

The Council's Budget (2023/24 - 2027/28) - Medium Term Financial Forecast

Appendix A1

General Fund Budget Corporate Summary	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Four Year Outlook £'000	Five Year Outlook £'000
Resources								
Increase in Council Tax (%)	0.90%	2.99%	2.99%	1.80%	1.80%	1.80%		
Increase in Social Care Precept (%)	1.00%	2.00%	2.00%	1.00%	1.00%	1.00%		
Band D Council Tax (£)	£1,263.28	£1,326.32	£1,392.51	£1,431.51	£1,471.60	£1,512.81	£208.32	£249.53
Increase in Council Tax Base (Band D)	1,769	(215)	1,689	2,232	1,105	1,105		
Council Tax Base (Band D)	103,840	103,625	105,314	107,546	108,651	109,756	4,811	5,916
<i>Change from Tax Base (£'000)</i>	<i>2,194</i>	<i>(272)</i>	<i>1,862</i>	<i>4,682</i>	<i>6,078</i>	<i>7,474</i>	<i>3,884</i>	<i>7,474</i>
<i>Change from Tax Increase (£'000)</i>	<i>2,446</i>	<i>6,533</i>	<i>13,610</i>	<i>18,092</i>	<i>22,634</i>	<i>27,387</i>	<i>20,188</i>	<i>27,387</i>
Council Tax Revenues	131,179	137,440	146,651	153,953	159,891	166,040	28,712	34,861
Baseline Business Rates Income	47,221	48,988	49,968	49,968	49,968	49,968	2,747	2,747
Retained Business Rates Growth	9,395	11,682	11,916	11,916	11,916	11,916	2,521	2,521
Business Rates Income	56,616	60,670	61,884	61,884	61,884	61,884	5,268	5,268
Revenue Support Grant	7,014	8,122	8,263	8,263	8,263	8,263	1,249	1,249
Other Central Government Funding	51,348	56,987	58,100	52,592	53,404	54,242	2,056	2,894
Corporate Grant Income	58,362	65,109	66,363	60,855	61,667	62,505	3,305	4,143
Total Recurrent Funding	246,157	263,219	274,898	276,692	283,442	290,429	37,285	44,272
Collection Fund Prior Year Deficit	(1,023)	(490)					1,023	1,023
Collection Fund Surplus 2022/23	0	436	0	0	0	0	0	0
Local Council Tax Support Grant	0	0	0	0	0	0	0	0
Prior Release of COVID-19 Reserves	1,507	1,535	0	0	0	0	(1,507)	(1,507)
Further Release of COVID-19 Reserves	4,406	0	0	0	0	0	(4,406)	(4,406)
Total One-Off Funding	4,890	1,481	0	0	0	0	(4,890)	(4,890)
Total Resources	251,047	264,700	274,898	276,692	283,442	290,429	32,395	39,382

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General Fund Budget Corporate Summary	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Four Year Outlook £'000	Five Year Outlook £'000
Service Expenditure								
Roll Forward Budget	238,245	251,047	264,700	274,898	284,191	291,514		
Inflation	12,035	21,691	10,906	9,349	8,862	9,141	50,808	59,949
Demand-led Growth	13,520	9,080	4,547	3,141	3,211	3,192	19,979	23,171
Corporate Items	(2,106)	3,673	6,893	2,411	(1,114)	(187)	11,863	11,676
Savings Proposals	(10,647)	(20,791)	(12,148)	(5,608)	(3,636)	(3,500)	(42,183)	(45,683)
Total Service Expenditure	251,047	264,700	274,898	284,191	291,514	300,160	40,467	49,113
Of which:								
Property, Highways & Transport	10,997	10,798	10,314	10,736	11,154	11,583	157	586
Finance	25,307	33,213	40,687	42,765	42,464	43,115	17,157	17,808
Corporate Services	23,964	24,893	25,280	26,657	27,244	27,843	3,280	3,879
Residents' Services	28,169	22,681	23,062	24,581	26,071	27,580	(2,098)	(589)
Children, Families & Education	52,295	58,231	59,168	61,702	63,865	66,230	11,570	13,935
Health & Social Care	107,487	115,506	121,887	128,294	134,760	141,353	27,273	33,866
Corporate Budgets	2,828	(622)	(5,500)	(10,544)	(14,044)	(17,544)	(16,872)	(20,372)
Total Service Expenditure	251,047	264,700	274,898	284,191	291,514	300,160	40,467	49,113
Year on Year Change in Budget (Gap) / Surplus	0	0	0	(7,499)	(573)	(1,659)	(8,072)	(9,731)
Cumulative Budget (Gap) / Surplus for the Year	0	0	0	(7,499)	(8,072)	(9,731)		
Closing General Balances	26,801	26,801	26,801	26,801	26,801	26,801	0	0
Earmarked Reserve Balances	18,424	15,455	15,455	15,455	15,455	15,455	(2,970)	(2,970)
Total Balances	45,225	42,256	42,256	42,256	42,256	42,256	42,256	42,256

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General Fund Budget Funding Projections	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Four Year Outlook £'000	Five Year Outlook £'000
Council Tax Base (Band D)								
Residential Properties	125,299	126,311	127,323	128,335	129,347	130,359	4,048	5,060
MOD Properties	683	683	683	683	683	683	0	0
Discounts & Exemptions	(11,317)	(11,873)	(11,968)	(12,063)	(12,159)	(12,254)	(842)	(937)
Empty Property Premium	85	137	137	137	137	137	52	52
Gross Council Tax Base	114,750	115,258	116,175	117,092	118,008	118,925	3,258	4,175
Council Tax Reduction Scheme	(9,861)	(10,055)	(9,257)	(8,460)	(8,260)	(8,060)	1,601	1,801
Collection Rate (%)	99.00%	98.50%	98.50%	99.00%	99.00%	99.00%	0.00%	0.00%
Allowance for Losses in Collection	(1,049)	(1,578)	(1,604)	(1,086)	(1,097)	(1,109)	(48)	(60)
Net Council Tax Base	103,840	103,625	105,314	107,546	108,651	109,756	4,811	5,916
Increase in Council Tax Base	1,769	(215)	1,689	2,232	1,105	1,105	4,811	5,916
Business Rates Revenues								
Inflationary Uplift (%)	0.00%	0.00%	2.00%	0.00%	0.00%	0.00%	2.00%	2.00%
Implied Multiplier (0.xxx)	0.499	0.499	0.509	0.509	0.509	0.509	0.010	0.010
Annual Change in Rating List	4,000	(3,968)	0	0	0	0	(4,000)	(4,000)
Cash Value of Annual Changes	1,996	19,520	0	0	0	0	(1,996)	(1,996)
Retail Relief	(27,067)	10,567	0	0	0	0	27,067	27,067
Change in Business Rates Provisions	0	(25,100)	0	0	0	0	0	0
Non-Domestic Rating Income	343,322	348,309	355,275	355,275	355,275	355,275	11,953	11,953
Local Share of Business Rates Yield	30%	30%	30%	30%	30%	30%	0	0
	102,997	104,493	106,583	106,583	106,583	106,583	3,586	3,586
Section 31 Grant Income	16,154	15,246	15,551	15,551	15,551	15,551	(603)	(603)
Forecast Business Rates Yield	119,151	119,739	122,134	122,134	122,134	122,134	2,983	2,983

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General Fund Budget Funding Projections	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Four Year Outlook £'000	Five Year Outlook £'000
Less: Baseline Business Rates Income	(47,221)	(48,988)	(49,968)	(49,968)	(49,968)	(49,968)	(2,747)	(2,747)
Less: Business Rates Tariff	(53,666)	(53,459)	(54,528)	(54,528)	(54,528)	(54,528)	(862)	(862)
Growth on Local Share	18,264	17,292	17,638	17,638	17,638	17,638	(626)	(626)
Less: Section 31 Grants Out of Scope	(527)	(6,073)	(6,194)	(6,194)	(6,194)	(6,194)	(5,667)	(5,667)
Levy Rate on Growth 50%	50%	50%	50%	50%	50%	50%	0	0
Levy on Growth	(8,869)	(5,610)	(5,722)	(5,722)	(5,722)	(5,722)	3,147	3,147
Retained Growth	9,395	11,682	11,916	11,916	11,916	11,916	2,521	2,521
Other Central Government Funding								
Public Health Grant	18,538	19,465	19,854	19,854	19,854	19,854	1,316	1,316
Inflation Pressure on Public Health Grant	0	1,100	1,447	1,808	2,184	2,575	2,184	2,575
Better Care Fund	7,619	8,338	8,338	8,505	8,675	8,849	1,056	1,230
Improved Better Care Fund	7,467	7,468	7,468	7,617	7,769	7,924	302	457
Social Care Grant	9,506	15,607	15,607	10,692	10,906	11,124	1,400	1,618
Services Grant	3,255	1,910	1,910	1,910	1,910	1,910	(1,345)	(1,345)
New Homes Bonus	2,765	1,494	1,494	1,494	1,494	1,494	(1,271)	(1,271)
Housing Benefit Administration Subsidy	700	724	624	524	424	324	(276)	(376)
Levy Allocation	0	396	0	0	0	0	0	0
UKSPF Funding	0	297	1,170	0	0	0	0	0
Local Voices & Community Reform	164	164	164	164	164	164	0	0
Extended Rights to Free Travel	19	24	24	24	24	24	5	5
Independent Living Fund Grant	496	0	0	0	0	0	(496)	(496)
Lower Tier Services Grant	459	0	0	0	0	0	(459)	(459)
Council Tax Administration Grant	360	0	0	0	0	0	(360)	(360)
Other Central Government Funding	51,348	56,987	58,100	52,592	53,404	54,242	2,056	2,894

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General Fund Budget Inflation Provision	2022/23	Annual Movement in Budget Requirement					Four Year	Five Year
	Budget	2023/24	2024/25	2025/26	2026/27	2027/28	Outlook	Outlook
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Inflation Rates</u>								
Workforce Expenditure (including Pension Contributions)	N/A	6.6%	1.5%	1.9%	2.0%	2.0%	12.0%	14.0%
Added Years Pension Costs	N/A	2.0%	2.0%	2.0%	2.0%	2.0%	8.0%	10.0%
Energy	N/A	88.3%	5.0%	5.0%	5.0%	5.0%	103.3%	108.3%
Vehicle Fuel	N/A	31.8%	5.0%	5.0%	5.0%	5.0%	46.8%	51.8%
Contracted Expenditure	N/A	8.0%	6.0%	4.0%	2.0%	2.0%	20.0%	22.0%
Homecare Provision (Adult Social Care)	N/A	8.0%	6.0%	4.0%	4.0%	4.0%	22.0%	26.0%
Care Placements (Adult Social Care)	N/A	8.0%	6.0%	4.0%	4.0%	4.0%	22.0%	26.0%
Care Placements (Children's Services)	N/A	7.5%	4.0%	4.0%	4.0%	4.0%	19.5%	23.5%
SEND Transport	N/A	6.0%	3.0%	3.0%	3.0%	3.0%	15.0%	18.0%
Business Rates	N/A	0.0%	2.0%	2.0%	2.0%	2.0%	6.0%	8.0%
Levies	N/A	2.0%	2.0%	2.0%	2.0%	2.0%	8.0%	10.0%
<u>Inflation Projections</u>								
Workforce Expenditure (including Pension Contributions)	129,727	8,618	2,076	2,662	2,853	2,911	16,209	19,120
Added Years Pension Costs	1,837	37	38	38	39	40	152	192
Energy	3,545	3,129	343	360	378	397	4,210	4,607
Vehicle Fuel	1,035	329	68	72	75	79	544	623
Contracted Expenditure	40,238	3,219	2,607	1,843	958	977	8,627	9,604
Homecare Provision (Adult Social Care)	12,953	1,036	839	593	617	641	3,085	3,726
Care Placements (Adult Social Care)	72,578	5,806	4,703	3,324	3,456	3,594	17,289	20,883
Care Placements (Children's Services)	24,862	1,861	1,084	1,113	1,157	1,203	5,215	6,418
SEND Transport	7,018	421	223	230	237	244	1,111	1,355
Business Rates & Council Tax	3,293	1	67	68	69	71	205	276
Levies	5,884	118	120	122	125	127	485	612
Gross Inflation Requirement	302,970	24,575	12,168	10,425	9,964	10,284	57,132	67,416
Less: Externally Funded Items	(23,522)	(2,884)	(1,262)	(1,076)	(1,102)	(1,143)	(6,324)	(7,467)
Budgets Out of Scope of Inflation	(28,401)	0	0	0	0	0	0	0
Total Inflation Provision	251,047	21,691	10,906	9,349	8,862	9,141	50,808	59,949

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General Fund Budget Demand-led Growth	2022/23	Annual Movement in Budget Requirement					Four Year	Five Year
	Budget	2023/24	2024/25	2025/26	2026/27	2027/28	Outlook	Outlook
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Waste Disposal Levy & Contracts	14,148	483	706	561	561	563	2,311	2,874
WLWA One-Off Income	0	(1,000)	1,000	0	0	0	0	0
Support for Looked After Children	14,294	2,266	353	360	365	375	3,344	3,719
Support for Children with Disabilities	2,699	57	40	41	42	43	180	223
SEND Transport	11,442	703	683	656	627	497	2,669	3,166
Adult Social Care Placements	61,920	1,777	1,409	1,523	1,616	1,714	6,325	8,039
ASC Market Sustainability and Improvement Fund	0	(2,438)	0	0	0	0	(2,438)	(2,438)
Investment in ASC Market Sustainability	0	2,438	0	0	0	0	2,438	2,438
ASC Discharge Fund	0	(1,047)	0	0	0	0	(1,047)	(1,047)
Investment in ASC Discharge Support	0	1,047	0	0	0	0	1,047	1,047
Homelessness Prevention	3,299	2,111	0	0	0	0	2,111	2,111
Asylum Funding Shortfall	1,175	599	14	0	0	0	613	613
Investment in Public Health	18,538	394	342	0	0	0	736	736
GLL Leisure Contract	(1,638)	1,600	0	0	0	0	1,600	1,600
Cyber Security	0	90	0	0	0	0	90	90
Total	125,877	9,080	4,547	3,141	3,211	3,192	19,979	23,171

General Fund Budget Corporate Items	Annual Movement in Budget Requirement					Four Year Outlook £'000	Five Year Outlook £'000
	2023/24	2024/25	2025/26	2026/27	2027/28		
	£'000	£'000	£'000	£'000	£'000		
Adjustments to Financing & Corporate Budgets							
Capital Financing Costs	4,392	3,535	354	(1,614)	(192)	6,667	6,475
Flexible Use of Capital Receipts to finance Service Transformation	40	73	916	0	0	1,029	1,029
Public Health Rebadging	(1,000)	0	0	0	0	(1,000)	(1,000)
Earmarked Reserve Drawdown to Fund Transformation	681	0	0	0	0	681	681
Hillingdon First Enabling Developments	(750)	(250)	0	0	0	(1,000)	(1,000)
Council Tax Support Fund Grant Income	(474)	474	0	0	0	0	0
Council Tax Support Fund Scheme	474	(474)	0	0	0	0	0
Legal Service Review	160	(160)	0	0	0	0	0
Cost of Older People Discount	(92)	(85)	(80)	(75)	(70)	(332)	(402)
Earmarked Reserves use for Older People Discount	92	1,422	0	0	0	1,514	1,514
Concessionary Fares	175	2,283	1,146	500	0	4,104	4,104
Housing Benefit Subsidy (Recovery of Overpayments)	100	100	100	100	100	400	500
Movement in Added Years Pension Costs	(125)	(25)	(25)	(25)	(25)	(200)	(225)
Total Corporate Items	3,673	6,893	2,411	(1,114)	(187)	11,863	11,676

General Fund Budget Savings Programme	Annual Movement in Budget Requirement					Four Year Outlook	Five Year Outlook
	2023/24	2024/25	2025/26	2026/27	2027/28		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Savings by Portfolio</u>							
Property, Highways & Transport	(1,727)	(1,075)	(100)	0	0	(2,902)	(2,902)
Finance	(99)	(344)	(246)	0	0	(689)	(689)
Corporate Services	(1,078)	(174)	(107)	0	0	(1,359)	(1,359)
Residents' Services	(11,931)	(2,396)	(100)	0	0	(14,427)	(14,427)
Children, Families & Education	(1,111)	(1,556)	(11)	(136)	0	(2,814)	(2,814)
Health & Social Care	(2,395)	(1,725)	0	0	0	(4,120)	(4,120)
Cross-Cutting Initiatives	(2,450)	(4,878)	(5,044)	(3,500)	(3,500)	(15,872)	(19,372)
Specific Savings Proposals	(20,791)	(12,148)	(5,608)	(3,636)	(3,500)	(42,183)	(45,683)
<u>Savings Programme by Theme</u>							
Service Transformation (T)	(6,612)	(4,671)	(2,875)	(1,000)	(1,000)	(15,158)	(16,158)
Effective Procurement (P)	(3,430)	(553)	(122)	0	0	(4,105)	(4,105)
Managing Demand (M)	(1,524)	(2,706)	(111)	(136)	0	(4,477)	(4,477)
Income Generation & Commercialisation (C)	(6,845)	(4,218)	(2,500)	(2,500)	(2,500)	(16,063)	(18,563)
Zero Based Reviews (Z)	(2,380)	0	0	0	0	(2,380)	(2,380)
Specific Savings Proposals	(20,791)	(12,148)	(5,608)	(3,636)	(3,500)	(42,183)	(45,683)
Pump Priming Required Under Flexible Use of Capital Receipts	3,000	3,000	0	0	0	6,000	6,000

Portfolio	Savings Description	Saving Value					Flexible Use of Capital		
		2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Total £'000	2022/23 £'000	2023/24 £'000	2024/24 £'000
Finance	E&BAS Service Review	0	(200)	0	0	(200)	228		
Finance Total		0	(200)	0	0	(200)	228	0	0
Corporate Services	Review of Contact Centre Operating Model	(928)				(928)	1,051		
Corporate Services Total		(928)	0	0	0	(928)	1,051	0	0
Health & Social Care	SEND Transport Demand Management	(188)	(229)	(306)	(11)	(734)	10		
Health & Social Care Total		(188)	(229)	(306)	(11)	(734)	10	0	0
Cross-Cutting	Future BID Reviews / RPA	(500)	(650)	(468)	(954)	(2,572)	1,022		
	Review of the Council's Management Structure	(874)				(874)	1,003		
	DSG Safety Valve*					0	450		
Cross-Cutting Total		(1,374)	(650)	(468)	(954)	(3,446)	2,475	0	0
Other Savings		(10,856)	(19,712)	(11,374)	(4,643)	(46,585)			
Cross-Cutting Support for Service Transformation / BID Programme							1,903	3,000	3,000
Provision for Further Investment							561		
Grand Total		(13,346)	(20,791)	(12,148)	(5,608)	(51,893)	6,228	3,000	3,000

*£10,978k of savings in relation to agreeing the Safety Valve Agreement for the DSG as set out in February 2022 Cabinet

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General Fund Budget Corporate Summary	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Four Year Outlook £'000	Five Year Outlook £'000
Service Expenditure by Portfolio								
<u>Property, Highways & Transport</u>								
Staffing	7,204	7,447	7,563	7,713	7,873	8,037	669	833
Non-Staffing	12,744	12,864	12,390	12,795	13,088	13,389	344	645
Gross Expenditure	19,948	20,311	19,953	20,508	20,961	21,426	1,013	1,478
Grant Income	0	0	0	0	0	0	0	0
Fees & Charges	(5,482)	(5,838)	(5,838)	(5,838)	(5,838)	(5,838)	(356)	(356)
Other Income	(3,469)	(3,675)	(3,801)	(3,934)	(3,969)	(4,005)	(500)	(536)
Gross Income	(8,951)	(9,513)	(9,639)	(9,772)	(9,807)	(9,843)	(856)	(892)
Property, Highways & Transport Total	10,997	10,798	10,314	10,736	11,154	11,583	157	586
<u>Finance</u>								
Staffing	13,305	14,080	14,200	14,461	14,741	15,027	1,436	1,722
Non-Staffing	123,243	133,180	140,580	141,845	141,268	141,757	18,025	18,514
Gross Expenditure	136,548	147,260	154,780	156,306	156,009	156,784	19,461	20,236
Grant Income	(96,753)	(97,228)	(96,754)	(96,754)	(96,754)	(96,754)	(1)	(1)
Fees & Charges	(1,423)	(1,440)	(1,440)	(1,440)	(1,440)	(1,440)	(17)	(17)
Other Income	(13,065)	(15,379)	(15,899)	(15,347)	(15,351)	(15,475)	(2,286)	(2,410)
Gross Income	(111,241)	(114,047)	(114,093)	(113,541)	(113,545)	(113,669)	(2,304)	(2,428)
Finance Total	25,307	33,213	40,687	42,765	42,464	43,115	17,157	17,808
<u>Corporate Services</u>								
Staffing	18,650	19,034	19,163	20,236	20,653	21,079	2,003	2,429
Non-Staffing	6,947	7,696	7,954	8,258	8,428	8,601	1,481	1,654
Gross Expenditure	25,597	26,730	27,117	28,494	29,081	29,680	3,484	4,083
Grant Income	(50)	(50)	(50)	(50)	(50)	(50)	0	0
Fees & Charges	(1,114)	(1,318)	(1,318)	(1,318)	(1,318)	(1,318)	(204)	(204)
Other Income	(469)	(469)	(469)	(469)	(469)	(469)	0	0
Gross Income	(1,633)	(1,837)	(1,837)	(1,837)	(1,837)	(1,837)	(204)	(204)
Corporate Services Total	23,964	24,893	25,280	26,657	27,244	27,843	3,280	3,879

The Council's Budget (2023/24 - 2027/28) - Medium Term Financial Forecast

Appendix A7

General Fund Budget Corporate Summary	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Four Year Outlook £'000	Five Year Outlook £'000
<u>Residents' Services</u>								
Staffing	31,622	33,748	34,260	34,918	35,623	36,342	4,001	4,720
Non-Staffing	31,599	31,997	33,540	34,525	35,327	36,137	3,728	4,538
Gross Expenditure	63,221	65,745	67,800	69,443	70,950	72,479	7,729	9,258
Grant Income	(5,407)	(5,437)	(5,461)	(5,485)	(5,502)	(5,522)	(95)	(115)
Fees & Charges	(28,070)	(37,652)	(39,302)	(39,402)	(39,402)	(39,402)	(11,332)	(11,332)
Other Income	(1,575)	25	25	25	25	25	1,600	1,600
Gross Income	(35,052)	(43,064)	(44,738)	(44,862)	(44,879)	(44,899)	(9,827)	(9,847)
Residents' Services Total	28,169	22,681	23,062	24,581	26,071	27,580	(2,098)	(589)
<u>Children, Families & Education</u>								
Staffing	33,073	35,292	35,862	36,672	37,408	38,159	4,335	5,086
Non-Staffing	41,836	46,952	47,547	49,518	51,194	53,068	9,358	11,232
Gross Expenditure	74,909	82,244	83,409	86,190	88,602	91,227	13,693	16,318
Grant Income	(13,391)	(14,178)	(14,400)	(14,640)	(14,882)	(15,135)	(1,491)	(1,744)
Fees & Charges	(3,273)	(3,875)	(3,875)	(3,875)	(3,875)	(3,875)	(602)	(602)
Other Income	(5,950)	(5,960)	(5,966)	(5,973)	(5,980)	(5,987)	(30)	(37)
Gross Income	(22,614)	(24,013)	(24,241)	(24,488)	(24,737)	(24,997)	(2,123)	(2,383)
Children, Families & Education Total	52,295	58,231	59,168	61,702	63,865	66,230	11,570	13,935
<u>Health & Social Care</u>								
Staffing	23,669	24,707	25,093	25,589	26,121	26,663	2,452	2,994
Non-Staffing	111,574	123,508	130,105	136,376	142,671	149,083	31,097	37,509
Gross Expenditure	135,243	148,215	155,198	161,965	168,792	175,746	33,549	40,503
Grant Income	(1,028)	(4,514)	(4,514)	(4,514)	(4,514)	(4,514)	(3,486)	(3,486)
Fees & Charges	(702)	(702)	(702)	(702)	(702)	(702)	0	0
Other Income	(26,026)	(27,493)	(28,095)	(28,455)	(28,816)	(29,177)	(2,790)	(3,151)
Gross Income	(27,756)	(32,709)	(33,311)	(33,671)	(34,032)	(34,393)	(6,276)	(6,637)
Health & Social Care Total	107,487	115,506	121,887	128,294	134,760	141,353	27,273	33,866

The Council's Budget (2023/24 - 2027/28) - Medium Term Financial Forecast

Appendix A7

General Fund Budget Corporate Summary	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Four Year Outlook £'000	Five Year Outlook £'000
<i>Corporate Budgets</i>								
Development & Risk Contingency	500	500	500	500	500	500	0	0
Unallocated Budget Items	2,328	2,328	2,328	2,328	2,328	2,328	0	0
Cross-Cutting Initiatives	0	(3,450)	(8,328)	(13,372)	(16,872)	(20,372)	(16,872)	(20,372)
Corporate Budgets Total	2,828	(622)	(5,500)	(10,544)	(14,044)	(17,544)	(16,872)	(20,372)
Total	251,047	264,700	274,898	284,191	291,514	300,160	40,467	49,113
Total Resources	251,047	264,700	274,898	276,692	283,442	290,429	32,395	39,382
Budget Gap	0	0	0	(7,499)	(8,072)	(9,731)	(8,072)	(9,731)

General Fund Budget Capital Programme Summary	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Expenditure							
Major Projects	48,640	94,179	45,949	8,385	500	500	198,153
Programme of Works	24,811	32,046	24,098	20,611	20,025	20,188	141,779
Contingency	1,178	11,500	11,500	1,500	1,500	1,500	28,678
Total Capital Expenditure	74,629	137,725	81,547	30,496	22,025	22,188	368,610
Capital Financing							
Grants & Contributions	(24,213)	(58,890)	(27,432)	(13,441)	(10,285)	(10,285)	(144,546)
Community Infrastructure Levy - Neighbourhood CIL	0	(369)	(563)	(563)	(675)	(675)	(2,845)
Council Resourced Investment							
Community Infrastructure Levy	(9,742)	(2,094)	(3,187)	(3,187)	(3,825)	(3,825)	(25,860)
Capital Receipts	(21,920)	(23,977)	(40,365)	(13,305)	(7,240)	(7,403)	(114,210)
Prudential Borrowing	(18,754)	(52,395)	(10,000)	0	0	0	(81,149)
Borrowing Projections							
Capital Financing Requirement	259,674	304,483	305,612	296,358	286,930	277,321	
Projected External Borrowing	(208,499)	(258,008)	(259,336)	(250,280)	(240,852)	(231,243)	
Projected Internal Borrowing	(51,175)	(46,475)	(46,276)	(46,078)	(46,078)	(46,078)	

Prior Year Budget	Project	2022-2028 Project Budget			Total Capital Programme		
		Live Project Budget	Grants and Contributions including Neighbourhood CIL	Council Resources	Total Project Budget	Total Released Budget	Percentage Released Budget
£'000		£'000	£'000	£'000	£'000	£'000	%
	Major Projects						
	Property, Highways and Transport						
1,824	New West Drayton Leisure Centre	34,845	(450)	(34,395)	36,669	36,669	100%
1,465	Hillingdon Water Sports Facility	25,035	(25,035)	0	26,500	6,366	24%
0	Carbon Zero Initiatives	25,000	(14,573)	(10,427)	25,000	565	2%
0	Civic Centre Transformation	20,000	0	(20,000)	20,000	42	0%
10,142	Housing Company Financing	14,858	0	(14,858)	25,000	12,419	50%
190	Cranford Park Heritage Lottery Project	3,426	(3,117)	(309)	3,616	3,616	100%
0	Northwood Hills Library Buyback	2,392	0	(2,392)	2,392	0	0%
1,115	Uxbridge Mortuary Extension	2,199	0	(2,199)	3,314	3,314	100%
0	Charville Lane - Children Specialist House	3,984	(3,102)	(882)	3,984	0	0%
0	Harefield Family Hub New Build	2,000	0	(2,000)	2,000	0	0%
11	Otterfield Road Library Buyback	1,974	0	(1,974)	1,985	0	0%
318	Battle of Britain Underground Bunker	1,237	0	(1,237)	1,555	384	25%
0	New Years Green Lane Extension	1,000	(200)	(800)	1,000	0	0%
0	South Ruislip Early Years & Children's Centre Remodelling	700	0	(700)	700	0	0%
27	Asha Day Centre Refurbishment	585	0	(585)	612	612	100%
17	Motor Vehicle Workshop	500	0	(500)	517	28	5%
0	Parking Improvements	500	0	(500)	500	0	0%
0	Uxbridge Cemetery Gatehouse	500	0	(500)	500	0	0%
0	Botwell Leisure Centre Adaptations	250	0	(250)	250	0	0%
56	Flood Alleviation - Bessingby Park	227	0	(227)	283	187	66%
0	Botwell Leisure Centre Football Pitch	200	0	(200)	200	0	0%
1,961	Yiewsley / West Drayton Community Centre	153	0	(153)	2,114	2,114	100%
2,559	Cedars & Grainges Car Park Improvement Works	112	0	(112)	2,671	2,671	100%
161	Battle of Britain Visitors Centre Enhancements	100	0	(100)	261	261	100%
0	Appropriation of Townfield to General Fund	100	0	(100)	100	0	0%

Prior Year Budget	Project	2022-2028 Project Budget			Total Capital Programme		
		Live Project Budget	Grants and Contributions including Neighbourhood CIL	Council Resources	Total Project Budget	Total Released Budget	Percentage Released Budget
£'000		£'000	£'000	£'000	£'000	£'000	%
	Finance						
0	DSG Capitalisation Support	16,000	0	(16,000)	16,000	0	0%
0	Transformation Capitalisation Support	12,000	0	(12,000)	12,000	0	0%
	Residents' Services						
440	Shopping Parades Initiatives	2,605	(1,087)	(1,518)	3,045	984	32%
9,162	Hayes Town Centre Improvements	249	(77)	(172)	9,411	9,239	98%
2,028	Uxbridge Change of Heart	60	(54)	(6)	2,088	2,088	100%
0	Tennis Courts Upgrades	270	(181)	(89)	270	270	100%
	Children, Families and Education						
3,132	SRP/SEND	22,199	(22,199)	0	25,331	7,166	28%
0	Additional Temporary Classrooms	2,800	0	(2,800)	2,800	0	0%
28,104	Secondary Schools Expansions	93	0	(93)	28,197	27,911	99%
62,712	Total Major Projects	198,153	(70,075)	(128,078)	260,865	116,906	45%
	Programme of Works						
	Property, Highways and Transport						
N/A	Highways Structural Works	35,321	(6,000)	(29,321)	35,321	5,190	15%
N/A	School Building Condition Works	21,766	(21,766)	0	21,766	2,899	13%
N/A	Disabled Facilities Grant	12,974	(12,974)	0	12,974	1,904	15%
N/A	Transport for London	9,953	(9,953)	0	9,953	2,350	24%
N/A	Property Works Programme	7,459	(256)	(7,203)	7,459	1,142	15%
N/A	Street Lighting Replacement	5,594	0	(5,594)	5,594	969	17%
N/A	Leisure Centre Refurbishment	3,002	0	(3,002)	3,002	1,819	61%
N/A	Highways Bridges and Structures	1,800	0	(1,800)	1,800	300	17%
N/A	CCTV Programme	1,049	0	(1,049)	1,049	258	25%
N/A	Road Safety	797	0	(797)	797	197	25%
N/A	Environmental and Recreational Initiatives - Pollution Screening	768	(768)	0	768	268	35%
N/A	HS2 Road Safety Fund	572	(572)	0	572	164	29%
N/A	HS2 Amenity Fund	313	(313)	0	313	313	100%

Prior Year Budget	Project	2022-2028 Project Budget			Total Capital Programme		
		Live Project Budget	Grants and Contributions including Neighbourhood CIL	Council Resources	Total Project Budget	Total Released Budget	Percentage Released Budget
£'000		£'000	£'000	£'000	£'000	£'000	%
N/A	Civic Centre Works Programme	267	0	(267)	267	159	60%
N/A	Street Lighting LED Upgrade	130	0	(130)	130	130	100%
N/A	Parking Management Schemes	120	(120)	0	120	120	100%
N/A	Bowls Clubs Refurbishments	69	0	(69)	69	69	100%
N/A	Emergency Active Travel	43	(43)	0	43	43	100%
N/A	Harlington Road Depot Improvements	42	0	(42)	42	42	100%
N/A	Car Park Pay & Display Machines Replacement	35	0	(35)	35	35	100%
N/A	Highways Section 106 Projects	22	(22)	0	22	22	100%
N/A	Libraries Refurbishment Programme	13	0	(13)	13	13	100%
	Finance						
N/A	Purchase of Vehicles	4,376	0	(4,376)	4,376	562	13%
	Corporate Services						
N/A	Corporate Technology and Innovation	4,305	(16)	(4,289)	4,305	753	17%
N/A	Older Peoples Initiatives	1,070	0	(1,070)	1,070	174	16%
	Residents' Services						
N/A	Chrysalis Programme	6,214	(2,844)	(3,370)	6,214	1,192	19%
N/A	Playground Replacement Programme	1,200	0	(1,200)	1,200	0	0%
N/A	Environmental and Recreational Initiatives - Green Spaces	675	(239)	(436)	675	675	100%
N/A	Green Spaces Section 106 Projects	110	(110)	0	110	110	100%
	Children, Families and Education						
N/A	Devolved Capital to Schools	2,794	(2,794)	0	2,794	0	0%
N/A	Youth Provision	1,900	(1,500)	(400)	1,900	74	4%
	Health and Social Care						
N/A	Equipment Capitalisation - Social Care	17,026	(17,026)	0	17,026	0	0%
	Total Programme of Works	141,779	(77,316)	(64,463)	141,779	21,946	15%

Prior Year Budget	Project	2022-2028 Project Budget			Total Capital Programme		
		Live Project Budget	Grants and Contributions including Neighbourhood CIL	Council Resources	Total Project Budget	Total Released Budget	Percentage Released Budget
£'000		£'000	£'000	£'000	£'000	£'000	%
N/A	Development & Risk Contingency						
	General Contingency	28,678	0	(28,678)	28,678	0	0%
	Total Development & Risk Contingency	28,678	0	(28,678)	28,678	0	0%
62,712	Total GF Capital Programme	368,610	(147,391)	(221,219)	431,322	138,852	32%

Prior Year Budget £'000	Project	Project Budget						Total £'000
		2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	
	Major Projects							
	Property, Highways and Transport							
1,824	New West Drayton Leisure Centre	15,403	17,704	1,153	585	0	0	34,845
1,465	Hillingdon Water Sports Facility	1,507	11,075	9,453	3,000	0	0	25,035
0	Carbon Zero Initiatives	250	18,750	6,000	0	0	0	25,000
0	Civic Centre Transformation	1,500	12,000	5,000	500	500	500	20,000
10,142	Housing Company Financing	4,000	0	10,858	0	0	0	14,858
190	Cranford Park Heritage Lottery Project	2,800	626	0	0	0	0	3,426
0	Northwood Hills Library Buyback	0	2,392	0	0	0	0	2,392
1,115	Uxbridge Mortuary Extension	1,839	360	0	0	0	0	2,199
0	Charville Lane - Children Specialist House	0	1,200	2,584	200	0	0	3,984
0	Harefield Family Hub New Build	0	500	1,400	100	0	0	2,000
11	Otterfield Road Library Buyback	0	1,974	0	0	0	0	1,974
318	Battle of Britain Underground Bunker	200	1,037	0	0	0	0	1,237
0	New Years Green Lane Extension	50	800	150	0	0	0	1,000
0	South Ruislip Early Years & Children's Centre Remodelling	0	650	50	0	0	0	700
27	Asha Day Centre Refurbishment	573	12	0	0	0	0	585
17	Motor Vehicle Workshop	41	424	35	0	0	0	500
0	Parking Improvements	345	155	0	0	0	0	500
0	Uxbridge Cemetery Gatehouse	0	500	0	0	0	0	500
0	Botwell Leisure Centre Adaptations	0	250	0	0	0	0	250
56	Flood Alleviation - Bessingby Park	122	105	0	0	0	0	227
0	Botwell Leisure Centre Football Pitch	0	200	0	0	0	0	200
1,961	Yiewsley / West Drayton Community Centre	153	0	0	0	0	0	153
2,559	Cedars & Grainges Car Park Improvement Works	112	0	0	0	0	0	112
161	Battle of Britain Visitors Centre Enhancements	100	0	0	0	0	0	100

Prior Year Budget £'000	Project	Project Budget						Total £'000
		2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	
0	Appropriation of Townfield to General Fund	0	100	0	0	0	0	100
	Finance							
0	DSG Capitalisation Support	4,000	4,000	4,000	4,000	0	0	16,000
0	Transformation Capitalisation Support	6,000	3,000	3,000	0	0	0	12,000
	Residents' Services							
440	Shopping Parades Initiatives	769	1,304	532	0	0	0	2,605
9,162	Hayes Town Centre Improvements	249	0	0	0	0	0	249
2,028	Uxbridge Change of Heart	60	0	0	0	0	0	60
0	Tennis Courts Upgrades	270	0	0	0	0	0	270
	Children, Families and Education							
3,132	SRP/SEND	8,184	12,281	1,734	0	0	0	22,199
0	Additional Temporary Classrooms	20	2,780	0	0	0	0	2,800
28,104	Secondary Schools Expansions	93	0	0	0	0	0	93
62,712	Total Major Projects	48,640	94,179	45,949	8,385	500	500	198,153
	Programme of Works							
	Property, Highways and Transport							
N/A	Highways Structural Works	5,321	6,000	6,000	6,000	6,000	6,000	35,321
N/A	School Building Condition Works	2,224	5,874	3,417	3,417	3,417	3,417	21,766
N/A	Disabled Facilities Grant	1,510	2,880	2,146	2,146	2,146	2,146	12,974
N/A	Transport for London	1,781	2,340	1,458	1,458	1,458	1,458	9,953
N/A	Property Works Programme	1,271	3,054	1,336	429	603	766	7,459
N/A	Street Lighting Replacement	969	925	925	925	925	925	5,594
N/A	Leisure Centre Refurbishment	2,502	100	100	100	100	100	3,002
N/A	Highways Bridges and Structures	300	300	300	300	300	300	1,800
N/A	CCTV Programme	259	83	149	184	187	187	1,049
N/A	Road Safety	197	120	120	120	120	120	797
	Environmental and Recreational Initiatives -							
N/A	Pollution Screening	268	500	0	0	0	0	768
N/A	HS2 Road Safety Fund	146	426	0	0	0	0	572
N/A	HS2 Amenity Fund	313	0	0	0	0	0	313
N/A	Civic Centre Works Programme	267	0	0	0	0	0	267

Prior Year Budget £'000	Project	Project Budget						Total £'000
		2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	
N/A	Street Lighting LED Upgrade	130	0	0	0	0	0	130
N/A	Parking Management Schemes	120	0	0	0	0	0	120
N/A	Bowls Clubs Refurbishments	69	0	0	0	0	0	69
N/A	Emergency Active Travel	43	0	0	0	0	0	43
N/A	Harlington Road Depot Improvements	42	0	0	0	0	0	42
N/A	Car Park Pay & Display Machines Replacement	35	0	0	0	0	0	35
N/A	Highways Section 106 Projects	22	0	0	0	0	0	22
N/A	Libraries Refurbishment Programme	13	0	0	0	0	0	13
	Finance							
N/A	Purchase of Vehicles	431	2,000	1,945	0	0	0	4,376
	Corporate Services							
N/A	Corporate Technology and Innovation	833	1,540	1,167	497	134	134	4,305
N/A	Older Peoples Initiatives	70	200	200	200	200	200	1,070
	Residents' Services							
N/A	Chrysalis Programme	1,014	1,200	1,000	1,000	1,000	1,000	6,214
N/A	Playground Replacement Programme	10	390	200	200	200	200	1,200
N/A	Green Spaces	496	179	0	0	0	0	675
N/A	Green Spaces Section 106 Projects	110	0	0	0	0	0	110
	Children, Families and Education							
N/A	Devolved Capital to Schools	869	385	385	385	385	385	2,794
N/A	Youth Provision	400	700	400	400	0	0	1,900
	Health and Social Care							
N/A	Equipment Capitalisation - Social Care	2,776	2,850	2,850	2,850	2,850	2,850	17,026
	Total Programme of Works	24,811	32,046	24,098	20,611	20,025	20,188	141,779
	Development & Risk Contingency							
N/A	General Contingency	1,178	11,500	11,500	1,500	1,500	1,500	28,678
	Total Development & Risk Contingency	1,178	11,500	11,500	1,500	1,500	1,500	28,678
62,712	Total GF Capital Programme	74,629	137,725	81,547	30,496	22,025	22,188	368,610

Appendix A9 - Balances & Reserves Policy - Assessment of General Fund Reserves Requirement

Assessment of General Fund Reserves Requirement	Minimum Level 2023/24 (£ million)	Maximum Level 2023/24 (£ million)	Minimum Level 2022/23 (£ million)	Maximum Level 2022/23 (£ million)	Principal Reasons for Requirement
General financial climate to which the Council is subject to in terms of funding	1.5	5.0	1.5	5.0	The council now is entering the second year of a 3-year settlement in terms of its core funding but there remains uncertainty going forward in terms of business rates reform and Health and Social Care reforms as well as uncertainty over specific grants. Furthermore, whilst the Government is increasing Social Care funding, an element of this additional funding is coming with new duties and therefore requires an element of investment by the Council with a net nil impact on existing services.
The overall financial standing of the authority	1.0	2.0	1.0	2.0	To manage any adverse movement in the Council's financial standing
Estimates of level of locally raised income	3.0 (+1.0)	5.0 (+1.0)	2.0	4.0	Locally raised income accounts for approximately 80% of corporate funding. With the impacts of uplifts applied to both Council Tax (4.99%) and the Council's fees and charges alongside inflationary pressures being felt across households and businesses, there remains a risk around the collectability of this income.
The treatment of planned efficiency savings / productivity gains	2.0 (+1.0)	5.0 (+1.0)	1.0	4.0	To manage risk around slippage of the Council's major savings programme, in response to a growing demographic and inflationary pressures. As the Council's saving programme is materially larger than in recent times, this area has been increased by £1m for minimum and maximum levels.
The treatment of inflation and interest rates	4.0 (+1.0)	5.0 (+1.0)	3.0	4.0	Assumptions have been refreshed to reflect latest intelligence, however, an element of risk exists due to a level of inherent uncertainty in these areas. This area has been increased by £1.0m due to the current high levels of inflation and the risk of further interest rate rises.
The financial risk inherent in major contract arrangements	2.5	5.5	2.5	5.5	To manage any impact of services arising from supplier risk, particularly in respect of Social Care provision. This risk is continues to be high as businesses have been through an extended pandemic and are now facing supply side issues and a high inflationary environment.
The treatment of demand led pressures	2.0	4.0	2.0	4.0	Increased demand for services from an aging and increasing population, and the ongoing impact of COVID-19 on demand for services supporting vulnerable residents.
The financial risks inherent in any major capital developments	2.0 (+1.0)	3.5 (+1.0)	1.0	2.5	Inherent risks due to significant level of investment within the Capital Programme, including securing contractors and managing inflation in challenging market conditions. This element has been increased by £1m due to the Council's Safety Valve agreement and likely increase in Transformation spend required to deliver the savings programme.
Estimates of the level and timing of capital receipts	1.0	2.0	1.0	2.0	Slippage on asset disposal programme could lead to increased borrowing
The availability of reserves and other funds to deal with major contingencies and pressures	3.0 (-2.0)	4.0 (-2.0)	5.0	6.0	Cover for unforeseen or exceptional events over and above the budgeted provision for General Contingency. With this element previously increased due to the impacts of the pandemic, as the country recovers from COVID-19, it is proposed that this area of the reserves policy is reduced by £2m for the minimum and maximum balances.
Unallocated GF Reserves	22.0	41.0	20.0	39.0	

Appendix A10 – CIPFA Financial Management Code

1. The CIPFA Financial Management Code (FM Code), first published in October 2019, is designed to support good practice in financial management and assist local authorities in demonstrating their financial sustainability. The FM Code for the first time brings together the various statutory requirements, regulation and professional standards which govern local government finance to provide a single view of what constitutes Sound Financial Management.
2. The practices and requirements of the FM Code were to a significant extent already embedded in the local governance, practices and financial management framework in place at the Council. The FM Code requirements are presented in the form of seventeen financial management standards which are as follows:
 - A. The leadership team is able to demonstrate that the services provided by the authority provide value for money
 - B. The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.
 - C. The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.
 - D. The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016).
 - E. The financial management style of the authority supports financial sustainability.
 - F. The authority has carried out a credible and transparent financial resilience assessment.
 - G. The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.
 - H. The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.
 - I. The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.
 - J. The authority complies with its statutory obligations in respect of the budget setting process.
 - K. The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.
 - L. The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.
 - M. The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.
 - N. The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.
 - O. The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.

- P. The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.
- Q. The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.

<u>Housing Revenue Account</u> <u>Corporate Summary</u>	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Five Year Outlook £'000
Resources							
Increase in rents	<i>CPI+1%</i> 4.1%	<i>Capped</i> 7.0%	<i>Capped</i> 7.0%	<i>CPI+1%</i> 5.0%	<i>CPI+1%</i> 3.0%	<i>CPI+1%</i> 3.0%	
Gross Dwelling Rents	62,519	67,969	74,075	79,571	83,377	86,127	23,608
Void Risk Contingency inc. Regen	(830)	(805)	(823)	(831)	(888)	(940)	(110)
Net Dwelling Rents	61,689	67,164	73,253	78,740	82,489	85,187	23,498
Total Resources	61,689	67,164	73,253	78,740	82,489	85,187	23,498
Budget Requirement							
Roll Forward Budget	39,923	42,329	45,652	49,228	52,651	57,255	17,332
Inflation	1,593	3,772	2,157	935	936	1,006	8,806
Capital Charges	813	(65)	1,919	2,988	3,668	1,986	10,496
Savings	(924)	(690)	(500)	(500)	0	0	(1,690)
Growth	924	306	0	0	0	0	306
Total Budget Requirement	42,329	45,652	49,228	52,651	57,255	60,247	17,918
Contribution to Finance Capital Programme	19,694	21,597	24,025	26,089	25,234	24,940	5,246
(Drawdown) / Contribution to Reserves	(334)	(85)	0	0	0	0	
Opening HRA General Balance	15,351	15,085	15,000	15,000	15,000	15,000	
In-Year Monitoring Variance	68						
Closing HRA General Balance	15,085	15,000	15,000	15,000	15,000	15,000	
* Rent figures quoted above are inclusive of the different types of social housing stock e.g. formula rent, affordable rent, shared ownership rent, London Affordable Rent. Average rents for existing tenancies are projected to increase by CPI + 1% per annum from 2022/23 to 2026/27.							

Housing Revenue Account Inflation Provision	2022/23 Budget	Annual Movement in Budget Requirement					Three Year Outlook	Five Year Outlook
		2023/24	2024/25	2025/26	2026/27	2027/28		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Inflation Rates</u>								
Workforce Expenditure (including Pension costs)	N/A	7.7%	2.0%	2.4%	2.5%	2.5%	12.1%	17.1%
Contracted Expenditure and Materials	N/A	10.0%	8.0%	4.0%	4.0%	4.0%	21.0%	33.4%
Other Expenditure	N/A	8.0%	6.0%	2.0%	2.0%	2.0%	14.3%	21.3%
Energy Gas	N/A	214.0%	5.0%	5.0%	5.0%	5.0%	48.3%	63.5%
Energy Electricity	N/A	69.0%	5.0%	5.0%	5.0%	5.0%	48.3%	63.5%
<u>Inflation Projections</u>								
Housing Management	16,779	1,921	1,288	830	869	903	4,039	5,811
Tenants Services	4,291	1,636	357	215	206	242	2,208	2,656
Repairs and Planned Maintenance	9,952	718	648	128	128	128	1,494	1,750
Development & Risk Contingency	1,260	152	182	80	51	51	414	516
Gross Inflation Requirement	32,282	4,427	2,475	1,253	1,254	1,324	8,155	10,733
Other Income	(6,151)	(655)	(318)	(318)	(318)	(318)	(1,291)	(1,927)
Total Inflation Provision	26,131	3,772	2,157	935	936	1,006	6,864	8,806

The Council's Budget (2023/24 - 2027/28) - Medium Term Financial Forecast

Appendix B3

HRA Service Budgets	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Three Year Outlook £'000	Five Year Outlook £'000
Rental Income	(61,689)	(67,164)	(73,253.0)	(78,740)	(82,489)	(85,187)	(17,051)	(23,498)
Other Income	(6,151)	(6,806)	(7,124.0)	(7,442)	(7,760)	(8,078)	(1,291)	(1,927)
Net Income	(67,840)	(73,970)	(80,377)	(86,182)	(90,249)	(93,265)	(18,342)	(25,425)
Housing Management	16,779	18,890	20,178.0	21,008	21,877	22,780	4,229	6,001
Tenant Services	4,291	5,927	6,284.0	6,499	6,705	6,947	2,208	2,656
Repairs and Planned Maintenance	9,952	10,786	11,434.0	11,562	11,690	11,818	1,610	1,866
Capital Programme Funding	19,694	21,597	24,025.0	26,089	25,234	24,940	(8,004)	5,246
Interest & Investment Income	16,198	16,133	18,052.0	21,040	24,708	26,694	4,842	10,496
Development & Risk Contingency	1,260	1,412	1,594.0	1,674	1,725	1,776	414	516
Cross-Cutting	0	(690)	(1,190.0)	(1,690)	(1,690)	(1,690)	(1,690)	(1,690)
Operating Costs	68,174	74,055	80,377	86,182	90,249	93,265	3,609	25,091
(Surplus) / Deficit	334	85	0	0	0	0	(334)	(334)
Opening HRA General Balance	(15,351)	(15,085)	(15,000)	(15,000)	(15,000)	(15,000)	351	351
In-Year Monitoring Variance	(68)							
Closing HRA General Balance	(15,085)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	85	85

Project Total £'000	Project	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
	<u>Capital Expenditure</u>						
369,522	Major Projects	59,963	80,739	53,979	79,203	73,627	22,012
195,120	Programme of Works	19,108	30,511	34,444	36,166	37,251	37,640
564,642	Total HRA Capital Programme	79,071	111,249	88,423	115,369	110,878	59,652
	<u>Capital Financing</u>						
146,836	Revenue Contributions	25,309	21,597	24,025	26,089	25,234	24,582
242,240	Prudential Borrowing	27,167	64,648	35,740	61,774	52,911	0
126,067	Grants	15,146	16,922	21,258	17,133	22,014	33,593
49,498	Capital Receipts	11,449	8,082	7,400	10,372	10,719	1,476
564,642	Total	79,071	111,249	88,423	115,369	110,878	59,652
	<u>Borrowing Projections</u>						
	Capital Financing Requirement	180,612	235,382	260,879	312,320	354,800	344,273
	Projected External Borrowing	(165,612)	(220,382)	(245,879)	(297,320)	(339,800)	(329,273)
	Projected Internal Borrowing	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)

The Council's Budget (2023/24 - 2027/28) - Medium Term Financial Forecast

Project Total £'000	Project	Estimated Unit Numbers	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
	<u>Major Projects</u>							
17,732	Development - in contract	60	10,210	6,361	1,161	0	0	0
4,457	Development - allocated	12	251	3,636	570	0	0	0
60,350	Acquisitions	175	25,350	7,000	7,000	7,000	7,000	7,000
124,155	Acquisition & Development Unallocated	273	8,791	24,326	15,504	37,209	38,325	0
1,846	Extra Bedroom programme	-	661	1,185	0	0	0	0
208,540	Total Internal Developments and Acquisitions	520	45,263	42,508	24,235	44,209	45,325	7,000
	<u>Housing Regeneration Programme</u>							
128,014	Housing Regeneration Programme	370	2,899	24,191	22,617	34,994	28,302	15,012
32,968	Regeneration Land Assembly	-	11,801	14,040	7,127	0	0	0
160,982	Total Housing Regeneration Programme	370	14,700	38,231	29,744	34,994	28,302	15,012

The Council's Budget (2023/24 - 2027/28) - Medium Term Financial Forecast

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Project Total £'000	Project	Estimated Unit Numbers	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
	<u>HRA Programmes of Work</u>							
144,961	Works to Stock programme		14,993	22,437	25,329	26,595	27,393	28,214
15,952	Major Adaptations to Property		2,685	2,290	2,586	2,715	2,796	2,880
34,207	Green Homes Initiatives		1,430	5,784	6,530	6,856	7,062	6,546
195,120	Total Works to Stock	-	19,108	30,511	34,444	36,166	37,251	37,640
564,642	Total HRA Capital Programme Expenditure	890	79,071	111,249	88,423	115,369	110,878	59,652

Appendix B5 - Housing Revenue Account (HRA) 30 Year Business Plan

Introduction

This appendix to the 5-Year MTFE for the HRA outlines the key assumptions within the Housing Revenue Account (HRA) 30-Year Business Plan Model.

The HRA is a ring-fenced account that is managed independently of the Council's General Fund and relating to the Council as a landlord of its dwelling stock. Since the move to self-financing in 2012 the Council is required to maintain a 30-year business plan which demonstrates that the HRA and its associated activities and plans are sustainable and able to meet the Council's objectives over the long-term. These are focused on maintaining existing stock through cyclical Works to Stock programmes and delivering new affordable homes through both estate regeneration and wider housing supply schemes.

The Business Plan considers whether the revenue streams from all sources (principally rents and service charges) are sufficient to finance anticipated expenditure on housing stock across both revenue and capital, service delivery, debt management cost and recharges. The 30-Year Business Plan is refreshed annually as part of the Council's wider MTFE process.

Financial Summary – key assumptions

The global assumptions modelled in the plan are set out below. The current rent settlement agreement for social rent is for rents to rise no more than CPI+1%, for 5 years from April 2020. In 2022 government consulted on a 5% rent cap for one year in response to high inflation and the impact of high rent increase on household incomes. The rent settlement would have set a maximum rent increase of 13.1% year, however due to the rent cap social rent increase are limited to 7%. Although the cap only applies for 2023-24 the model assumes higher than normal CPI next year and therefore assumes a further rent cap in 2024-25 of 7%. From April 2025 rent increases are set to CPI+1%, which assumes a continuation of the existing rent settlement agreement. Rent assumptions are reviewed and updated annually. Expenditure inflation is expected to track relevant indices, with capacity generated from rent uprating providing a mechanism for funding rising costs over the life of the Business Plan.

In addition to inflation, future movements in rental income is impacted by numbers of void properties and sale of units through Right to Buy. Void levels are projected to decline over the medium term, before stabilising at 1% over the remainder of the 30 Year Period. Right to Buy Sales have been declining since reforms to the system in 2012 increased discount levels, with 40 sales per annum in the medium term expected to decline to 25 per annum in the longer term.

The Business Plan incorporates substantial investment in new housing stock over the MTFE period, with 100 new homes per annum to be delivered from 2022/23 until 2026/27 alongside a net gain of 185 homes from the estate regeneration programmes. From 2027/28 the Business Plan incorporates funding to replace homes being lost through Right to Buy and therefore maintain stock numbers over the 30 Year Period.

Appendix B5 - Housing Revenue Account (HRA) 30 Year Business Plan

In addition to investment in new homes, the Business Plan provides for continuation of the five-year cycle of Works to Stock to renew key components such as kitchens, bathrooms, roofs, windows and boilers, alongside provision of annual repairs and maintenance.

In order to provide manage the range of risks facing the Council's landlord function, a minimum of £15m will be held in HRA General Balances within the 30 Year Business Plan.

An overview of key assumptions is provided in the table below:

	2023-24	2024-25	2025-26	2027-28	2028-29	2029 on
Income						
Inflation CPI	10.10%	10.9%	4.00%	2.00%	2.00%	2.00%
Inflation RPI	12.10%	12.9%	5.00%	3.00%	3.00%	3.00%
Rent increase (CPI+1%)	7.0%	7.00%	5.00%	3.00%	3.00%	3.00%
Salaries	7.70%	2.00%	2.40%	2.50%	2.50%	2.50%
R&M materials & contracts	10.00%	8.00%	4.00%	4.00%	4.00%	3.00%
Other Revenue Exp	8.00%	6.00%	2.00%	2.00%	2.00%	2.00%
Voids	1.20%	1.10%	1.00%	1.00%	1.00%	1.00%
Voids - Hayes Regen	21.00%	42.87%	44.80%	68.93%	100.00%	0.00%
Right to Buy Sales	40	40	40	25	25	25
Minimum HRA Balance	£15.0m	£15.0m	£15.0m	£15.0m	£15.0m	£15.0m
External Borrowing	4.50%	4.50%	4.50%	4.50%	4.50%	2.50%

Debt and Capacity for Further Investment

Borrowing will be required to support the planned programme of investment covering new homes, estate regeneration and renewal of existing stock, with ongoing debt servicing costs and provision for repayment factored into the 30 Year Business Plan and funded from future rental income. On the basis of current investment plans, borrowing is projected to peak at circa £355m in 2028/29, with capacity for the additional debt to be paid off with 30-years as shown graphically below and demonstrating scope for additional investment over the 30 Year Business Plan period.

Appendix B5 - Housing Revenue Account (HRA) 30 Year Business Plan

