 | 55,682 | 42,339 | 28,735 |
| TOTAL ENVIRONMENTAL, NEW BUILD & REGENERATION | 61,436 | 84,832 | 55,263 | 29,967 |
| PURCHASE OF PROPERTIES | 13,890 | 10,092 | 500 | - |
| PURCHASE OF VEHICLES | 21 | - | - | - |
| HOUSE PURCHASE GRANTS | 4,234 | 3,100 | 2,100 | - |
| HOUSING MANAGEMENT REPLACEMENT SYSTEM | 350 | - | - | - |
| TOTAL HOUSING REVENUE ACCOUNT | 112,014 | 155,548 | 82,822 | 59,266 |

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

| | <u>2019/20</u> <u>£ '000</u> | <u>2020/21</u> <u>£ '000</u> | <u>2021/22</u> <u>£ '000</u> | <u>2022/23</u> <u>£ '000</u> | <u>2023/24</u> <u>£ '000</u> |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <u>MAJOR REFURBISHMENT OF ESTATES</u> | | | | | |
| Alton Estate (Roehampton) | | | | | |
| C Block | | | | | |
| Norley Vale 1-31 | | | | | |
| Remove and replace external staircase | - | 74 | - | - | - |
| Carey Gardens Estate (Queenstown) | | | | | |
| Carey Gardens 2-44, 46-66, 68-86, 88-120, 122-174 | | | | | |
| 176-226, 228-262, 264-296 even, 123-185, 187-225 odd | | | | | |
| Phase 2 Roof renewal | - | - | 158 | 1,673 | 56 |
| Felsham Road Estate (Thamesfield) | | | | | |
| All blocks | | | | | |
| Roof renewal | - | - | 90 | 355 | 15 |
| Larpen Avenue 33 (West Putney) | | | | | |
| Roof and window renewal | - | - | 25 | 58 | - |
| Lennox Estate (Roehampton) | | | | | |
| Arabella Drive 7-17, 19-29, 31-53,55-77,79-89 | | | | | |
| 2-76, 80-102, 106-128, 130-186, 188-244 | | | | | |
| Phase 1 Roof renewal | - | - | 88 | 930 | 30 |
| McCarthy Court Estate (St Mary's Park) | | | | | |
| McCarthy Court 1-42, 43-78 | | | | | |
| Roof renewal | - | - | 49 | 512 | 18 |
| Ranelagh Estate (Thamesfield) | | | | | |
| Hewett House, Lancaster House, Pearson House | | | | | |
| Roof renewal | - | - | 175 | 262 | - |
| Seymour Road 32-34 (West Putney) | | | | | |
| Roof renewal | - | - | 42 | 112 | 4 |
| Southmead Estate (West Hill) | | | | | |
| Westhouse close 1-16, 17-28, 29-36 | | | | | |
| Southmead road 2-12e | | | | | |
| Roof renewal | - | - | 53 | 276 | 25 |
| Upper Richmond Road 328 F1-2 (Thamesfield) | | | | | |
| Roof renewal | - | - | 24 | 35 | - |
| Wimbledon Park Estate (West Hill) | | | | | |
| Replacement of tenant front entrance doors | - | - | 54 | - | - |
| Boroughwide | | | | | |
| Kitchens and Bathrooms Programme | | | | | |
| Phase 13 - Alton E Blocks 1-6,17-23 (Roehampton) | | | | | |
| Allenford House, Bramley House, Chilcombe House, Cronall House, Farnborough House, Kimpton House, Penwood House, Rushmere House, Somborne House, Shalden House, Swaythling House, Tatchbury House, Warnford House | | | | | |
| | - | - | 527 | 3,374 | 316 |
| Phase 14 - Doddington East (Queenstown) | | | | | |
| | - | - | 248 | 1,589 | 149 |
| Phase 15 - Hazelhurst and Holborn Estates (Tooting) | | | | | |
| | - | - | 336 | 2,150 | 202 |
| External Decs conversions to window renewal | | | | | |
| | - | - | 1,000 | - | - |
| TOTAL MAJOR REFURBISHMENT OF ESTATES | - | 74 | 2,869 | 11,326 | 815 |

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> | <u>2023/24</u> |
|---|----------------|----------------|----------------|----------------|----------------|
| | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> |
| <u>RELIFTING</u> | | | | | |
| Anne Kerr Court (East Putney) | - | - | 42 | 38 | - |
| Argyle (Glen Albyn) (West Hill) Chobham Gardens 1-36, 37-65, 66-95 | - | - | 63 | 544 | 252 |
| Arndale Estate (Southfields) Sudbury House phase 2 | - | - | 87 | 349 | 11 |
| Kersfield Road Estate (East Putney) Classinghall House, Lusher House | - | - | 66 | 133 | 5 |
| Sutherland Grove Estate (East Putney) Strathan Close 40-71 | - | - | 66 | 133 | 5 |
| The Platt Estate (Thamesfield) Phelps House | - | - | 57 | 151 | 5 |
| TOTAL RELIFTING | - | - | 381 | 1,348 | 278 |
| <u>REWIRING</u> | | | | | |
| Doddington Estate (Queenstown) Park Court Communal rewire and lighting replacement | - | - | 35 | 43 | - |
| Wimbledon Park Estate (West Hill) All blocks Full rewire excluding lateral mains | - | - | 38 | 246 | 23 |
| Block emergency lighting phase 3 | - | - | 647 | 966 | 5 |
| Individual rewires | - | - | 275 | - | - |
| TOTAL REWIRING | - | - | 995 | 1,255 | 28 |
| <u>HEATING IMPROVEMENTS</u> | | | | | |
| Alton Estate (Roehampton) Replacement of obsolete boilers | - | - | 2,003 | 1,335 | - |
| Individual installations | - | - | 360 | - | - |
| TOTAL HEATING IMPROVEMENTS | - | - | 2,363 | 1,335 | - |

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> | <u>2023/24</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> |
| <u>HEATING REPAIRS</u> | | | | | |
| Convent Estate (Fairfield) | | | | | |
| Francis Snary Lodge | | | | | |
| Replacement of communal heating system | - | - | 18 | 26 | - |
| George Wyver Close (West Hill) | | | | | |
| Beaumont Road 34-62 even, 64-92 even | | | | | |
| Replacement of communal heating system | - | - | 114 | 188 | 10 |
| Lennox Estate (Roehampton) | | | | | |
| Burke Close 28-54 | | | | | |
| Replacement of communal heating system | - | - | 18 | 26 | - |
| Nursery Close Estate (East Putney) | | | | | |
| Nursery Close 31-49 | | | | | |
| Replacement of communal heating system | - | - | 30 | 45 | - |
| Smallwood Road South Estate (Tooting) | | | | | |
| Smallwood Road 53 - 59 odd | | | | | |
| Replacement of communal heating system | - | - | 68 | 113 | 6 |
| Boroughwide water tank renewal phase 2 | | | | | |
| | - | - | 273 | 147 | - |
| Patmore Estate (Queenstown) | | | | | |
| Water tank renewals phase 3 | - | - | 205 | 110 | - |
| Ackroydon Estate East & West (West Hill) | | | | | |
| Cold water booster replacement | - | - | 109 | 59 | - |
| Barringer Square, Bisley House, Edgecombe House Meecham Court, William Harvey House | | | | | |
| Cold water booster replacement | - | - | 137 | 73 | - |
| TOTAL HEATING REPAIRS | - | - | 972 | 787 | 16 |
| <u>SPECIAL REPAIRS</u> | | | | | |
| Acquired Properties | | | | | |
| Roofs, decoration, damp proofing | - | - | 600 | - | - |
| Extensions/conversions future schemes | | | | | |
| | - | 700 | - | - | - |
| Provision for urgent schemes | | | | | |
| | - | 1,000 | - | - | - |
| TOTAL SPECIAL REPAIRS | - | 1,700 | 600 | - | - |

| | <u>2019/20</u> <u>£ '000</u> | <u>2020/21</u> <u>£ '000</u> | <u>2021/22</u> <u>£ '000</u> | <u>2022/23</u> <u>£ '000</u> | <u>2023/24</u> <u>£ '000</u> |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <u>SHELTERED HOUSING</u> | | | | | |
| Carey Gardens Estate (Queenstown) | | | | | |
| All communal sheltered areas | | | | | |
| Electrical upgrade | - | - | 212 | 115 | - |
| Convent Estate (Fairfield) | | | | | |
| Francis Snary Lodge | | | | | |
| Dwellings and communal areas | | | | | |
| Electrical upgrade | - | - | 249 | 134 | - |
| Rambler Close Estate (Furzedown) | | | | | |
| Rambler Close 1-16, 17-32 | | | | | |
| Dwellings and communal areas | | | | | |
| Electrical upgrade | - | - | 165 | 89 | - |
| TOTAL SHELTERED HOUSING | <u>-</u> | <u>-</u> | <u>626</u> | <u>338</u> | <u>-</u> |
| <u>ADAPTATIONS FOR THE DISABLED</u> | | | | | |
| Conversion of vacant properties | - | - | 850 | - | - |
| Future years provision | - | - | 700 | - | - |
| TOTAL ADAPTATIONS FOR THE DISABLED | <u>-</u> | <u>-</u> | <u>1,550</u> | <u>-</u> | <u>-</u> |
| <u>ENTRYCALL & CCTV</u> | | | | | |
| Alton Estate (Roehampton) | | | | | |
| Brockbridge House, Finchdean House, Egbury House, Hurstbourne House, Redenham House Penwood House, Tatchbury House E blocks | | | | | |
| Replacement of door entry system | - | - | 83 | 124 | - |
| Bevill Allen Close (Graveney) | | | | | |
| Bevil Allen Close 1-24, 25-36, 37-48 | | | | | |
| Installation of door entry system | - | - | 45 | 64 | - |
| Robertson Street Estate (Queenstown) | | | | | |
| Scott Court 1-24 | | | | | |
| Installation of door entry system | - | - | 11 | 17 | - |
| TOTAL ENTRYCALL & CCTV | <u>-</u> | <u>-</u> | <u>139</u> | <u>205</u> | <u>-</u> |

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> | <u>2023/24</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> |
| <u>ENVIRONMENTAL & ESTATE IMPROVEMENTS</u> | | | | | |
| Future Playground Refurbishment | - | - | 100 | - | - |
| TOTAL ENVIRONMENTAL & ESTATE IMPROVEMENTS | - | - | 100 | - | - |
| <u>SITE DEVELOPMENTS & EXPANDED PROGRAMME</u> | | | | | |
| Feasibility Studies | - | - | 1,225 | - | - |
| Build Contingencies | - | 1,500 | - | - | - |
| TOTAL SITE DEVELOPMENTS & EXPANDED PROGRAMME | - | 1,500 | 1,225 | - | - |
| <u>REGENERATION PROJECTS</u> | | | | | |
| Regeneration Project Costs | - | - | 1,850 | - | - |
| ROEHAMPTON SCHEME | | | | | |
| Residential Development Costs | - | 1,288 | 5,153 | 4,948 | - |
| Reprovision of Community Facilities | 103 | - | - | - | - |
| WINSTANLEY & YORK ROAD ESTATE SCHEME | | | | | |
| Residential Development Costs | - | - | 279 | 15,394 | - |
| Reprovision of Community Facilities | - | 2,740 | - | - | - |
| Gideon Road (Shaftesbury) | | | | | |
| Satellite Site Development | - | 1,500 | - | - | - |
| TOTAL REGENERATION PROJECTS | 103 | 5,528 | 7,282 | 20,342 | - |
| PURCHASE OF PROPERTIES | - | - | - | 500 | - |
| HOUSE PURCHASE GRANTS | - | 900 | 1,900 | 4,000 | - |
| TOTAL ADDITIONS | 103 | 9,702 | 21,002 | 41,436 | 1,137 |

APPENDIX C

Housing Revenue Account - Revised Capital Programme

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> | <u>2023/24</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> |
| MAJOR REFURBISHMENT OF ESTATES | 20,359 | 39,245 | 21,270 | 39,689 | 815 |
| RE-LIFTING | 3,106 | 5,315 | 2,999 | 1,393 | 278 |
| RE-WIRING | 777 | 2,434 | 2,996 | 2,055 | 28 |
| HEATING IMPROVEMENTS | 1,876 | 1,133 | 2,383 | 1,335 | - |
| HEATING REPAIRS | 1,359 | 1,878 | 2,511 | 878 | 16 |
| SPECIAL REPAIRS | 2,039 | 3,930 | 600 | - | - |
| SHELTERED HOUSING | 786 | 1,661 | 726 | 338 | - |
| ADAPTATIONS FOR DISABLED | 1,550 | 1,550 | 1,550 | - | - |
| ENTRYCALL & CCTV | 231 | 2,152 | 419 | 205 | - |
| TOTAL REPAIRS AND IMPROVEMENTS | 32,083 | 59,298 | 35,454 | 45,893 | 1,137 |
| ENVIRONMENTAL & ESTATE IMPROVEMENTS | 1,013 | 285 | 410 | 596 | - |
| SITE DEVELOPMENTS & EXPANDED PROGRAMME | 12,306 | 30,365 | 13,839 | 636 | - |
| REGENERATION PROJECTS | 48,220 | 61,210 | 49,621 | 49,077 | - |
| TOTAL ENVIRONMENTAL, NEW BUILD & REGENERATION | 61,539 | 91,860 | 63,870 | 50,309 | - |
| PURCHASE OF PROPERTIES | 13,890 | 10,092 | 500 | 500 | - |
| PURCHASE OF VEHICLES | 21 | - | - | - | - |
| HOUSE PURCHASE GRANTS | 4,234 | 4,000 | 4,000 | 4,000 | - |
| HOUSING MANAGEMENT SYSTEM REPLACEMENT | 350 | - | - | - | - |
| TOTAL HOUSING REVENUE ACCOUNT | 112,117 | 165,250 | 103,824 | 100,702 | 1,137 |

| | <u>2019/20</u> £ '000 | <u>2020/21</u> £ '000 | <u>2021/22</u> £ '000 | <u>2022/23</u> £ '000 | <u>2023/24</u> £ '000 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <u>MAJOR REFURBISHMENT OF ESTATES</u> | | | | | |
| Alton Estate (Roehampton) | | | | | |
| C Block | | | | | |
| Durford Crescent 3,5,8 Horndean Close 5,6,8,14 Norley Vale 12-14 Wanborough Drive 1,5,7 | | | | | |
| Roof renewal | 325 | 22 | - | - | - |
| Norley Vale 1-31 | | | | | |
| Remove and replace external staircase | - | 74 | - | - | - |
| E Blocks | | | | | |
| Chilcombe House, Crondall House, Farnborough House, Kimpton, Kimpton House, Rushmere House | | | | | |
| Phase 2 Window renewal | 62 | - | - | - | - |
| Brockbridge House, Egbury House, Finchdean House, Holmsley House, Hurstbourne House, Lyndhurst House, Overton House, Redenham House, Wheatley House, Woodcott House | | | | | |
| Phase 3 Partial window renewal | 935 | - | - | - | - |
| F Blocks | | | | | |
| Binley House, Charcot House, Denmead House, Dunbridge House, Winchfield House | | | | | |
| Window renewal | 50 | 5,844 | 793 | - | - |
| Arndale Estate (Southfields) | | | | | |
| Eliot Court & Wentworth Court | | | | | |
| Overhaul of cladding system | - | 175 | 525 | - | - |
| Sudbury House | | | | | |
| Replacement of over-cladding system | 5,874 | 1,146 | - | - | - |
| Ashburton Chartfield (East Putney) | | | | | |
| Westleigh Avenue 34 flats A-H | | | | | |
| Roof renewal | 9 | 39 | - | - | - |
| Ashburton South Estate (West Putney) | | | | | |
| Innes Gardens 1-22,23-52,53-64,65-94,95-116,117-156 | | | | | |
| Phase 2 Roof renewal | 100 | 674 | 20 | - | - |
| Cortis Rd 6-20,22-88,90-184,186-244,246-274, 280-308 Pullman Gardens 13-27 | | | | | |
| Phase 3 Roof renewal | 107 | 800 | 51 | - | - |
| Augustus Road 7-9 (West Hill) | | | | | |
| Window renewal and associated repairs | - | 16 | 49 | - | - |
| Bedford Hill 206 (Bedford) | | | | | |
| Roof renewal, brickwork repairs, window overhaul | 50 | 8 | - | - | - |
| Bedgebury Gardens (West Hill) | | | | | |
| Bedgebury Gardens 8-9 | | | | | |
| Roof and window renewal | 19 | 56 | - | - | - |
| Carey Gardens (Queenstown) | | | | | |
| Blore Close cons, 1-33 Carey Gardens 1-121 odd, Condell Road 1-133 odd, Thessaly Road 1-53 odd | | | | | |
| Phase 1 Roof renewal | - | 184 | 1,038 | 92 | - |
| Carey Gardens 2-44, 46-66, 68-86, 88-120, 122-174 176-226, 228-262, 264-296 even, 123-185, 187-225 odd | | | | | |
| Phase 2 Roof renewal | - | - | 158 | 1,673 | 56 |
| Dounesforth Gardens (Southfields) | | | | | |
| Roof renewal and external decorations | - | 38 | 311 | 19 | - |
| Eisenham Street 36-50, 172-178, 169-183 (Southfields) | | | | | |
| Roof renewal / External Decs conversion to window renewal | 481 | 12 | - | - | - |
| Ethelburga Estate (St Mary's Park) | | | | | |
| Henty Close, Heron House, Parkgate Road 20-38, Searles Close 1-42, 43-60, Worfield Street 40-56 | | | | | |
| Phase 2 Roof renewal | 1,000 | 1,046 | 63 | - | - |

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

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> | <u>2023/24</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> |
| Fairfield Court (Fairfield) | | | | | |
| External Decs conversion to window renewal | - | 100 | 286 | 10 | - |
| Felsham Road Estate (Thamesfield) | | | | | |
| All blocks | | | | | |
| Roof renewal | - | - | 90 | 355 | 15 |
| Fernlea Road Estate (Balham) | | | | | |
| Ethelbert Street 2-18, Fernlea Road 65, 67 | | | | | |
| Roof renewal | 2 | 668 | 17 | - | - |
| Harwood Court (West Putney) | | | | | |
| Roof renewal | 234 | 116 | - | - | - |
| Hibbert Street Estate (Latchmere) | | | | | |
| Sheridan House & York Road 251-265 | | | | | |
| Roof and window renewal | 6 | 553 | 27 | - | - |
| Larpen Avenue 33 (West Putney) | | | | | |
| Roof and window renewal | - | - | 25 | 58 | - |
| Latchmere Estate (Latchmere) | | | | | |
| Burns Road, Matthews Street, Joubert Street, Odger Street, Sheepcote Lane Freedom Street, Reform Street | | | | | |
| Window renewal | 5 | 3,995 | 188 | - | - |
| Lennox Estate (Roehampton) | | | | | |
| Arabella Drive 7-17, 19-29, 31-53,55-77,79-89 2-76, 80-102, 106-128, 130-186, 188-244 | | | | | |
| Phase 1 Roof renewal | - | - | 88 | 930 | 30 |
| Longstaff Estate (East Putney) | | | | | |
| Luscombe House | | | | | |
| Roof renewal | 54 | 40 | - | - | - |
| McCarthy Court Estate (St Mary's Park) | | | | | |
| McCarthy Court 1-42, 43-78 | | | | | |
| Roof renewal | - | - | 49 | 512 | 18 |
| Melrose Court (East Putney) | | | | | |
| Roof and window renewal | - | 21 | 64 | - | - |
| Patmore Estate (Queenstown) | | | | | |
| Ashcroft House, Banister House, Drury House, Locke House, Morgan House, Statham House, Strudel House, Woods House | | | | | |
| Phase 4 Roof renewal | 10 | 2,259 | 57 | - | - |
| Powrie House (St Mary's Park) | | | | | |
| Roof Renewal | 32 | - | - | - | - |
| Putney Vale Estate (Roehampton) | | | | | |
| Frenchman Drive, Stroud Crescent | | | | | |
| Partial brick removal and replacement | 412 | - | - | - | - |
| Stroud Crescent 34-80,82-128,130-176 | | | | | |
| Roof renewal | 43 | 619 | 15 | - | - |
| Queensmere West & North (West Hill) | | | | | |
| Blincoe Close 1-29, 2-24, 26-44, 31-45 Murfett Close 1-23, 2-48 Sawkins Close 1-43, 2-20 | | | | | |
| Roof renewal | 47 | 958 | 20 | - | - |
| Queensmere East & West (West Hill) | | | | | |
| All tenanted Houses | | | | | |
| Roof renewal | - | 41 | 351 | 21 | - |
| Ranelagh Estate (Thamesfield) | | | | | |
| Hewett House, Lancaster House, Pearson House | | | | | |
| Roof renewal | - | - | 175 | 262 | - |

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> | <u>2023/24</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> |
| Rollo Estate (Queenstown) Alfreda Court, Newtown Court, Ravenet Court, Rawson Court, Rollo Court Roof renewals | - | - | 178 | 991 | - |
| Bank Court Roof renewal | 10 | 190 | - | - | - |
| Rowditch Lane 1-84 (Latchmere) Window renewal | 169 | - | - | - | - |
| Salcott Rd 1-15o (Northcote) External Decs conversion to window renewal | 70 | 100 | - | - | - |
| Seymour Road 32-34 (West Putney) Roof renewal | - | - | 42 | 112 | 4 |
| Shoreham Close (Fairfield) Roof renewal | 224 | 100 | - | - | - |
| Southlands Estate (St Mary's Park) Gaitskell Court, McKiernan Court, Winders Road 51-101 Odd Roof renewal | - | - | - | 754 | - |
| Southmead Estate (West Hill) Westhouse close 1-16, 17-28, 29-36 Southmead road 2-12e Roof renewal | - | - | 53 | 276 | 25 |
| St James Grove (Latchmere) Castlemaine Replacement of over-cladding system | 5,565 | 500 | - | - | - |
| Surrey Lane Estate (St Mary's Park) Phase 3/4 Window and roof renewal to Gardiner House | 115 | - | - | - | - |
| Upper Richmond Road 328 F1-2 (Thamesfield) Roof renewal | - | - | 24 | 35 | - |
| Wandsworth Common West Side 40 (Wandsworth Common) Window renewal | - | 38 | 2 | - | - |
| Wimbledon Park Estate (West Hill) Replacement of tenant front entrance doors | - | - | 54 | - | - |
| York Road Estate (Latchmere) Chesterton Houses, Inkster House, Penge House Window refurbishment | - | 2,000 | 467 | - | - |

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> | <u>2023/24</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> |
| Kitchen and Bathrooms Programme | | | | | |
| Phase 7 - Boroughwide | 2,800 | 709 | - | - | - |
| Phase 8 - Latchmere Estate, Putney Vale Estate, Ranelagh Estate | 1,300 | 2,597 | 100 | - | - |
| Phase 9 - Kersfield Road, Orchard Estate, Southmead Estate, Totterdown | - | 3,090 | 1,847 | - | - |
| Phase 10 - Totterdown Fields 2nd phase, Totteridge House | 4 | 2,977 | 2,388 | - | - |
| Phase 11 - Arndale Estates 1st phase (Southfields) Albon House, Edwyn House and Knowles House | - | 2,000 | 687 | - | - |
| Phase 11A - Arndale Estates 2nd phase (Southfields) Sudbury House, Eliot Court, Wentworth Court | - | 713 | 2,316 | 534 | - |
| Phase 12 - Balham Hill East & West, Aldrington North & South, Edgecombe Hall | - | 726 | 2,359 | 545 | - |
| Phase 13 - Alton E Blocks 1-6,17-23 (Roehampton) Allenford House, Bramley House, Chilcombe House, Crandall House, Farnborough House, Kimpton House, Penwood House, Rushmere House, Somborne House, Shalden House, Swaythling House, Tatchbury House, Warnford House | - | - | 527 | 3,374 | 316 |
| Phase 14 - Doddington East (Queenstown) | - | - | 248 | 1,589 | 149 |
| Phase 15 - Hazelhurst and Holborn Estates (Tooting) | - | - | 336 | 2,150 | 202 |
| Patmore Estate | 225 | - | - | - | - |
| Boroughwide | | | | | |
| Installation of sprinkler systems to high rise blocks | - | - | 498 | 23,500 | - |
| Installation of sprinkler systems to sheltered & short term lets | 10 | 411 | 2,200 | 1,800 | - |
| Replacement of communal fire doors phase 1 | 10 | 857 | 225 | - | - |
| Replacement of communal fire doors phase 2 | - | 580 | 1,259 | 97 | - |
| External Decs conversion to window renewal | - | 2,153 | 1,000 | - | - |
| TOTAL MAJOR REFURBISHMENT | 20,359 | 39,245 | 21,270 | 39,689 | 815 |

| | <u>2019/20</u> £ '000 | <u>2020/21</u> £ '000 | <u>2021/22</u> £ '000 | <u>2022/23</u> £ '000 | <u>2023/24</u> £ '000 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| RE-LIFTING | | | | | |
| Aboyne Estate (Earlsfield) Deeside Road, Strathdon Drive | 84 | 937 | 20 | - | - |
| Alton Estate (Roehampton) Blendworth Point | - | 140 | 100 | - | - |
| Anne Kerr Court (East Putney) | - | - | 42 | 38 | - |
| Argyle (Esher) (West Hill) Esher Gardens 1-105 | 795 | 95 | - | - | - |
| Argyle (Glen Albyn) (West Hill) Glen Albyn Road 1-200 | 832 | 279 | - | - | - |
| Chobham Gardens 1-36, 37-65, 66-95 | - | - | 63 | 544 | 252 |
| Argyle (Limpsfield) (West Hill) Greenfield House, Oakman House | - | 105 | 736 | 22 | - |
| Argyle (Smithwood) (West Hill) Smithwood Close 25-63, Weydown Close 13-37, 62-86 | 222 | 20 | - | - | - |
| Argyle (Winterfold) (West Hill) Winterfold Close 1-22, 94-118 | 236 | 8 | - | - | - |
| Arndale Estate (Southfields) Albon House, Edwyn House, Knowles House Phase 1 | 19 | 1,103 | 67 | - | - |
| Sudbury House phase 2 | - | - | 87 | 349 | 11 |
| Carnie Lodge (Bedford) | 23 | 108 | - | - | - |
| Convent Estate (Fairfield) Francis Snary Lodge | 24 | 107 | - | - | - |
| Doddington Estate (Queenstown) Connor Court, Park Court, Turpin House | 15 | - | - | - | - |
| Edgecome Hall Estate (West Hill) Edgecombe House | 100 | 152 | - | - | - |
| Ethelburga Estate (St Mary's Park) Ethelburga Street, Henty Close, Watford Close | 170 | 30 | - | - | - |
| Fairfield Court (Fairfield) | 91 | 7 | - | - | - |
| Goulden House (St Mary's Park) | 20 | 103 | 201 | - | - |
| Kersfield Road Estate (East Putney) Classinghall House, Lusher House | - | - | 66 | 133 | 5 |
| Lochinvar Estate (Balham) Caistor House, Ivanhoe House, Rokeby House | - | 87 | 300 | - | - |
| Lurline Gardens Estate (Queenstown) All Saints Court 1-38 cons | - | 50 | 155 | - | - |
| Maysoule Road (Latchmere) Holmleigh Court | 14 | 118 | - | - | - |
| Orchard Estate (West Hill) Andrew Reed House | 28 | 306 | - | - | - |

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

| | <u>2019/20</u> <u>£ '000</u> | <u>2020/21</u> <u>£ '000</u> | <u>2021/22</u> <u>£ '000</u> | <u>2022/23</u> <u>£ '000</u> | <u>2023/24</u> <u>£ '000</u> |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Rollo Estate (Queenstown) | | | | | |
| Newtown Court, Rollo Court | - | 102 | 108 | - | - |
| St Johns Avenue 2 (East Putney) | - | 54 | 56 | - | - |
| Surrey Lane Estate (St Mary's Park) | | | | | |
| Compton House, Cranmer House, Gardiner House, Macey House, Musgrave Court, Whitgift House | 398 | - | - | - | - |
| Sutherland Grove Estate (East Putney) | | | | | |
| Strathan Close 40-71 | - | - | 66 | 133 | 5 |
| The Platt Estate (Thamesfield) | | | | | |
| Phelps House | - | - | 57 | 151 | 5 |
| Wendlesworth Estate (Fairfield) | | | | | |
| Domelton House, Bowyer House Phase 1 | 12 | 1,186 | 81 | - | - |
| Bembridge House, Binstead House Phase 2 | - | 113 | 794 | 23 | - |
| Yew Tree Lodge (Furzedown) | 23 | 105 | - | - | - |
| TOTAL RE-LIFTING | <u>3,106</u> | <u>5,315</u> | <u>2,999</u> | <u>1,393</u> | <u>278</u> |

| | <u>2019/20</u> £ '000 | <u>2020/21</u> £ '000 | <u>2021/22</u> £ '000 | <u>2022/23</u> £ '000 | <u>2023/24</u> £ '000 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| RE-WIRING | | | | | |
| Ashburton Chartfield (East Putney) | | | | | |
| Dulcie House, Halford House, Humphrey House Inglis House, Jellicoe House, Kinnaird House, Mildmay House, Mullens House, Stanhope House, Waldegrave House, Westleigh Avenue 34, Wharncliffe House, Whitehead House, Whitnell Court Individual rewires | 13 | 200 | - | - | - |
| Carey Gardens (Queenstown) | | | | | |
| Phase 1 Individual rewires and distribution boards | 102 | - | - | - | - |
| Phase 2 Individual rewires and distribution boards | 6 | - | - | - | - |
| Copeland House (Tooting) | | | | | |
| Individual rewires, lateral mains and distribution boards | 12 | 160 | 11 | - | - |
| Doddington Estate (Queenstown) | | | | | |
| Park Court Communal rewire and lighting replacement | - | - | 35 | 43 | - |
| Gowrie Road 11-33 (Shaftesbury) | | | | | |
| Individual rewires and lateral mains | - | 28 | 1 | - | - |
| Hazelhurst Estate (Tooting) | | | | | |
| Individual rewires & distribution boards | - | 318 | 34 | - | - |
| Henry Prince Estate (Earlsfield) | | | | | |
| Lateral mains, distribution boards and individual rewires | 280 | 12 | - | - | - |
| Newlands Estate (Bedford) | | | | | |
| Individual rewires and distribution boards | - | 178 | 10 | - | - |
| William Willison Estate (West Hill) | | | | | |
| Castlecombe Drive Phase 1 Rising mains, laterals & rewires | 5 | - | - | - | - |
| Keevil Drive Phase 2 Lateral mains, distribution boards, communal lighting and individual rewires | 21 | - | - | - | - |
| Wimbledon Park Estate (West Hill) | | | | | |
| All blocks Full rewire excluding lateral mains | - | - | 38 | 246 | 23 |
| Wynter Street Estate (Latchmere) | | | | | |
| Renewal of distribution boards | 5 | 80 | 5 | - | - |
| Boroughwide | | | | | |
| Block emergency lighting phase 1 | - | 960 | 1,440 | - | - |
| Block emergency lighting phase 2 | - | 34 | 500 | 800 | - |
| Block emergency lighting phase 3 | - | - | 647 | 966 | 5 |
| Allenswood, Ambleside, Ericcson Close, Fernwood, Jenkins House, Marmion House, Selbourne, Tildesley Road 2-100, Tildesley Road 102-164, Upper Richmond Road 125 Lightning protection system | 5 | 189 | - | - | - |
| Individual rewires | 328 | 275 | 275 | - | - |
| TOTAL REWIRING | 777 | 2,434 | 2,996 | 2,055 | 28 |

| | <u>2019/20</u> <u>£ '000</u> | <u>2020/21</u> <u>£ '000</u> | <u>2021/22</u> <u>£ '000</u> | <u>2022/23</u> <u>£ '000</u> | <u>2023/24</u> <u>£ '000</u> |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <u>HEATING IMPROVEMENTS</u> | | | | | |
| Alton Estate (Roehampton) | | | | | |
| Replacement of obsolete boilers | - | - | 2,003 | 1,335 | - |
| Patmore Estate (Queenstown) | | | | | |
| Replacement of obsolete boilers & updating heating controls | 5 | - | - | - | - |
| Central Area - Wandsworth, Balham, Tooting | | | | | |
| Phase 2 - Replacement of obsolete boilers | - | 591 | 20 | - | - |
| Eastern Area - Battersea | | | | | |
| Phase 2 - Replacement of obsolete boilers | 870 | 182 | - | - | - |
| Western Area - Putney & Roehampton | | | | | |
| Phase 2 - Replacement of obsolete boilers | 641 | - | - | - | - |
| Boroughwide | | | | | |
| Individual Installations | 360 | 360 | 360 | - | - |
| TOTAL HEATING IMPROVEMENTS | <u>1,876</u> | <u>1,133</u> | <u>2,383</u> | <u>1,335</u> | <u>-</u> |

| | <u>2019/20</u> £ '000 | <u>2020/21</u> £ '000 | <u>2021/22</u> £ '000 | <u>2022/23</u> £ '000 | <u>2023/24</u> £ '000 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <u>HEATING REPAIRS</u> | | | | | |
| Alton Estate (Roehampton) | | | | | |
| Ryefield Path, Timsbury Walk, Highcross Way Phase 2 Replacement of communal heating system | 648 | - | - | - | - |
| Convent Estate (Fairfield) | | | | | |
| Francis Snary Lodge Replacement of communal heating system | - | - | 18 | 26 | - |
| Fitzhugh Estate (Wandsworth Common) | | | | | |
| Replacement of communal heating system | - | 385 | 642 | 43 | - |
| George Wyver Close (West Hill) | | | | | |
| Beaumont Road 34-62 even, 64-92 even Replacement of communal heating system | - | - | 114 | 188 | 10 |
| Lennox Estate (Roehampton) | | | | | |
| Dowdeswell Close 6-40, Rockingham Close 13-27 Replacement of communal heating system | 213 | 10 | - | - | - |
| Burke Close 28-54 Replacement of communal heating system | - | - | 18 | 26 | - |
| Nightingale Square (Nightingale) | | | | | |
| Replacement of communal heating system | 95 | - | - | - | - |
| Nursery Close Estate (East Putney) | | | | | |
| Nursery Close 31-49 Replacement of communal heating system | - | - | 30 | 45 | - |
| Smallwood North (Tooting) | | | | | |
| Smallwood Road 4-152 Replacement of communal heating system | 88 | - | - | - | - |
| Smallwood Road South Estate (Tooting) | | | | | |
| Smallwood Road 53 - 59 odd Replacement of communal heating system | - | - | 68 | 113 | 6 |
| St James Grove (Latchmere) | | | | | |
| Castlemaine Replacement of communal heating system | - | 499 | 828 | 48 | - |
| Ackroydon Estate East & West (West Hill) | | | | | |
| Cold water booster replacement | - | - | 109 | 59 | - |
| Arndale Estate (Southfields) | | | | | |
| Replacement of cold water boosters | 3 | - | - | - | - |
| Barringer Square, Bisley House, Edgecombe House Meecham Court, William Harvey House | | | | | |
| Cold water booster replacement | - | - | 137 | 73 | - |
| Fitzhugh Estate (Wandsworth Common) | | | | | |
| Replacement of cold water boosters | 108 | 90 | - | - | - |

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

| | <u>2019/20</u> <u>£ '000</u> | <u>2020/21</u> <u>£ '000</u> | <u>2021/22</u> <u>£ '000</u> | <u>2022/23</u> <u>£ '000</u> | <u>2023/24</u> <u>£ '000</u> |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Winstanley Estate (Latchmere) | | | | | |
| Sendall Court, Sporle Court | | | | | |
| Replacement of cold water boosters | - | 43 | 29 | - | - |
| Colson Way Estate (Furzedown) | | | | | |
| Replacement of communal extract fans | - | 70 | 5 | - | - |
| Goulden House (St Mary's Park) | | | | | |
| Replacement of communal extract fans | 5 | 290 | 5 | - | - |
| Battersea Park Estate (Latchmere) | | | | | |
| Atkinson House, Berry House, Dresden House | | | | | |
| MacDonald House, Walden House | | | | | |
| Installation of dry rises | 159 | 91 | - | - | - |
| Boroughwide | | | | | |
| Communal Boiler Houses | | | | | |
| Replacement of building energy management systems | 40 | 400 | 30 | - | - |
| Water tank renewal phase 2 | - | - | 273 | 147 | - |
| Patmore Estate (Queenstown) | | | | | |
| Water tank renewals phase 3 | - | - | 205 | 110 | - |
| TOTAL HEATING REPAIRS | <u>1,359</u> | <u>1,878</u> | <u>2,511</u> | <u>878</u> | <u>16</u> |

| | <u>2019/20</u> <u>£ '000</u> | <u>2020/21</u> <u>£ '000</u> | <u>2021/22</u> <u>£ '000</u> | <u>2022/23</u> <u>£ '000</u> | <u>2023/24</u> <u>£ '000</u> |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <u>SPECIAL REPAIRS</u> | | | | | |
| Chelverton Court (Thamesfield) | | | | | |
| Communal lighting upgrade | - | 20 | - | - | - |
| Patmore Estate (Queenstown) | | | | | |
| Fowler House | | | | | |
| Works to access road | 100 | - | - | - | - |
| Southlands Estate (St Mary's Park) | | | | | |
| Gaitskell Court Road 51-101 Odd | | | | | |
| Undercroft insulation | 83 | - | - | - | - |
| Glenthorpe (West Putney) | | | | | |
| 1-18, 36-71 Glenthorpe | | | | | |
| Fire alarm system upgrade | - | 50 | - | - | - |
| Lincoln Court (Fairfield) | | | | | |
| Roof renewal | 66 | - | - | - | - |
| Somerset Estate (St Mary's Park) | | | | | |
| Sparkford House, Selworthy House | | | | | |
| Cold water booster replacement | 11 | - | - | - | - |
| Woking Close (Roehampton) | | | | | |
| Woking Close 108-110 | | | | | |
| Partial roof renewal | 5 | - | - | - | - |
| Boroughwide | | | | | |
| Acquired Properties | | | | | |
| Roofs, decoration, damp proofing | 837 | 600 | - | - | - |
| Extension/conversion | | | | | |
| 28 Clairview Road , 36 Longstaff Crescent, 30 Openview | | | | | |
| 83 Nimrod Road, 12 North Drive, 8 Pullman Gardens | | | | | |
| 56 Reform Street, 55 & 57 Swinburne Road, 28 Swinburn Road | 586 | - | - | - | - |
| Extensions/Conversions future schemes | - | 700 | - | - | - |
| Refurbishment of adjoining properties in Chessington | 65 | - | - | - | - |
| LED street & pathway lighting | 5 | 735 | - | - | - |
| Provision for urgent schemes | - | 1,660 | 600 | - | - |
| Various Sheltered Properties - Storage | 83 | - | - | - | - |
| Stock condition survey | - | 165 | - | - | - |
| Water tank renewal | 198 | - | - | - | - |
| TOTAL SPECIAL REPAIRS | 2,039 | 3,930 | 600 | - | - |

| | <u>2019/20</u> <u>£ '000</u> | <u>2020/21</u> <u>£ '000</u> | <u>2021/22</u> <u>£ '000</u> | <u>2022/23</u> <u>£ '000</u> | <u>2023/24</u> <u>£ '000</u> |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <u>SHELTERED HOUSING</u> | | | | | |
| Althorpe Grove Estate (St Mary's Park) | | | | | |
| Althorpe Mews, Battersea Church Road, Sunbury Lane, Kitchen renewal | 20 | 213 | 30 | - | - |
| Carey Gardens Estate (Queenstown) | | | | | |
| All communal sheltered areas | | | | | |
| Electrical upgrade | - | - | 212 | 115 | - |
| Convent Estate (Fairfield) | | | | | |
| Francis Snary Lodge | | | | | |
| Dwellings and communal areas | | | | | |
| Electrical upgrade | - | - | 249 | 134 | - |
| Hepplestone Close (West Putney) | | | | | |
| 1-14, 20-25, 27-32 Hepplestone Close | | | | | |
| Roof renewal and installation of photovoltaic panels | 5 | - | - | - | - |
| Maysoule Road (Latchmere) | | | | | |
| Holmleigh Court | | | | | |
| Window renewal | 15 | 700 | 20 | - | - |
| Rambler Close Estate (Furzedown) | | | | | |
| Rambler Close 1-16, 17-32 | | | | | |
| Dwellings and communal areas | | | | | |
| Electrical upgrade | - | - | 165 | 89 | - |
| Wendlesworth Estate (Fairfield) | | | | | |
| Kirton Lodge | | | | | |
| Refurbishment | 721 | 48 | - | - | - |
| Boroughwide | | | | | |
| Boyd Court, Cortis Road 285-311 and 317-365 | | | | | |
| Cortis Terrace 1-16, James Searles Lodge | | | | | |
| Westleigh Avenue 63-125 and 135-165 | | | | | |
| Phase 7 Installation of overhead showers | 25 | 700 | 50 | - | - |
| TOTAL SHELTERED HOUSING | 786 | 1,661 | 726 | 338 | - |

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

| | <u>2019/20</u> <u>£ '000</u> | <u>2020/21</u> <u>£ '000</u> | <u>2021/22</u> <u>£ '000</u> | <u>2022/23</u> <u>£ '000</u> | <u>2023/24</u> <u>£ '000</u> |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <u>ADAPTATIONS FOR THE DISABLED</u> | | | | | |
| Boroughwide | | | | | |
| Conversion of vacant properties | 850 | 850 | 850 | - | - |
| Future years provision | 700 | 700 | 700 | - | - |
| TOTAL ADAPTATIONS FOR THE DISABLED | <u>1,550</u> | <u>1,550</u> | <u>1,550</u> | <u>-</u> | <u>-</u> |

| | <u>2019/20</u> £ '000 | <u>2020/21</u> £ '000 | <u>2021/22</u> £ '000 | <u>2022/23</u> £ '000 | <u>2023/24</u> £ '000 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <u>ENTRYCALL & CCTV</u> | | | | | |
| Ackroydon Estate (West Hill) | | | | | |
| Ashtead Court, Montfort Place, Princes Way Installation of door entry system | 100 | 10 | - | - | - |
| Alton Estate (Roehampton) | | | | | |
| Chilcombe House, Crondall House, Farnborough House, Rushmere House, Sombourne House Replacement of door entry system | - | 55 | 93 | - | - |
| Brockbridge House, Finchdean House, Egbury House, Hurstbourne House, Redenham House Penwood House, Tatchbury House E blocks Replacement of door entry system | - | - | 83 | 124 | - |
| Ashburton South (West Putney) | | | | | |
| Innes Gardens 1-156 Replacement of door entry system | - | 75 | 5 | - | - |
| Battersea Park Estate (Latchmere) | | | | | |
| Replacement of door entry system | 2 | 100 | 10 | - | - |
| Bevill Allen Close (Graveney) | | | | | |
| Bevil Allen Close 1-24, 25-36, 37-48 Installation of door entry system | - | - | 45 | 64 | - |
| Cunliffe Estate (Furzedown) | | | | | |
| Cunliffe Street 2-32 Even Replacement of door entry system | - | 3 | 6 | - | - |
| Doland Court (Graveney) | | | | | |
| Replacement of door entry system | 8 | 1 | - | - | - |
| Ethelburga Estate (St Mary's Park) | | | | | |
| Ethelburga Tower Replacement of door entry system | - | 13 | 21 | - | - |
| Galleons Estate (West Hill) | | | | | |
| Beaumont Road 20-32 Replacement of door entry system | - | 6 | 1 | - | - |
| Holgate Avenue (Latchmere) | | | | | |
| Replacement of door entry system | 13 | 103 | - | - | - |
| Robertson Street Estate (Queenstown) | | | | | |
| Scott Court 1-24 Installation of door entry system | - | - | 11 | 17 | - |
| Surrey Lane Estate (St Mary's) | | | | | |
| Cranmer House, Compton House, Gardiner House Replacement of door entry system | - | 39 | 67 | - | - |
| Wendlesworth Estate (Fairfield) | | | | | |
| Replacement of door entry system | 40 | 310 | - | - | - |
| William Willison Estate (West Hill) | | | | | |
| Castlecombe Drive 33-61, 146-174, 176-204, 206-334 Stapleford Close 1-34, 35-66 Replacement of door entry system | - | 45 | 77 | - | - |
| Boroughwide | | | | | |
| CCTV Upgrade | 68 | 1,392 | - | - | - |
| TOTAL ENTRYCALL & CCTV | 231 | 2,152 | 419 | 205 | - |

| | <u>2019/20</u> <u>£ '000</u> | <u>2020/21</u> <u>£ '000</u> | <u>2021/22</u> <u>£ '000</u> | <u>2022/23</u> <u>£ '000</u> | <u>2023/24</u> <u>£ '000</u> |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <u>ENVIRONMENTAL & ESTATE IMPROVEMENTS</u> | | | | | |
| Battersea High Street (St Mary's Park) Environmental Improvements | 107 | - | - | - | - |
| Bellamy House (Tooting) Environmental Improvements | - | 32 | 300 | - | - |
| Doddington Estate (Queenstown) Doddington Square | 193 | 50 | - | - | - |
| Fitzhugh Estate (Wandsworth Common) Environmental Improvements | - | - | 10 | 596 | - |
| Gideon Road/Tyneham Close (Shaftesbury) Environmental Improvements | 110 | 90 | - | - | - |
| Nightingale Square (Nightingale) Environmental Improvements | 40 | - | - | - | - |
| Waylands Road Estate (Latchmere) Environmental Improvements | 463 | 13 | - | - | - |
| Boroughwide Future Playground Refurbishment | 100 | 100 | 100 | - | - |
| TOTAL ENVIRONMENTAL & ESTATE IMPROVEMENTS | <u>1,013</u> | <u>285</u> | <u>410</u> | <u>596</u> | <u>-</u> |

| | <u>2019/20</u> £ '000 | <u>2020/21</u> £ '000 | <u>2021/22</u> £ '000 | <u>2022/23</u> £ '000 | <u>2023/24</u> £ '000 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <u>SITE DEVELOPMENTS</u> | | | | | |
| Aldrington South & Streatham Park (Furzedown) | 1,151 | 1,150 | 51 | - | - |
| Arnal Crescent 1-8 (West Hill) | 378 | 870 | 25 | - | - |
| Arnal Crescent 37-53 (West Hill) | 23 | 114 | 914 | 19 | - |
| Arnal Crescent/Bell Drive (West Hill) | 14 | 10 | - | - | - |
| Beaumont Road/Whitlock Drive (West Hill) | 72 | 2,574 | 1,167 | 75 | - |
| Deeley Road/Tidbury Road/Thessaly Road (Queenstown) | 2,548 | 246 | - | - | - |
| Fordyce House (Furzedown) | 37 | 1,809 | 250 | 41 | - |
| Gaskarth Road (Balham) | 422 | 25 | - | - | - |
| Nutwell Street (Graveney) | 15 | - | - | - | - |
| Rayners Road/Carlton Drive (East Putney) | 65 | 6 | - | - | - |
| Rowditch Lane (Latchmere) | 199 | 35 | - | - | - |
| Salter House (Furzedown) | 46 | 921 | 1,298 | 53 | - |
| Stag House (Roehampton) | 4,770 | 168 | 180 | - | - |
| Whitlock Drive 145-147 (West Hill) - Self & Custom Build Housing | 154 | 1,093 | 25 | - | - |
| <u>EXPANDED PROGRAMME</u> | | | | | |
| Badric Court (St Mary's Park) | 8 | 822 | 1,192 | 42 | - |
| Kersfield Estate (East Putney) | 718 | 12,948 | 2,516 | 216 | - |
| Platt Estate North (Thamesfield) | 28 | 729 | 751 | 28 | - |
| Platt Estate South (Thamesfield) | 57 | 1,481 | 1,526 | 58 | - |
| Putney Vale (Roehampton & Putney Heath) | 98 | 2,639 | 2,719 | 104 | - |
| Other Schemes/Feasibilities | 1,503 | 1,225 | 1,225 | - | - |
| Build Contingencies | - | 1,500 | - | - | - |
| TOTAL SITE DEVELOPMENTS & EXPANDED PROGRAMME | 12,306 | 30,365 | 13,839 | 636 | - |

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> | <u>2023/24</u> |
|---|----------------|----------------|----------------|----------------|----------------|
| | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> |
| <u>REGENERATION PROJECTS</u> | | | | | |
| Project Team Costs | 1,266 | 1,685 | 1,850 | - | - |
| Procurement of Specialist Services | 1,000 | 1,000 | - | - | - |
| ROEHAMPTON SCHEME | | | | | |
| Phase 1 - Acquisitions | 4,000 | 4,000 | 4,000 | 1,500 | - |
| Residential Development Costs | - | 3,551 | 12,934 | 11,646 | - |
| Reprovision of Community Facilities | 491 | 12 | - | - | - |
| Roehampton Parish Hall - Office Development | 755 | 22 | - | - | - |
| Bessborough Road (Roehampton) | | | | | |
| Satellite Site Development | 1,216 | 2,837 | - | - | - |
| Fontley Way (Roehampton) | | | | | |
| Satellite Site Development | 650 | 4,500 | 1,175 | - | - |
| WINSTANLEY & YORK ROAD ESTATE SCHEME | | | | | |
| In Phase Acquisitions | 6,000 | 6,000 | 6,000 | 1,500 | - |
| Out of Phase Acquisitions | 2,500 | 2,500 | 2,500 | 1,000 | - |
| Residential Development Costs | 9,560 | 2,783 | 11,248 | 25,304 | - |
| Reprovision of Community Facilities | 4,479 | 14,833 | - | - | - |
| Gideon Road (Shaftesbury) | | | | | |
| Satellite Site Development | 3,822 | 3,771 | 643 | 180 | - |
| Lavender Hill (Shaftesbury) | | | | | |
| Satellite Site Development | - | 190 | 1,048 | 32 | - |
| Shuttleworth Road (St Mary's Park) | | | | | |
| Satellite Site Development | 12,481 | 13,228 | 745 | 720 | - |
| Tyneham Close (Shaftesbury) | | | | | |
| Satellite Site Development | - | 298 | 2,478 | 71 | - |
| York Road (Latchmere) | | | | | |
| Penge House & Inkster House - Refurbishment | - | - | 5,000 | 7,124 | - |
| TOTAL REGENERATION PROJECTS | 48,220 | 61,210 | 49,621 | 49,077 | - |

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

| | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> | <u>2023/24</u> |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> | <u>£ '000</u> |
| <u>PURCHASE OF PROPERTIES</u> | | | | | |
| Auction Replacement Acquisitions | 13,034 | 9,592 | - | - | - |
| Other Purchases | 856 | 500 | 500 | 500 | - |
| TOTAL PURCHASE OF PROPERTIES | 13,890 | 10,092 | 500 | 500 | - |

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

APPENDIX D

HOUSING REVENUE ACCOUNT NON-RESIDENTIAL CHARGES

Table 1 – Garages (per week)

| | <u>Current Charge</u> | <u>Proposed Charge</u> |
|------------|------------------------------|-------------------------------|
| | <u>£</u> | <u>£</u> |
| Band A+ | 30.60 | 31.65 |
| Band A | 27.70 | 28.65 |
| Band B | 16.50 | 17.05 |
| Band C | 11.85 | 12.25 |
| Band D | 8.80 | 9.10 |
| Water Rate | 0.49 | TBC |

Table 2 – Other Property (per week)

| | <u>Current Charge</u> | <u>Proposed Charge</u> |
|---------------------------------------|------------------------------|-------------------------------|
| | <u>£</u> | <u>£</u> |
| Store shed - Band A | 3.30 | 3.40 |
| Store shed - Band B | 2.55 | 2.65 |
| Store shed - Band C | 1.65 | 1.70 |
| Motorcycle sheds | 6.80 | 7.05 |
| Parking Lots/Other non-domestic sites | 9.00 | 9.30 |
| Parking lots at Lockyer House | 16.50 | 17.05 |
| Cycle lockers | 1.65 | 1.70 |

Table 3 – Other Charges

| | <u>Current Charge</u> | <u>Proposed Charge</u> |
|--|------------------------------|-------------------------------|
| | <u>£</u> | <u>£</u> |
| Replacement door entry fob | 19.10 | 19.75 |
| Replacement resident's parking permit | 20.00 | 20.70 |
| Replacement or additional sets of keys | Cost plus 20.00 | Cost plus 20.70 |
| Pre-assignment enquiries | 174.20 | 180.10 |

Notes

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

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

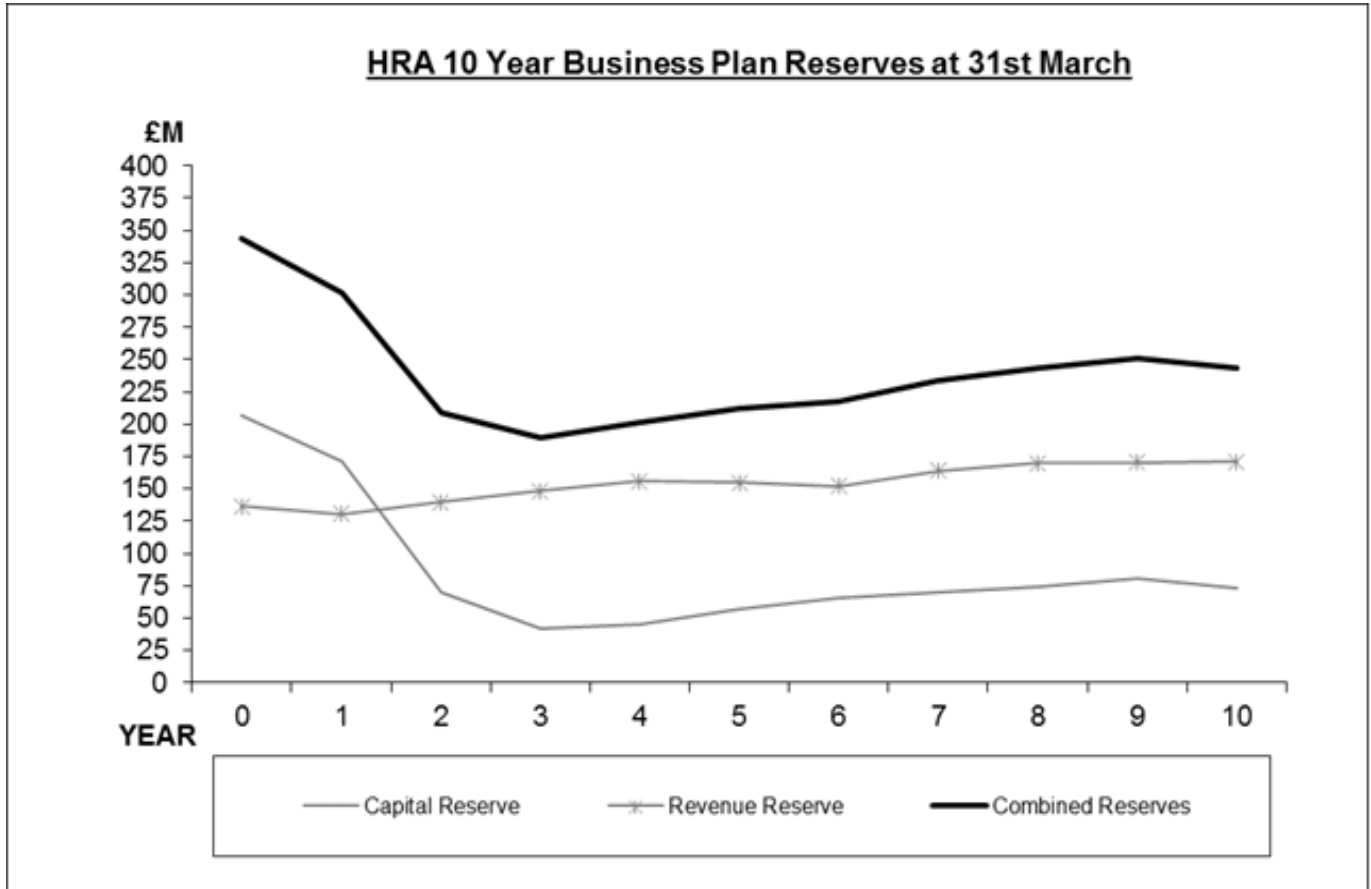
APPENDIX E

COUNCIL HOUSING BUDGET FRAMEWORK

| | Original Budget 2019/20 £'000 | Revised Budget 2019/20 £'000 | Budget 2020/21 £'000 | Budget 2021/22 £'000 | Budget 2022/23 £'000 |
|--|--|---------------------------------------|----------------------------|----------------------------|----------------------------|
| <u>EXPENDITURE</u> | | | | | |
| REVENUE | | | | | |
| Supervision, Management & Maintenance | | | | | |
| Repairs & Maintenance | 27,657 | 27,004 | 26,954 | 28,974 | 29,697 |
| General Management | 31,289 | 31,401 | 32,430 | 33,968 | 34,974 |
| Special Services | 15,589 | 14,962 | 16,102 | 16,569 | 17,010 |
| Capital Financing Costs | 51,310 | 54,651 | 38,278 | 36,536 | 37,367 |
| Other Expenses | 2,420 | 2,770 | 3,309 | 3,858 | 4,407 |
| Depreciation (Contribution to Capital) | 21,594 | 21,600 | 22,200 | 22,868 | 23,497 |
| TOTAL REVENUE EXPENDITURE | (149,859) | (152,388) | (139,273) | (142,773) | (146,952) |
| CAPITAL | | | | | |
| Repairs and Improvements | 64,709 | 32,083 | 59,298 | 35,454 | 45,893 |
| Environmental, New Build & Regeneration | 98,540 | 61,539 | 91,860 | 63,870 | 50,309 |
| Purchase of Properties | 500 | 13,890 | 10,092 | 500 | 500 |
| Purchase of Vehicles | - | 21 | - | - | - |
| House Purchase Grants | 3,100 | 4,234 | 4,000 | 4,000 | 4,000 |
| Housing Management System Replacement | 350 | 350 | - | - | - |
| TOTAL CAPITAL EXPENDITURE | (167,199) | (112,117) | (165,250) | (103,824) | (100,702) |
| | 317,058 | 264,505 | 304,523 | 246,597 | 247,654 |
| <u>INCOME</u> | | | | | |
| REVENUE | | | | | |
| Gross Rents – Dwellings | 109,664 | 109,664 | 112,522 | 114,890 | 118,100 |
| Gross Rents – Non-Dwellings | 4,335 | 4,335 | 4,972 | 5,096 | 5,223 |
| Leaseholder Service Charges | 12,778 | 14,528 | 14,346 | 15,159 | 15,488 |
| Other Income | 16,040 | 17,861 | 16,912 | 15,934 | 16,034 |
| TOTAL REVENUE INCOME | (142,817) | (146,388) | (148,752) | (151,079) | (154,845) |
| CAPITAL | | | | | |
| Contribution from Revenue (Depreciation) | 21,594 | 21,600 | 22,200 | 22,868 | 23,497 |
| Capital Receipts | 3,000 | 14,836 | 4,000 | 1,627 | 1,006 |
| Capital Grants & Reimbursements | 20,227 | 28,544 | 36,804 | 8,747 | 720 |
| Leaseholder Major Works Charges | 6,383 | 4,250 | 6,170 | 6,335 | 6,732 |
| Borrowing | 4,667 | 6,617 | 4,667 | 51,463 | 80,014 |
| TOTAL CAPITAL INCOME | (55,871) | (75,847) | (73,841) | (91,040) | (111,969) |
| | 198,688 | 222,235 | 222,593 | 242,119 | 266,814 |
| Total reserves at beginning of year | 305,346 | 343,421 | 301,151 | 219,221 | 214,743 |
| Surplus / (Deficit) in year | (118,370) | (42,270) | (81,930) | (4,478) | 19,160 |
| Total reserves at end of year | 186,976 | 301,151 | 219,221 | 214,743 | 233,903 |

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

APPENDIX F



SECTION 4
PENSION FUND

PAPER NO **20-155**

WANDSWORTH BOROUGH COUNCIL

JOINT PENSIONS COMMITTEE – 2ND JUNE 2020

Report by the Director of Resources on the Pension Fund Revenue Budget
2019-2023.

SUMMARY

This report summarises Pension Fund operating income and expenditure in 2019/20 compared to the budget approved in March 2019. The Fund's operating cash deficit for 2019/20, excluding increases in investment values, is now estimated as £4.8 million compared to a budgeted surplus amount of £7.2 million.

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.

The report proposes noting the estimated outturn for 2019/20, approving the merged fund budget for 2020/21 and noting the projected budget of the merged fund for 2021/22 and 2022/23.

GLOSSARY

London CIV – London Collective Investment Vehicle

RECOMMENDATIONS

1. The Joint Pensions Committee are recommended to:
 - (a) note the estimated outturn on the Pension Fund Revenue Budget for 2019/20;
 - (b) approve the Pension Fund Budget for 2020/21; and
 - (c) note the projected budget for 2021/22 and 2022/23.

INTRODUCTION

2. The estimated outturn for 2019/20; proposed budget for 2020/21; and projected budget for 2021/22 and 2022/23 are shown below:

(Paper No. 20-155)

Pension Fund Budget

| | <u>2019/20</u> Original £'000 | <u>2019/20</u> Estimated Outturn £'000 | <u>2019/20</u> Variation % | <u>2020/21</u> £'000 | <u>2021/22</u> Forecasts £'000 | <u>2022/23</u> £'000 |
|--|-------------------------------------|---|----------------------------------|-------------------------|--------------------------------------|-------------------------|
| Contributions | | | | | | |
| Contributions Receivable | | | | | | |
| Employees | 14,800 | 15,400 | 4% | 15,700 | 16,000 | 16,300 |
| Employers Normal | 45,200 | 46,000 | 2% | 46,900 | 47,900 | 48,800 |
| Employers Additional | 1,500 | 1,400 | -7% | 1,400 | 1,400 | 1,400 |
| Transfer In | 3,800 | 8,000 | 111% | 8,100 | 8,200 | 8,200 |
| Benefits Payable | | | | | | |
| Pensions | -67,900 | -68,200 | - | -69,300 | -70,500 | -71,700 |
| Lump Sum Benefits | | | | | | |
| Retirement Benefits | -11,000 | -12,900 | 17% | -13,200 | -13,400 | -13,600 |
| Death Benefits | -1,300 | -800 | -39% | -800 | -800 | -800 |
| Transfers Out | -5,300 | -18,700 | 253% | -9,100 | -9,200 | -9,300 |
| Establishment | -900 | -900 | - | -900 | -900 | -900 |
| Net Additions/Withdrawals from Dealing with Members | | | | | | |
| | -21,100 | -30,700 | 46% | -21,200 | -21,300 | -21,600 |
| Returns on Investments | | | | | | |
| Investment Income | 37,500 | 35,000 | -7% | 41,800 | 48,900 | 51,300 |
| Investment Management Expenses | -9,000 | -8,900 | -1% | -9,300 | -9,700 | -10,200 |
| Custody | -35 | -35 | - | -35 | -35 | -35 |
| Legal & Consultancy | -150 | -150 | - | -150 | -150 | -150 |
| Total | 7,215 | -4,785 | -166% | 11,115 | 17,715 | 19,315 |

3. The key element of the above forecast is the net additions from dealings with members which represents the amount required from the investment side of the fund to meet the cash flow deficit, whether in the form of income remitted (as opposed to re-invested) or redemptions requested from managers. The balance of these may vary in the near term due both the restructuring of portfolios into the London CIV and the ability to redeem funds from portfolios that are not due to be retained in the longer term (which has applied to a significant degree in 2019/20). The overall fund surplus (or deficit) at year end will be impacted by realised and unrealised gains / losses in the value of the fund's investments, which are not estimated.

BUDGET COMMENTARY

4. The original surplus estimated for 2019/20 is now forecast to be a modest deficit, principally due to the balance between transfer values in and out, including bulk transfers, of which there were two paid in June 2019 for Wandsworth Legal Services (£3.4m) and Richmond Regulatory Services (£6.3m). Transfer values are by their nature very difficult to estimate in advance (other than on the basis of the average of prior years).

FUTURE PROSPECTS

5. The Pension Fund is continuing to mature with increasing withdrawals from dealings with members and consequently, increasing amounts of investment income required from fund managers to meet benefit payments (without the need to redeem investments intended to be held long term). The fund is looking to orient its future investment approach to meet these additional income requirements. The effect of these changes (now in the course of implementation) is reflected in increased levels of investment income (and higher investment management fees) projected (progressively) for future years. The profile of these estimates reflects that the fund's allocations to the new infrastructure and private debt asset classes should be fully invested during 2021/22 (currently the mandates are around 53% funded). The future year fee estimates do not include performance fees, which may apply to 4 of the 5 new mandates.

The Town Hall
Wandsworth
SW18 2PU

M. MAIDMENT
Director of Resources

22nd May 2020

Background Papers:

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

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