

**Council Tax Resolution 2009/10****Item 8****Contact: Ben Lea  
Tel: 01895 250818****Summary**

The attached report sets out the Cabinet's proposals to Council on Hillingdon's General Fund revenue budget, Fees and charges, Capital programme, Prudential Indicators, Revised MRP policy statement and Annual Investment and Treasury Strategy for 2009/10. The proposals result in a Band D Council Tax for Hillingdon of £1,112.93, which represents a freeze on Council Tax from 2008/09.

The Greater London Authority (GLA) precept agreed by the London Assembly on 11 February 2009 adds £309.82 to the amount payable by Hillingdon's Council Tax payers, which also represents a freeze on the GLA portion of Council Tax from 2008/09.

Based on the Cabinet's proposals, and the GLA precept, the total Band D Council Tax for 2009/10 will remain at £1,422.75.

**Recommendations**

- 1 That the General Fund revenue budget proposals made by Cabinet be approved, resulting in a net budget requirement for 2009/10 of £189,244,700.
- 2 That Council note that at its meeting on 15 January 2009 the Council calculated the amount of 96,535 as its Council Tax Base for the year 2009/10 in accordance with the Regulations made under Sections 33 (5) and 34 (4) of the Local Government Finance Act 1992, being the amount calculated in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003, as its Council Tax Base for the year. (*Item T under Section 33 (1) of the Local Government Finance Act 1992*).
- 3 That Hillingdon's own Council Tax be set at £1,112.93 for a Band D property. Taking into account the precept levied by the Greater London Authority, this results in an overall Band D Council Tax of £1,422.75 for the borough.
- 4 That the following amounts be now calculated by the Council for the year 2009/10 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act):
  - a) £730,241,830 being the aggregate of the amounts that the Council estimates for the items set out in Section 32 (2) (a) to (e) of the Act. (*Gross Expenditure including the amount required for additions to working balances*).

---

MEMBERS, PUBLIC AND PRESS

b) £540,997,130 being the aggregate of the amounts that the Council estimates for the items set out in Section 32 (3) (a) to (c) of the Act. (*Gross Income including reserves to be used to meet Gross Expenditure*).

c) £189,244,700 being the amount by which the aggregate at 4 (a) above exceeds the aggregate at 4 (b) above, calculated by the Council in accordance with Section 32 (4) of the Act, as its **budget requirement** for the year. (*Item R under Section 33 (1) of the Act*).

d) £81,807,533 being the aggregate of the sums that the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates and revenue support grant, reduced by the amount of the sums which the Council estimates will be transferred in the year from its General Fund to its Collection Fund in accordance with Section 97 (3) of the Local Government Finance Act 1998 (*Council Tax Deficit*) and pursuant to the Collection Fund (Community Charge) directions under Section 98 (4) of the Local Government Finance Act 1988 (*Community Charge Surplus*). (*Item P under Section 33 (1) and 33 (3) of the Act*).

e) £1,112.93 
$$\frac{4 (c) - 4 (d)}{2} = \frac{189,244,700 - 81,807,533}{96,535}$$

being the amount at 4 (c) above less the amount at 4 (d) above, all divided by the amount at 2 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 at Band D for the Council*).

f)

The London Borough of Hillingdon Council Tax			
Band A	Band B	Band C	Band D
£741.95	£865.61	£989.27	£1,112.93
Band E	Band F	Band G	Band H
£1,360.25	£1,607.57	£1,854.88	£2,225.86

being the amounts given by multiplying the amount at 4 (e) 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.

- 5 That Council note that for the year 2009/10 the Greater London Authority and its functional bodies have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown below:

The Greater London Authority Precept			
<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
£206.55	£240.97	£275.40	£309.82
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
£378.67	£447.52	£516.37	£619.64

- 6 That having calculated the aggregate in each case of the amounts at 4 (f) and 5 above, the Council in accordance with Section 30 (2) of the Act, hereby sets the following amounts of Council Tax for the year 2009/10 for each of the categories of dwelling shown below:

Total Council Tax 2009/10			
<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
£948.50	£1,106.58	£1,264.67	£1,422.75
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
£1,738.92	£2,055.09	£2,371.25	£2,845.50

- 7 That the changes in fees and charges set out in Appendix 8 of the attached report to Cabinet on 19 February 2009 (“the attached report”) are approved.
- 8 That the capital programme be agreed as set out in Appendix 10 of the attached report.
- 9 That the revised MRP policy be agreed as set out in Appendix 11 of the attached report.
- 10 That the Prudential Indicators are agreed as detailed in Appendix 12 of the attached report.
- 11 That the Annual Investment and Treasury Strategy for 2009/10 be agreed as contained in Appendix 13 of the attached report.
- 12 That the Council Tax Discount for Older People be retained at 4.87% of Hillingdon’s element of the Council Tax.
- 13 That Council note the Corporate Director of Finance and Resources’ comments regarding his responsibilities under the Local Government Act 2003.
- 14 That Council resolves that Cabinet may utilise the general reserves or balances mid-financial year in respect of those functions which have been reserved to the Cabinet in Article 7 of the Constitution [as explained in Item 6 of the Council agenda].

- 15 That Council authorises the Corporate Director of Finance and Resources to approve all virements after 31 March 2009 relating to the 2008/09 financial year of any value beyond the levels currently delegated to Corporate Directors necessary to the closure of accounts within the deadline set for the 2008/09 financial year.

### **Information**

- 1 The attached report represents Cabinet's proposals to Council on the General Fund revenue budget, fees and charges, the capital programme, the Prudential Indicators, the Revised MRP policy statement and the Annual Investment and Treasury Strategy for 2009/10.

### **Financial Implications**

- 2 This is a financial report and the comments of Corporate Finance are contained throughout.

### **Legal Implications**

- 3 The full advice of the Borough Solicitor is set out in the attached report. The Borough Solicitor has confirmed that the calculation in this report contains the necessary elements required by the statutory provisions.
- 4 In addition, Members must have regard to Section 106 Local Government Finance Act 1992, which provides that a Member who has not paid an amount due in respect of Council Tax for at least two months after it becomes payable, may not vote on matters concerning the level of Council Tax or the administration of it. Therefore, any Members who are more than two months in arrears with their Council Tax payments must make a declaration to this effect at the beginning of the meeting.

**Cabinet Member**

Councillor Jonathan Bianco

**Cabinet Portfolio**

Finance and Business Services

**Officer Contact**

Paul Whaymand, Finance and Resources

**Papers with report**

Appendices 1 to 14

**HEADLINE INFORMATION****Purpose of report**

The report sets out the Cabinet's proposals for the Council's General Fund revenue budget and capital programme for 2009/10, along with indicative projections for the following three years. The revenue budget proposals have been developed to deliver a zero increase in Council Tax for the next two years, as well as providing for new priority growth of £2.6 million, whilst maintaining balances and reserves at £12 million. The revenue budget proposals result in a complete freeze on Council Tax at 2008/09 levels since the Greater London Authority (GLA) precept is also frozen with a zero increase. The capital programme for 2009/10 proposed in this report includes total expenditure of £88.2 million.

Cabinet are requested to recommend their budget proposals to full Council on 26 February 2009 in order to formally set the General Fund revenue budget, capital programme and Council Tax for the 2009/10 financial year.

**Contribution to our plans and strategies**

The revenue budgets and capital programme together form the financial plan for the Council for the 2009/10 financial year, and contain the funding strategy for delivering the Council's objectives as set out in the Council Plan 'Fast Forward to 2010'.

**Financial Cost**

The report sets out the budget strategy to deliver the Council's objectives which results in a zero increase in Hillingdon's element of the Council Tax in 2009/10 and a zero increase overall.

**Relevant Policy Overview Committee**

Corporate Services and Partnerships, Education and Children's Services, Residents' and Environment Services and Social Services, Health and Housing

**Ward(s) affected**

All

---

**MEMBERS, PUBLIC AND PRESS**

## RECOMMENDATIONS

That Cabinet:

1. approves for recommendation to Council:
  - a) The revenue budget proposals for 2009/10 summarised at Appendix 1, including the detailed budget changes contained at Appendices 2 to 6;
  - b) The proposed changes to fees and charges included at Appendix 8;
  - c) The capital programme set out at Appendix 10;
  - d) The revised MRP policy as detailed in Appendix 11;
  - e) The Prudential Indicators and Annual Investment and Treasury Strategy for 2009/10 as detailed in Appendices 12 and 13.
2. notes the Corporate Director of Finance and Resources' comments regarding his responsibilities under the Local Government Act 2003.
3. endorses the fees and charges policy statement contained at Appendix 7.
4. delegates authority to the Corporate Director of Planning and Community Services, in consultation with the Cabinet Members for Planning and Transportation and Culture, Sport and Leisure (as applicable) to vary fees and charges for services within the Planning and Community Services Group in order to respond effectively to changing market conditions and the recession.
5. That Cabinet Delegate authority to the Corporate Director of Adult Social Care Health and Housing in consultation with the Cabinet Member for Social Services, Health and Housing to vary fees and charges relating to the Adult Social Care Health and Housing Group where these are specifically linked to the national rates of various Government departments that have yet to be announced for the 2009/10 financial year, as set out at paragraph 73 of the report.

## SUMMARY

The budget proposals included in this report represent Cabinet's budget strategy for 2009/10 and beyond. The revenue budget proposals have been developed to deliver a zero increase in Council Tax for the next two years, as well as providing for new priority growth of £2.6 million in 2009/10, whilst maintaining balances and reserves at £12 million.

The funding for services to asylum seekers continues to remain the key strategic issue that shapes the Council's revenue budget. The Medium Term Financial Forecast (MTFF) report to December Cabinet assumed that additional funding to address the Council's shortfall of grant on these services of up to £3 million per year would be forthcoming from the Home Office, linked to a specialist asylum authority policy previously consulted upon by the Government. Progress has subsequently been much slower than anticipated in confirming the future funding regime for these services, to the extent that there is no firm commitment from government in place at this stage. To have this degree of uncertainty over such significant grant funding at this late stage in the budget process puts the authority in a very difficult position. In order to set a prudent budget for 2009/10, an alternative strategy has had to be developed which assumes a lesser increase in asylum funding (£540k) combined with a draw down on balances to cover the underfunding until the grant claim regime is agreed.

---

MEMBERS, PUBLIC AND PRESS

The programme of Service Reviews that have all now reported remain the backbone of the approach to identifying the savings and efficiencies required to balance the budget for 2009/10. The Service Review programme has been supplemented by a proactive approach to capturing and monitoring key funding opportunities that continue to become available to the Council.

The MTFF report to December Cabinet also identified the need for a further review of service pressures and contingency items with a view to containing these within the identified budget funding. The context of these reviews was the high level of uncertainty over the direction of key national economic indicators, such as inflation, interest rates and movements in the property market, and the rapid descent into recession, to ensure that estimates were included based on the most up to date information. This exercise has been extremely successful, with an overall improvement in the budget position for 2009/10 of over £4 million identified, including reductions in inflation provisions of £1.5 million, reductions in energy price pressures of £0.7 million, and an improvement in capital financing costs of £1.2 million.

The identification of £7.4 million of savings for 2009/10 has allowed the draft budget proposals to absorb £3.6 million of service budget pressures. The budget also allows for the inclusion of over £2.6 million of new priority growth, in addition to £0.2 million carried forward from 2008/09, giving a total of £2.8 million to support the delivery of Cabinet's objectives for the Administration.

New and continuing growth commitments included in the proposed revenue budget are:

- Police Tasking Team (£238k)
- The creation of a new community safety fund to be allocated by the Cabinet Member for Improvement Partnerships and Community Safety (£200k)
- The creation of three new young people's centres (£159k)
- The Leader's Initiative (£150k - to bring the revenue fund up to £200k)
- The Hillingdon Leadership Academy (£99k)
- Additional out of hours street cleansing in town centres (£88k)
- The voluntary sector support package to enable the sector to help residents through the recession (£75k)
- Expansion of the Hillingdon Youth Citizen Scheme (£75k)
- The second mobile youth bus (£69k)
- Funding of fire prevention by the London Fire Brigade (LFB) (£62k) in return for the Community Safety Partnership retaining the LFB share of LAA Reward Grant
- War memorial improvements (£40k)
- Support to Ruislip and Northwood Old Folks Association (£38k)
- Funding for Council Champions for Heritage and the Built Environment, Carers, and Disabled People and Equalities, and a Borough Advocate Against Domestic Violence (£20k)

In addition, ongoing funding for HIP Initiatives has increased by £0.8 million to £1.1 million in total. Therefore, out of the total of £2.8 million a sum of £0.7 million remains unallocated for further priority growth initiatives during the financial year.

The report also includes the General Fund fees and charges recommendations for 2009/10, which alongside Council Tax are also frozen at current level across many of the key services that local residents use. These include:

- Library service charges
- Swimming and leisure centre admissions and charges
- Adult education course fees
- Careline charges

---

MEMBERS, PUBLIC AND PRESS

- Use of arts service venues
- Allotments charges
- Home care charges
- Early years centres nursery fees
- Parking charges for Hillingdon First cardholders

The capital programme for 2009/10 proposed by Cabinet in this report includes total expenditure of £88.2 million. The report also includes the Minimum Revenue Provision policy statement, Prudential Indicators and the Annual Investment and Treasury Management Strategy for 2009/10. Each of these items is recommended by Cabinet for approval by full Council.

The Corporate Director of Finance and Resources has a duty under the Local Government Act 2003 to comment on the robustness of the Council's budget for the coming year, and on the adequacy of the Council's reserves, and this duty is exercised in this report. The Corporate Director of Finance and Resources has recommended that an appropriate level of unallocated balances for the authority is in the range from £10 million to £17 million. As described in the report, unallocated balances have been maintained above £12 million throughout the current year, and will remain at that level as a result of the budget recommendations in this report.

## **INFORMATION**

### **Reasons for recommendations**

The recommendations have been framed to comply with the Budget and Policy Framework rules, and to allow the presentation to Council of recommended budgets for 2009/10, including the impact on the Council Tax and housing rents, service charges and allowances.

Cabinet should give full consideration to the Corporate Director of Finance and Resources' comments under the Local Government Act 2003, and the need to ensure sufficient resources are available in balances and contingencies in the event of any significant adverse changes in the Council's funding environment.

The Council has powers only to approve revenue budgets and set Council Tax for the following financial year. Medium term revenue budgets are presented to aid future financial planning and support good decision-making, but are not formally approved in setting the budget. The Capital Programme is approved over a three-year period as the statutory framework provides greater freedoms under the Prudential Code, which encourages a longer term approach to capital financing and borrowing decisions.

Council will be requested to approve the proposals put forward by Cabinet, and if approved without further amendment they will be effective immediately.

### **Alternative options considered / risk management**

Growth proposals included in the budget could be removed and either the Council Tax requirement reduced or alternative items substituted for them. Similarly, further items could be added to the budget requirement either through additional growth, increased provision for risk, or by reducing the package of savings, and the Council Tax increased accordingly within the constraints imposed by the Government's capping regime. A change in the budget requirement of £0.88 million either way (increase or decrease) will result in an increase or decrease of 1.0%

---

MEMBERS, PUBLIC AND PRESS



in the level of the Council Tax, taking into account the effect of changes to the level of headline Council Tax increase on the cost of the freeze in Council Tax for beneficiaries of the Older Persons Discount.

Members could decide to add or remove new capital schemes from the draft capital programme included in this report. The funding for any additional new schemes would necessarily come from unsupported borrowing in the first instance, with a consequential upward impact on the revenue budget requirement and Council Tax.

Members could decide to vary the proposed fees and charges outlined at Appendix 8. Any decision to do so could have an impact on the budget requirement, which would need to be reflected in the budget to be recommended to Council.

The Development and Risk Contingency identified the key risks and uncertain items for which provision is contained with the revenue budget. Reduction of this provision is not recommended as this would increase the likelihood of unfunded pressures emerging into budget monitoring in the 2009/10 financial year. The capital programme also includes a contingency sum to manage financial risk on key schemes. In addition, unallocated balances are held within the range recommended by the Corporate Director of Finance and Resources. Whilst further contributions from balances could be made, any reductions in balances to below the lower limit of this range are not recommended.

### **Comments of Policy Overview Committee(s)**

Each of the Policy Overview Committees have received reports setting out the draft revenue budget proposals forwarded for consultation by Cabinet on 18 December 2008 relevant to their remit at the January 2009 round of meetings.

As there have been considerable changes to budget proposals in response to the uncertainty surrounding the impact of changes in the wider economy, additional meetings of each of the Policy Overview Committees have been arranged in February to enable more detailed scrutiny of the Cabinet's proposals and are as follows:

Table 1: Policy Overview Committee Budget Meetings

<b>Policy Overview Committee</b>	<b>Date of Meeting</b>	<b>Service Group(s)</b>
Education and Children's Services	16 February 2009	Education and Children's Services
Residents' and Environment Services	17 February 2009	Environment and Consumer Protection Planning and Community Services
Social Services Health and Housing	17 February 2009	Adult Social Care Health and Housing
Corporate Services and Partnerships	18 February 2009	Deputy Chief Executive's Office Finance & Resources Plus overview of whole Council budget

Each of the three service Policy Overview Committees will refer their comments onto the Corporate Services and Partnerships Policy Overview Committee on 18 February 2009 which will then present aggregated comments to Cabinet to be tabled at this meeting.

## Supporting Information

### Background

- 1 This is the second report to Cabinet on the budget proposals for 2009/10 and beyond. The previous report presented to Cabinet on 18 December 2008 set out the Medium Term Financial Forecast (MTFF), and draft revenue budget proposals were forwarded for consultation with Policy Overview Committees and other stakeholders.
- 2 This report updates the December Cabinet report for known changes arising from Government and other funding announcements and from further internal reviews, and other stakeholders on the budget proposals, and sets out the Cabinet's General Fund revenue budget and capital programme for 2009/10, with medium term projections for three years beyond next year. The Council does not have the power to set budgets more than one year in advance, but the inclusion of medium term figures helps to demonstrate the ongoing impact of the budget proposals, and provides context for the budget decisions proposed.
- 3 The report includes the Prudential Indicators for 2009/10 to 2011/12 at Appendix 12, which show the impact of the Council's capital spending plans, and the Annual Investment and Treasury Strategy for 2009/10 at Appendix 13.
- 4 The Corporate Director of Finance and Resources' duty under the Local Government Act 2003 to consider the adequacy of the Council's reserves and robustness of the estimates is exercised within this report.

### GENERAL FUND REVENUE BUDGET

#### Changes Since Report to Cabinet on 18 December 2008

- 5 The table below summarises the changes to the recommended budget proposals from the report considered by Cabinet on 18 December 2008. Each of the items is considered in more detail in the following section.

Table 2: Changes to Revenue Proposals Since Cabinet on 18 December 2008

Paragraph	Item	Amount 2009/10 (£000s)	Amount 2010/11 (£000s)
	<u>Additional Pressures</u>		
6	Removal of Shortfall on Contingency as at December Cabinet	2,766	0
7	Reduction in Ongoing Asylum Gain (contingency)	2,460	1,750
8	Removal of Additional Savings from Groups	1,300	1,300
9	Additional Priority Growth	1,021	0
10	Additional 1% on Pensions Costs	775	770
11	Increase in Contingency Items	282	107
12	Removal of Remaining E&CS Service Review Savings	275	0
13	Reduction in Rental Income Forecast	65	65

MEMBERS, PUBLIC AND PRESS

14	SEN Transport pressure on contract rates	50	50
15	Reduction in F&R / DCE Service Review Savings	50	50
16	Area Based Grant re-ringfencing	25	37
	<b>Sub-total</b>	<b>9,069</b>	<b>4,129</b>
	<u><b>Balancing Items</b></u>		
17	Reduction in Non-Pay Inflation	-1,750	-3,150
18	Reduction in Capital Financing Costs	-1,200	-1,700
19	Balance of LABGI Funding from Old Scheme (contingency)	-790	0
20	Reduction in Energy price pressures	-675	-545
21	Concessionary Fares levy	-625	+360
22	Reduction in Other Contingency Items	-598	-383
23	Adjust Pay Award to 1.5%	-550	-550
24	One-off release from Parking Revenue Account	-100	0
25	Reduction in LPFA levy increase	-19	-19
26	Council Tax Base	-12	-170
	<b>Sub-total</b>	<b>-6,319</b>	<b>-6,157</b>
	<b>Budget Gap Remaining</b>	<b>2,750</b>	<b>-2,028</b>
27	Contribution from Balances to balance budget	-2,750	0
	<b>Net Budget Gap after application of balances</b>	<b>0</b>	<b>-2,028</b>

## Additional Pressures

### 6 Shortfall on Contingency as at December Cabinet

The revenue budget proposals submitted to Cabinet on 18 December 2008 contained a shortfall in contingency funding of almost £2.8 million that needed to be addressed in order to develop a fully balanced budget based on an acceptable level of risk. The further review of pressures and contingency items linked to the direction of key national economic indicators, such as inflation, interest rates and movements in the property market has improved the underlying budget position by over £4 million enabling the shortfall on the Development and Risk Contingency to be eliminated.

### 7 Reduction in Ongoing Asylum Gain

The report to December Cabinet assumed that additional funding to address the Council's shortfall of grant on these services of up to £3 million per year would be forthcoming from the Home Office, linked to the specialist asylum authority policy previously consulted upon by the Government. Progress has subsequently been much slower than anticipated in confirming the future funding regime for these services, to the extent that there is no firm commitment in place at this stage beyond a continuation of the previous funding regime. However, the possibility of additional funding remains, and a sum included reflecting a 20% chance that the level of funding agreed for 2007/08 would be repeated, which is reflected as a credit to the Development and Risk Contingency.

- 8 Removal of Additional Savings from Groups  
The report to December Cabinet assumed that a further £1.3 million of savings from service Group would be required to produce a balanced budget for 2009/10. However, the further review of pressures and contingency items linked to the direction of key national economic indicators, such as inflation, interest rates and movements in the property market has improved the underlying budget position by over £4 million, and these additional savings to be removed as well as the previous shortfall on the Development and Risk Contingency.
- 9 Additional Priority Growth  
Cabinet's recommendations include additional growth funding of over £1 million for 2009/10 beyond that included in earlier reports, and the allocation of this is described further at paragraphs 49 to 53 below. This has effectively been funded by rolling forward unused growth funding in the current year and drawing this down from balances, as described in paragraph 27 below.
- 10 Additional 1% on Pension Costs  
An additional 1% increase has been included for Employers Pensions Contributions to the Local Government Pension Scheme, in order to fund Pension Fund strain costs on an ongoing basis.
- 11 Increase in Contingency Items  
The review of contingency items since the December Cabinet report has identified some risks where increased provision is required. As report to Cabinet on 22 January 2009 recent changes to the regulations covering fee setting for local land charges income have changed, requiring the Council to set these on a cost recovery basis only, which add £190k to the pressure on income. The other main area of increase is on the impact of higher recycling rates on waste collection costs such as plastic bags and rates for transferring waste to re-processing operators.
- 12 Removal of Remaining E&CS Service Review Savings  
The report to December Cabinet included an unallocated saving of £275k that has been assumed would be identified through the further development and implementation of the Service Review in Education and Children's Services. This has been identified through an equivalent reduction in inflation applied to external children's care service providers, contained at paragraph 17 below.
- 13 Reduction in Rental Income Forecast  
The income from Primary Care Trust (PCT) from staff moving into the Civic Centre has been reduced to £44k following the completion of detailed negotiations with the PCT.
- 14 SEN Transport pressure on contract rates  
A review of transport related budgets impacted by changing vehicle fuel prices took place as part of the review of pressures conducted since the report to December Cabinet, and this has identified a shortfall in funding SEN transport contracts which have increased generally by more than the 1% inflation provided in the current year.
- 15 Reduction in F&R / DCE Service Review Savings  
The final savings and efficiencies approved by Cabinet on 22 January 2009 were £1.6 million in 2009/10, leaving a minor difference of £50k compared to the savings of £1.65 million included in the MTFF.

16 Area Based Grant Re-ringfencing

The Government have opted to remove the Preventing Violent Extremism allocation from Area Based Grant and provide it as a specific grant. This allocation was due to increase from £125k to £150k, and was part of the increase in funding through Area Based Grant of £404k reported to December Cabinet. We objected to this move in our response to the provisional settlement contained at Appendix 9.

**Balancing Items**

17 Reduction in Non-Pay Inflation

The further review of pressures and contingency items since December Cabinet has taken place against the background of the sharp fall in the annual increase in the Retail Prices Index (RPI) from 4.2% in October to 0.9% in December 2008. Assumptions concerning inflation in contracts linked to RPI have been reviewed with the result that the previous price pressure on contracts in Adult Social Care Health & Housing of £0.75 million can be removed, and there is a further benefit given that inflation has fallen below the 2.5% previously assumed for most external contracts, which has allowed a further reduction of £1 million on the corporate inflation provision.

18 Reduction in Capital Financing Costs

The increase in the revenue impact of capital financing costs reported to December Cabinet had been exacerbated by the downturn in the property market, due to this being an unattractive time to take surplus property for disposal, leading to reduced capital receipts, as well as the recent reduction in base interest rates to 1% which has significantly reduced returns on cash deposits from the 5% to 6% being achieved over the last 18 months. Consequently, further provision towards the total pressure on capital financing costs of £1.2 million had been placed in contingency, with the expectation that financing costs would be reviewed over the remainder of the budget process. Following the appointment of new treasury management advisors, additional opportunities have been identified to maintain income from cash deposits and re-finance existing debt, which together with the application of the new Minimum Revenue Provision (MRP) Policy Statement mean that the contingency provision is no longer required.

19 Balance of LABGI Funding From Old Scheme

On 4 February 2009 the Government announced provisional allocation of the £100 million of Local Authorities Business Growth Incentives (LABGI) scheme funding from the old scheme that had been held back pending legal challenges by other local authorities. This includes an allocation of £828k for Hillingdon which is subject to a consultation period, and therefore has been taken into the 2009/10 budget as a contingent income stream pending any final announcement and release of funding.

20 Reduction in Energy Price Pressures

A detailed review of the impact of new contractual arrangements for gas and electricity procurement and pricing assumptions took place as part of the review of pressures and contingency items conducted since the report to December Cabinet. This has been mapped against current patterns of usage and budgets on a site by site basis, and has concluded that the pressure on gas price increases can be reduced from £330k to £35k (a reduction of £295k), and on electricity prices in buildings from £300k to £180k in 2009/10 (a reduction of £120k). The forecast pressure on street lighting electricity contained within the Development and Risk Contingency of £450k has been reduced by £260k to £190k. These pressures have now been transferred out of contingency and into the base budget pressures. However, the full year effect of electricity price increases taking effect in

October 2009 on buildings in 2010/11 is such that the reduction in the pressure of £120k can not be sustained beyond 2009/10.

21 Concessionary Fares Levy

The report to December Cabinet included the effect of changing the apportionment basis of the costs of the Freedom Pass between London Boroughs from pass issues to usage on the concessionary fares levy, and the effect of lower than expected costs of the national bus concession in London. However, the final settlement agreed for 2009/10 did not create an expected contribution to the scheme's reserves, resulting in a further reduction in the levy paid by Hillingdon of £625k. The effect of this in 2010/11 is that there will be a pressure as scheme costs increase if there is not any further call on London Councils' reserves.

22 Reduction in Other Contingency Items

The further review of pressures and contingency items since December Cabinet has resulted in reductions in a range of risks which contingency previously provided. The full range of items with reduced funding in contingency comprising the £598k improvement quoted above consist of:

- Reduction in waste disposal levy increase (£90k)
- Reduction in planning inquiries contingency (£75k)
- Reduction in vehicle fuel pressure (£65k)
- Improved Exhausted All Appeals (EAA) monitoring position (£40k)
- Improved non-EAA asylum monitoring position (£50k)
- Improved outcome of golf course management tendering (£38k)
- Re-phasing of joint appointment of Director of Public Health (£40k)
- Remove funding of Music Service pressure from contingency (£200k)

This will still leave over £7 million of contingency provision for risks other than asylum, in the context of projected year end unallocated balances being over £12 million.

23 Adjust Pay Award to 1.5%

The pay award for local government staff (excluding teachers) was included at 2% in the MTFF report to December Cabinet - this has now been reduced to 1.5% on the basis that trade unions have claimed a pay award of at least RPI for 2009/10, which is already below this level and predicted to continue to fall.

24 One-off release from Parking Revenue Account

Within the accumulated Parking Revenue Account (PRA) reserve, there is sufficient capacity to make a one off release of £100k.

25 Reduction in LPFA levy increase

The provisional increase in the London Pensions Fund Authority (LPFA) levy was factored into the MTFF report to December Cabinet at £200k. Subsequently a draft levy notification has been circulated showing a reduction in this of £19k.

---

MEMBERS, PUBLIC AND PRESS

26 Council Tax Base

The Council Tax Base for 2009/10 agreed by Council on 15 January 2009 has been set at 96,535 Band 'D' equivalent properties, an increase of 403 over 2008/09, which is greater than the 250 increase assumed in the MTFF report to December Cabinet. The difference between the two figures provides additional funding of £167k in 2009/10 and £170k in 2010/11. This is offset by the projected deficit on the Collection Fund to be recovered through Council Tax, which has increased by £155k, primarily reflecting the outturn position in the Collection Fund for 2007/08, with a break-even position forecast for the current year.

27 Contribution from Balances

The previous report to December assumed that additional funding to address the Council's shortfall of grant on asylum services would be forthcoming from the Home Office linked to a Specialist asylum authority policy. Progress has subsequently been much slower than anticipated in confirming the future funding regime for these services, to the extent that there is no firm commitment from government in place at this stage. In order to set a prudent budget for 2009/10, an alternative strategy has had to be developed which assumes a lesser increase in asylum funding (£540k) combined with a draw down on balances to cover the underfunding until the grant claim regime is agreed. It is expected that there will be no further allocations from the £3 million of balances transferred to priority growth in the current year, leaving £2.25 million available to carry forward, which coupled with expected underspends on the First Time Buyer's Initiative (£0.3 million) and Team Bonus and other unallocated growth (£0.2 million), which are assumed to be spent in the Month 9 monitoring report, will mean that £2.75 million is available from balances without impacting on the £12 million target level of balances already achieved.

**Budget Requirement 2009/10**

28 The movement between the current year budget and the draft budget requirement for 2009/10 is summarised in Table 3 below:

Table 3: Budget Requirement 2009/10

	<b>Budget (£000s)</b>
Budget Requirement 2008/09	187,347
Inflation	3,050
Corporate Items (Appendix 2)	84
Service Pressures (Appendix 3)	3,580
Priority Growth (Appendix 4)	2,634
Savings (Appendix 5)	-7,450
Budget Requirement 2009/10	189,245
<u>Funding Sources</u>	
Council Tax	106,482
Government Formula Grant	82,763
Total Resources	189,245

29 Each of the lines in Table 3 is set out in detail in the following sections.

MEMBERS, PUBLIC AND PRESS

## Inflation

- 30 The core amount of inflationary cost increases provided for in the draft budget for 2009/10 is £3.05 million. In addition, in some service areas there are above-inflation cost increases, and these are included as a section within the service pressures contained at Appendix 3.
- 31 This year has seen a one-year pay offer for local government staff which has been referred to binding arbitration although payment has already been made by employing organisations. Negotiations will be also undertaken nationally regarding a new agreement for 2009/10 and beyond, and an allowance has been made for an increase of 1.5% in 2009/10, and this has been reflected in salaries budgets accordingly. Teachers' pay has been inflated at 2.3% from September 2009 as part of the three-year deal previously recommended by the national School Teachers Review Body.
- 32 Premises costs, transport costs and contracted services have been inflated at rates between zero and 2.5%, an inflation rate of zero has been applied to non-pay supplies and services, and also to many fees and charges income budgets.
- 33 Table 4 below sets out the general inflation rates applied to specific budget lines.

Table 4: Inflation

<b>Item</b>	<b>Rate (%)</b>	<b>2009/10 (£000s)</b>
Employees Pay	1.5%	1,700
Premises Costs	0% to 2.5%	520
Transport Costs	0% to 2.5%	210
External Contracts and Levies	0% to 2.5%	1,320
Other Supplies and Services	0%	0
Fees and Charges	0% to 2.5%	-200
Rents and Other Income	0% to 2%	-500
<b>Total</b>		<b>3,050</b>

## Corporate Items

- 34 This heading is used to describe items that affect the Council overall, or have a significant impact on the majority of service groups within the authority. A net change in budget of £84k in 2009/10 has been released from these items that are also set out in further detail in Appendix 2. This is set out in Table 5:

Table 5: Corporate Items

<b>Corporate Items</b>	<b>Amount 2009/10 (£000s)</b>	<b>Amount 2010/11 (£000s)</b>
Capital Programme financing costs	1,700	4,000
Employers Pension Contributions	1,355	1,950
Increase in Contingency	521	3,241
London Pensions Fund Authority levy	181	276
Local Area Agreement Reward Grant – shares to partners	0	1,595
Contributions from Balances	-2,750	0

---

MEMBERS, PUBLIC AND PRESS



LABGI / Housing and Planning Delivery Grant	-500	-500
Area Based Grant	-379	-164
Additional Rental Income to Support Capital Programme financing costs	-44	-44
Local Area Agreement Reward Grant	0	-2,775
<b>Total</b>	<b>84</b>	<b>7,579</b>

- 35 The increase in revenue capital financing costs of the capital programme for 2009/10 and beyond reflects the financing impact of the current capital programme and the full year effect of capital expenditure and capital receipts reported in budget monitoring in the current year. There is a significant pressure in 2009/10 which has already been forecast in previous MTFF reports as accumulated cash balances are spent on key capital projects in the programme. This has been exacerbated by the downturn in the property market making this an unattractive time to take surplus property for disposal leading to reduced capital receipts, and the recent reduction in base interest rates to 1% which has significantly reduced returns on cash deposits from the 5% to 6% being achieved over the last 18 months.
- 36 The Council's Pension Fund was subject to an actuarial review as at 31 March 2007. The valuation resulted in further increases in the level of employer's contributions required to provide for both future and past liabilities, and additional funding of £580k for 2009/10 allows for the increase in contributions to 16.35% of pensionable pay. Since the report to December Cabinet, an additional 1% for employers' pension contributions to fund the cost of early retirements has been included for 2009/10 at a cost of £775k, bringing the total figure for increased pension costs to £1.35 million for 2009/10. A phased increase in contribution rates is included for future years in the medium term projections.
- 37 A net increase in the contingency of £0.5 million reflects funding to cover a range of financial risks faced by Council. This includes the effect of transferring some key contingency provisions into departmental base budgets, as well as taking into account additional sources of finance for the contingency from key funding opportunities. The reasons for these changes are also discussed further in the section on the Development and Risk Contingency below.
- 38 A significant increase in the London Pensions Fund Authority (LPFA) levy for 2009/10 has been projected due to the adverse actuarial position of the LPFA pension fund in respect of former Greater London Council employees. This is being phased in over the medium term, and the £181k increase above reflects also the late increase in the 2008/09 levy currently being reported in budget monitoring.
- 39 Reward grant from the 2007 Local Area Agreement (LAA) will be due in 2010/11. As described in the quarterly LAA monitoring reports to Cabinet, a reward sharing arrangement was agreed at the outset with partners, depending on the impact of each of the lead partners in achieving each of the 13 groups of targets. Based on current performance projections almost £1.6 million of revenue reward grant will be shared with partners or partnership groups, and almost £1.2 million will be retained exclusively within the Council. The capital element of the LAA reward grant is shown within the draft capital programme. Reward grant for the 2008 LAA is calculated on a more formulaic basis and an initial estimate of the likely reward is contained in the medium term projections.

- 40 The one-off contribution from balances of £2.75 million in 2009/10 funded from unused priority growth funding in the current year is discussed in more detail in the section on balances and reserves below.
- 41 The Government has consulted on a new Local Authorities Business Growth Incentives (LABGI) scheme to come into effect from 2009/10. This includes proposals for the LABGI reward grant to be shared on a sub-regional basis, based on business rate growth over a three-year period. In addition in order to effectively manage the risk on reward grants awarded in year, and in recognition of the unringfenced nature of the grant, Housing and Planning Delivery Grant income will in future be held corporately rather than in the departmental budget of Planning and Community Services. An estimate of the likely combined grant under both schemes is included as a corporate item.
- 42 An overall increase in funding through the Area Based Grant announced for 2009/10 of almost £0.4 million has been used to fund priority growth, with bids linked to increased funding for services previously met by specific grants now included in the Area Based Grant assessed alongside all of the other spending priorities of the Council, in recognition of the unringfenced nature of the grant.
- 43 One of the initiatives stemming from the HIP Estates Management project is for new rental income streams to the Council to be used as a financing source for the capital programme. The first of these is intended to be income of £44k from the Primary Care Trust for staff moving into the Civic Centre.

## Service Pressures

- 44 The identification of all service pressures, thereby reducing the likelihood of unexpected overspends within the financial year, is one of the key objectives of the strategic budget process. Failure to identify a pressure over which there is no control is likely to result in an overspend in the year, and a need to take corrective action that may have an impact on services elsewhere in the authority.
- 45 The work undertaken by Groups to identify and review these pressures is informed by the standard classification of pressures, which acts as a checklist for the types of issues facing Groups that may result in cost increases. These items have been subject to rigorous scrutiny, challenge and review that reduced the level of these items to the minimum over the course of the budget development process. Service pressures also include the transfer of some items where greater certainty has been ascertained through budget monitoring from the Development and Risk Contingency. Table 6 sets out the pressures identified by Groups according to these classifications, which total £3.6 million for 2009/10. These items are set out in detail at Appendix 3.

Table 6: Service Pressures

<b>Service Pressures by Category</b>	<b>Pressure 2009/10 (£000s)</b>	<b>Pressure 2010/11 (£000s)</b>
Demographic & Volume Changes	120	590
Full Year Effects of Items agreed during 2008/09	443	440
Unavoidable Price Increases	505	735
Budget Pressures Identified in 2008/09 Monitoring	1,373	1,348
Reductions in Specific Grants & Contributions	994	3,262

Legislative Changes (including transfer of responsibilities)	30	30
Revenue Consequences of Capital Programme (excluding financing costs)	115	340
Total	3,580	6,745

- 46 The largest category of increase relates to the significant budget pressures identified in the current year. Within this category the most significant item relates to the settlement reached with Hillingdon PCT in relation to the former learning disability pooled budget, which is being funded from the Development and Risk Contingency in the current year, and the pressure on mental health services arising from clients transferred from PCT funding of £0.2 million, for which there is also further provision in contingency of £0.45 million. In total almost £1.2 million of the £1.4 million in this category of pressures represents funding recommended for transfer out of contingency.
- 47 The Council also faces losses of short term funding streams, chiefly from reductions in rent and benefit subsidy in support of the homelessness budget reflecting the phased reduction in Department for Work and Pensions funding over the medium term (£0.55 million). The £0.25 million item for Planning Delivery Grant is a transfer from contingency in the current year, and is replaced by projected Housing and Planning Delivery Grant in the corporate items in Table 5 above.
- 48 The category of unavoidable price increases provides funding to cover the above inflation increases in gas and electricity supply prices to Council premises, mitigated by the effect of the new procurement approach which has reduced these pressures down from the forecast reported to December Cabinet. It also includes £50k funding to cover the increase in National Non Domestic Rates on Council premises which was linked to September RPI and so has been set by Central Government at 5% for 2009/10.

### Priority Growth

- 49 Provision has been made in the budget strategy for £2.6 million of new priority growth in order to continue the delivery of Cabinet's programme and objectives. A range of items have already been included against this provision based on Cabinet's stated expenditure commitments, which account for £2.1 million of the provision for 2009/10. These items are set out in the following table and described further at Appendix 4.

Table 7: Priority Growth

<b>Proposal Title</b>	<b>Growth 2009/10 (£000s)</b>	<b>Growth 2010/11 (£000s)</b>
<u>Existing Commitments / New Proposals</u>		
HIP Initiatives	800	800
Police Tasking	238	244
Community Safety Fund	200	200
Creation of Additional Young People's Centres	159	547
Leader's Initiative	150	150
Hillingdon Leadership Academy	99	99
Out of Hours Town Centre Street Cleaning Service	88	88
Hillingdon Youth Citizen Scheme	75	75

MEMBERS, PUBLIC AND PRESS

Voluntary Sector Support Package	75	75
Second Mobile Youth Project	69	69
Fire Prevention	62	63
War Memorial Improvements	40	40
Ruislip & Northwood Old Folks Association	38	38
Council Champions funding	20	20
Low Cost Home Ownership	0	150
<b>Total</b>	<b>2,113</b>	<b>2,658</b>
<u>Total Funding</u>		
New Priority Growth	2,634	2,911
Base Unallocated Priority Growth 2008/09	179	179
<b>Total</b>	<b>2,813</b>	<b>3,090</b>
<b>Balance Remaining</b>	<b>700</b>	<b>432</b>

- 50 The largest growth proposal for 2009/10 relates to the increase in the HIP Initiatives Budget of £0.8 million which when added to the ongoing base funding of £0.3 million creates a total HIP budget of £1.1 million for 2009/10. This provides for the continuation schemes developed in the current year including Hillingdon First and recycling pilots developed through the Waste and Energy project.
- 51 Other new growth items included in the Cabinet's budget proposals are:
- The creation of a new community safety fund to be allocated by the Cabinet Member for Improvement Partnerships and Community Safety (£200k)
  - Expansion of the Hillingdon Youth Citizen Scheme (£75k)
  - Funding of fire prevention by the London Fire Brigade (LFB) (£62k) in return for the Community Safety Partnership retaining the LFB share of LAA Reward Grant
  - New Council Champions for Heritage and the Built Environment, Carers, and Disabled People and Equalities, and a Borough Advocate Against Domestic Violence (£20k)
- 52 In addition growth funding is provided to continue in full the funding allocated in the current year for the increased Police Tasking Team (£238k), the creation of three new young people's centres (£159k), the Leader Initiative (£150k – to bring the revenue fund up to £200k), the Hillingdon Leadership Academy (£99k), additional out of hours street cleansing in town centres (£88k), the voluntary sector support package to enable the sector to help residents through the recession (£75k), the second mobile youth bus (£69k), war memorial improvements (£40k), and support to Ruislip and Northwood Old Folks Association (£38k).
- 53 Out of the total of £2.8 million a sum of £0.7 million remains unallocated for further priority growth initiatives during the financial year.

## Savings

- 54 The programme of Service Reviews that have now reported in full remains the backbone of the approach to identifying the savings and efficiencies required to balance the budget for 2009/10. The Service Review in Planning & Community Services was reported to Cabinet in December 2008, and the Service Review covering Deputy Chief Executive's and Finance & Resources was reported to Cabinet in January 2009. These reviews have been successful in identifying savings of almost £2.6 million in total for the 2009/10 financial year.
- 55 The Service Reviews in these three service Groups cover the three smallest departments in the Council in budget terms. The savings are therefore bolstered by the continuing impact of the Service Reviews that had already been completed in the other three departments which deliver a full year effect.
- 56 The savings proposed in the budget for 2009/10 total £7.45 million, rising to £10.5 million in 2010/11. These are shown in detail at Appendix 5, and are summarised in the table below.

Table 8: Savings Proposals by Theme

<b>Savings Proposals by Theme</b>	<b>Saving 2009/10 (£000s)</b>	<b>Saving 2010/11 (£000s)</b>
Full Year Effect of 2008/09 Savings	765	1,330
Service Reviews	4,640	7,656
Maximising Funding Opportunities	2,045	1,540
Future Savings Requirements	0	9,458
<b>Total Savings Proposals</b>	<b>7,450</b>	<b>19,994</b>

### Development and Risk Contingency

- 57 The Development and Risk Contingency provides for resources within the revenue budget that are unallocated at the beginning of the year, but that can be applied to issues as they arise during the year. The contingency is therefore used to budget for items where the probability or value of items is uncertain at the beginning of the year. This approach is a key aspect of the Council's Reserves and Balances Strategy.
- 58 There have been a number of changes to the profile of risks that need to be covered in the Development and Risk Contingency since the report to Cabinet on 18 December 2008. These changes are summarised in the following table:

Table 9: Changes to Development &amp; Risk Contingency since Cabinet 18 December 2008

<b>Risk Item</b>	<b>December Cabinet Provision 2009/10 (£000s)</b>	<b>Current Provision 2009/10 (Appendix 6) (£000s)</b>	<b>Change in Provision 2009/10 (£000s)</b>
<u>Increased Risks</u>			
Local Land Charges Income	525	715	+190
Cost Pressures on Recycling Service	110	200	+90
Building Control Income	106	108	+2
Sub-total	741	1,023	+282
<u>Reduced Risks</u>			
Capital Programme financing costs	1,200	0	-1,200
Electricity Price Increases	380	0	-380
Waste Disposal Levy	810	720	-90
Provision for Planning Inquiries	150	75	-75
Vehicle fuel monitoring pressure	150	85	-65
Asylum non-EAA monitoring pressure	1,250	1,200	-50
Joint Appointment of Director of Public Health	80	40	-40
Asylum Exhausted All Appeals	590	550	-40
Golf Courses Income	300	262	-38
Sub-total	4,910	2,932	-1,978
Contingency Items Transferred to / from Service Pressures or Savings	570	100	-470
Other Risks	4,595	4,595	0
<b>New Contingency Requirement</b>	<b>10,816</b>	<b>8,650</b>	<b>-2,166</b>
<u>Changes in Funding</u>			
Base Contingency 2008/09	6,799	6,799	0
Asylum Funding Shortfall	3,000	540	-2,460
Concessionary Fares Levy Transferred to Savings	1,320	0	-1,320
LABGI Balance of Funding from Old Scheme	0	790	+790
Pressure / Saving in Contingency	303	521	+824
Shortfall in Contingency Funding	-2,766	0	+2,766
<b>Total Contingency Funding</b>	<b>8,050</b>	<b>8,650</b>	<b>600</b>

- 59 The review of risks in the draft budget since December Cabinet has allowed the funding shortfall at that stage of over £2.7 million to be eliminated, so that the identified risks are properly provided for in the Development and Risk Contingency. As part of this review, a range of risk items have been reduced that allowed almost £2 million of the previous shortfall to be removed, which consists of:

---

MEMBERS, PUBLIC AND PRESS

- Reduction in capital financing costs (£1.2 million)
  - Reduction in electricity price pressures (£380k)
  - Reduction in waste disposal levy increase (£90k)
  - Reduction in planning inquiries contingency (£75k)
  - Reduction in vehicle fuel pressure (£65k)
  - Improved Exhausted All Appeals (EAA) monitoring position (£40k)
  - Improved non-EAA asylum monitoring position (£50k)
  - Improved outcome of golf course management tendering (£38k)
  - Re-phasing of joint appointment of Director of Public Health (£40k)
- 60 This gain is offset by £0.3 million of additional pressures on contingency where increased provision is required. As reported to Cabinet on 22 January 2009 recent changes to the regulations covering fee setting for local land charges income have changed, requiring the Council to set these on a cost recovery basis only, which adds £190k to the pressure on income. The other main area of increase is on the impact of higher recycling rates on waste collection costs such as plastic bags and rates for transferring waste to re-processing operators.
- 61 A net reduction in the contingency of £470k reflects changes where items previously funded in the contingency are now funded as e.g. service pressures, or vice versa. The largest items within this are the transfer of the residual electricity price pressures into the service pressures as described at paragraph 48 above.
- 62 Funding items within the contingency that are 'positive risks' that offset the risk pressures set out in Table 9 have also been amended. Funding of £1.3 million from the improvement in the concessionary fares levy contained as a contingency gain in the report to December Cabinet has been increased to reflect the final gain of over £1.9 million, and transferred to the savings schedule. The report to December Cabinet assumed that additional funding in contingency to address the Council's shortfall of grant on these services of up to £3 million per year would be forthcoming from the Home Office, linked to the specialist asylum authority policy previously consulted upon by the Government. Progress has subsequently been much slower than anticipated in confirming the future funding regime for these services, to the extent that there is no firm commitment in place at this stage. However, the possibility of additional funding remains, and a sum has been included reflecting a 20% chance that the level of funding agreed for 2007/08 would be repeated, which is still reflected as a credit to the Development and Risk Contingency. On 4 February 2009 the Government announced provisional allocation of the £100 million of Local Authorities Business Growth Incentives (LABGI) scheme funding from the old scheme that had been held back pending legal challenges by other local authorities. This includes an allocation of £828k for Hillingdon which is subject to a consultation period, and therefore has been taken into the 2009/10 budget as a contingent income stream pending any final announcement and release of funding.
- 63 The Development and Risk Contingency reflects the transfer of current year contingency items that are now risk outturns as reported in budget monitoring into the base budget as service pressures, in particular the settlement reached with Hillingdon PCT in relation to the former learning disability pooled budget, which is being funded from the Development and Risk Contingency in the current year (£960k), the pressure on mental health services arising from clients transferred from PCT funding of £0.2 million, for which there is also further provision in contingency of £0.45 million, and the £0.25 million item for Planning

Delivery Grant, which is replaced by projected Housing and Planning Delivery Grant income in the corporate items in Table 5 above.

- 64 The draft Development and Risk Contingency is set out in Appendix 6. Items with a total potential risk outturn of £11.5 million are included in the contingency for 2009/10. When the probability of occurrence is applied to these amounts, the total for which funding would need to be provided stands at £8.65 million.
- 65 The value of the risks covered in the Development and Risk Contingency is determined by multiplying the value of the potential adverse risk by the probability of that risk outcome occurring. This approach is sensitive to the accuracy of the percentages applied – owing to the nature of this exercise this approach in itself contains risks, and, for example, if the risk of each item in the contingency occurring were to increase by 5 percentage points, the additional contingency provision required would be £0.4 million.

## **Fees and Charges**

- 66 The Council is empowered to seek income from fees and charges to service users across a wide range of activities. Some of these fees and charges are set by the Government, but many others are set at the discretion of the Council, based on Cabinet's recommendations.
- 67 During the current year, the Head of Policy in consultation with corporate finance has developed an overarching fees and charges policy statement for the Council. This is intended to provide an overall framework within which recommendations on fees and charges should be made, whether as part of the budget process or through other initiatives such as HIP. It sets out the key objectives and considerations to be covered when setting fees and charges, and in particular putting Hillingdon residents and their interests at the heart of the process. The policy statement attached at Appendix 7 has been approved by Corporate Management Team, and is now presented for endorsement by the Cabinet.
- 68 Flowing from this the fees and charges proposals made in this report recommend that alongside a zero increase in Council Tax, zero increases in fees and charges are also proposed for a wide range of the key services that residents use. These include:
- Library service charges
  - Swimming and leisure centre admissions and charges
  - Adult education course fees
  - Careline charges
  - Use of arts service venues
  - Allotments charges
  - Home care charges
  - Early years centres nursery fees
  - Parking charges for Hillingdon First cardholders
- 69 In addition, in Adult Social Care a number of charges for e.g. respite care and day care services have been removed in order to assist carers in the immensely valuable work that they do to support vulnerable members of the community.
- 70 For other service users such as businesses and visitors from other local authority areas, the general assumption in the revenue budget proposals is that the yield from fees and charges will increase by 2.5% per year, and this is included in the key inflation

---

MEMBERS, PUBLIC AND PRESS



assumptions in Table 4 above. This increasing income yield is delivered by increasing fees and charges at this rate on average, or alternatively by actions to increase take up of services where price freezes are recommended. The precise relationship between these factors will vary from service to service according to the service user markets in which they operate, and this will influence the fees and charges strategy proposed by each service Group.

- 71 Schedules detailing the proposals relating to fees and charges for 2009/10 are attached at Appendix 8.
- 72 Fees and charges for services in the Planning and Community Services Group in particular are sensitive to changes in market conditions, which are changing rapidly in the current economic environment. In these conditions there will be a need to respond from time to time at short notice to protect income streams, e.g. by running short term promotions to increase usage in leisure centres. In addition, the regulatory regime for services such as land charges is changing, with an uncertain impact on demand, and therefore it is likely that flexibility will be needed to manage this particularly in the context of the current recession. It is therefore recommended that Cabinet delegate authority to the Corporate Director of Planning and Community Services, in consultation with the Cabinet Members for Planning and Transportation and Culture, Sport and Leisure (as applicable) to vary fees and charges for services within the Planning and Community Services Group in order to respond effectively to changing market conditions and the recession.
- 73 A number of the Council's social care charges are linked to the Department of Work and Pensions (DWP) rates which are currently being consulted upon but have not been finalised. Cabinet are asked to delegate authority to the Corporate Director of Adult Social Care Health and Housing in consultation with the Cabinet Member for Social Services, Health and Housing to amend the proposed charges contained in this report should these rates subsequently confirmed by the DWP be different. A number of the Council's housing charges are linked to Department for Communities and Local Government (DCLG) directives and Cabinet are also asked to delegate authority to the Corporate Director of Adult Social Care Health and Housing in consultation with the Cabinet Member for Social Services, Health and Housing to amend the proposed charges contained in this report should these rates subsequently confirmed by the DCLG be different.
- 74 The fees and charges for parking services in the Environment and Consumer Protection Group reflect the new differential pricing policy, with different rates for residents and non-residents, being introduced alongside the forthcoming introduction of the Hillingdon First card. A new charge is also introduced for the replacement of lost Hillingdon First cards.

### **Central Government Grant**

- 75 The final Local Government Finance Settlement for 2009/10 to 2010/11 was announced on 21 January 2009, and confirmed the indicative formula grants already announced in both January 2008 and November 2008 as the second and third years of the three year settlement for local government. Hillingdon received a grant increase of 1.96% for 2009/10 after the effect of baseline transfers, or £1.5 million in cash terms. The provisional grant increase for 2010/11 is 2.0%.
- 76 The average grant increase nationally for 2009/10 was 3.1% for local authorities with education and social care responsibilities, with a minimum 'floor' increase of 1.75%. The

---

MEMBERS, PUBLIC AND PRESS

grant floor is reduced to 1.5% in 2010/11. Hillingdon loses £0.45 million in 2009/10 and £1.1 million in 2010/11 in grant due under the Relative Needs Formula to pay for the cost of the minimum increases elsewhere.

- 77 The provisional settlement announcement made on 26 November 2008 was open for consultation until 7 January 2009. A copy of Hillingdon's response produced by the Corporate Director of Finance and Resources in consultation with the Leader of the Council is attached at Appendix 9.
- 78 In addition, a large number of specific grants were re-announced including the updated Area Based Grant allocations. The Government have opted to remove the Preventing Violent Extremism allocation from Area Based Grant and provide it as a specific grant. This allocation was due to increase from £125k to £150k, and was part of the increase in funding through Area Based Grant of £404k reported to December Cabinet. Hence the figure of £404k in the budget will need to be reduced by £25k to £379k, which is reflected in Table 5 above.
- 79 The total amount of Area Based Grant in 2009/10 is £11.3 million. Expenditure against the existing programme allocations that reflect former specific grants transferred into the Area Based Grant in 2008/09 have been fully reviewed as part of the budget process, although scope to reallocate funding is limited given that the funding mainly delivers specific responsibilities placed on the Council by central Government. However, funding has been released where possible, such as the £190k saving on procurement of the Connexions service contained in Appendix 5.

## **Balances and Reserves**

- 80 The Council reached the target set by the Administration to have unallocated balances and reserves reach £12 million by the end of 2010/11 three years early, as reported to Cabinet in April 2008 in Month 11 budget monitoring report for 2007/08. Projected balances as at 31 March 2009 have been maintained above this level throughout the current year.
- 81 Budget monitoring reports to Cabinet have also highlighted a further significant improvement in the level of the Council's unallocated balances as a result of the retrospective agreement to 2007/08 reached with Government over funding for services to unaccompanied asylum seeking children worth almost £4 million. Full Council on 6 November 2008 approved the transfer of £3 million from balances to priority growth in the current year.
- 82 After taking into account the transfer of balances in the current financial year, projected unallocated balances and reserves are forecast in the Month 9 monitoring report to be £12.3 million as at 31 March 2009. In addition, it is expected that there will be no further allocations from the £3 million transferred to priority growth in the current year, leaving £2.25 million available to carry forward, which coupled with expected underspends on the First Time Buyer's Initiative (£0.3 million) and Team Bonus and other unallocated growth (£0.2 million), which are assumed to be spent in the Month 9 monitoring report, means that the effective balances available for budget setting purposes are £15 million.
- 83 The budget strategy now proposed is to maintain balances so that they remain above the £12 million target, which is also within the recommended range advised by the Corporate Director of Finance and Resources. The contribution from balances of £2.75 million

contained within the budget proposals for 2009/10 therefore ensure that this target will be maintained throughout the forthcoming year.

### **Medium Term Impact of Proposals**

- 84 The impact of setting a zero Council Tax increase for the next two years is that further savings will be required to balance the budget in future years. These savings will need to be beyond the impact of the full year value of current savings proposals of £10.5 million set out at paragraph 56 of the report.
- 85 The latest assessment of the likely budget gap in 2010/11 after taking account of the full year effect of proposals identified to balance the 2009/10 budget is an estimated £9.5 million. A large part of this gap is driven by the phasing of the current capital programme that leads to an increase in capital financing costs of £2.3 million over projected 2009/10 levels.
- 86 The Medium Term Financial Forecast is due to be reviewed during Quarter 4 of the current financial year following the completion of the programme of Service Reviews that have driven the identification of the savings required to produce balanced budgets over the last two years. This review will seek to identify a new strategy and approach to the delivery of savings for future years. As a consequence no assumptions have been made at this stage about where and how future savings will be identified. In addition, the current uncertain national economic outlook has made medium term forecasting at this stage especially difficult, especially given the dramatic pace of change in the economy over the last few months, and it is expected that a clearer position will be reached by the time of this review.

### **SCHOOLS BUDGETS**

- 87 The Schools Budget consists of all budgets which are devolved to maintained schools plus 'centrally retained' items such as early years expenditure, education of children out of school, and Special Educational Needs (SEN). It is financed entirely by the Dedicated Schools Grant (DSG) unless the Council chooses to supplement this from the General Fund.
- 88 The 2009/10 financial year is the second year of a three-year funding period. For the most part the method of distribution of funding to schools for 2009/10 was fixed by the decisions that were taken by Cabinet after extensive consultation in March 2006. The 2008-11 Schools Funding Consultation Paper sought confirmation from schools that the same methodology should apply for 2008-2011, which was agreed, as were variations to the previously agreed arrangements in relation to the distribution of funding in relation to deprivation.
- 89 The detailed consultation paper on the Schools Budget for 2009/10 was published on 12 December 2008. Stakeholders have been consulted on the issues in the paper and Schools Forum has articulated its advice to Cabinet on the issues for consideration, which are contained in separate report on this Cabinet agenda. The Schools Forum also has powers to agree two areas of centrally retained expenditure (CRE), increases in the total of the CRE over the original estimate for 2009/10, and any breach of the Central Expenditure Limit (CEL). Cabinet will make the final decisions on the arrangements for schools funding for 2009/10 from the recommendations of this report.

## **CAPITAL PROGRAMME**

### **Background**

- 90 The Council has in place a Capital Strategy for 2006-2009 and the programme proposed for 2009/10 is largely designed to complete existing schemes outlined in this three-year strategy.
- 91 The programme has evolved over this period with projects adapted or supplemented within the programme to reflect council priorities at the time. Hence the guiding emphasis for developing the 2009/10 programme is to complete, or progress further, these schemes.
- 92 Much consideration has been given to the revenue financing implications arising from the Capital Programme and as a result, significant short-term savings have been achieved by re-phasing or re-aligning programmes to time with receipts for capital asset disposals.
- 93 However, due to the sudden changes in economic conditions, having impacted severely on interest rates, available capital receipts and other income generating schemes, the council has delayed fully developing a new Capital Strategy for 2010-2015. Hence this report presents the concluding year's budget for the 2006-09 strategy and not a three-year rolling programme as usual.
- 94 Both revenue financing costs and potential asset disposals have been subject to review as part of the 2008/09 Hillingdon Improvement Programme. A number of new sites have been identified as available for disposal; both these and previously identified sites will be used to support future capital programmes as and when suitable market conditions prevail.
- 95 The full capital programme is shown in Appendix 10 on a scheme-by-scheme basis indicating funding sources.
- 96 Appendix 11 sets out the Authority's Minimum Revenue Provision (MRP) policy. This reflects the change in MRP rules announced under the Capital Financing and Accounting Regulations 2008, and impacts on future revenue costs of capital.

### **Capital Programme 2008/09 – 2009/10**

- 97 As soon as the revenue implications of the collapse in both interest rate and obtainable capital receipts became apparent, a moratorium was declared for the 2008/09 capital budgets. Individual schemes were then reviewed and released from this moratorium when it was expedient to do so.
- 98 This resulted in re-phasing certain schemes and allowed the budget for 2008/09 to be reduced from £96.6 million to £78 million, (£14 million of this being re-phased to 2009/10), thus helping to reduce the revenue financing costs for 2009/10 by £1.2 million.
- 99 A capital budget for 2008/09 of £83.2 million was agreed by Council in February 2008. Following additional grants and re-phasing from the previous year, this increased to £96.6 million (General Fund £84.7 million and HRA £11.9 million), of which £44.2 million is to be met from Council resources. This was then reduced to £78 million as described in the above paragraph (General Fund £66.8 million and HRA £11.2 million).

Table 10: Capital Budgets 2008/09 – 2009/10

Year	Original Budget (£000's)	Reviewed Budget (£000's)
2008/09	96,600	78,000
2009/10	88,200	

- 100 The proposed budget for 2009/10 is £88.2 million (General Fund £76.5 million and HRA £11.7 million) of which £44.1 million is Council resourced.
- 101 The planned expenditure profile and council resource requirement is shown in Table 11:

Table 11: Capital Funding

Year	External Funding (£000's)	Council Resources (£000's)	Total (£000's)
2008/09	44,600	33,400	78,000
2009/10	44,100	44,100	88,200
<b>Total</b>	<b>88,700</b>	<b>77,500</b>	<b>166,200</b>

- 102 The budgets for 2010/11 onwards will be revised and further developed as part of a new Capital Strategy during the course of 2009/10. The delay in setting provisional budgets for the following two years is considered a prudent step under such unusual and rapidly changing economic conditions.
- 103 In developing the 2009/10 programme a number of annual 'programmes of works' type schemes such as ICT Desktop Refresh have been moved from capital to revenue in order to alleviate the longer term on-going revenue financing costs incurred by borrowing capital for assets of relatively short life.
- 104 Of the £88.2 million proposed for 2009/10, new capital expenditure accounts for £74.1 million with re-phasing from 2008/09 projected to be £14.1 million. Of this new capital £29.9 million is Council resourced finance, sourced through a mixture of capital receipts, supported borrowing and unsupported borrowing.
- 105 The breakdown of these sources are shown in Table 12 below:

Table 12: Source of New Funding

	Total (£000's)
Capital receipts	8,800
Supported Borrowing	7,300
Unsupported Borrowings	13,800
<b>Total</b>	<b>29,900</b>

- 106 A number of surplus assets have been identified for disposal and although market conditions are currently unfavourable, these sites have been valued conservatively at £8.8

million in December 2008. Clearly this figure is subject to risks surrounding the property market.

- 107 Supported borrowing receives some support through the Revenue Support Grant; although the amount of support can be adversely affected by the 'floor' mechanisms put in place by central Government to support authorities whose settlement falls below the 'floor'.
- 108 Hence new unsupported borrowing required to implement the 2009/10 programme has been contained to £13.8 million. However this includes £1.5 million of 'invest to save' schemes for which financing costs are met directly from the resultant revenue.
- 109 Financing the 2008/09 programme will use remaining receipts of £16 million that were temporarily put aside to reduce the Capital Financing Requirement in previous years (and thus reduced MRP costs). Hence it is expected that the authority will commence 2009/10 with £17 million of unsupported borrowing (having had no such borrowing balance for the last two years) rising to £31 million in 2010/11.

### New Capital Schemes

Table 13 below highlights some of the new initiatives proposed for 2009/10. The full programme can be found at Appendix 10.

Table 13: New Schemes

Scheme	New Capital Expenditure 2009/10
	(£000's)
Gymnastic centre	2,813
Libraries	1,500
Civic centre enhancements	986
HIP Projects	600
ICT Asset Management Strategy	500
Town Centre Initiative	325
Minet Cycle Club	250
Leaders Initiatives	200
Hillingdon First Card	182
Assisted Funding Programme	150
Queensmead Fitness Centre Refurb	80
Voltage Optimisation equipment	40
Photovoltaic Cells - civic centre roof	34
Farm Barns	15
<b>Cabinet Member Initiatives - Highways</b>	
- Road Safety	250
- Traffic Congestion Mitigation	200
- Street Lighting	300
<b>Cabinet Member Initiatives - Parks &amp; Street Scene</b>	
- Green Spaces Strategy	250
- Street Scene	250
- CCTV	250

MEMBERS, PUBLIC AND PRESS

HRA - Estates Improvements	1,125
<b>Total</b>	<b>10,300</b>

- 110 The new Gymnastics Centre is to form part of the Botwell Green leisure development and will afford a specially equipped modern gymnasium for Hillingdon and surrounding areas. The cost of this will be met from previous disposals of leisure facilities. In addition money is to be allocated for the Queensmead Fitness Centre refurbishment and Minet Cycle Park to enhance sporting facilities across the borough.
- 111 Funding of £1.5 million has been allocated to continue the roll out of the library refurbishment programme. The next four libraries to be refurbished are Kingshill, Ickenham, Oaklands Gate and Yiewsley. The overall programme is progressing well with a combination of both schemes incorporated into wider building projects (Ruislip Manor, Manor Farm, Botwell, Hayes End and South Ruislip) and individual refurbishment schemes. Resident feedback has been extremely positive and this has been further substantiated through step change in both visitors numbers and books issued from the newly developed libraries. A further two refurbished libraries, Harefield and West Drayton, recently opened to the public.
- 112 A number of Environmental Initiatives are proposed that will further enhance schemes within Street Scene, Green Spaces, CCTV, Traffic Congestion and Road Safety programmes.
- 113 An additional £600k has been allocated towards the development of three Youth Centres.

### Revenue Impact of Capital Programme

- 114 Revenue financing costs for 2009/10 are set to increase by £1.7 million, this has been reduced from an original provision of £2.9 million following the application of new MRP capital regulations, re-phasing of many schemes and the potential for a debt restructure in 2009/10.
- 115 If the proposed budget for 2009/10 is fully spent the revenue financing costs are projected to increase by £4 million in 2010/11 compared to the 2008/09 budget.
- 116 This steep increase is caused by a combination of new expenditure in 2009/10 and the completion of a number of large construction projects for which revenue provision in the form of MRP will be required once these assets become operational.
- 117 However, officers will endeavour to reduce this figure throughout 2009/10 by further reviewing capital financing budgets including possible debt re-structure, investment income opportunities and revenue provision for the repayment of debt.

### Summary of Capital Programme

- 118 A summary of the Council's proposed capital programme by groups is set out in Table 14 below:

Table 14: Summary of Proposed Capital Programme

	<b>Reviewed</b>		<b>Council</b>
--	-----------------	--	----------------

MEMBERS, PUBLIC AND PRESS

<b>Service</b>	<b>Budget 2008/09 (£000s)</b>	<b>Budget 2009/10 (£000s)</b>	<b>Resourced Budget 2009/10 (£000s)</b>
Education & Children's Services	22,912	33,497	10,304
Housing Revenue Account	11,241	11,745	0
Planning & Community Services	21,874	19,783	17,097
Environment & Consumer Protection	10,097	10,043	5,791
Adult Social Care Health & Housing	5,180	3,715	1,599
Finance & Resources	3,462	2,591	2,461
Deputy Chief Executive's	1,650	2,125	2,125
Contingency & Risk	1,661	4,696	4,696
<b>Programme Total</b>	<b>78,077</b>	<b>88,195</b>	<b>44,073</b>

## **PRUDENTIAL INDICATORS**

119 The Prudential Code was introduced from April 2004 under the local Government Act 2003. In carrying out unsupported borrowing, local authorities must follow CIPFA's Prudential Code. The key objectives of the Code are to ensure:

- Capital investment plans are affordable, prudent and sustainable;
- Treasury Management decisions are taken in accordance with good professional practice;
- Prudential Indicators must be set and monitored in order to demonstrate that these objectives are being met.

120 The Local Government Act 2003 requires the Council to produce prudential indicators to support and record local decisions made under the Prudential Code. Updated indicators reflecting the capital investment proposals in this report are included at Appendix 12 together with the Annual Investment and Treasury Strategy at Appendix 13 for consideration and approval for recommendation to Council.

## **OVERALL BUDGET FOR COUNCIL TAX SETTING 2009/10**

### **Corporate Director of Finance & Resources Comments Regarding Responsibilities under the Local Government Act 2003**

121 Under Section 25 of the Local Government Act 2003 the Corporate Director of Finance and Resources, as the Council's nominated section 151 officer, has a responsibility to comment on:

- The robustness of the estimates for the coming year
- The adequacy of the Council's reserves

122 The Corporate Director of Finance and Resources is able to give positive assurances on the robustness of the estimates in general for the coming year. This view is based on:

- The use of an established, rigorous process for developing the budget through the Medium Term Financial Forecast (MTFF) process, including close alignment with the service planning process that has been strengthened through the programme of Service Reviews established through HIP

---

MEMBERS, PUBLIC AND PRESS



- The inclusion within the base budget of a £7.3 million Development and Risk Contingency to cover known risks and unexpected items within the year
- Provision for the likely main pay award within the budget
- Prudent assumptions made about general inflation
- Additional budgetary provision for areas where prices are expected to rise by more than inflation
- Service managers having made reasonable assumptions about demand pressures and taken a prudent view of volatile areas
- Risk based financial monitoring being undertaken during the year and reported to Cabinet on a monthly basis, including the agreement of recovery plans between the relevant Corporate Director and the Corporate Director of Finance and Resources for all areas where the value exceeds £0.25 million
- Procedures in place through HIP to capture and monitor procurement and other improvement savings
- Prudent assumptions made about interest rates
- The recommended increases in fees and charges in line with the assumptions in the revenue budget
- The use of the Council's project management approach to monitor delivery of the material savings in the revenue budget that involve management actions in their implementation

123 The Corporate Director of Finance and Resources also has a duty to comment on the adequacy of the Council's reserves when the budget is being set. At the time of budget setting for 2008/09, the Corporate Director of Finance and Resources set a recommended range of balances of between £9 million and £13 million, based on an analysis of the risks facing the Council. The recommended range has been updated following a review of the risks facing the Council, and this is set out in the next section.

### **Statement on Balances and Reserves**

124 The Corporate Director of Finance and Resources has undertaken a review of the risks currently facing the Council, and has used this to update the recommended range of balances that the Council should hold. This forms the basis of the guidance provided above in relation to his responsibilities under the Local Government Act 2003.

125 In order to assess the adequacy of general reserves the Corporate Director of Finance and Resources has taken into account the strategic, operational and financial risks facing the Council. The Council should retain adequate reserves to cover unexpected expenditure and avoid costly short-term borrowing. Equally the Council wishes to utilise the maximum resources available to achieve its objectives therefore it plans to maintain reserves at the lowest prudent level.

126 To determine the recommended level of reserves the Council has assessed risk against the criteria as specified in Local Authority Accounting Panel (LAAP) Bulletin 55 (February 2003). This assessment includes the following:

- The robustness of the financial planning process
- How the Council manages demand led service pressures
- The treatment of planned efficiency savings
- Major capital projects and partnership arrangements
- The strength of the financial monitoring and reporting arrangements

---

MEMBERS, PUBLIC AND PRESS

- Cashflow management and the need for short term borrowing
- The availability of other funds to deal with major contingencies and the adequacy of provisions

127 The assessment, although based on the Council's procedures and structures, does have an element of subjectivity and to allow for this the optimum level of reserves incorporates a range. The recommended range for reserves for 2009/10 is £10 million to £17 million. Ideally the Council should avoid having balances below the minimum level of £10 million, or above the maximum level of £17 million. The Council's medium term to maintain balances at £12 million is therefore appropriately within this range.

128 The range of issues that impact on the need to hold balances and reserves has changed significantly since last year's budget setting process, driving up the assessment of the minimum level of balances. Positive changes include the reduction in the overall level of savings required to balance the budget, greater certainty over the impact of the financial position of Hillingdon PCT, and the continued Council's track record in managing budget pressures. These have been more than offset by the high level of volatility in interest rates, inflation and other changes in the wider economy in the context of a fixed grant settlement for the next two years, including exposure to deposits held in Icelandic banks, and an increase the risks associated with increased outsourcing and major partnerships such as with leisure service providers and Building Schools for the 21st Century.

129 The projected level of balances vary depending on the budget proposals that are put forward by Cabinet, and the current projected position in terms of the year end level of unallocated balances is set out at paragraph 82 above.

### **The Council Tax Requirement for 2009/10**

130 The budget proposals included in this report represent Cabinet's budget strategy for 2009/10 and beyond. The revenue budget proposals have been developed to deliver a zero increase in Council Tax for the next two years.

131 The Council Tax level is subject to Members' final choices in the budget setting process, and any capping criteria announced by Government. The Government have not yet announced any capping criteria for 2009/10, although the statement by the Minister for Local Government wrote to all Council Leaders on 9 December 2008 stating that "the Government expects the average council tax increase in England to be substantially below 5% in 2009/10 and we will not hesitate to use our capping powers as necessary to protect council tax payers from excessive increases".

132 The zero Council Tax increase for Hillingdon residents delivered by both the Council and the Greater London Authority precept (see below) is considered to comply with any reasonable definition of "substantially below 5%".

### **Greater London Authority Precept**

133 The Mayor of London's budget proposals for 2009/10 were approved by the London Assembly on 11 February 2009, following the publication of the Mayor's final draft consolidated budget on 20 January 2009. The proposals result in a zero increase in the element of Council Tax that relates to the GLA precept. This is analysed across the relevant functional bodies as follows:

Table 15: Increase in Proposed GLA Precept by Functional Body

<b>Functional Body</b>	<b>Band 'D' Council Tax 2008/09 (£)</b>	<b>Band 'D' Council Tax 2009/10 (£)</b>	<b>Percentage Change (%)</b>
Metropolitan Police Authority	225.64	223.27	-1.1%
London Fire and Emergency Planning Authority	50.15	53.15	6.0%
Greater London Authority	29.96	29.36	-2.0%
Transport for London	4.07	4.04	-0.7%
London Development Agency	0.00	0.00	0.0%
<b>Total</b>	<b>309.82</b>	<b>309.82</b>	<b>0.0%</b>

- 134 The largest element of the GLA Group's budget relates to the Metropolitan Police Authority. The overall increase in the Metropolitan Police's budget requirement is 1.75%, as compared to increased general Government grant of 2.5%, thereby allowing the reduction in the Police element of the Council Tax. The effect on Council Tax of the increase in the London Fire and Emergency Planning Authority's (LFEPA) draft budget primarily reflects that the LFEPA is on the grant distribution floor for fire authorities in 2009/10, receiving just a 0.5% increase in Revenue Support Grant. The actual increase in the Authority's budget requirement from £405.1 million to £416.2 million is 4.0%, as compared to the 6.0% increase in its share of the proposed GLA precept.
- 135 The GLA budget includes the budget and Council Tax implications of the Olympics Delivery Authority. The contribution from Council Tax payers towards the Olympics remains at £20 per Band 'D' property in 2009/10, unchanged from 2008/09. The GLA budget includes additional funding for parks and open spaces for the Help a London Park initiative. There is a slight reduction in the Council Tax contribution to Transport for London's budget. The London Development Agency budget has no direct impact on Council Tax levels.
- 136 Cabinet delegated authority to the Corporate Director of Finance and Resources to respond to the Mayor's budget consultation at its meeting on 18 December 2008. A copy of Hillingdon's response produced by the Corporate Director of Finance and Resources in consultation with the Leader of the Council is attached at Appendix 14.

## **Financial Implications**

This is a financial report and the financial implications are referred to throughout.

## **EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES**

### **What will be the effect of the recommendation?**

The budget proposals in this report result in no change in the Council Tax for 2009/10 as set out in paragraph 130 above. The budget proposals contain the funding strategy for delivering the Council's objectives as set out in the Council Plan 'Fast Forward to 2010'. The effects are therefore extremely wide ranging, and are expanded upon in the Council Plan that sets out the performance targets and outcomes that will be delivered through the resources approved in the revenue budgets and capital programme.

---

MEMBERS, PUBLIC AND PRESS

The revenue budget and capital programme include growth in some new service areas as set out at paragraphs 49 to 53 of the report. These proposals will respectively result in improved outcomes for residents and service users. Overall the package of proposals is designed to secure the most effective combination of service outcomes across the whole of the Council's business, by improving the value for money offered by services and by maximising procurement, efficiency and service effectiveness gains and making the most of funding available to the Council.

### **Impact on Partnerships**

The budget proposals in this report extend and develop key partnerships in delivering outcomes for Hillingdon's residents and diverse communities.

Hillingdon Primary Care Trust (PCT) is the key local agency with which the Council works in partnership across a range of service areas. The General Fund revenue budget includes funding for a jointly appointed Director of Public Health with the PCT, in order to drive forward the public health agenda within Hillingdon.

The Council has reached agreement with the PCT over the level of financial contributions applicable following on from the expiry of the former learning disability pooled budget which is reflected in the budget proposals. In addition income from use of part of the Civic Centre by PCT staff enabling improved partnership working through co-location of staff is reflected in the budget.

The budget proposals reflect the impact of Reward Grant funding for the 2007 Local Area Agreement (LAA). The budget proposals reflect the shares of LAA Reward Grant agreed with partners at the outset of the agreement, also reflect a creative re-negotiation of the shares by, for example funding additional Fire Prevention work by the London Fire Brigade (LFB) in return for the LFB's share of reward grant being retained by the Community Safety Partnership. In addition, growth funding has been targeted to improve partnership working with the Police in order to improve LAA outcomes.

The Council has also taken a proactive approach to tackling the impact of the downturn in the economy on local residents in partnership with the voluntary sector, and has created a fund worth £75k in each of the next two years in order to support this work.

The Council has consulted with Schools Forum on the allocation of the Dedicated Schools Grant, and will work with all schools to use this resource to drive up educational attainment and opportunities for young people across the borough.

The budget retains revenue funding to support the sport and cultural partnership (CSPAN) and lever in external funding from the Sport England. In addition the Council will be procuring a key leisure operating partner to deliver a substantial part of the Council's portfolio of leisure facilities.

### **Consultation Carried Out or Required**

Each of the Policy Overview Committees have received reports setting out the draft revenue budget proposals forwarded for consultation by Cabinet on 18 December 2008 relevant to their remit at the January 2009 round of meetings.

As there have been considerable changes to budget proposals in response to the uncertainty surrounding the impact of changes in the wider economy, additional meetings of each of the Policy Overview Committees have been arranged in February to enable more detailed scrutiny of the Cabinet's proposals and are as follows:

Table 16: Policy Overview Committee Budget Meetings

<b>Policy Overview Committee</b>	<b>Date of Meeting</b>	<b>Service Group(s)</b>
Education and Children's Services	16 February 2009	Education and Children's Services
Residents' and Environment Services	17 February 2009	Environment and Consumer Protection Planning and Community Services
Social Services Health and Housing	17 February 2009	Adult Social Care Health and Housing
Corporate Services and Partnerships	18 February 2009	Deputy Chief Executive's Office Finance & Resources Plus overview of whole Council budget

Each of the three service Policy Overview Committees will refer their comments onto the Corporate Services and Partnerships Policy Overview Committee on 18 February 2009 which will then present aggregated comments to Cabinet to be tabled at this meeting.

The Council also has a statutory responsibility to consult on its budget proposals with business ratepayers in the borough. Twenty-five of the largest businesses in the borough were provided with Cabinet's draft budget proposals after the meeting on 18 December 2008 and invited to attend the Policy Overview Committee meetings. No specific responses were received from the business community arising from this consultation. The draft budget reported to December Cabinet is also available to view on the Council's website.

Schools Forum has also been consulted on those budget proposals that have a potential impact on schools budgets. The consultation process with Schools Forum that concluded on 28 January 2009 is summarised at paragraphs 87 to 89 above.

## **CORPORATE IMPLICATIONS**

### **Corporate Finance**

This is a corporate finance report and the corporate financial implications are noted throughout.

### **Legal**

The Budget and Policy Framework Procedure Rules as set out in the Council's Constitution require the Cabinet to make proposals on the Council's budget in accordance with the timetable which it has published.

The Cabinet is free to amend the proposals in this report as it wishes, however it must have regard to the need for the budget to be soundly based, balanced and adequate to fund the expected level of service provision in the financial year 2009/10 and to provide for unexpected events through the identification of adequate contingences and the creation of sufficient balances.

The Cabinet's proposals will be put to the full Council at its meeting on the 26 February 2009 which is the annual budget-setting meeting.

In respect of income the Council provides a number of services in respect of which it can impose charges and fees to users. In certain instances those fees or charges may be set by Government whilst in other cases the Council has a discretion as to the level of charges it sets. It should be noted that in respect of certain matters the Council can only impose a fee or charge which reflects the actual cost to the Council of providing such services. This has to be considered when setting the overall budget.

The Corporate Director of Finance and Resources' duties under the Local Government Act 2003, insofar as they relate to budget setting are set out in the body of the report. Of importance to members is the duty for him to comment on the robustness of estimates for the forthcoming year. Members will note that in paragraph 122 of the report, the Corporate Director of Finance and Resources has given a number of positive assurances in relation to this issue.

The second duty for Members to note is the duty imposed on the Corporate Director of Finance and Resources to comment on the adequacy of the Council's reserves. Members will note that a Statement of Reserves and Balances is contained within the body of the report which discharges this duty.

As the Council's Section 151 Officer, it is the Corporate Director of Finance and Resources' professional duty to propose to Members a budget which is soundly based, balanced and adequate to fund the expected level of service provision in the forthcoming financial year. This duty is reinforced in the Council's Constitution, which requires the Corporate Director of Finance and Resources to ensure the lawfulness and financial prudence of decision making.

The 'Wednesbury reasonable' principle also requires a local authority, when making decisions, to take into account all relevant considerations and to disregard all irrelevant considerations. Clearly, in the context of budget-setting, having regard to the Corporate Director of Finance and Resources professional advice is a relevant consideration for Members to take into account. However, Members are not bound to follow his advice but they should have good reasons for departing from it should they choose to do so. Furthermore, Members must at all times have regard to the overriding principle that they should set a legal budget and one which is as prudent as the circumstances permit.

Finally, Members must have regard to section 106 Local Government Finance Act 1992, which provides that a Member who has not paid an amount due in respect of Council Tax for at least two months after it becomes payable, may not vote on matters concerning the level of Council Tax or the administration of it. Therefore, any Members who are more than two months in arrears with their Council Tax payments must make a declaration to this effect at the beginning of the meeting.

### **Corporate Property**

Not applicable.

### **Relevant Service Groups**

The budget proposals included in this report result from a substantial corporate process involving all service Groups. In particular, individual Corporate Directors and CMT collectively

have developed the proposals in this report. The implications for all services of the individual budget proposals are set out in detail in the attached appendices.

## **BACKGROUND PAPERS**

- Report to Cabinet 18 December 2008 – Medium Term Financial Forecast 2009/10 – 2012/13
- Report to Council 28 February 2008 – The Council's Revenue Budgets and Capital Programme 2008/09
- Local Government Finance Settlement 2009/10 and 2010/11 located at [www.local.communities.gov.uk/finance/0910/grant](http://www.local.communities.gov.uk/finance/0910/grant)

## Revenue Budget - Corporate Summary

APPENDIX 1

<b>Corporate Summary</b>	2008/09	2009/10	2010/11	2011/12	2012/13
	£(000s)	£(000s)	£(000s)	£(000s)	£(000s)
<b><u>Resources</u></b>					
Increase in Council Tax Base (Band D properties)	109	403	250	250	250
Increase in Council Tax (%)	3.00%	0.00%	0.00%	2.50%	2.50%
Collection Fund Deficit	900	955	100	100	100
Council Tax Base (Band D properties)	96,132	96,535	96,785	97,035	97,285
Council Tax Band D (£)	£1,112.93	£1,112.93	£1,112.93	£1,140.75	£1,169.27
Council Tax Revenues	106,088	106,482	107,610	110,590	113,650
Government Formula Grant	81,259	82,763	84,411	86,520	88,680
<b>Total Resources</b>	<b>187,347</b>	<b>189,245</b>	<b>192,021</b>	<b>197,110</b>	<b>202,330</b>
<b><u>Budget Requirement</u></b>					
Roll Forward Budget	178,090	187,347	187,347	187,347	187,347
Inflation (non-schools)	4,050	3,050	7,500	14,500	21,500
Corporate Items	5,445	84	7,579	13,869	18,769
Service Pressures	9,216	3,580	6,745	6,489	6,489
Priority Growth Items	1,907	2,634	2,911	3,911	4,911
Savings	-11,361	-7,450	-20,061	-29,006	-36,686
<b>Net Budget Requirement</b>	<b>187,347</b>	<b>189,245</b>	<b>192,021</b>	<b>197,110</b>	<b>202,330</b>
<b>Budget Gap / (Surplus)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Corporate Items

APPENDIX 2

Description	Net Variation from 2008/09 Budget			
	2009/10	2010/11	2011/12	2012/13
	£(000s)	£(000s)	£(000s)	£(000s)
<b><u>Corporate Items</u></b>				
<u>Increases</u>				
Capital Programme financing costs	1,700	4,000	5,000	6,000
Employers' Pension Contributions	1,355	1,950	2,450	2,950
Increase in Contingency	521	3,241	6,191	9,591
London Pensions Fund Authority Levy	181	276	336	336
LAA Reward Grant Share to Community Safety Partnership	0	745	0	0
LAA Reward Grant Share to Primary Care Trust	0	665	0	0
LAA Reward Grant Share to Groundwork Trust	0	125	0	0
LAA Reward Grant Share to Probation Service	0	60	0	0
National Insurance Contributions Increase	0	0	500	500
<b>Sub-total</b>	<b>3,757</b>	<b>11,062</b>	<b>14,477</b>	<b>19,377</b>
<u>Decreases</u>				
Contribution from Balances	-2,750	0	0	0
LABGI / Housing & Planning Delivery Grant	-500	-500	0	0
Area Based Grant	-379	-164	-164	-164
Additional Rental Income to Support Capital Programme financing costs	-44	-44	-44	-44
LAA Reward Grant	0	-2,775	-400	-400
<b>Sub-total</b>	<b>-3,673</b>	<b>-3,483</b>	<b>-608</b>	<b>-608</b>
<b>Net Corporate Items</b>	<b>84</b>	<b>7,579</b>	<b>13,869</b>	<b>18,769</b>

## Service Pressures

APPENDIX 3

Ref. No.	Description	Group	Net Variation from 2008/09 Budget			
			2009/10	2010/11	2011/12	2012/13
			£(000s)	£(000s)	£(000s)	£(000s)
	<b><u>Service Pressures</u></b>					
<b>A</b>	<b><u>Demographic and Volume Changes</u></b>					
LD07	<p><b>Home Support Packages - Learning Disability</b>                      With an ageing carer population the number of people staying at home and being supported by ageing parents is increasing, with a significant increase in the number of carers aged over 65, as set out in previous MTF reports.</p>	ASCH&H	75	150	150	150
OP110	<p><b>Private and Voluntary increased client dependency</b>                      The pressure recognises that as Older People are placed at greater need so the cost of their placement is higher than the person they are replacing. This is not an inflation issue as such but a dependency cost pressure, as set out in previous MTF reports.</p>	ASCH&H	45	290	290	290
	<p><b>Trade Waste</b>                      As part of the Council's strategy to divert waste from landfill, trade waste fees are increased annually to reflect increasing Landfill Tax with the aim of reducing demand, and with a consequent impact on income.</p>	E&CP	0	150	150	150
	Sub-total		120	590	590	590
<b>B</b>	<b><u>Full Year Effects of Items Agreed During 2008/09</u></b>					
	<p><b>Customer Relationship Management System Support</b>                      Previously funded through the capital programme, funding is required for the on-going support, development and maintenance of the CRM with Sector UK Ltd, the supplier awarded a 3 year contract by Cabinet in September 2008. This also covers funding for the software suppliers of the CRM system to provide consultation on their version 6 product to enable us to develop integrations using web services, and for the support and maintenance of booking engine software.</p>	F&R	203	170	139	139

## Service Pressures

APPENDIX 3

Ref. No.	Description	Group	Net Variation from 2008/09 Budget			
			2009/10	2010/11	2011/12	2012/13
C	<p><b>Adult Education fee levels</b> Funding reflecting the decision by Cabinet in May 2008 to continue funding for 20 courses that are no longer Learning and Skills Council (LSC) priorities for funding and have not received any funding from the LSC from 2008/09 onwards. This funding has been provided from contingency in the current financial year.</p>	P&CS	£(000s) 140	£(000s) 140	£(000s) 140	£(000s) 140
	<p><b>LSC real terms reduction in Adult Education funding</b> Funding reflecting Cabinet decision in May 2008 to continue with the policy agreed in 2006 not to pass on the increase in learner contributions from course fees as expected by the Learning and Skills Council (LSC), to learners, which is set to continue in the 2009/10 academic year.</p>	P&CS	100	130	130	130
	Sub-total		443	440	409	409
	<p><b><u>Unavoidable Price Increases</u></b></p>					
	<p><b>Street Lighting Electricity</b> The effect of increases in contracted electricity prices.</p>	E&CP	190	200	200	200
	<p><b>Electricity Price Increases</b> The effect of increases in contracted electricity prices across Council premises.</p>	All	180	300	300	300
	<p><b>Business Rates on Council Premises</b> The national business rate multiplier is linked to September RPI which stood at 5%, and will therefore increase from 45.8p to 48.1p in the pound. This will result in a pressure of around £50k on the rates bill for Council premises as compared to a standard 2.5% increase.</p>	All	50	50	50	50
	<p><b>SEN transport provider costs current year shortfall</b> The full year impact of inflation in the current year on contract costs.</p>	E&CS	50	50	50	50
	<p><b>Gas Price Increases</b> The effect of increases in contracted gas prices across Council premises effective from contract renewal in November 2008 - mitigated by an improved approach to energy buying.</p>	All	35	35	35	35

## Service Pressures

APPENDIX 3

Ref. No.	Description	Group	Net Variation from 2008/09 Budget			
			2009/10	2010/11	2011/12	2012/13
	<p><b>Impact of Supplementary Business Rate on Council Premises</b> The impact of a 2p in the pound Supplementary Business Rate on the rates bills of Council premises effective from April 2010.</p>	All	£(000s) 0	£(000s) 100	£(000s) 100	£(000s) 100
	Sub-total		505	735	735	735
<b>D</b>	<b><u>Budget Pressures Identified in 2008/09 Monitoring</u></b>					
	<p><b>Former Learning Disability PCT Pooled Budget Monitoring Pressure</b> A settlement has been reached with Hillingdon PCT over the contribution to costs previously met from the former learning disability pooled budget. This has been funded from contingency in the current year, and the funding requested here represents a reduction over the current year contingency provision.</p>	ASCH&H	960	960	960	960
	<p><b>Mental Health PCT Transfer Monitoring Pressure</b> There has been a sharp increase in people staying in long term residential care giving rise to a pressure in the current year. The initial cause of this pressure relates to a sudden increase in clients who are no longer eligible to receive health funding in March / April 2008. The pressure includes the transfer of £200k funding from out of contingency in the current year.</p>	ASCH&H	200	200	200	200
	<p><b>London Housing Consortium income</b> This relates to the underachievement of income received from the London Housing Consortium, due to a reduction in the volume of work placed through the consortium.</p>	F&R	86	86	86	86
PCS 710	<p><b>Adult Education</b> The retention of two posts in the Adult Education service.</p>	P&CS	77	77	77	77
PCS 720	<p><b>Energy Efficiency Assessments for Home Information Packs</b> The original saving from energy assessments for Home Information Packs has been reviewed and further work undertaken highlighted that this initiative was not feasible and compensatory savings have been sought and achieved within building control and land charges. These are being used to fund the costs of redundancies arising out of the planning restructure.</p>	P&CS	25	25	25	25

## Service Pressures

APPENDIX 3

Ref. No.	Description	Group	Net Variation from 2008/09 Budget			
			2009/10	2010/11	2011/12	2012/13
	<p><b>Hayes One-Stop Shop Leases</b> There is a pressure of £25k in the ICT Contact Centre budget, which relates to the increased cost of the one stop shop building lease rental, following a recent rent review. This will be addressed when the service is aligned to the new Botwell Green leisure development.</p>	F&R	£(000s) 25	£(000s) 0	£(000s) 0	£(000s) 0
	Sub-total		1,373	1,348	1,348	1,348
<b>E</b>	<p><b><u>Reductions in Specific Grants and Contributions</u></b></p> <p><b>Homelessness Budget - Reduction in DWP Funding</b> This relates to the planned replacement of savings that were only possible whilst the rent for PSL properties were set high in line with the Housing Benefit threshold for temporary PSL accommodation. The savings also involved a stretched target for voids and benefit performance whilst property numbers were relatively high that would not be sustainable in the context of the 2010 Government target. The loss of income is relative to the Council enjoying higher levels of income from this source than has been available to other Councils with less developed PSL schemes. This reduction therefore means that the Council will revert back to income levels closer to the norm and this item reflects the appropriate budget adjustment.</p> <p><b>Planning Delivery Grant shortfall (transfer from contingency)</b> This reflects the transfer from contingency to the Planning base budget of provision for zero Planning Delivery Grant from 2008/09 onwards. This is replaced by a corporate grant income target for the Housing and Planning Delivery Grant.</p>	ASCH&H	550	2,700	2,700	2,700
		P&CS	254	254	254	254
PPR 11	<p><b>Barnhill PFI Costs</b> This relates to the capital financing element that is not supported by PFI grant. None of this may be charged to the DSG. Different funding arrangements have been put in place by the DCSF for BSF and more recent PFI schemes which result in costs being met by the DSG and PFI credits.</p>	E&CS	140	258	258	258

## Service Pressures

APPENDIX 3

Ref. No.	Description	Group	Net Variation from 2008/09 Budget			
			2009/10	2010/11	2011/12	2012/13
	<b>Non-Domestic Rates Credit Balances transfer - falling out</b> Removal of temporary income stream from business rates credit balances that have expired the statutory time limit for reclaims.	F&R	£(000s) 50	£(000s) 50	£(000s) 50	£(000s) 50
	Sub-total		994	3,262	3,262	3,262
<b>F</b>	<b><u>Legislative Changes (Including Transfer of Responsibilities)</u></b>					
	<b>Government Connects</b> New regulations have been introduced which will require all Councils to achieve CoCo compliance for the purposes of continued access to DWP / CIS. It is anticipated that Councils will be required to adopt the pure approach detailed in the Government Connects document. It has therefore been assumed that we would have to separate telephony in order to meet the requirements as set out in the Government document. It is anticipated that this would cost in the region of £120k-£130k capital with ongoing revenue costs of £20k.	F&R	30	30	30	30
	Sub-total		30	30	30	30
<b>H</b>	<b><u>Revenue Consequences of Capital Programme (not included elsewhere)</u></b>					
P210	<b>Cedars &amp; Grainges season ticket income</b> The season ticket rate was raised to £375 per quarter to raise £90k per annum that would then be used to fund the capital cost of undertaking the necessary car park improvement works.	E&CP	90	90	90	90
	<b>Human Resources Management System - upgrade fees</b> The cost of upgrade licence fees for the new people management system.	F&R	25	25	25	25
PCS 420	<b>Highgrove Phase 2 loss of income</b> This relates to the necessary part closure of the Highgrove Pool site during 2010/11 to allow for the Phase 2 works and the ensuing loss of income related to the pool facilities.	P&CS	0	225	0	0
	Sub-total		115	340	115	115
	<b>Total Service Pressures</b>		<b>3,580</b>	<b>6,745</b>	<b>6,489</b>	<b>6,489</b>

## Service Pressures

APPENDIX 3

Ref. No.	Description	Group	Net Variation from 2008/09 Budget			
			2009/10	2010/11	2011/12	2012/13
			£(000s)	£(000s)	£(000s)	£(000s)

**Priority Growth Proposals**

APPENDIX 4

Ref. No.	Description	Group	Net Variation from 2008/09 Budget			
			2009/10	2010/11	2011/12	2012/13
			£(000s)	£(000s)	£(000s)	£(000s)
G	<b><u>Priority Growth Proposals</u></b>					
	<b><u>Future Service Developments Arising From Current Policies</u></b>					
	<b>HIP Initiatives</b> Increased HIP revenue funding to take forward initiatives arising from the HIP workstreams.	Corporate	800	800	800	800
	<b>Police Tasking</b> Creation of a new enlarged Police tasking Team (7FTE growth) to support Council Plan and LAA priorities.	P&CS	238	244	0	0
	<b>Leader's Initiative</b> Increased revenue funding for the Leader's initiative to increase the revenue fund from £50k to £200k in line with the funding approved by Cabinet in the current year.	DCE	150	150	150	150
	<b>Hillingdon Leadership Academy</b> To continue to provide a leadership learning & development programme that enables the London Borough of Hillingdon to translate the organisation vision into service and performance improvements. The objectives of which are to: - Align leadership and development strategies to the needs of the organisation - Develop forward facing managers and leaders - Increase management capacity and capability - Ensure that managers understand organisational drivers, service and business objectives - Develop talent at all levels	DCE	99	99	99	99
	<b>Out of Hours Town Centre Street Cleaning Service</b> Full year effect of the additional street cleansing services approved in the current year.	E&CP	88	88	88	88
<b>Fire Prevention</b> Fire Prevention activity for four years to reduce fires among vulnerable groups such as older people and achieve LAA targets in return for London Fire Brigade share of LAA Reward Grant.	P&CS	62	63	63	63	



**Priority Growth Proposals**

Ref. No.	Description	Group	Net Variation from 2008/09 Budget			
			2009/10	2010/11	2011/12	2012/13
	<b>War Memorial Improvements</b> To carry out renovation, improvements and to enhance the level of grounds maintenance to the borough's war memorials.	E&CP	£(000s) 40	£(000s) 40	£(000s) 40	£(000s) 40
	<b>Ruislip &amp; Northwood Old Folks Association</b> Continuing the increased grant funding released from the Leader's Initiative in the current financial year.	ASCH&H	38	38	38	38
	Sub-total		1,515	1,522	1,278	1,278
<b>H</b>	<b><u>Revenue Consequences of Capital Programme</u></b>					
YS 01	<b>Creation of Additional Young People's Centres</b> The revenue consequences in terms of staffing and other costs of establishing three new youth centres across the borough.	E&CS	159	547	547	547
	<b>Second Mobile Youth Project</b> The full year revenue effect of establishing a second mobile youth bus.	E&CS	69	69	69	69
	Sub-total		228	616	616	616
<b>I</b>	<b><u>Risk Management Issues</u></b>					
	<b>Voluntary Sector Support Package</b> It is considered expedient for the Council to respond to the recession in partnership with the voluntary sector, who have considerable scope to play a role in supporting residents recently affected by the downturn. The growing need from residents is for access to advice around redundancies, mortgage problems and debt advice. The initial scheme will be a two-year pilot.	DCE	75	75	0	0
	Sub-total		75	75	0	0

**Priority Growth Proposals**

Ref. No.	Description	Group	Net Variation from 2008/09 Budget			
			2009/10	2010/11	2011/12	2012/13
			£(000s)	£(000s)	£(000s)	£(000s)
J	<b><u>Service Growth / Enhancement</u></b>					
	<b>Community Safety Fund</b> A new fund under the control of the Cabinet Member for Improvement, Partnership and Community Safety.	P&CS	200	200	200	200
	<b>Hillingdon Youth Citizen Scheme</b> A new scheme to recognise young people in the borough.	E&CS	75	75	75	75
	<b>Council Champion for Heritage and the Built Environment</b>		5	5	5	5
	<b>Council Champion for Carers</b>		5	5	5	5
	<b>Council Champion for Disabled People and Equalities</b>		5	5	5	5
	<b>Borough Advocate Against Domestic Violence</b>		5	5	5	5
	<b>Low Cost Home Ownership</b> The full year effect of the First Time Buyer's Initiative launched in the current year.	ASCH&H	0	150	150	150
	Sub-total		295	445	445	445
	<b><u>Unallocated Priority Growth Funding</u></b> Unallocated funding for further priority initiatives during the year and for future years.		700	432	1,751	2,751
Sub-total		700	432	1,751	2,751	
<b>Total Priority Growth Proposals</b>		<b>2,813</b>	<b>3,090</b>	<b>4,090</b>	<b>5,090</b>	
<b>Funded by:</b> New Priority growth 2009/10 b/f unspent priority growth from 2008/9		<b>2,634</b>				
		<b>179</b>				
		<b>2,813</b>				

## Savings

APPENDIX 5

Ref. No.	Description	Group	Net Variation from 2008/09 Budget			
			2009/10	2010/11	2011/12	2012/13
			£(000s)	£(000s)	£(000s)	£(000s)
	<b><u>Savings</u></b>					
	<b><u>Full Year Effect of 2008/09 Savings</u></b>					
	<b>Full Year Effect of 2008/09 Savings</b> The full year effect of various savings agreed in the 2008/09 budget.	All	-765	-1,330	-1,380	-1,430
	Sub-total		-765	-1,330	-1,380	-1,430
	<b><u>Service Reviews</u></b>					
	<b>Service Review ASCH&amp;H - More efficient &amp; effective decision making</b> Savings on procurement budgets due to more efficient and effective decision making as a result of the implementation of new ways of working.	ASCH&H	-850	-850	-850	-850
	<b>Service Review ASCH&amp;H - New Ways of Working</b> Savings on staffing budgets from the restructuring of Adult Social Care Health & Housing.	ASCH&H	-450	-450	-450	-450
	<b>Family Support Model</b> Develop a family support model that cuts across service boundaries, promoting self service and signposting to additional, relevant services and reducing demand for Tier 3 and 4 services. Main efficiencies will be in the reduction of the children looked after population.	E&CS	-300	-900	-900	-900
	<b>Service Review F&amp;R - Initial Savings for Transforming the Customer Experience</b> Savings realised through transforming the customer experience which will lead to less waste i.e. reduce activities and process that add little or no value to customers.	F&R	-250	-250	-250	-250
ECS9	<b>Connexions Re-commissioning</b> Service cost reduction achieved through the re-commissioning of Connexions advice and guidance reported to Cabinet in July 2008.	E&CS	-190	-236	-223	-223
	<b>Service Review F&amp;R - Review all cash flow activity within the Council</b> Further improvement in managing cash flow across the Council.	F&R	-190	-190	-190	-190
	<b>Service Review P&amp;CS - Restructuring and staffing reductions</b> Restructuring the Planning Service	P&CS	-150	-150	-150	-150

## Savings

## APPENDIX 5

Ref. No.	Description	Group	Net Variation from 2008/09 Budget			
			2009/10	2010/11	2011/12	2012/13
			£(000s)	£(000s)	£(000s)	£(000s)
	Restructure to consolidate 'like' posts in Arts, Culture & Adult Education		-55	-55	-55	-55
	Restructure to save on Finance and Admin		-50	-50	-50	-50
	<b>Service Review P&amp;CS - Additional Income Opportunities</b>	P&CS				
	Local Gym Tender (income over base budget) 2009/10		-150	-150	-150	-150
	Botwell Sports Centre (net income after adding in gym part year)		-50	-50	-50	-50
	Additional Income across all areas (Cafes, Manor Farm, Libraries etc)		-40	-40	-40	-40
	<b>Service Review F&amp;R - ICT Reorganisation</b>	F&R				
	Savings from consolidating all ICT staff under a single reporting structure whilst servicing the needs of Group Business areas.		-150	-150	-150	-150
	<b>Service Review F&amp;R -Facilities Management</b>	F&R				
	Additional annual savings achieved by the outsourcing of Facilities Management.		-150	-150	-150	-150
	<b>Service Review F&amp;R - Restructure Property Service function</b>	F&R				
	Restructure to ensure that Property service is fit for purpose to deliver a Corporate Landlord Service in the longer term.		-125	-125	-125	-125
	<b>Service Review P&amp;CS - Economies through improved assets and infrastructure</b>	P&CS				
	Hayes Pool closure delete subsidy (part year)		-125	-125	-125	-125
	Hayes Stadium Closure (part year)		-50	-50	-50	-50
	Reduced Maintenance costs following rationalisation/consolidation		-50	-50	-50	-50
	<b>Smarter Use of Section 106 Funding</b>	E&CS				
	Savings from the phased application of Section 106 funding to the schools capital programme in 2008/09 leading to reduced borrowing costs.		-125	0	0	0
	<b>Service Review F&amp;R - Restructure of the Finance Function</b>	F&R				
	Merging of Finance Support Services and Revenues and Accounting. Savings realised through the deletion of Head of Service post and support costs.		-115	-115	-115	-115
	<b>Service Review F&amp;R - Council Tax/NNDR</b>	F&R				
	Continued phased outsourcing of Revenues back office, explore further use of the contact centre and look for potential for joint working with Housing		-100	-100	-100	-100
	<b>Tier 3 and 4 Efficiencies from Preventative Services Roll-out</b>	E&CS				
	As a result of roll out of Integrated Youth Support Services, Extended Schools and Children's Centres and the reduction in teenagers coming into care.		-100	-300	-300	-300
	<b>Service Review P&amp;CS - Procurement and alternative delivery methods</b>	P&CS				
	Provisional Target - new operating model - Contract for Leisure Operations		-100	-100	-100	-100

## Savings

## APPENDIX 5

Ref. No.	Description	Group	Net Variation from 2008/09 Budget			
			2009/10	2010/11	2011/12	2012/13
			£(000s)	£(000s)	£(000s)	£(000s)
	Reduce costs of books and materials through improved contract		-50	-50	-50	-50
	Alternative procurement of book supply		-30	-30	-30	-30
	<b>Service Review DCE - Customer Focus</b>	DCE	-90	-90	-90	-90
	A refocus of the performance management and BSU team.					
	<b>Service Review DCE - Learning and Development</b>	DCE	-85	-85	-85	-85
	Increase L&D income through accessing external L&D funds.					
	<b>Service Review F&amp;R - Restructure Corporate Accounting</b>	F&R	-75	-75	-75	-75
	Saving from providing a more efficient joined up service.					
	<b>Service Review DCE - Restructure of the Democratic Services Team</b>	DCE	-70	-70	-70	-70
	Restructure to realise efficiencies within the current structure and to achieve a greater focus on the wider community and Council Agenda.					
	<b>Service Review F&amp;R - Review of Exchequer Services</b>	F&R	-60	-60	-60	-60
	Short Term savings from restructuring Payments Team to make it more cost effective and longer term savings from having 1 Sundry Debtor system and more clearly differentiating between function of ASCH&H Finance Team and Corporate Income Team.					
ECS1	<b>Student Finances - Removal of Responsibility from Local Authorities</b>	E&CS	-59	-85	-85	-85
	The Authority's duty to administer Student Support is to be transferred to the Student Loans Company (SLC). From 2009 all new applications will be handled by the SLC leaving the Authority to administer existing cases only. The Authority's workload will diminish over the next two years as students graduate, and the section will require less staff accordingly.					
	<b>Service Review F&amp;R - Restructure the Corporate Business Support Unit</b>	F&R	-50	-50	-50	-50
	Saving in response to the rationalisation of services and experience of support required from the services.					
	<b>Service Review F&amp;R - Exploring the potential for income generation from property functions</b>	F&R	-50	-50	-50	-50
	Identification of additional income streams.					
	<b>Service Review DCE - Mayor's Car</b>	DCE	-40	-40	-40	-40
	Savings through an improved procurement process.					
G010	<b>Explore additional revenue sources - events</b>	E&CP	-40	-40	-40	-40
	Increased events income from promotion of green spaces.					

## Savings

## APPENDIX 5

Ref. No.	Description	Group	Net Variation from 2008/09 Budget			
			2009/10	2010/11	2011/12	2012/13
P060	<b>Subcontracting Pay-&amp;-Display functions</b> Outsourcing to generate savings agreed as part of the Service Review approved by Cabinet in January 2008.	E&CP	£(000s) -17	£(000s) -25	£(000s) -25	£(000s) -25
G040	<b>Grounds Maintenance Contract Savings</b> Annual adjustments to contract re: Continuous Improvement.	E&CP	-9	-20	-30	-30
	<b>Service Review ASCH&amp;H - Impact of Implementation Phase</b> Additional savings to be identified through the delivery of key projects in the implementation phase of the Service Review.	ASCH&H	0	-1,000	-2,000	-2,000
	<b>Re-procurement of Services Following Market Testing</b> Redesigning services to improve Tier 2 provision and service effectiveness and providing better value for money.	E&CS	0	-250	-250	-250
	<b>Locality Based Working</b> Improved effectiveness and the main efficiencies delivered through Prevention, Improving the Way we Work & Working with Partners.	E&CS	0	-250	-250	-250
	<b>Individualised Budgets and Direct Payments</b> Develop the role of individualised budgets & direct payments enabling children and their families to directly purchase services.	E&CS	0	-250	-250	-250
	<b>Roll-out of Common Business Processes to Partners</b> Implementing fully the Common Assessment Framework, Lead Professional & Contact Point will lead to a reduction in staff costs.	E&CS	0	-250	-250	-250
	<b>Implementing CWANs Strategy</b> By providing more tailored and appropriate services. To be addressed through the CWANs strategy.	E&CS	0	-250	-250	-250
	Sub-total		-4,640	-7,656	-8,653	-8,653
	<b><u>Maximising Funding Opportunities</u></b>					
	<b>Concessionary Fares Levy</b> The impact of changing the apportionment basis for the Freedom Pass from pass issues to usage, coupled with the full impact of funding of the national bus travel concession.		-1,945	-1,540	-2,015	-1,800
	<b>Parking Revenue Account</b> One off - release of accumulated PRA surplus.		-100	0	0	0

## Savings

APPENDIX 5

Ref. No.	Description	Group	Net Variation from 2008/09 Budget			
			2009/10	2010/11	2011/12	2012/13
			£(000s)	£(000s)	£(000s)	£(000s)
	Sub-total		-2,045	-1,540	-2,015	-1,800
	<b><u>Future Savings Requirements</u></b>					
	<b>Future Savings Requirements</b> The Medium Term Financial Forecast is due to be reviewed in March 2009 following the completion of the programme of Service Reviews. This review will seek to identify a new strategy and approach to the delivery of savings for future years. As a consequence no assumptions have been made at this stage about where and how future savings will be identified. In addition, the current uncertain national economic outlook has made medium term forecasting at this stage especially difficult, and it is expected that a clearer position will be reached by the time of this review.	All	0	-9,535	-16,958	-24,803
	Sub-total		0	-9,535	-16,958	-24,803
	<b>Total Savings</b>		<b>-7,450</b>	<b>-20,061</b>	<b>-29,006</b>	<b>-36,686</b>

## Development and Risk Contingency

APPENDIX 6

Development & Risk Contingency	Gross Risk 2009/10	Probability	Provision 2009/10	Provision 2010/11	Provision 2011/12	Provision 2012/13
	£(000s)	(%)	£(000s)	£(000s)	£(000s)	£(000s)
<b><u>Potential Calls</u></b>						
Increase in Transitional Children due to Demographic Changes	1,675	100%	1,675	2,800	2,800	2,800
Asylum non-EAA monitoring pressure	1,500	80%	1,200	1,000	750	750
Homelessness Budget - Reduction in DWP Funding	1,500	70%	1,050	500	500	500
General Contingency	1,000	50%	500	500	500	500
Waste Disposal Levy	960	75%	720	2,370	3,570	4,570
Local Land Charges Income	715	100%	715	715	715	715
Development Control Income	700	50%	350	0	0	0
Asylum Exhausted All Appeals	690	80%	550	550	550	550
Uninsured claims	500	90%	450	450	450	450
Cost Pressures on Recycling Service	500	40%	200	200	200	200
Increase in Mental Health Packages due to Demographic Changes	450	100%	450	450	450	450
Building Control Income	270	40%	108	108	108	108
Golf Courses Income	262	100%	262	262	262	262
Legal Challenges	200	60%	120	120	120	120
Civic Centre Energy Monitoring Pressure	200	50%	100	100	100	100
Vehicle Fuel Monitoring Pressure	170	50%	85	85	85	85
Provision for Planning Inquiries	150	50%	75	150	150	150
Joint Appointment of Director of Public Health	100	40%	40	80	80	80
Future Social Care Demographic Pressures	0	0%	0	500	3,000	6,000
Local Development Framework (LDF) legal & consultancy fees	0	0%	0	100	100	0
<b>Total Potential Calls</b>	<b>11,542</b>		<b>8,650</b>	<b>11,040</b>	<b>14,490</b>	<b>18,390</b>
<b><u>Financing</u></b>						



## Development and Risk Contingency

APPENDIX 6

Development & Risk Contingency	Gross Risk 2009/10	Probability	Provision 2009/10	Provision 2010/11	Provision 2011/12	Provision 2012/13
	£(000s)	(%)	£(000s)	£(000s)	£(000s)	£(000s)
Base Budget			6,799	6,799	6,799	6,799
Asylum Shortfall Funding	2,700	20%	540	1,000	1,500	2,000
LABGI Balance of Funding from Old Scheme	828	95%	790	0	0	0
Increase in Contingency			521	3,241	6,191	9,591
Total Financing			8,650	11,040	14,490	18,390
<b>Managed Risk Gap in Contingency</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# HILLINGDON

LONDON

## LONDON BOROUGH OF HILLINGDON

### FEES AND CHARGES POLICY

**September 2008**

<b>Version</b>	<b>Author</b>
Draft September 2008 incorporating comments from circulation	John Wheatley Policy Team

## Vision

The London Borough of Hillingdon's vision is to be a modern, well-managed council delivering excellent services.

Our policy on charging for services, where we have discretion to set charges locally, is to ensure that charges represent the best value for money for Hillingdon residents and reflect their interests first of all.

## Fees and charges policy

Hillingdon's fees and charges policy sets an overall vision for fees and charges, together with a set of underlying principles and objectives to inform how we set and apply charges for services. The aim is to ensure that all fees and charges for services we provide are based on fairness and sustainability, and are consistent with value for money and the achievement of our strategic objectives.

The context for the fees and charges policy includes:

- **Residents at the heart of all we do.** This is key to all Hillingdon Council does
- **Continuous renewal and improvement of our services.** Service reviews are designed to secure continuous improvement in services, so that they can be provided to a level and quality designed to meet the needs of local residents and increase residents' satisfaction; be priced at a level that local residents are willing to pay (through charges and taxes); and meet the needs of the council's Medium Term Financial Forecast;
- The **Hillingdon First** card. The Hillingdon First card will allow and promote access to services for Hillingdon residents, with the ability to determine levels of fees and charges for residents. Visitors to Hillingdon and other non-residents using Hillingdon services may be asked to pay different rates, or their access may be prevented or limited;
- The detailed **annual budget and council tax setting process** including the setting of fees and charges. Guidance on the detailed budgeting process is issued by Corporate Finance to budget managers via Horizon intranet pages. This guidance is developed in line with the vision and principles of the fees and charges policy.

The Council is empowered to seek income from fees and charges to service users across a wide range of activities. Some of these fees and charges are set by the Government, but many others are set at the discretion of the Council. The annual rate of these charges is set by the Council on recommendation from the Cabinet as part of the annual budget process.

Hillingdon's policy on fees and charges applies across all service areas within the Council's control, to charges where the Council has the discretion to vary charges.

## **Principles**

The principles for setting fees and charges in Hillingdon are:

### **Objectives**

Policy decisions on fees and charges should take into account:

- a) putting Hillingdon First, through the residents' card;
- b) the strategic objectives of the service area and its contribution to the overall strategy of the Council as set out in the Council plan;
- c) The Council's objectives for older people;
- d) The Council's objectives for children and young people;
- e) The Council's objectives for families;
- f) The need to recognise the contribution of certain groups and use charges flexibly, for example in respect of older people, ex-military service personnel, local economically active young people, and other groups;
- g) The Council's approach to delivering value for money and continuous improvement in all of its services.

### **Sustainability**

- a) Policies and fees and charges that result should be consistent with the Council's Medium Term Financial Strategy and with the Council's Sustainable Community Strategy;
- b) Significant change in charging regimes will be well-planned and communicated effectively to our residents and other stakeholders.

**Adult Social Care Health & Housing**

**ADULT SOCIAL CARE SERVICES**

**Introduction**

1. The regulations governing the Adult Social Care (Social Services) charging regime are complex and therefore, as an aid to decision making, the report provides Members with background information on the statutory framework which regulates it.

**Recommendation**

2. It is recommended that discretionary charges for Adult Social Care and Housing Services remain unchanged with the exception of:
  - a. Day Care, no charge for LBH service users
  - b. Respite Care, no charge for the first 28 days for LBH service users, thereafter a fairer charging assessment will be applied.
  - c. Residential Colleges, no charge for LBH service users up to 24 years of age
3. The recommended elimination and / or reduction in charges set out above are an integral part of the department's support to carers strategy and are fully funded from within existing resources. The charges that are now shown for these services relates to the charge LBH would raise should another organisation use these services.
4. The full cost of Adult Social Care services is recharged to Other Local Authorities, therefore the maximum charge in some cases refers to the amount that would be charged should another LA use that service.
5. A number of LBH social care charges are linked to the DWP and DCLG rate and are therefore based on current information although subject to confirmation. Cabinet are asked to delegate authority to Officers to amend the proposed charges contained in this report should these rates subsequently confirmed by the DWP and DCLG be different.
6. A number of LBH Housing charges are linked to DCLG directives and Cabinet are asked to delegate authority to Officers to amend the proposed charges contained in this report should these rates subsequently confirmed by the DCLG be different.

**Residential Services**

7. Local authorities (LA's) are obliged to charge persons provided with accommodation under Part 3 of the National Assistance Act 1948. Section 22 of the Act requires LA's to fix a standard rate for such accommodation at an amount equivalent to the full cost to the authority in providing or purchasing it. LA's must assess an individual's ability to pay for services and decide what amount should be charged using the 1992 Assessment of Resources Regulations. Residents must be given a clear explanation of their financial assessment and informed of any proposed changes.
8. Residents will pay their assessed charge direct to the LA except when placed in the independent sector when residents may pay their contribution direct to the home or to the LA with the LA paying the remainder. LA's remain responsible for the full amount of the debt

should the resident default on payment. A charge should not be made for aftercare services provided under section 117 of the Mental Health Act 1983.

9. Clients may choose accommodation anywhere in England and Wales and at a more expensive rate than the council would usually expect to pay providing that the resident or a third party is willing and able to pay the 'top up' difference. Failure to meet top up arrangements could result in the resident being moved to other cheaper accommodation. Similarly self-funding clients with diminishing resources could find themselves being moved to lower cost accommodation. However, if their assessed needs can only be met in their current accommodation neither the resident nor a third party should be asked for a top up. Any arrangements made between the council, a resident and third parties will need to be reviewed regularly to take account of changes to accommodation fees and the council's usual costs which may not change in line and at the same rate. It must be made clear to residents and third parties whether the council intends to share the costs of future accommodation price increases.
10. Funding councils may refer to their own "usual costs" when making placements in another council's areas. A council's usual cost policy should be set at the start of each financial year, planning period or in response to significant market changes. The calculation of usual costs should be based on actual cost of providing care, other local factors and best value requirements. Councils should not set arbitrary ceilings on the amount they expect to pay for services nor should residents be charged more as a result of market inadequacies or commissioning failures. Councils need to be able to demonstrate that set costs are sufficient to meet assessed care needs to provide residents with the level of care services that they could reasonably expect to receive.

### **Non-Residential Services**

11. Section 17 of the Health and Social Services and Social Security Adjudications Act 1983 gives councils a discretionary power to charge adult recipients of non-residential services. Section 17 of the Act provides that councils may recover such charges as they consider reasonable; this necessitates taking account of a user's financial means. Particular care needs to be taken to avoid an adverse impact on a user's income and guidelines have been published by the DoH and are contained in LAC (2001) 32 "Fairer Charging policies for home care and other non-residential social services". Councils can justify charging a flat rate for services such as meals which substitute for ordinary living costs.
12. In considering what is reasonable in their local circumstances councils may need to go beyond the DoH minimum requirements that a user's net income should not be reduced below defined basic levels of income support or the Guarantee Credit of Pension Credit plus a 25% buffer. This minimum level is set so as not to undermine policies for social inclusion and the promotion of independence. The council has set a maximum charge of £260.00 (per week) for residents receiving non-residential services for the current year and it is recommended that this remains unchanged for 2009/10, similarly it is recommended that the current Homecare hourly rate of £13.80 also remains unchanged.
13. It is not acceptable to make a charge on disability benefits without assessing the reasonableness of doing so for each user. The guidance expects earnings of disabled people and their carers to be disregarded for assessment purposes so as to provide an incentive for them to enter and progress in the work environment. Councils have a responsibility to seek to maximise the incomes of users, where they would be entitled to benefits and therefore should ensure that comprehensive benefits advice is provided to all users at the time of a charge assessment. Councils need to monitor the impact of charging policies on users and need to know how much it costs to administer their system.

## **Income Management**

14. Assessment of a person's need for care should not be confused with the financial assessment, of a person's ability to pay a charge. Once someone has been assessed as needing a service that service should not be withdrawn because the user refuses to pay the charge. The Council should continue to provide the service while pursuing the debt which may involve taking action through the civil courts.
15. The Council's solicitor advises that the Council has no course of redress should a client default on payment in such circumstances where a client is charged the full rate without them having completed a financial assessment. The solicitor advises also that where a person has power of attorney over a client's affairs and defaults on making a payment on their behalf the council would have to sue the client who in turn would have to counter sue the person with power of attorney. This course of action is not considered feasible due to the fact vulnerable clients are reluctant to pursue the matter.

## **HOUSING (GENERAL FUND) SERVICES**

### **Introduction**

16. The appendix below lists all the Housing General Fund rents and fees, with officers proposed changes to the current charges. Brief details of each item are given below.

### **Colne Park Caravan Site**

17. As regards the main charge, an inflationary increase of 6.7% is recommended following consultation with Hillingdon Homes, to ensure the service continues to break even. With regard to utilities (Electricity, Water) increased charges are recommended in line with recent industry increases.

### **Careline**

18. The cost of providing Careline to private residents is charged to the General Fund (GF), whilst the cost of Careline provided to council tenants is charged to the HRA. Following a review of the Careline charging policy in 2003/04, the Council decided to harmonise Careline charges between the HRA and GF residents, by reducing Careline charges to private sector users. The primary aim of this policy was to ensure that the residential alarm service was affordable to all residents; the current monthly cost is £4.91 (£5.77 inclusive of VAT) and has remained unchanged since April 2005. It is recommended that charges remain at the same level for 2009/10.

### **Private Sector Enforcement Notice**

19. A charge can be made when a formal enforcement notice is served under the Housing Act 2004, as was the case with the previous legislation it replaced. The service has in the past charged the maximum allowed under the statutory order and confirmation of this charge for 2009/10 is awaited from the DCLG.

### **HMO Licensing**

20. This relates to Houses in Multiple Occupation, which depending on size are now subject to more detailed regulation and licensing. The Council's costs are recoverable via a fee which is set according to a formula agreed by the West London Housing sub-regional group.

## **Works in Default**

21. Officers will, after appropriate notice, ensure that works to property are carried out, where there is a safety or health concern. Costs incurred are recoverable which, following legal advice, are based on the cost of the officers' time involved in resolving the issue.

## **Homelessness / Temporary Accommodation**

22. Two main types of temporary accommodation are used for homeless residents of the borough:
  - a) Private Sector Short-term Leases (PSL)
  - b) Bed & Breakfast accommodation.

### **a) PSL**

23. In 2002/03 the Government provided new incentives to local authorities which makes PSL properties affordable for local authorities for use in accommodating homeless clients. A new procurement contract was arranged with a number of partners to acquire more PSL properties, namely Frays HA and Orchard & Shipman Estate Agents. A contract with Dominion (Acton) HA was terminated at the end of June 2008. A small number of properties from Annington Homes HA are procured through Orchard & Shipman. The procurement strategy has been very successful and we are on course to achieve all our key targets on homelessness services, especially the performance indicator on the length of stay by families with children in bed and breakfast accommodation.
24. Rent charges for PSL properties are constrained; the Government sets maximum rent levels for Housing Benefit eligibility. In recent years the practice has been at Hillingdon for officers to set the precise level of rent, with appropriate member consultation, within the cap level, once the announcement has been received. Rents were increased by over inflation levels for 2006/07, to take account of the impact of the 2010 target – e.g. reducing numbers in PSL and less ability to spread costs. The Government has reviewed the subsidy paid for Housing Benefit on PSL properties and frozen the cap level at £335.66 for 2009/10.
25. The use of these PSL properties assists us in achieving our homelessness budget targets, as the procurement cost is largely subsidised by housing benefit. The majority of tenants using these facilities are on income support and therefore nearly all the rental charged will be met from benefits. Alternative cheaper forms of temporary accommodation are being reviewed where poverty trap issues are anticipated to arise.

### **b) Bed & Breakfast**

26. The current 2008/09 charges for bed & breakfast (B&B) reflect unification in July 2002, and are set at the lower HB threshold of £191.10 per week. In the past B&B charges have been set at the Government HB thresholds and officers are recommending a rental charge to recover cost of procuring and managing B&B accommodations up to the lower threshold level for 2009/10. B&B clients who are not on housing benefit also have access to the Rent Waiver Scheme.

## **2009/10 MTF**

27. There are no planned increases for discretionary charges being proposed for 2009/10.



## Adult Social Care Health & Housing Fees and Charges

28. Most care service charges are controlled through rules, principles and criteria set out in two regulatory documents:
- Residential care: Charging for Residential Accommodation Guide ('CRAG')
  - Non-Residential Services: Fairer Charging Policies for Home Care and Non-Residential Social Services
29. In applying these guidelines, local authorities are expected to apply reasonable increases to charges which is presumed to be the general rate of RPI. In the past this has been consistent with the general rise in the basic state pension as advised by the DWP, however for 2009/10 it is proposed that discretionary charges remain unchanged. However those charges linked to DWP Income Support (IS) rates have risen accordingly.
30. Service users are entitled to have some expenses set off against their income for the purpose of assessing their financial contributions. In some circumstances this is tied to benefit levels, such as Income support. The proposed rates set out below have taken these requirements into account.
31. The full cost of the service is recharged to Other Local Authorities, therefore the maximum charge in some cases refers to the amount that would be charged should another LA use that service.
32. For clarity VAT is not applicable to any Adult Social Care charges. However for Housing there are some charges that are subject to VAT and these are included in the charges shown below.

### Generic Charges For Adults And Older People

33. Meals on wheels charge is based on the cost of the food only, it does not cover delivery or associated admin costs.

Type of Fee/Charge	Description of Fee / Charge	Current Charges £	Date of last change to charge	Proposed New Charges £	% Increase	Effective Date
Home care	Per hour	13.80	Apr-08	13.80	0.0%	06/04/09
Home care	Maximum per week	260.00	Apr-08	260.00	0.0%	06/04/09
Meals on wheels	Charge per meal	2.80	Apr-08	2.80	0.0%	06/04/09

34. It is proposed that there is no charge for LBH service users of respite care for the first 28 days; thereafter a fairer charging assessment will be applied.

Type of Fee/Charge	Description of Fee / Charge	Current Charges £	Date of last change to charge	Proposed charge for first 28 days £	% Increase	Effective Date
Respite (Residential) Care	Young Adults (18-25)	52.65	Apr-08	0.00	-100%	06/04/09
Respite (Residential) Care	Adults (25-60)	65.20	Apr-08	0.00	-100%	06/04/09
Respite (Residential) Care	Older People (over 60)	102.90	Apr-08	0.00	-100%	06/04/09

## Adults

### Residential Accommodation for Learning Disability Services Charges

35. The minimum charge is linked to Income Support levels less an enhanced personal expense allowance and can be waived in exceptional circumstances. The full board minimum charge is linked to Income Support levels less enhanced personal expense allowance.

Type of Fee/ Charge	Description of Fee / Charge	Current Minimum Charges	Current Max. Charges	Date of last change to charge	Proposed new Minimum Charges	Proposed New Maximum Charges	% Increase (on minimum charge)	Effective Date
		£	£		£	£		
Hatton Grove:	under 25	49.80	1,472.17	Apr-08	54.45	1,508.97	9.3%	06/04/09
	over 25	62.35	1,472.17	Apr-08	67.80	1,508.97	8.7%	06/04/09
Colham Road:	under 25	49.80	1,928.29	Apr-08	54.45	1,976.50	9.3%	06/04/09
	over 25	62.35	1,928.29	Apr-08	67.80	1,976.50	8.7%	06/04/09
Merchiston House:	under 25	49.80	2,375.45	Apr-08	54.45	2,434.84	9.3%	06/04/09
	over 25	62.35	2,375.45	Apr-08	67.80	2,434.84	8.7%	06/04/09
Merrimans House	under 25	49.80	1,507.87	Apr-08	54.45	1,545.57	9.3%	06/04/09
	over 25	62.35	1,507.87	Apr-08	67.80	1,545.57	8.7%	06/04/09
Charles Curran:	under 25	49.80	1,472.17	Apr-08	54.45	1,508.97	9.3%	06/04/09
	over 25	62.35	1,472.17	Apr-08	67.80	1,508.97	8.7%	06/04/09
Chapel Lane:	under 25	49.80	1,026.41	Apr-08	54.45	1,052.07	9.3%	06/04/09
	over 25	62.35	1,026.41	Apr-08	67.80	1,052.07	8.7%	06/04/09

### Hillingdon Adult Care Scheme (HACS)

36. Minimum charge is linked to Income Support levels. Maximum charges are linked to allowances paid to carers.

Type of Fee/Charge	Description of Fee / Charge	Proposed new Minimum Charges	Current Charges	Date of last change to charge	Proposed new Minimum Charges	Proposed New Maximum Charges	% Increase (on minimum charge)	Effective Date
		£	£		£	£		
	Age 18-24	23.95	315.98	Apr-08	26.95	323.88	12.5%	06/04/09
	Age 25+	36.50	315.98	Apr-08	40.30	323.88	10.4%	06/04/09

### Supported Accommodation

37. The fully staffed unit charge reflects the cost of all support being provided by the unit whereas the satellite unit receives outreach support which may be separately chargeable to an individual. In both cases the maximum charge is based on individual financial circumstances.

Type of Fee/Charge	Description of Fee / Charge	Current Minimum Charges	Current Charges	Date of last change to charge	Proposed new Minimum Charges	Proposed New Maximum Charges	% Increase (on maximum charge)	Effective Date
		£	£		£	£		
Fully staffed supported housing unit	Goshawk Gardens 236 Swakeleys Road	0	768.88	Apr-08	0	788.10	2.5%	06/04/09
Satellite supported housing unit	1 & 3 Standale Grove 9 Petworth Gardens	0	138.11	Apr-08	0	141.56	2.5%	06/04/09
Supported Accommodation	71 Marshall Drive 8 Newhaven close	0	768.88	Apr-08	0	788.10	2.5%	06/04/09
	Charge for use of amenities	0	138.11	Apr-08	0	141.56	2.5%	06/04/09
		0	138.11	Apr-08	0	141.56	2.5%	06/04/09
		0	12.40	Apr-08	0	12.71	2.5%	06/04/09

### Day Centres

38. It is proposed that there is no charge for LBH service users of day care services. The flat rate charges shown below refers to the amount that will be charged should another LA use that service.

Type of Fee/Charge	Description of Fee / Charge	Current Charges	Date of last change to charge	Proposed charge to LBH service users	Proposed New Maximum Charge to OLA's	% Increase to OLA's	Effective Date
		£		£	£		
Physical Dis Service	BIG	36.50	Apr-08	0.00	37.40	2.5%	06/04/09
Learning Dis Service -	Parkview	78.00	Apr-08	0.00	79.96	2.5%	06/04/09
	Phoenix	78.00	Apr-08	0.00	79.96	2.5%	06/04/09
	Challenging Behaviour Unit	78.00	Apr-08	0.00	79.96	2.5%	06/04/09
	Woodside	42.60	Apr-08	0.00	43.66	2.5%	06/04/09
	Rural Activities	42.60	Apr-08	0.00	43.66	2.5%	06/04/09
	Honeycroft	42.60	Apr-08	0.00	43.66	2.5%	06/04/09
Older People -	Eastbury Road	44.70	Apr-08	0.00	45.82	2.5%	06/04/09
	Grassy Meadow	44.70	Apr-08	0.00	45.82	2.5%	06/04/09
	Asha	44.70	Apr-08	0.00	45.82	2.5%	06/04/09
	Poplar Farm	44.70	Apr-08	0.00	45.82	2.5%	06/04/09
	Asian Carers Grant Respite	44.70	Apr-08	0.00	45.82	2.5%	06/04/09
	Poplar Farm Saturday Service	73.30	Apr-08	0.00	75.14	2.5%	06/04/09

### Housing General Fund Services

39. Private Sector Enforcement Notice, these are subject to DCLG Statutory orders.

40. HMO licensing, the Council's costs are recoverable via a fee which is set according to a formula agreed by the West London Housing sub-regional group.

41. Works in default, costs incurred are recoverable which, following legal advice, are based on the cost of the officers time involved in resolving the issue.

Type of Fee/Charge	Description of Fee / Charge	Current Charges	Date of last change to charge	Proposed New Charges	% Increase	Effective Date
		£		£		
Colne Park Caravan Site -	main charge	102.96	Apr-08	109.90	6.7%	01/04/09
	water	4.54	Apr-08	4.82	6.2%	01/04/09

Caravan Sites	electricity per kwh	0.10	Apr-08	0.11	10.0%	01/04/09	
	Chemical Toilet Emptying Service	5.50	Apr-05	5.50	0.0%	07/04/09	
Careline -	Basic Monitoring (monthly charge)	4.91	Apr-05	4.91	0.00%	01/04/09	
	Private Sector Enforcement Notice	300.00	Apr-08	Rate to be set by DCLG		01/04/09	
	HMO licensing	Full Cost Recovery, see para above					01/04/09
Homelessness (set to recover costs up to HB threshold levels)	Works in default	Full Cost Recovery, see para above					01/04/09
	Temporary Accommodation	335.66	Apr-08	335.66	0.0%	01/04/09	
	Bed & Breakfast	191.10	Apr-08	191.10	0.0%	01/04/09	

## Fees and Charges 2009/10

### Deputy Chief Executive's Office

#### Register Office Fees (Proposed 2009/10)

Type of Fee/Charge	Description of Fee / Charge	Current Charges	Date of last change to charge	Estimated 2008/09 Volume this year	Proposed New Charges	% Increase	Effective Date	Anticip. Volume 2009/10	Total potential income	Recovery rate	Budgeted Income 2009/10
		£			£						
Certificates purchased from the Registrar	Birth, Death and Stillbirth - Standard	3.50	Pre 2006-07	16,235	3.50	0.00%		16,300	57,050	100%	57,050
Certificates purchased from the Registrar	Birth and Stillbirth - Short	0.00	Pre 2006-07	4,300	0.00	0.00%		4,350	0	100%	0
Certificates purchased from the Registrar	Birth - Additional Short	3.50	Pre 2006-07	110	3.50	0.00%		115	403	100%	403
Certificates purchased from the Registrar	Marriage	3.50	Pre 2006-07	710	3.50	0.00%		720	2,520	100%	2,520
Certificates purchased from the Superintendent	Birth - Standard	7.00	Pre 2006-07	3,650	7.00	0.00%		3,670	25,690	100%	25,690
Certificates purchased from the Superintendent	Birth - Short	5.50	Pre 2006-07	175	5.50	0.00%		180	990	100%	990
Certificates purchased from the Superintendent	Death and Marriage	7.00	Pre 2006-07	585	7.00	0.00%		590	4,130	100%	4,130
Marriages/Civil Partnerships (Statutory fees)	Entry of each notice	30.00	Pre 2006-07	1,770	30.00	0.00%		1,775	53,250	100%	53,250
Marriages/Civil Partnerships (Statutory fees)	Basic ceremony/Schedule in Superintendent's Office	40.00	Pre 2006-07	10	40.00	0.00%		10	400	100%	400
Marriages/Civil Partnerships (Statutory fees)	Registrar's attendance at Registered Building	47.00	Pre 2006-07	3	47.00	0.00%		3	141	100%	141
Marriages/Civil Partnerships (Non - Statutory fees)	One tier ceremony in four seasons room (Mon-Fri)	50.00	Apr-07	140	55.00	10.00%	Jan-09	150	8,250	100%	8,250
Marriages/Civil Partnerships (Non - Statutory fees)	One tier ceremony in four seasons room (Sat)	60.00	Apr-07	55	65.00	8.33%	Jan-09	60	3,900	100%	3,900
Marriages/Civil Partnerships (Non - Statutory fees)	Two tier ceremony in four seasons room (Mon-Fri)	90.00	Apr-07	45	95.00	5.56%	Jan-09	45	4,275	100%	4,275
Marriages/Civil Partnerships (Non - Statutory fees)	Two tier ceremony in four seasons room (Sat)	95.00	Apr-07	35	100.00	5.26%	Jan-09	40	4,000	100%	3,500
Marriages/Civil Partnerships (Non - Statutory fees)	Three tier ceremony in four seasons room (Mon-Fri)	145.00	Apr-07	35	150.00	3.45%	Jan-09	40	6,000	100%	6,000
Marriages/Civil Partnerships (Non - Statutory fees)	Three tier ceremony in four seasons room (Sat)	160.00	Apr-07	170	165.00	3.13%	Jan-09	175	28,875	100%	28,875
Marriages/Civil Partnerships (Non - Statutory fees)	Ceremony at approved Premises (Mon - Fri)	295.00	Apr-07	25	300.00	1.69%	Jan-09	25	7,500	100%	7,500
Marriages/Civil Partnerships (Non - Statutory fees)	Ceremony at approved Premises (Sat)	390.00	Apr-07	60	400.00	2.56%	Jan-09	65	26,000	100%	26,000
Marriages/Civil Partnerships (Non - Statutory fees)	Ceremony at approved Premises (Sun)	435.00	Apr-07	20	445.00	2.30%	Jan-09	20	8,900	100%	8,900
Citizenship ceremony	Citizenship ceremony (Home Office set Fee)	80.00	Apr-07	1,750	80.00	0.00%	No change	1,750	140,000	100%	140,000
Nationality Checking Service	Nationality Checking Service	40.00	Apr-07	825	45.00	12.50%	Jan-09	825	37,125	100%	31,596
<b>Total</b>											413,369

## Finance and Resources

### Other Miscellaneous Charges

Type of Fee/Charge	Current Standard Charges £	Proposed Changes 2009/10 £	Increase %	Effective Date
Hillingdon First Card Replacement	N/A	5.00	New	01/04/09

## Education and Children's Services

### Early Years Centres

#### Introduction

The fees for full day care provision at the borough's three early years centres (Nestles Avenue Children's Centre, South Ruislip Early Years Centre & Uxbridge Early Years Centre) are currently £205 per week.

#### Recommendation

Officers' recommendations are that the fees remain the same for the financial period 2009-2010, due to the impact that any increase could have on occupancy levels, income generation and on the Centres' ability to drawdown external funding for places subsidy.

#### Basis for Recommendation

The average fee for full day care in the authority is £177 per week, with prices ranging from £120 - £268. Of the 50 service providers in the borough, only 6 charge more than £205 per week. Five of these are located in the north of the borough - the remaining competitor is part of a large nursery chain located on Stockley Park.

The three Early Years Centres are the most expensive settings in their immediate catchment area. This is particularly relevant in the more disadvantaged communities located in the south of the borough, where fees for the private competitors of the Nestles Avenue Children's Centre range from £135 - £180 per week. Increasing the fees will limit the marketability of the centres in what is a heavily saturated childcare market, with families likely to be attracted to the more affordable private sector providers.

Finally, as part of the Centres' work supporting low-income families, all three currently participate in the London Development Agency's Childcare Affordability Programme. This has attracted a total maximum sum of £217,000 to enable all three Centres to provide places at a reduced cost to the parent for low-income families. A further programme that commenced in January 2007, is being delivered in partnership with the five other West London Authorities. This programme has attracted a further £2 million into the West London area. However, a condition of the bid states that only childcare providers charging £205 per week or less may participate. Increasing the fees would therefore exclude our Early Years Centres from participating, thereby handing a further advantage to private sector competitors in attracting new custom.

#### Hillingdon Music Service

These are fee proposals for school year 2009-10. The charges listed are per term. Charges go up at the start of a school year in September.

The proposals follow the guidelines agreed by Elected Members and the Hillingdon Music Service Management Committee.

There is an understanding between Elected Members and the Hillingdon Music Service Management Committee that increases in fees will be made annually at the start of the school year in September. Increases are guided by inflation figures.

The agreed pattern is to have small, regular increases rather than larger increases less frequently. It has been agreed that this approach would be one way of helping to ensure that more students stay learning with the service, and thus help raise standards.

Type of Fee/Charge	Description of Fee / Charge	Current Charges	Date of last change to charge	Proposed New Charges	% Increase	Effective Date
		£		£		
Nestles Avenue Children's Centre	Full day care provision	205.00	Pre 2006/07	205.00	0.0%	
South Ruislip Early Years Centre	Full day care provision	205.00	Pre 2006/07	205.00	0.0%	
Uxbridge Early Years Centre	Full day care provision	205.00	Pre 2006/07	205.00	0.0%	
Music Service (Termly charge)	Group tuition	47.50	Sep-08	48.75	2.6%	Sep-09
	Individual tuition	89.00	Sep-08	91.50	2.8%	Sep-09
	Saturday Music Centre	47.50	Sep-08	48.75	2.6%	Sep-09
	Evening Activity or Saturday Choir Only	27.00	Sep-08	27.75	2.8%	Sep-09
Music Service (Reduced rate for families in receipt of benefit - termly charge)	Use of Instrument	9.50	Sep-08	9.75	2.6%	Sep-09
	Group tuition	12.50	Sep-08	12.75	2.0%	Sep-09
	Individual tuition	20.75	Sep-08	21.25	2.4%	Sep-09
	Saturday Music Centre	12.50	Sep-08	12.75	2.0%	Sep-09
	Evening Activity or Saturday Choir Only	9.00	Sep-08	9.25	2.8%	Sep-09
	Use of Instrument	4.00	Sep-08	4.10	2.5%	Sep-09



## Planning & Community Services

### Libraries

The reduction in Library Service income is a National trend. Income is noticeably smaller in respect of overdue fines and CD/DVD hire. Overdue fines have reduced as the introduction of on line renewal and telephone renewal make it easier for users to avoid incurring these fines. Reduction for CD and DVD income are related to reduced demand as music downloading and easier access to digital TV channels have been introduced. It is therefore proposed that the fees charges are frozen for the second year running.

#### Libraries Fees & Charges Schedule 2009/10:

Music	Charges	Charges for Over 60s, School Students, Young Adults and Leisure Card concessions
Cassettes	FREE	FREE
Compact Discs	£1.50 for 3 weeks	75p for 3 weeks
Visual Media	Charges	Charges for Over 60s, School Students, Young Adults and Leisure Card concessions
DVDs	£3.00 per week	£1.50 per week
Children's DVDs	£1.50 per week	75p per week
Videos	£1.00 per week	50p per week
Children's videos	50p per week During school holidays, the libraries have 2 for 1 special offers for all videos	25p per week
Language Courses	Charges	Charges for Over 60s, School Students, Young Adults and Leisure Card concessions
Language Courses	£3 for 3 weeks	£1.50 for 3 weeks
Video Language Courses	£3 for 3 weeks	£1.50 for 3 weeks
Talking books	Charges	Charges for Over 60s, School Students, Young Adults and Leisure Card concessions
CD & Cassettes	£2 for 3 weeks	£1.00 for 3 weeks

eAudiobooks (downloadable)	£2 for 3 weeks	£1.00 for 3 weeks
<b>Holds (reservations)</b>	<b>Charges</b>	<b>Charges for Over 60s, School Students, Young Adults and Leisure Card concessions</b>
	50p for self-placed reservations (in-stock items) £1.00 for staff-placed reservations (in-stock items) £2.00 for not in stock items £3.00 for British Library items £2.00 for photocopies, plus 20p per A4 sheet	Free for Children & School Students for in-stock items 50p for Young Adults & Leisure Card concessions for in-stock items £2.00 for not in stock items £3.00 for British Library items £2.00 for photocopies, plus 20p per A4 sheet
<b>Lost tickets</b>	<b>Charges</b>	<b>Charges for Over 60s, School Students, Young Adults and Leisure Card concessions</b>
	£2 for adults	£1.00 for Children, School Students and Young Adults
<b>Overdue reminders</b>	<b>Charges</b>	<b>Charges for Over 60s, School Students, Young Adults and Leisure Card concessions</b>
	80p for each reminder posted	Free for children's ticket holders
<b>Fines for users over 18</b>	<b>Fines for secondary school students &amp; young adults (15-17)</b>	
Books: 15p per item, per day	Books: 5p per item, per day	
Talking Books: 15p per item, per day	Talking Books: 5p per item, per day	
Cassettes: 15p per item, per day	Cassettes: 5p per item, per day	
Compact Discs: 15p per item, per day	Compact Discs: 15p per item, per day	
Language Courses: 15p per item, per day	Language Courses: 15p per item, per day	
Videos: £1 per item, per day	Videos: £1 per item, per day	

DVDs: £1 per item, per day	DVDs: £1 per item, per day
Junior Videos: 50p per item, per day	Junior Videos: 50p per item, per day
<b>Fax rates - outgoing fax</b>	
<b>In the UK:</b> £1.00 for the first page, 50p for subsequent pages	
<b>Western Europe:</b> £2.20 for the first page, £1.10 for subsequent pages	
<b>Rest of the World:</b> £3.50 for the first page, £1.75 for subsequent pages	
<b>INCOMING FAX:</b> £1.00 per fax (any length)	
<b>Print charges</b>	
<b>Black and white PC prints:</b> 20p per A4 sheet <b>Colour PC prints:</b> 40p per A4 sheet	
<b>CD-ROM/Microform prints:</b> 30p per sheet	
<b>Other charges</b>	
<b>Floppy disks:</b> 50p; <b>CD-R:</b> £1.00; <b>USB Pen drives:</b> £12.00	
<b>Photocopies</b>	
Black & White: 10p for A4 & 20p for A3	
Colour (Central Library, Uxbridge & Manor Farm, Ruislip only): £1.00 for A4, £1.50 for A3	
A4 Black and White photocopies from the colour photocopier cost 30p per page A3 Black and White photocopies from the colour photocopier cost 60p per page	
<b>e-Learning Courses and Testing</b>	
<b>ECDL Learning modules:</b> £12.50 per module (£87.50 in total) <b>ECDL Modules 2 &amp; 7:</b> £10 for both (when purchased together) <b>ECDL Logbook:</b> £28.00 <b>Online ECDL testings:</b> £15.00 per test (£105 in total for 7 tests) <b>Total cost to pass ECDL:</b> £220.50 (or 205.50 if ECDL modules 2 & 7 are purchased at the same time)	
<b>Advanced ECDL e-Learning courses for AM3 Word and AM4 Excel:</b> £35 per course	

**Advanced ECDL Exam packs:** £70 each (including registration, one exam, USB pen drive with relevant exercises, long loan of ECDL Advanced CIA book with CD-ROM and support) **Advanced ECDL Testing only:** £50 each  
**Advanced ECDL Test Resit:** £15 each

**Other e-Learning courses (Dreamweaver, Photoshop, HTML, Management, Budgets and many more courses):** £40.00 each

Hire of library premises	Hire of library meeting rooms
Hire of Library Premises: £8.00 per hour	Monday - Thursday: £8.50 per hour  Friday, Saturday: £9.50 per hour  Commercial Organisations: £15.00 per hour  The Training Room at Central Library, Uxbridge and the Learning Centres at Yiewsley, Harlington and Uxbridge Libraries are also available for hire - please phone Jane Alexander 01895 250711 or email: <a href="mailto:jalexander@hllingdon.gov.uk">jalexander@hllingdon.gov.uk</a> for all bookings and further details.

## Leisure Centres and Swimming Pools

No changes are proposed in fees due to the economic conditions. (Fees cover Hayes Pool, Highgrove Pool, Queensmead SC, Hayes Stadium SC)

Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges	Concess ionary Charge	Discount	Proposed New Charges	% Increase	New Concess ionary Charge	% Increase	Discount	Effective Date
		£	£		£		£			
Swimming	Peak - Adult	3.30	1.50	55%	3.30	0.0%	1.50	0%	55%	01/04/09
	- Child	1.60	0.85	47%	1.60	0.0%	0.85	0%	47%	01/04/09
	Off Peak - Adult	2.60	0.70	73%	2.60	0.0%	0.70	0%	73%	01/04/09
	- Child	1.30	0.65	50%	1.30	0.0%	0.65	0%	50%	01/04/09
Spectators	Adult	0.80	0.40	50%	0.80	0.0%	0.40	0%	50%	01/04/09
	Children	0.50	0.25	50%	0.50	0.0%	0.25	0%	50%	01/04/09
Birthday Parties	2 hour session (pool and room hire)	98.00			98.00	0.0%				01/04/09
Swimming Instruction (per lesson)	Adult	6.70	4.90	27%	6.70	0.0%	4.90	0%	27%	01/04/09
	Child	4.00	3.20	20%	4.00	0.0%	3.20	0%	20%	01/04/09
	Child - Bronze, Silver or Gold	4.60	3.70	20%	4.60	0.0%	3.70	0%	20%	01/04/09
	One to one tuition	19.00	16.00	16%	19.00	0.0%	16.00	0%	16%	01/04/09
Swim Crash Course	1/2 hour per day x 5 day (per half hour)	20.00	15.45	23%	20.00	0.0%	15.45	0%	23%	01/04/09
Private Hire	Hourly rate	113.00			113.00	0.0%				01/04/09
	Club use per hour	95.00			95.00	0.0%				01/04/09
Coached Fitness Classes	Charges	5.70	4.50	21%	5.70	0.0%	4.50	0%	21%	01/04/09
School Bookings	Up to 30 children	33.50			33.50	0.0%				01/04/09
	Up to 50 children	54.00			54.00	0.0%				01/04/09
	Each additional child	1.00			1.00	0.0%				01/04/09
Fun Sessions (Children)	1 hour	2.40	1.60	33%	2.40	0.0%	1.60	0%	33%	01/04/09
Young at Heart	Single session	3.60	2.70	25%	3.60	0.0%	2.70	0%	25%	01/04/09
Solarium	Single session	6.50			6.50	0.0%				01/04/09
Gym Inductions (Casual use)	Group	16.00	10.00	38%	16.00	0.0%	10.00	0%	38%	01/04/09
	Individual 1:2:1	25.70	20.00	22%	25.70	0.0%	20.00	0%	22%	01/04/09
Fitness Testing (Casual use)	Basic fitness test	26.00	22.50	13%	26.00	0.0%	22.50	0%	13%	01/04/09
	Advanced fitness test	36.00	31.50	13%	36.00	0.0%	31.50	0%	13%	01/04/09

Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges £	Concess ionary Charge £	Discount	Proposed New Charges £	% Increase	New Concessi onary Charge £	% Increase	Discount	Effective Date
Replacement Card	Charge	3.00	3.00	0%	3.00	0.0%	3.00	0%	0%	01/04/09
Casual Gym Session	Peak	6.50	4.00	38%	6.50	0.0%	4.00	0%	38%	01/04/09
	Off-Peak	5.00	2.50	50%	5.00	0.0%	2.50	0%	50%	01/04/09
Fitness Zone	Individual Peak Membership	42.00			42.00	0.0%				01/04/09
	Individual Off-Peak Membership	32.00			32.00	0.0%				01/04/09
Health Suite	Session	4.20	3.20	24%	4.20	0.0%	3.20	0%	24%	01/04/09
Room Hire - per hour	Training Lecture room (Hayes Pool)	15.50			15.50	0.0%				01/04/09
	Equipment hire (TV, video etc)	POA			POA					01/04/09
Showers/Changing facilities only	Charge	2.10	1.25	40%	2.10	0.0%	1.25	0%	40%	01/04/09
Combined Ticket	Gym/swim/health suite combined ticket (Peak)	10.70	7.20	33%	10.70	0.0%	7.20	0%	33%	01/04/09
	Gym/swim/health suite combined ticket (Off-Peak)	9.20	5.70	38%	9.20	0.0%	5.70	0%	38%	01/04/09
Main Hall Hire (Events)	Charges	POA			POA					01/04/09
Main Hall Hire (Sports)	Queensmead	55.50			55.50	0.0%				01/04/09
	Hayes Stadium	46.20			46.20	0.0%				01/04/09
Badminton	Per court (peak)	9.25			9.25	0.0%				01/04/09
	Per court (off peak)	5.60			5.60	0.0%				01/04/09
Contract Hire (per badminton court)	Trampoline/Martial Arts etc.	19.50			19.50	0.0%				01/04/09
Netball/5-a-side External (including floodlights)	Per court	25.00			25.00	0.0%				01/04/09
Cricket Lane	Charges	28.00			28.00	0.0%				01/04/09
Table Tennis	Per table	5.90			5.90	0.0%				01/04/09
Racquet Hire	Charges	1.25	0.00	100%	1.25	0.0%	0.00	0.0%		01/04/09
Holiday Activity - Weekly Charge	Full day	72.00	48.00	33%	72.00	0.0%	48.00	0%	33%	01/04/09
	Full day each additional child from family	56.50	40.00	29%	56.50	0.0%	40.00	0%	29%	01/04/09
Holiday Activity - Daily Charge	Full day	17.00	10.80	36%	17.00	0.0%	10.80	0%	36%	01/04/09
	Full day each additional child from family	13.00	8.00	38%	13.00	0.0%	8.00	0%	38%	01/04/09

## Planning Fees

The pre-application fees categories have been revised with the introduction of an additional category for 'Large Scale Strategic Development' and subsequent reclassification of existing categories for which fees remain unchanged. It is proposed to introduce new fees for additional 'Special Advisors' at two levels and a non-householder fee for other developments i.e. Minor Applications.

(Note: Full details of these charges are available on the Planning portal through the Council website).

Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges £	Proposed New Charges £	% Increase	Effective Date
Pre Application Fees	Category A Development (new)	N/A	5,000.00	New	01/04/09
	Category B Development (Formerly Category A)	3,000.00	3,000.00	0.0%	01/04/09
	Category C Development (Formerly Category B)	1,800.00	1,800.00	0.0%	01/04/09
	Category D Development (Formerly Category C)	900.00	900.00	0.0%	01/04/09
	Other Development – all other development excluding household development	220.00	220.00	0.0%	01/04/09
	Special Advisors (Head of Service/ Team Manager)	N/A	150.00	New	01/04/09
	Special Advisors (Listed Building/ Conservation Officer)	N/A	100.00	New	01/04/09
Follow up Meetings	Category A Development (new)	800.00	800.00	0.0%	01/04/09
	Category B Development (Formerly Category A)	400.00	400.00	0.0%	01/04/09
	Category C Development (Formerly Category B)	400.00	400.00	0.0%	01/04/09
	Category D Development (Formerly Category C)				

## Planning & Transportation Fees

Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges	Proposed New Charges	% Increase	Effective Date
		£	£		
Planning & Transportations fees	Application Decision copy fee *	15.00	15.00	0.0%	01/04/09
	Tree Preservation Order copy fee *	17.00	17.00	0.0%	01/04/09
	Demolition Order fee	100.00	100.00	0.0%	01/04/09
	HIP Energy Efficiency Assessment	40.00	40.00	0.0%	01/04/09
	Travel Plan fee per case	500.00	500.00	0.0%	01/04/09

\* Free to residents of the Borough when the decision relates to their own property.



## Land Charges

New Regulations <sup>(1)</sup> guiding the charges of Property Searches was introduced on 16 December, and came into force on 23 December 2008.

Local Authorities are now only allowed to recover the cost of the service and the proposed new charges reflect this. Full details of these revisions will be placed on the council website. The table below represents a summary of the main fees <sup>(2)</sup>:

Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges £	Proposed New Charges £	% Increase
Land Charges	Standard commercial search	220.00	70.00	-68.18%
	Official certificate of search (Form LLC1) only	26.00	26.00	0.00%
	Standard domestic search	170.00	60.00	-64.71%
	Personal search of local land charges – register only	11.00	11.00	0.00%
	Official and Personal searches of LLC - registers only – additional parcels of land (each)	1.00	1.00	0.00%
	Common land search (where not part of CON 29)	15.00	15.00	0.00%
	Compiling Con 29R (For Official searches and Personal Search agents)	N/A	30.00	New
	Compiling Con 29O (For Official searches and Personal Search agents)	N/A	18.00	New

<sup>(1)</sup> The Local Authorities (England) Charges for Property Searches, Regulations 2008

<sup>(2)</sup> These figures are subject to confirmation

## **Building Control**

Charges are levied under the Building (Local Authority Charges) Regulations 1998. Full details of the charges and explanatory notes are shown on the Council website. Fees levels have been reviewed and compared with other London Boroughs, and on this basis the fees in Table 2 have been increased by approximately 20%.

**Table 1 - New House and Flats**

<b>Small Domestic Buildings not exceeding 300m<sup>2</sup> floor area and not more than 3 stories, inc. basements.</b>	<b>Building Notice Charge 2008/09</b>	<b>Building Notice Charge 2009/10</b>	<b>Increase %</b>
	<b>£</b>	<b>£</b>	
1	309.00	309.00	0.0%
2	520.00	520.00	0.0%
3	726.00	726.00	0.0%
4	937.00	937.00	0.0%
5	1,148.00	1,148.00	0.0%
6	1,297.00	1,297.00	0.0%
7	1,483.00	1,483.00	0.0%
8	1,668.00	1,668.00	0.0%
9	1,854.00	1,854.00	0.0%
10	2,039.00	2,039.00	0.0%
11	2,188.00	2,188.00	0.0%
12	2,338.00	2,338.00	0.0%
13	2,488.00	2,488.00	0.0%
14	2,638.00	2,638.00	0.0%
15	2,786.00	2,786.00	0.0%
16	2,935.00	2,935.00	0.0%
17	3,085.00	3,085.00	0.0%
18	3,234.00	3,234.00	0.0%
19	3,384.00	3,384.00	0.0%
20	3,533.00	3,533.00	0.0%
Charge per unit 21 –30	113.00	113.00	0.0%
31 & Over	82.00	82.00	0.0%

Table 2 - Domestic Extensions

<b>This section applies to single-family dwellings not exceeding 3 storeys, including basements, when work is finished. With the exception of loft conversions when more than one extension is involved please aggregate the total floor areas</b>	<b>2008/09 Charges</b>	<b>2009/10 Charges</b>	<b>Increase %</b>
	£	£	
<b>Domestic Extensions</b>			
Extension under 10m <sup>2</sup>	257.50	309.00	20.0%
Extension over 10m <sup>2</sup> and up to 40m <sup>2</sup>	385.01	462.01	20.0%
Extension over 40m <sup>2</sup> and up to 60m <sup>2</sup>	515.00	618.00	20.0%
<b>Domestic Extensions (Loft Conversions)</b>			
Extension under 10m <sup>2</sup>	257.50	309.00	20.0%
Extension over 10m <sup>2</sup> and up to 40m <sup>2</sup>	385.01	462.01	20.0%
Extension over 40m <sup>2</sup> and up to 60m <sup>2</sup>	515.00	618.00	20.0%
<b>Detached garages/Carports</b>			
Detached garages (up to 40m <sup>2</sup> )	130.00	156.00	20.0%

Table 3 - All other work

	<b>Building Notice Charge 2008/09</b>	<b>Building Notice Charge 2009/10</b>	<b>Increase %</b>
	£	£	
£2,000 or less, the sum of	115.00	115.00	0.0%
Exceeding £2,000 and up to and	200.00	200.00	0.0%
Exceeding £5,000 and up to and including £20,000 the sum of	200.00	200.00	0.0%
Plus for every £1,000, or part	10.40	10.40	0.0%
Exceeding £20,000 and up to and including £100,000 the sum of	356.00	356.00	0.0%
Plus for every £1,000, or part	9.00	9.00	0.0%

## **Adult Education**

Note: Fees are revised in accordance with academic years, and where applicable with reference to the Learning Skills Council (LSC).

The figures are based on the following assumptions:

1. That the policy agreed in 2006 not to pass on the increase in Learner contribution (Fees) as expected by the LSC, to learners is continued.
2. That the policy agreed to financially resource courses that are no longer eligible for LSC funding will continue.
3. No inflationary uplift has been applied.
4. Concessions for learners of 60 years and over and vulnerable people will be maintained for the 2009-10 academic year. Rates are included in the table below.

<b>Type of Fee/Charge</b>	<b>Description of Fee / Charge</b>	<b>Current Standard Charges incl of VAT £</b>	<b>Concessionary Charge (incl of VAT) £</b>	<b>Discount</b>	<b>Proposed New Charges £</b>	<b>% Increase</b>	<b>New Concessionary Charge (incl of VAT) £</b>	<b>Effective Date</b>
Adult Education	Tuition Fee per Guided Learning Hour –LSC funded provision	2.41	1.69	30%	2.41	0.0%	1.69	01/08/09
Adult Education	Tuition Fee per Guided Learning Hour –LBH funded provision	2.41	1.69	30%	2.41	0.0%	1.69	01/08/09

## Arts

Great Barn, Manor Farm House, Manor Farm Hall, The Stables

Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges	Proposed New Charges	% Increase	New Concessi onary Charge	% Increase	Discount	Effective Date
		£	£		£			
Commercial and Social Organisations	Mon-Fri	16.89	16.89	0.0%				01/04/09
	Sat, Sun, Bank Hol	21.12	21.12	0.0%				01/04/09
Non profit making Organisations	Mon-Fri	8.19	8.19	0.0%				01/04/09
	Sat, Sun, Bank Hol	9.79	9.79	0.0%				01/04/09
Charitable Organisations	Mon-Fri	6.18	6.18	0.0%				01/04/09
	Sat, Sun, Bank Hol	7.12	7.12	0.0%				01/04/09
<b>Stables on both sides on single hire only</b>								
Commercial and Social Organisations	Mon-Fri	23.23	23.23	0.0%				01/04/09
	Sat, Sun, Bank Hol	29.56	29.56	0.0%				01/04/09
Non profit making Organisations	Mon-Fri	11.62	11.62	0.0%				01/04/09
	Sat, Sun, Bank Hol	16.89	16.89	0.0%				01/04/09
Charitable Organisations	Mon-Fri	9.53	9.53	0.0%				01/04/09
	Sat, Sun, Bank Hol	12.67	12.67	0.0%				01/04/09
Charity Events	Friday 18:00 to 22.00 Session	110.86	110.86	0.0%				01/04/09
	Saturday 08:00 to 18:00 Session	168.92	168.92	0.0%				01/04/09
Exhibitions (Flower, Art etc)	Friday 9.30am to 4.30pm	68.65	68.65	0.0%				01/04/09
	Saturday 9.30am to 4.30pm	162.58	162.58	0.0%				01/04/09
Duty Officer	Friday	15.96	15.96	0.0%				01/04/09
	Saturday	26.40	26.40	0.0%				01/04/09
Great Barn	09:00 to 5:00pm Antique / Craft Fairs (Peak Season)	1,000.00	1,000.00	0.0%	500.00	0.0%	50%	01/04/09
	09:00 to 5:00pm Exhibitions (Peak Season)	500.00	500.00	0.0%	250.00	0.0%	50%	01/04/09
	06:00 to 11:00pm Concert/ Production	0.00	400.00	New	200.00	New	50%	01/04/09
	Off Season 9.00-3.0		400.00	New	250.00	New	38%	01/04/09
	Off Season 9.00-3.00 (FRI-SUN)		600.00	New	300.00	New	50%	01/04/09
	06:00 to 11:00pm Concert/ Production	400.00	400.00	0.0%	200.00	0.0%	50%	01/04/09
	09:00 to 5:00pm Courtyard - Farmers Market	300.00	300.00	0.0%	150.00	0.0%	50%	01/04/09

Cow Byre	09:00 to 5:00pm Courtyard - Concert /Production	200.00	200.00	0.0%	100.00	0.0%	50%	01/04/09
	Grt Barn and Courtyard, Wedding 9am to midnight	2,000.00	2,000.00	0.0%	1,000.00	New	50%	01/04/09
	Grt Barn excluding Courtyard, Wedding 9am to midnight		1,250.00	New	1,000.00	New	20%	01/04/09
	Daytime 09:00am to 5:00pm Exhibition	200.00	200.00	0.0%	100.00	0.0%	50%	01/04/09
	Evening 06:00pm to 11:00pm When used with above	125.00	125.00	0.0%	62.50	0.0%	50%	01/04/09
	Lower Rate contribution in kind		45.00	New		New		01/04/09

Winston Churchill Hall

Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges	Proposed New Charges	% Increase	Effective Date
		£	£		
Social Events, Weddings etc	Lounge only	50.68	50.68	0.0%	01/04/09
	Auditorium and Lounge - Mon to Fri	95.02	95.02	0.0%	01/04/09
	Auditorium and Lounge - Sat, Sun, Bank Hol	116.13	116.13	0.0%	01/04/09
Registered Fundraising Charities	Lounge only	36.98	36.98	0.0%	01/04/09
	Auditorium and Lounge - Mon to Fri	49.67	49.67	0.0%	01/04/09
	Auditorium and Lounge - Sat, Sun, Bank Hol	79.18	79.18	0.0%	01/04/09
Commercial and Promotional Events	Lounge only	58.07	58.07	0.0%	01/04/09
	Auditorium and Lounge - Mon to Fri	72.85	72.85	0.0%	01/04/09
	Auditorium and Lounge - Sat, Sun, Bank Hol	105.50	105.50	0.0%	01/04/09
Health & Fitness Classes	Lounge only	24.28	24.28	0.0%	01/04/09
Additional Charges	Seats in and out Set up - Day	84.60	84.60	0.0%	01/04/09
	Radio Mics (1 hand held, 2 lapel available) - Day	8.45	8.45	0.0%	01/04/09
	Radio Mics (1 hand held, 2 lapel available) - Week	33.78	33.78	0.0%	01/04/09
	Vocal Mics (5 available) - Day	5.30	5.30	0.0%	01/04/09
	Vocal Mics (5 available) - Week	10.56	10.56	0.0%	01/04/09
	Piano (tuning extra) - Day	10.50	10.50	0.0%	01/04/09
	Piano (tuning extra) - Week	15.84	15.84	0.0%	01/04/09
	Deposits	Lounge	52.79	52.79	0.0%
Charity/Cultural Event		211.15	211.15	0.0%	01/04/09
Commercial Event		422.30	422.30	0.0%	01/04/09
Social		527.88	527.88	0.0%	01/04/09
Theatrical, Concert, Show Hire	09:00 to 15:00 Session Rate - Mon to Fri	285.05	285.05	0.0%	01/04/09
	09:00 to 15:00 Session Rate - Sat, Sun, Bank Hol	422.30	422.30	0.0%	01/04/09
	15:00 to Midnight Session Rate - Mon to Fri	316.72	316.72	0.0%	01/04/09
	15:00 to Midnight Session Rate - Sat, Sun, Bank Hol	479.21	479.21	0.0%	01/04/09
	09:00 to 15:00 Hourly Rate - Mon to Fri	36.91	36.91	0.0%	01/04/09
	09:00 to 15:00 Hourly Rate - Sat, Sun, Bank Hol	63.34	63.34	0.0%	01/04/09
	15:00 to Midnight Hourly Rate - Mon to Fri	52.79	52.79	0.0%	01/04/09
	15:00 to Midnight Hourly Rate - Sat, Sun, Bank Hol	95.02	95.02	0.0%	01/04/09

Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges £	Proposed New Charges £	% Increase	Effective Date
Full Week Booking	Sunday 10:00 to 23:30	1,953.13	1,953.13	0.0%	01/04/09
	Weekdays 18:00 to 23:00	1,953.13	1,953.13	0.0%	01/04/09
	Saturday 09:00 to Midnight	1,953.13	1,953.13	0.0%	01/04/09
Rehearsals - Weekdays only, outside whole week	Lounge Hourly Rate	42.23	42.23	0.0%	01/04/09
	Auditorium Hourly Rate	47.38	47.38	0.0%	01/04/09
Additional Charges	Radio Mics (1 hand held, 2 lapel available) - Day	8.45	8.45	0.0%	01/04/09
	Radio Mics (1 hand held, 2 lapel available) - Week	33.78	33.78	0.0%	01/04/09
	Vocal Mics (5 available) - Day	5.30	5.30	0.0%	01/04/09
	Vocal Mics (5 available) - Week	10.56	10.56	0.0%	01/04/09
	Piano (tuning extra) - Day	10.55	10.55	0.0%	01/04/09
	Piano (tuning extra) - Week	15.84	15.84	0.0%	01/04/09
Use of ovens	Additional Charge	102.50	102.50	0.0%	01/04/09
Seating layout	Change of seating layout i.e. additions/removals	82.00	82.00	0.0%	01/04/09



Compass Theatre

Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges £	Proposed New Charges £	% Increase	Effective Date
Full Week Booking	Stage, Auditorium & Dressing Rooms - Week	1,453.00	1,453.00	0.0%	01/04/09
	Matinees (If full week hire is booked)-Week	244.00	244.00	0.0%	01/04/09
	Rehearsal Rooms - midweek - Per Hour	6.00	6.00	0.0%	01/04/09
	Rehearsal Rooms - Sat/Sun - Per Hour	8.50	8.50	0.0%	01/04/09
Additional Charges	Additional Dressing Room - Per 4 Hour Session	20.00	20.00	0.0%	01/04/09
	Single Performance	260.00	260.00	0.0%	01/04/09
	Additional Hire Charge Incurred after hire period has elapsed	56.00	56.00	0.0%	01/04/09
Deposits	Entire week	145.00	145.00	0.0%	01/04/09
	All other Bookings	59.00	59.00	0.0%	01/04/09
	Ticket Printing (158 Max)	11.00	11.00	0.0%	01/04/09
	Advertising Uxbridge Gazette -(Reduced for more than one advert)	61.72	61.72	0.0%	01/04/09
	Advertising Compass Whats On *	54.00	54.00	0.0%	01/04/09
	Cleaning Charge	68.00	68.00	0.0%	01/04/09
	Use of Workshop - Per Hour	9.00	9.00	0.0%	01/04/09
	Workshop Storage - Weekly	54.00	54.00	0.0%	01/04/09
	Costume Hire – Adult - Week	13.00	13.00	0.0%	01/04/09
	Costume Hire – Child – Week	7.00	7.00	0.0%	01/04/09
Additional Stage Equipment - Per Week	Portable Appliance Test	11.00	11.00	0.0%	01/04/09
	Ceiling Mounted Video/Data Projector	54.00	54.00	0.0%	01/04/09
	Sony NICAM Video Player/Recorder	16.00	16.00	0.0%	01/04/09
	DVD Player	22.00	22.00	0.0%	01/04/09
	2 x ROBE 250 Moving Spot Light	32.00	32.00	0.0%	01/04/09
	6 x Chroma-Q DMX Colour Scroller	11.00	11.00	0.0%	01/04/09
	8 x Par 16 'Birdi' with 12v Transformers	5.00	5.00	0.0%	01/04/09
	Stage Dance Floor	64.00	64.00	0.0%	01/04/09
	Mirror Ball	16.00	16.00	0.0%	01/04/09
	Strobe Light	20.00	20.00	0.0%	01/04/09

Type of Fee/Charge	Description of Fee / Charge	Current Standard Charges £	Proposed New Charges £	% Increase	Effective Date
	UV Lights	16.00	16.00	0.0%	01/04/09
	Manual Smoke Machine	38.00	38.00	0.0%	01/04/09
	DMX Smoke Machine	38.00	38.00	0.0%	01/04/09
	Additional Follow Spot & Dimmer	27.00	27.00	0.0%	01/04/09
	4 x Shure SM58 Vocal Mics	13.00	13.00	0.0%	01/04/09
	Upright Piano	19.00	19.00	0.0%	01/04/09
	Baby Grand Piano (Property of HMS)	POA	POA	0.0%	01/04/09
	Manhandling on/off stage	POA	POA	0.0%	01/04/09
	Piano Tuning	POA	POA	0.0%	01/04/09
	Custom Gobos	POA	POA	0.0%	01/04/09
	Gobos	6.00	6.00	0.0%	01/04/09
	Pyro Firing Box with 2 Pods	11.00	11.00	0.0%	01/04/09
	Additional Pods – upto six	6.00	6.00	0.0%	01/04/09
	Pyrotechnics	POA	POA	0.0%	01/04/09
	Stage Gauze Cloth	54.00	54.00	0.0%	01/04/09
Consumable Media	Mini Disc - EACH	5.00	5.00	0.0%	01/04/09
	Consumables	POA	POA	0.0%	01/04/09
Non Performance Use	Stage & Auditorium without lighting or sound	19.25	19.25	0.0%	01/04/09
	Stage & Auditorium with technical support	32.75	32.75	0.0%	01/04/09
Room Hire - per 4 hour Session	Studio - midweek	34.00	34.00	0.0%	01/04/09
	Studio - weekend	55.00	55.00	0.0%	01/04/09
	Oak Room - midweek	41.00	41.00	0.0%	01/04/09
	Oak Room - Weekend	51.00	51.00	0.0%	01/04/09
	Long Room - Midweek	51.00	51.00	0.0%	01/04/09
	Long Room - Weekend	94.00	94.00	0.0%	01/04/09
	Blue Room - Midweek	38.00	38.00	0.0%	01/04/09
	Blue Room - Weekend Only	49.00	49.00	0.0%	01/04/09
AV Equipment & Support - Per Hire	Portable TV/DVD Combi	27.00	27.00	0.0%	01/04/09
	Portable TV/Video Combi	22.00	22.00	0.0%	01/04/09
	Portable Video/Data Projector & Screen	53.00	53.00	0.0%	01/04/09
	DVD Player for use with projector	16.00	16.00	0.0%	01/04/09
	OHP - Overhead Projector	8.00	8.00	0.0%	01/04/09
	Flip Chart and one set of Pens	8.00	8.00	0.0%	01/04/09
	Replacement Pens	13.00	13.00	0.0%	01/04/09
	Photocopying - Per A 4 Sheet	0.26	0.26	0.0%	01/04/09

## Environment & Consumer Protection

### Contents and Summary

<b>Commercial Premises</b>	<b>Schedule A</b>
<i>Standard inflationary increase of 2.5%.</i>	
<b>Imported Foods</b>	<b>Schedule B</b>
<i>The Council manages the Imported Food Unit at Heathrow. Charges are set to recover costs and surplus funds are ringfenced to this service area. No increases proposed for 2009/10. (amended for credit card processing charge).</i>	
<b>Marriage Licences</b>	<b>Schedule C</b>
<i>Fees are set by the Government under the Licensing Act 2003. Marriage premises fees with inflationary increase.</i>	
<b>Trading Standards</b>	<b>Schedule D</b>
<i>Standard inflationary increase of 2.5%.</i>	
<b>Waste Collection/Trade Refuse</b>	<b>Schedule E</b>
<i>Most prices increasing by approximately 10-11% in line with West London Waste guidance. Therefore expected that tonnage volumes will drop off accordingly. Drop in trade tonnage projected in 2009/10 - based on reaction to continuing price increases. (NB Net impact on income has been considered through wider MTF process).</i>	
<b>Minor Highways</b>	<b>Schedule F</b>
<i>Street Works inspection prices increased from £21 to £25 but any additional revenue is expected to be offset by volume decreases due to the recession. Skip Licences increased by 7% but similar issue with volume decreases. All other increases are at 2.5%. These are largely commercial fees.</i>	
<b>Highway Licensing</b>	<b>Schedule G</b>
<i>Skips on Highway - Price inflated by above 2.5% due to low charges compared to neighbouring organisations. Volume change is due to current financial climate. Street Trade - Prices inflated by 17.5% total due to low charges compared to neighbouring organisations. Volume reductions expected due to the current economic climate.</i>	
<b>Crematoriums and Cemeteries</b>	<b>Schedule H</b>
<i>Income generated by the Crematorium is ring fenced for improvement projects at the site. The cremation fee has been increased by an initial 6.9% to cover the Prudential borrowing costs of the Improvements Programme. Increase for memorial income is between 2.5-5%. Cemeteries – fees are frozen for 2009-10, with the exception of the non-residents charge.</i>	
<b>Green Spaces/Allotments</b>	<b>Schedule I</b>
<i>Hire of Pitches, bowls and tennis clubs – charges frozen for 2009/10. Allotments – Fees frozen for 2009-10</i>	
<b>Off Street Parking</b>	<b>Schedule J</b>
<i>A revised schedule has been produced showing the differential charges for Hillingdon First-card holders. Season Ticket - VAT presentation needs to be confirmed.</i>	

## Schedule A

### Environmental Services Proposed Fees & Charges 2008/09

#### Commercial Premises Licence Fees

	2008/09	Proposed 09/10 (including Vat)
<b><u>Animal Boarding Establishments</u></b>		
<b>No. of Animals</b>		
1 to 9	116.00	119.00
10 to 24	165.00	169.00
25 to 49	242.00	248.00
*50 to 74	330.00	338.00
**75 +	390.00	400.00
<i>* Categories restructured **New Category</i>		
<b><u>Dangerous Wild Animals</u></b> Including Vets Fees	209.00	214.00
<b><u>Game Dealers Licences</u></b>	23.00	-
<b><u>Performing Animals</u></b>		
i) Registration	368.00	377.00
ii) Certificate	96.00	98.00
<b><u>Pet Shops</u></b> Including Vets Fees	179.00	183.00
<b><u>Riding Establishments</u></b>		
<b>No of Animals</b>		
1 to 5	505.00	518.00
6 to 20	560.00	574.00
*21 to 35	633.00	649.00
*36 to 50	721.00	739.00
**51 +	782.00	202.00
<i>* Categories restructured **New Category</i>		
<b><u>Breeding of Dogs</u></b>	149.00	153.00
<b><u>Export Licences</u></b>		
i) Visit not required	51.00	52.00
2) Visit required	88.00	90.00

<u>Commercial Premises Licence Fees</u>			<b>2008/09</b>	<b>Proposed 09/10 (including Vat)</b>	
<b><u>Pharmacy &amp; Poisons</u></b>					
i)	Application		40.00	41.00	
ii)	Change of Name		22.00	23.00	
iii)	Renewal		38.00	39.00	
<b><u>Special Treatments Premises</u></b>		<b>08/09</b>	<b>Renewal</b>	<b>New</b>	
i)	Body Piercing	407.00	438.00	417.00	449.00
ii)	Massage	352.00	365.00	361.00	374.00
iii)	Electrolysis	352.00	365.00	361.00	374.00
iv)	Sauna	352.00	365.00	361.00	374.00
v)	Sunbeds etc.	352.00	365.00	361.00	374.00
vi)	Acupuncture	352.00	365.00	361.00	374.00
vii)	Tattooing	352.00	365.00	361.00	374.00
viii)	Reflexology	87.00	91.00	89.00	93.00
ix)	Manicure	87.00	91.00	89.00	93.00
x)	Ear Piercing	87.00	91.00	89.00	93.00
<b>NB Where multiple treatments are provided</b>					
Premises (i – vii) are subject to a maximum fee of		526.00	547.00	539.00	561.00
Premises (viii – xi) are subject to a maximum fee of		174.00	182.00	178.00	187.00
<b>NB No premises will be charged more than</b>					
<u>Administrative fee for refund of change of details</u>				28.00	29.00
<b><u>Sex Establishments (sex shops &amp; sex cinemas)</u></b>				3757.00	3851.00
<b><u>Unfit Food</u></b>					
i)	Examination and Condemnation Certificate (1 <sup>st</sup> hour)			125.00	128.00
ii)	Subsequent hours or part of			90.00	92.00
<b><u>Aircraft (Disinfection of Aircraft)</u></b>					
i)	Weekdays ( 8am – 6pm)				



**Schedule B**

**Imported Food Fees**

		<b>2008/09</b>	<b>Proposed 2009/10</b>
<b><u>Imported food Clearances Fees</u></b>			
Clearance in Normal Working Hours			
<b>Verification of Organic Certificates</b>		45.00	45.00
<b>Disposal of Non POAO 1 to 1000Kg</b>		48.00	48.00
1001 to 2000KG		95.00	95.00
2001 to 3000KG		140.00	140.00
<b>Products of Animal Origin</b>			
0 to 100Kg per AWB		50.00	50.00
101 to 1000kg per CVED		80.00	80.00
1001 to 5000kg per CVED		130.00	130.00
5001kg to 15,000kg per CVED		140.00	140.00
Above 15,001Kg per CVED			340.00
Semen/Embryo's per CVED		50.00	50.00
<b>Out of Hours additional Charges</b>			
Up to midnight		150.00	150.00
After midnight		300.00	300.00
Products of Animal origin from New Zealand		23.00	23.00
Completion of Part one Of CVED on TRACES		10.00 per CVED	10.00 per CVED
Note Charges are for Gross weight in Kg. Payment by credit card will incur a 2.5% processing fee.			

Schedule C

**THE MARRIAGE ACT 1994**

**THE CIVIL PARTNERSHIP ACT 2004**

**APPROVAL OF PREMISES FOR CIVIL MARRIAGE  
CEREMONIES**

**AND CIVIL PARTNERSHIP CEREMONIES**

**FEES**

		<b>2008/09</b>	<b>2009/10</b>
1.	Application for Approval	£422	£433
2.	Application for Approval or renewal a premises which currently holds a Premises Licence under the Licensing Act 2003	£211	£216
3.	Application for renewal	£317	£325
4.	Application for a review	£317	£325
Note:	Approval is for a three year period		



**Schedule D**

**Proposed Trading Standards Fees & Charges – 2009/2010**

	Existing 2008/09	Proposed 2009/10
<b>A. The charges for examining, adjusting, certifying, stamping, authorising or reporting of special weighing or measuring equipment based upon a per officer hour rate at the place where the service is provided of: -</b>	64.36	66.00
Such types of equipment include:		
<ul style="list-style-type: none"> <li>a. Automatic or totalising weighing machines;</li> <li>b. Equipment designed to weigh loads in motion;</li> <li>c. Bulk fuel measuring equipment tested following a Regulation 65 or 66 occurrence;</li> <li>d. Weighing or measuring equipment tested by means of statistical sampling;</li> <li>e. The establishment of calibration curves from template;</li> <li>f. Template graduated in millimetres;</li> <li>g. Testing or other services in pursuance of a Community obligation other than EC initial or partial verification;</li> </ul>		
<b>B. Fees for the purpose of Section 74 of the Weights and Measures Act 1985 (voluntary subscriptions etc.) To be based on fees of: -</b>	64.36 per officer hr	66.00 per officer hr
<b>C. Measures</b>		
a. Linear measures not exceeding 3m for each scale .....	9.70	9.70
b. Capacity measures without division not exceeding 1 litre or 1 qt. ....	7.60	7.60
c. Cubic ballast measures (other than brim measures) .....	140.00	143.50
d. Liquid capacity measures for making up and checking average quantity purchases .....	22.40	23.00
e. Template per scale		
First item .....	38.80	39.80
Second item .....	15.50	15.90
<b>D. Weighing Instruments</b>		
Instruments		
Not exceeding 250Kg .....	37.50	N/A
Exceeding 250kg to 1 tonne /Not exceeding 1tonne (09/10)	50.50	52.00
Exceeding 1 tonne to 10 tonnes .....	123.50	123.50
Exceeding 10 tonnes to 30 tonnes* .....	340.50	340.50
12. weights and labour provided .....	170.00	170.00

Exceeding 30 tonnes to 60 tonnes * .....	560.00	560.00
12. weights and labour provided .....	280.00	280.00
When testing instruments incorporating <b>remote display or printing facilities</b> , and where completion of the test requires a second person or a second series of tests by the same person, an additional fee of the basic fee given above plus a 50% surcharge may be charged.		
<b>E. Measuring Instruments for Liquid Fuel and Lubricants</b>		
Container Type (unsubdivided) .....	57.80	59.50
Single/multi-outlets (nozzles)		
First nozzle tested, per site	95.40	97.80
Each additional nozzle tested	58.60	60.00
A charge to cover any additional costs involved in testing ancillary equipment which requires additional testing on site, such as credit card acceptors, could be based upon the basic fee given above plus additional costs at a rate per extra officer/hour of: - .....	64.36	66.00
<b>F. Road Tanker Liquid Fuel Measuring Equipment (Above 100 litres)</b>		
a. Meter Measuring System		
i. Wet hose type with two testing liquids .....	180.00	190.00
ii. Dry hose type with two testing liquids .....	224.00	235.00
b. Dipstick Measuring Systems		
i. Up to 7600 litres (for calibration of each compartment and production of chart):- .....	137.50	141.00
NB for any compartment over 7600 litres basic fee + costs at a rate of :- .....	64.36 per extra officer hr	66.00 per extra officer hr
ii. Initial Dipstick .....	17.40	17.40
iii. Spare Dipstick .....	16.30	17.40
iv. Replacement Dipstick (inc. examination of compartment) .....	35.70	36.60
<b>G. Explosives – Registered premises (Statutory Fee) New application</b>	86.00	100.00
.....Renewal	43.00	50.00
.....Licensed store (Statutory Fee) New Application	144.00	170.00
.....Renewal	79.00	80.00
<b>H. Explosives – licence to sell all year (Statutory Fee) .....</b>	500.00	500.00
<b>I. Sale of Goods by Competitive Bidding .....</b>	360.00	360.00
<b>J. Motor Salvage Operators Registration</b>		
.....New applications and renewals	96.00	98.40

.....Access to public register	No charge	No charge
.....Certified copy of single entry (per copy)	11.00	11.30
.....Non-certified copy of one or more entries	3.40	3.50

**Note:** From 1<sup>st</sup> April 2008, all fees are subject to the addition of VAT unless the testing takes place under the Measuring Instruments (EEC Requirements) Regulations 1988 or, for weighing and measuring equipment in group A above, in pursuance of any other Community obligation.

**Schedule E**

**CIVIC AMENITY SITE & TRADE REFUSE PRICE LIST**  
**EFFECTIVE 1<sup>ST</sup> APRIL 2009**

<b>CATEGORY</b>	<b>PRICE</b>
1. Normal domestic sized dustbin,plastic sack or agreed equivalent.Approx 90 litres capacity.	£2.50 each
2. 960 litre capacity bulk bin.	£12.80 each hire & empty
3. 1100 litre capacity bulk bin (1-3 bins).	£14.50 each hire & empty
4. 1100 litre capacity bulk bin (4 bins and over).	£11.50 each hire & empty
5. 1280 litre capacity bulk bin.	£16.45 each hire & empty
6. 1100 litre capacity bulk bin for recycling (mixed paper, card,cans and plastic bottles). hire & empty (fortnightly collection)	£5.00 each
7. Container reinstatement fee following removal due to late payment	£61.00 per site payment
<hr/>	
8. Hire charge for supply of 960 litre bulk bin for domestic/charity collection purposes.	£50.00 per 6 months
9. Hire charge for supply of 1100 litre bulk bin for domestic/charity collection purposes.	£58.00 per 6 months
10. Hire charge for supply of 1280 litre bulk bin for domestic/charity collection purposes.	£67.00 per 6 months
11. Hire charge for supply of 1100 litre recycling bin.for domestic/charity purposes.	£28.00 per 6 months
12. Special one-off collections (by arrangement).	From £55.00

## NOTES

All the above rates and charges are subject to VAT at the current rate applying at the tax point.

There are two accounting periods during the financial year.

1<sup>st</sup> April – 30<sup>th</sup> September and 1<sup>st</sup> October – 31<sup>st</sup> March.

If you require any changes to the level of services please contact Mrs L Lewis on  
Tel.01895 250815 Fax.01895 277545 [Email: llewis@hillington.gov.uk](mailto:llewis@hillington.gov.uk)

### **NEW YEARS GREEN LANE – CIVIC AMENITY SITE (Domestic/Household users)**

Entry Charge (applies to non-Hillingdon residents only) £10

## Schedule F

### Minor Highways Fees

FUNCTION	CHARGE	
	2008/9 (current)	Proposed 2009/10
Scaffold/Hoarding (charge per application)	£140	£150 <sup>(4)(7)</sup>
Building Materials (charge per application)	£140	£140 <sup>(2)</sup>
Plant & Maintain Licences	£140	£140 <sup>(4)</sup>
Mobile Construction Equipment (eg cranes on the highway)	£140	£150 <sup>(4)(7)</sup>
Oversail Licences (eg cranes and canopies)	£140	£150 <sup>(4)(7)</sup>
Entrance to Cellars and Pavement Lights	Recharged at cost	
Re-site of Lighting Column for Vehicle Crossing	£520 to £1320 <sup>(8)</sup>	See note (8)
Vehicle Crossings <sup>(1)</sup>	£793 (average crossing)	£793 <sup>(1)</sup> (average crossing)
Streetworks Inspection/Licensing:- Sample Inspection	£21 <sup>(3)</sup>	£25 <sup>(3)</sup>
Defected Works	£42 <sup>(3)</sup>	£50 <sup>(3)</sup>
License new plant	£285	£292 <sup>(4)</sup>
License "old" plant	£143	£147 <sup>(4)</sup>
Streetworks overruns	£100-£2000 /day <sup>(5)</sup>	£100-£2000 /day <sup>(5)</sup>
Bar Marks in front of vehicle crossings <sup>(6)</sup>	£125	£125 <sup>(6)</sup>
Public Rights of Way Application to change definitive map & statement	£130	£130 <sup>(4)</sup>
All Highway Enquiries for legal purposes requiring a written response	£50	£50 <sup>(7)</sup>

- (1) Each crossing is estimated individually and cost depends on size. A full price list is available on request. This figure takes into account inflation on construction contracts over the last 12 months
- (2) This figure takes into account the costs of extra enforcement brought to bear, along with 2.5% inflation..
- (3) These charges were set nationally by the Secretary of State.
- (4) This figure takes into a 2.5% inflation increase on staff salary elements, rounded up.
- (5) Fee depends on type of streetworks notice and the road classification. Rigorous enforcement has led to a reduction in the number of overruns occurring.
- (6) Cost allows for installation and small contribution towards future maintenance.
- (7) This figure is the basic charge; additional costs incurred on major schemes will be recovered on an hourly basis
- (8) Indicative cost in 2008/09 for residential road, cost will be higher for taller columns and main roads. The cost varies between EDF Energy and Scottish and Southern Electric area. Costs are higher if column moved more than 2m(EDF) or 3m(S&SE), costs for 2009/10 will be dependant upon Electricity Boards cost increases in April 2009.
- (9) Section 38 & 278 fees are published in the design guide and available on request.

All of the above charges are highway related and must be based on the cost to the authority and set at a level to recover reasonable costs rather than a "commercially" motivated amount. They are all dependent on demand. This can go down as well as up and expected income figures are based on normal activity levels.

## Schedule G

### Hillingdon Borough highway licensing charges 08/09 – 09/10

Authority	Skips	Length	Parking bays	Street Trading Shop front	Mobile e.g. flower stall	Occasional mobile	Materials Licence
Hillingdon – <b>current</b>	£16.00	30 days	£15.00 per day	£130.00 per metre per annum	£800.00 pa	£25.00 per application £10.00 per day trading within any 1 month	£140.00 per annum
Hillingdon – 09/10	£16.40	14 Days	N/A	£133.00 per metre per annum	£820.00 pa	£25.63 per application £10.25 per day trading within any 1 month	£143.50 per annum

## Schedule H

### BREAKSPEAR CREMATORIUM

#### Proposed Scale of Charges from 1st April 2009

	Present Charge 2008-09 £	Proposed Charge 2009-10 £	% increase	
<b>Cremation Fees</b>				
* N.V.F - at time selected by Crematorium	Nil			exc. Organist
* Stillborn	36.00	40.00	11.1%	inc. Organist
* Children 6 years and under	62.00	65.00	4.84%	inc. Organist
* Children 7 - 11 years	98.00	102.00	4.08%	inc. Organist
Children 12 - 17 years	185.00	195.00	5.12%	inc. Organist
* Over 17 years	465.00	495.00	6.45%	inc. Organist
<b>Cremation of retained organs</b>				
If body cremated at Breakspear Crematorium	25.00	-		
If body cremated at Breakspear Crematorium	44.00	-		
If body cremated elsewhere	44.00	-		
If body cremated elsewhere	64.00	-		
* Additional Service Time	110.00	160.00	45.4%	
Additional Time - Organist	40.00	-		
* Cancellations	105.00	110.00	4.76%	
* Additional Charges - Short Notice	30.00	-		
* Certificates of Cremation - overseas	17.00	18.00	5.88	
* Scattering of Ashes within 1 year	42.00	-		
Scattering Of Ashes after 1 year	-	44.00		
* Forwarding Ashes	46.00	-		
* Retaining cremated remains(per month)	10.00	10.00	0%	
* Postage & Packing in Polytainer UK only	45.00	50.00	11.1%	
Polytainer (Wealdon) Urn	18.00	-		
Baby Urn- metal	15.00	-		
Baby Urn - poly	9.00	8.00	-12.5%	
Supply New Garden Seat inc 10 years lease	1,140.00	1,168.00	2.45%	
Trees & Shrubs - rose bushes inc 5 years lease inc plaque	108.00	175.00	62%	
Trees & Shrubs - rose trees inc 5 years lease inc plaque	150.00	220.00	31.8%	
Trees & Shrubs - ornamental shrubs inc 5 years lease inc plaque	150.00	220.00	31.8%	
Trees & Shrubs - ornamental trees (10 years) inc plaque	318.00	296.00	-7.43%	
Plaque for trees, shrubs, roses or seats	68.00	68.00	0%	



## BREAKSPEAR CREMATORIUM

### Proposed Scale of Charges from 1st April 2009

	Present Charge £	Proposed Charge £	% Increase
Book of Remembrance - 2 line entry	44.00	46.00	4.54%
Book of Remembrance - 5 line entry	78.00	80.00	2.56%
Book of Remembrance - 8 line entry	114.00	118.00	3.51%
Book of Remembrance - 10 line entry	140.00	145.00	3.57%
Extra - Floral Emblem	58.00	60.00	3.45%
Extra - Full Heraldic Device	88.00	90.00	2.27%
Memorial Cards - 2 line entry	30.00	30.00	0%
Memorial Cards - 5 line entry	44.00	46.00	4.54%
Memorial Cards - 8 line entry	72.00	75.00	4.16%
Memorial Cards - 10 line entry	92.00	96.00	4.35%
Memorial Booklets - 2 line entry	44.00	46.00	4.54%
Memorial Booklets - 5 line entry	78.00	62.00	-25.8%
Memorial Booklets - 8 line entry	114.00	95.00	-20%
Memorial Booklets - 10 line entry	140.00	120.00	-16.6%
Additional lines in Booklets			
2 line entry	30.00	26.00	-15.3%
5 line entry	44.00	40.00	-10%
8 line entry	72.00	68.00	-5.88%
10 line entry	92.00	88.00	-4.54%
Garden Niches - 10 years incl. Urn & 50 letter Inscription New Niches	1235.00	1265.00	2.43%
Additional letters each		4.00	
Additional Gilded Motif		98.00	
Additional Hand Painted Motif		144.00	
Photoplaque		144.00	
* Columbarium Niches - single-inc 10 years lease	285.00	330.00	15.8%
* Columbarium Niches - double-inc 10 years lease	500.00	550.00	10.0%
* Inscription up to 50 characters	52.00		
* Langley casket up to 50 characters		195.00	
* Metal Urn		30.00	
* Cloister Spaces - single-inc 10 years lease	138.00	142.00	2.93%
Inscription	78.00	78.00	0%
* Cloister Spaces - double-inc 10 years lease	312.00	325.00	4.16%
Inscription	118.00	120.00	1.69%

## BREAKSPEAR CREMATORIUM

### Proposed Scale of Charges from 1st April 2009

	Present Charge £	Proposed Charge £	% increase
* Classic -inc 5 years lease			
* Single	112.00	-	
* Single Plaque	60.00	-	
* Single Motif	34.00	-	
* Double	215.00	-	
* Double Plaque	118.00	-	
* Double Motif	58.00	-	
* Window Spaces	220.00	230.00	4.54%
Inscription	85.00	86.00	1.18%
New Flower Vases – 5 year lease inc. 50 letters	330.00	345.00	4.54%
Additional letters each		4.00	
Additional Gilded Motif		98.00	
Additional Hand Painted Motif		144.00	
Photoplaque		144.00	
New Windows -- Large Rear -- 10 years	460.00	-	
New Windows -- Small -- 10 years 1 Colour	410.00	430.00	4.87%

\* These charges are exempt from VAT.  
Other items are subject to VAT, which is included in the above charges.



## Cemetery Fees

### Interments

The fees indicated are applicable to residents of the London Borough of Hillingdon with the following exceptions where residents status may also be granted to persons from outside the borough, when the interment is that of:

- The owner of the exclusive rights of burial to the grave
- A child who dies at or following birth, within one of the boroughs hospitals

In all other cases please apply the non-resident's surcharge ( see ref. no. 9.1 )

Cemeteries		2008/9 Actual Charge	2009/10 Actual Charge
<b>1.0</b>	<b>Adult Interments ( persons exceeding 16 years of age at death )</b>		
	<b>In New Private Graves</b>		
1.1	Depth for 1 interment	£429	£429
1.2	Depth for 2 interment	£470	£470
1.3	Depth for 3 interment	£627	£627
1.4	Depth for 4 interment	£719	£719
	<b>In Re-Opened Private Graves</b>		
1.5	Depth for 1 interment	£459	£459
1.6	Depth for 2 interment	£581	£581
1.7	Depth for 3 interment	£764	£764
1.8	Depth for 4 interment	£951	£951
<b>2.0</b>	<b>Interment of Infants ( a stillborn child or child whose age at death did not exceed 3 years "Infants" )</b>		
2.1	In Child's grave	£34	£34
2.2	In private grave ( single depth )	£80	£80
2.3	In private grave for the child's interment plus 2 adults	£158	£158
2.4	In private grave for the child's interment plus 3 adults	£198	£198
<b>3.0</b>	<b>Interment of Children ( persons aged between 3 and 16 at death "Children" )</b>		

3.1	In Child's grave ( where applicable )	£68	£68
3.2	In private grave ( single depth )	£99	£99
3.3	In private grave for the child's interment plus 2 adults	£237	£237
3.4	In private grave for the child's interment plus 3 adults	£302	£302
<b>4.0</b>	<b>Interment of Cremated Remains ( within full private graves )</b>		
4.1	When the grave is closed to full interments	£139	£139
4.2	To a depth to permit 1 further full interment	£302	£302
4.3	To a depth to permit 2 further full interment	£440	£440
4.4	To a depth to permit 3 further full interment	£575	£575
4.5	To scatter cremated remains ( within Cremation Section and Columbaria )	£68	£68
4.6	New and re-open cremation graves	£154	£154
4.7	Re-opening of Columbaria units	£117	£117
<b>5.0</b>	<b>Interments in Heritage Graves</b>		
	Space within communal graves to which no exclusive rights of burial exists, will be allocated SERIALY in multi-denominational sections of cemeteries by the authorised officer. The grave will be marked by way of a small tablet or plaque inscribed with the deceased's name only provided by the authority, except for the provision of the tablet or plaque all other conditions applicable to communal graves and to the section of the cemetery in which the grave is located will apply.		
	Please note the tablet or plaque will be placed centrally within the overall area of a communal grave and not necessarily directly over each individual interred.		
5.1	Adults interment	£418	£418
5.2	Childs interment	£156	£156
5.3	Infants interment	£99	£99
<b>6.0</b>	<b>Grave Digging Surcharges</b>		
	The Authority has been experiencing operational difficulties with respect to grave digging, this is due to the increasing practice of supplying exaggerated coffin sizes.		
	For this reason it has now become necessary to introduce the following charges.		
	The following surcharges will be applied direct to Funeral Directors when a coffin is presented for burial at any of the Borough's Cemeteries and its size does not correspond with that originally stated. A 2" margin of error will be granted, anything other than this will be surcharged as follows:		
6.1	For a variation in size within 2"	£108	£108

6.2	For a variation in size between 2" and 4"	£207	£207
6.3	For a variation in size between 4" and 6"	£312	£312
6.4	For a variation in size in excess of 6"	£412	£412
Notice of intention to surcharge will be given directly to the Funeral Directors concerned as soon as the discrepancy in size is notified to the Cemeteries Manager. Payment of surcharges will be required to be made within 3 days of the notice being given. In the event that the surcharge is still outstanding after the 3 day period, recovery action will be taken against the offending Funeral Directors.			
<b>7.0</b>	<b>Exclusive Rights of Burial</b>		
The Exclusive Right of Burial inclusive of the right to erect a memorial ( subject to approval ) is granted for a period of 100 years from the date of purchase.			
	<b>Conventional Graves</b>		
7.1	Grave space measuring 9 feet by 4 feet	£1,193	£1,193
7.2	Grave space measuring 9 feet by 8 feet	£2,348	£2,348
	<b>Lawn Section Graves</b>		
7.3	Grave space measuring 9 feet by 4 feet	£736	£736
7.4	Grave space measuring 9 feet by 8 feet	£1,450	£1,450
	<b>Bricked Grave or Vault</b>		
7.5	Grave space measuring 9 feet by 4 feet	POA	POA
7.6	Grave space measuring 9 feet by 8 feet	POA	POA
	<b>Lined Muslim Graves</b>		
7.7	For traditional uncoffined burial	£1,551	£1,551
	<b>Children's Section Graves</b>		
7.8	Gravespace measuring 4 feet by 2 feet	£226	£226
	<b>Woodland Graves ( West Drayton Cemetery ) Special Regulations Apply</b>		
7.9	Gravespace measuring 9 feet by 4 feet	£536	£536
	<b>Cremation Section Graves</b>		
7.10	Gravespace measuring 2 feet by 2 feet	£355	£355
	<b>Columbaria ( for the interment of cremated remains )</b>		
LBH Columbaria are underground concrete chambers for the interment of cremated remains. Each unit will accommodate 2 interments of cremated remains. The chambers will accommodate caskets or urns up to a maximum size of 11.5" x 9".			
The Following prices are inclusive of the following:			

	1	Supply and installation of chamber		
	2	Purchase of exclusive right of burial to chamber		
	3	The first interment of cremated remains		
	4	Fixing of your chosen capping stone		
	5	VAT @ 17.5%		
		<b>Capping Design</b>		
	LBH1	White Marble	£732	£732
		Grey Marble	£795	£795
		Nebrasina	£834	£834
	LBH2	White Marble	£978	£978
		Grey Marble	£1,012	£1,012
		Nebrasina	£1,047	£1,047
	LBH3	White Marble	£893	£893
		Grey Marble	£927	£927
		Nebrasina	£960	£960
	LBH4	White Marble	£1,012	£1,012
		Grey Marble	£1,045	£1,045
		Nebrasina	£1,082	£1,082
	LBH5	White Marble	£1,174	£1,174
		Grey Marble	£1,206	£1,206
		Nebrasina	£1,274	£1,274
	LBH6	White Marble	£1,121	£1,121
		Grey Marble	£1,157	£1,157
		Nebrasina	£1,292	£1,292
	LBH7	White Marble	£1,190	£1,190
		Grey Marble	£1,223	£1,223
		Nebrasina	£1,254	£1,254
	Capping Design	White Marble	£1,146	£1,146
		Grey Marble	£1,183	£1,183
		Nebrasina	£1,214	£1,214

<b>Inscriptions</b>			
Please note, only hand cut characters can be placed upon designs LBH 5, 6 & 7			
All Inscription prices are per character			
<b>Type of Character</b>			
Cut and Black	Machine Cut	£2	£2
	Hand Cut	£3	£3
Cut and Gild	Machine Cut	£3	£3
	Hand Cut	£4	£4
Cut and Lead	Machine Cut	£3	£3
	Hand Cut	£3	£3
Photo plaque		£107	£107
Additional flower container design no. 1		£42	£42
<b>8.0 Memorials</b>			
For the right to erect or place on a grave in which an Exclusive Right of Burial has been granted.			
<b>(Applicable only to gravespaces purchased prior to April 1<sup>st</sup> 1990 )</b>			
8.1	Lawn type memorial	£134	£134
8.2	Full Memorial	£273	£273
8.3	Cremation section memorial	£134	£134
8.4	Child section memorial	£122	£122
For the right to carry out the following works on all graves			
8.5	Additional inscriptions	£63	£63
8.6	Additional works/refurbishments	£63	£63
8.7	Placement of a trade name upon memorials	£27	£27
Miscellaneous services and memorials available from the <b>London Borough of Hillingdon</b>			
8.8	Removal of a lawn memorial	£104	£104
8.9	Replacement of a lawn memorial	£104	£104
8.10	Removal of a full memorial	£153	£153
8.11	Replacement of a full memorial	£153	£153
8.12	Removal of a cremation/child section memorial	£79	£79
8.13	Replacement of a cremation/child section memorial	£79	£79
8.14	Levelling of lawn memorial	£53	£53
8.15	Levelling of full memorial	£81	£81
8.16	Memorial tree with cast metal plaque	£319	£319
8.17	Memorial tree with cast metal plaque mounted on York stone tablet	£635	£635
8.18	Memorial bench with inscription	£717	£717



8.19	Wood cross with inscription	£51	£51
8.20	Bulb donations ( in denominations of )	£28	£28
<b>9.0 Miscellaneous</b>			
9.1	Non Residents Surcharge	£212	£500
	The non-resident's surcharge will be levied in the following instances:		
	a) Where the deceased did not reside within the borough at the time of their death		
	b) Where a non resident wishes to pre-purchase a gravespace ( charge made per grave)		
9.2	Searches of Registers and for Copies of Extracts to be taken therefrom		
	a) Search ( a search covers up to 4 names )	£37	£37
	b) Search per name over and above 4	£14	£14
	c) Certified Copies of extracts of registers	£37	£37
9.3	Issue of Duplicate Deed of Grant	£22	£22
9.4	Transfer of Exclusive Rights of Burial	£37	£37
9.5	Cancellation fee ( chargeable when grave digging has commenced )	£213	£213
9.6	Short notice fee ( under 72 hours )	£179	£179
9.7	Late Interments: after 3.00pm before 4.00pm Monday to Thursday	£179	£179
	after 2.30pm before 3.30pm Friday	£179	£179
9.8	Additional fees for interments on Saturdays ( AM ONLY ):		
	Full Interments	£412	£412
	Cremated remains	£206	£206
9.9	Exhumation	£0	£0
9.10	Supply of bearers for funerals ( per bearer )	£32	£32
9.11	Alterations to coffin sizes after grave digging has commenced	£163	£163
9.12	Test depth of grave (this fee will only apply when a client requests a depth check to be carried out on a grave when burial records show the grave to be full)	£35	£35
9.13	Second interment at the same time as first interment	£57	£57
<b>10.0 Grave Maintenance</b>			
10.1	Scheme (A)	£129	£129
10.2	Scheme (B)	£89	£89
10.3	War Graves	£2	£2
10.4	Levelling of lawn memorial	£59	£59
10.5	Levelling of full memorial	£86	£86
10.6	Top and turf grave	£59	£59
10.7	Prepare grave for planting	£47	£47

## Schedule I

### Green Spaces Fees

Meeting Hall Hire			2008/9 Actual Charge	2009/10 Proposed Charge
<b>Haydon Hall (Leased to Rosewood Montessori School - prices shown are the maximum that can be charged)</b>				
<b>Scale 1</b>				
267	Rooms 1, 3 + 5	Mon - Fri	£38	£38
268	Whole Hall	Sat/Sun & Bank Holidays	£55	£55
269	Rooms 2 or 4 or 6	Mon - Fri	£32	£32
<b>Scale 2</b>				
270	Rooms 1, 3 + 5	Mon - Fri	£20	£20
271	Whole Hall	Sat/Sun & Bank Holidays	£29	£29
272	Rooms 2 or 4 or 6	Mon - Fri	£16	£16
<b>Cavendish Hall (Leased to Richtone Ltd - prices shown are the maximum that can be charged)</b>				
<b>Scale 2</b>				
273	Ground floor hall	Mon - Thurs	£19	£19
274	First floor hall	Mon - Thurs	£19	£19
275	Upstairs small room	Mon - Thurs	£15	£15
276	Ground floor hall	Fri/Sat/Sun	£27	£27
277	First floor hall	Fri/Sat/Sun	£27	£27
278	Upstairs small room	Fri/Sat/Sun	£16	£16
<b>The Grange (Leased to Lido Catering Co Ltd - prices shown are the maximum that can be charged)</b>				
<b>Scale 2</b>				
279	Large room	Mon - Thurs	£16	£16
280	Medium room	Mon - Thurs	£16	£16
281	Small room	Mon - Thurs	£15	£15
282	Large room	Fri/Sat/Sun	£20	£20
283	Medium room	Fri/Sat/Sun	£20	£20
284	Small room	Fri/Sat/Sun	£16	£16
285	Note: Scale 1 - Commercial/profit making, wedding receptions, parties and other social events			
	Scale 2 - Non profit making events, ie meetings, lectures, charity and fund raising.			
<b>Kings College Pavilion - (Prices shown are the Maximum that can be Charged)</b>				
286	Small Room	Mon - Thurs inc Friday until 4.40pm	£11	£11
287	Medium Room	Mon - Thurs inc Friday until 4.40pm	£11	£11
288	Large Room	Mon - Thurs inc Friday until 4.40pm	£16	£16
289	Small Room	Fri after 4.30 / Sat / Sun	£21	£21
290	Medium Room	Fri after 4.30 / Sat / Sun	£21	£21
291	Large Room	Fri after 4.30 / Sat / Sun	£31	£31

	2008/09 Actual Charge		2009/10 Proposed Charge
<b>Football, Rugby, Hockey, Lacrosse &amp; Gaelic Football</b>			
<b>Pro- rata per match ( VAT exempt )</b>			
Class 1A Modern dressing accommodation with hot & cold showers			
Class 111 Dressing accommodation			
Class 1V Other grounds			
Junior Without changing facilities	£17		£17
Pitch hire	£23		£23
changing facilities	£25		£25
<b>Casual per match</b>			
Class 1A Modern dressing accommodation with hot & cold showers	£56		£56
Class 111 Dressing accommodation	£26		£26
Class 1V Other grounds	£32		£32
Junior Without changing facilities	£18		£18
<b>Cricket</b>			
<b>Pro- rata per match ( VAT exempt )</b>			
Class 1A Modern dressing accommodation with hot & cold showers	£100		£100
Class 111 Dressing accommodation	£65		£65
Class 1V Other grounds	£51		£51
<b>Casual per match</b>			
Class 1A Modern dressing accommodation with hot & cold showers	£119		£119
Class 1B Older dressing accommodation with hot & cold showers	£110		£110
Class 11 Dressing accommodation with washing facilities	£86		£86
<b>All day match ( commencing at 10.30 or 11.00am )</b>			
Additional charge per match for seasonal or single lettings	£16		£16

		2008/9 Actual Charge		2009/10 Proposed Charge
<b>C Miscellaneous</b>				
[a]	<b>Letting of Open Space</b>			
16	Fund-raising events			
17	Charity events			
18	Events - profit making or commercial - min. hourly charge	£98		£98
19	Events - local community or non-profit making - min. hourly charge	£16		£16
20	Sports days	£22		£22
21	Other events/minimum charge	£51		£51
22	Film rights per day			
23	Stalls (carnival) - charity	£22		£22
24	Stalls (carnival) - commercial	£119		£119
25	Wedding photographs etc (New Charge 2007/8)	£51		£51
[b]	<b>Commercial Events</b>			
26	Commercial events / Operating Days	£2,198		£2,198
27	Commercial events / set up strip down days	£366		£366
28	Fairs & Circuses - Monday to Thursday	£808		£808
29	Fairs & Circuses - Friday, Saturday, Sunday & Bank Holidays	£1,077		£1,077
30	NB: Charges are only a guide and are open to negotiation			
[c]	<b>Use of Camp Site - Mad Bess Wood ( Scout Groups etc)</b>			
31	0-29 persons per night	£43		£43
32	30-59 persons per night	£64		£64
33	60+ persons per night	£119		£119
34	All charges inc VAT			
[d]	<b>Bayhurst Wood Barbecue Sites</b>			
35	All sites/griddles are available free of charge on a first come - first served			
36	basis but Site 2 can be booked in advance			
37	No bookings taken for Sundays and Bank Holidays.			
38	Site 2 Fees ( inc VAT )			
39	10am to 3pm			
40	3pm to 10pm			
41	10am to 10pm			
[g]	<b>Fishing Permits - Little Britain Lake ( maximum prices )</b>			
50	Per annum - Adult	£63		£63
51	Child/Senior Citizens	£32		£32
52	Day Tickets - Adult	£9		£9
53	Child/Senior Citizens	£6		£6

		2008/9 Actual Charge		2009/10 Proposed Charge
<b>D</b>	<b>Bowls ( May to September)</b>			
[a]	Green Fees ( per hour )			
54	Adult	£5		£5
55	Senior Citizens and Children	£4		£4
[b]	Season Tickets			
56	Adult	£112		£112
57	Senior Citizens and Children	£57		£57
<b>E</b>	<b>Tennis</b>			
[a]	Charges per hour			
58	Juniors - Weekdays up to 6pm	£3		£3
59	Weekends & Public Holidays	£6		£6
60	Adults - Weekdays up to 4pm	£5		£5
61	after 4pm, weekends & Public Holidays	£6		£6
62	NOTE: the Council receives a flat fee from tennis professional to retain the income these charges are the maximum fees chargeable by managers			
<b>F</b>	<b>Parks Patrol</b>			
63	Seizure of motorcycle release fee	£108		£108
64	Storage of seized vehicles	£12		£12

## ALLOTMENTS

Allotment Charges (2 yr cycle)	Area Band	2008/09					2009/10				
		1	2	3	4	5	1	2	3	4	5
260	<b>( A ) No Facility</b>	£16.76	£19.64	£24.22	£28.81	£33.26	£16.76	£19.64	£24.22	£28.81	£33.26
261	<b>( B ) Water Only</b>	£19.64	£24.22	£31.82	£37.84	£43.86	£19.64	£24.22	£31.82	£37.84	£43.86
262	<b>( C ) Fencing Only</b>	£19.64	£24.22	£31.82	£37.84	£43.86	£19.64	£24.22	£31.82	£37.84	£43.86
263	<b>( D ) Water &amp; Fencing</b>	£24.22	£33.26	£40.98	£49.89	£59.05	£24.22	£33.26	£40.98	£49.89	£59.05
264	<b>( E ) Water Fencing &amp; Toilets</b>	£25.66	£36.40	£43.86	£54.60	£63.51	£25.66	£36.40	£43.86	£54.60	£63.51
265	<b>( F ) Water, Fencing &amp; Concrete Access</b>	£25.66	£36.40	£43.86	£54.60	£63.51	£25.66	£36.40	£43.86	£54.60	£63.51
266	<b>( G ) Water, Fencing, Toilets &amp; Car Park</b>	£27.50	£38.10	£45.70	£56.30	£65.34	£27.50	£38.10	£45.70	£56.30	£65.34

A 50% reduction of the above rents will be made if, on 1 January 2009, you are receiving state retirement/disability/unemployment/income support or any other state benefit or are over the age of 60.

For New Claimants:

To claim any of these reductions the appropriate benefit/pension reference must be quoted. Alternatively, the number of the Hillingdon Leisure Link Card may be produced.  
Contact your nearest library for details.

## Schedule J

### ON STREET PARKING CHARGES

<b>Town Centres</b>	<b>Duration</b>	<b>Existing charges = Hillingdon First Cardholders tariff</b>	<b>Proposed Charges for Non-card holders</b>
<ul style="list-style-type: none"> <li>Uxbridge</li> </ul>	<p>The maximum stay period on-street in Uxbridge is 2 hours.</p> <p>All of the existing and proposed charges are based on the cost of parking for each 15 minutes.</p>	30p per 15 minutes	50p per 15 minutes
<ul style="list-style-type: none"> <li>West Drayton/Yiewsley</li> <li>Hayes (Coldharbour Lane and Station Rd, Mount Rd and Nield Road)</li> <li>Northwood</li> <li>Eastcote</li> <li>Ruislip</li> </ul>	These schemes have various maximum stay durations of either 2 hours or 4 hours.	1 <sup>st</sup> 30 minutes free, then 20p per 30 minutes up to 2 hours, then 20p per 20 minutes up to maximum permitted stay	1 <sup>st</sup> 30 minutes free, then 40p per 30 minutes up to 2 hours, then 40p per 20 minutes up to maximum permitted stay
<b>Local Centres and Parades</b>	<b>Duration</b>	<b>Existing charges = Hillingdon First Cardholders tariff</b>	<b>Proposed Charges for Non-card holders</b>
<ul style="list-style-type: none"> <li>Belmore Parade</li> <li>Hillingdon Circus</li> <li>Uxbridge Rd/Lees Rd</li> <li>South Ruislip</li> <li>North Hillingdon (Hercies Road)</li> <li>Crescent Parade</li> </ul>	These schemes have various maximum stay durations between 2 hours and 10½ hours	1 <sup>st</sup> 30 minutes free, then 20p per 30 minutes up to 2 hours, then 20p per 20 minutes up to maximum permitted stay	1 <sup>st</sup> 30 minutes free, then 40p per 30 minutes up to 2 hours, then 40p per 20 minutes up to maximum permitted stay
<b>New Proposed 'Stop &amp; Shop' Scheme</b>	<b>Proposed maximum stay period if scheme proceeds:</b>	<b>Proposed rates if scheme proceeds:</b>	<b>Proposed rates if scheme proceeds:</b>
New Pond Parade	Maximum stay duration of 2 hours	1 <sup>st</sup> 30 minutes free, then 20p per 30 minutes up to 2 hours.	1 <sup>st</sup> 30 minutes free, then 40p per 30 minutes up to 2 hours.
<b>Parking Schemes</b>	<b>Duration</b>	<b>Existing charges = Hillingdon First Cardholders tariff</b>	<b>Proposed Charges for Non-card holders</b>
<ul style="list-style-type: none"> <li>Heathrow</li> <li>Hayes (Mount Rd and Neild Rd)</li> <li>Longford</li> <li>Uxbridge South</li> <li>Hillingdon Hospital</li> <li>Cowley (Station Rd and Huxley Cl)</li> <li>Uxbridge North (Park Rd)</li> </ul>	These schemes have various maximum stay durations between 30 minutes and 8 hours	<p><i>Outside shops;</i> 1<sup>st</sup> 30 minutes free, then 20p per 30 minutes to maximum permitted stay.</p> <p><i>Other places;</i> 20p per 20 minutes to maximum permitted stay</p>	<p><i>Outside shops;</i> 1<sup>st</sup> 30 minutes free, then 40p per 30 minutes to maximum permitted stay.</p> <p><i>Other places;</i> 40p per 20 minutes to maximum permitted stay.</p>

## OFF STREET PARKING CHARGES

Limited Stay Car Parks	Spaces	Duration	Existing Charges	Proposed Charges
<b>Maximum stay 2 hrs</b>				
Kingsend South, Ruislip	243	Up to 1 hour Up to 2 hours	£0.60 £1.00	£0.70 £1.00
Kingsend North, Ruislip	37	Up to 30 mins Up to 1 hour Up to 90 mins Up to 2 hours	Free £0.20 £0.40 £0.60	Free £0.60 £0.80 £1.20
<b>Maximum stay 4 hrs</b>				
Falling Lane, Yiewsley	23	Up to 30 mins Up to 1 hour Up to 1½ hours	Free £0.20 £0.40	Free £0.60 £0.80
Oaklands Gate, Northwood	12	Up to 2 hours Up to 3 hours Up to 4 hours	£0.60 £1.00 £1.80	£1.20 £2.00 £3.60
Rockingham Recreation Ground, Uxbridge.  Existing charges are: 20p for 30 mins 40p for 1 hour 80p for 2 hours £1.00 for 3 hours £1.80 for 4 hours  These to be replaced by the duration and charges detailed in the next 3 columns.		This car park has a maximum stay period of 4 hours	1 <sup>st</sup> 30 minutes free, then 20p per 30 minutes up to 2 hours, then 20p per 20 minutes up to maximum permitted stay	1 <sup>st</sup> 30 minutes free, then 40p per 30 minutes up to 2 hours, then 40p per 20 minutes up to maximum permitted stay
<b>Long Stay Car Parks</b>				
Kingsend South, Ruislip (Long Term)	49	Up to 1 hour Up to 2 hours Up to 3 hours Up to 4 hours Up to 15 hours	£0.60 £1.00 £1.20 £2.00 £2.20	£0.70 £1.20 £2.40 £4.00 £4.40
<b>Other Borough Car Parks</b>				
Blyth Road, Hayes	44	Up to 30 mins	Free	Free
Community Close, Ickenham	35	Up to 1 hour	£0.20	£0.40
Fairfield Road, Yiewsley	170	Up to 1½ hours	£0.40	£0.80
Long Lane, Hillingdon	25	Up to 2 hours	£0.60	£1.20
Civic Hall, Hayes	99	Up to 3 hours	£1.00	£2.00
Hayes Pool, Hayes	119	Up to 4 hours	£2.00	£4.00
Linden Avenue, Ruislip Manor	67	Up to 9 hours	£3.70	£7.40
Devon Parade, Eastcote	45	Up to 15 hours	£6.20	£10.00
Devonshire Lodge, Eastcote	203			
Green Lane, Northwood	160	NB. Blyth Rd does not have a 15 hr tariff		



<b>Long Stay Reduced Charge</b>	<b>Spaces</b>	<b>Duration</b>	<b>Existing Charges</b>	<b>Proposed Charges</b>
Long Drive, South Ruislip	72	Up to 30 mins	Free	Free
Brandville Road, West Drayton	77	Up to 1 hour	£0.20	£0.40
Pembroke Gardens, Ruislip Manor	96	Up to 1½ hours	£0.40	£0.80
Pump Lane, Hayes	120	Up to 2 hours	£0.60	£1.20
North View, Eastcote	147	Up to 3 hours	£1.00	£2.00
St. Martins Approach, Ruislip	124	Up to 4 hours	£1.80	£3.60
		Up to 15 hours	£2.00	£4.00

<b>Uxbridge Multi-storey car parks</b>	<b>Duration</b>	<b>Existing charges = Hillingdon First Cardholders tariff</b>	<b>Proposed Charges for Non- card holders</b>
Cedars car park, Uxbridge Grainges car park, Uxbridge	Up to 2 hours	£1.00	£1.10
	Up to 3 hours	£2.00	£2.20
	Up to 4 hours	£2.50	£2.70
	Up to 5 hours	£3.20	£3.50
	Up to 6 hours	£4.50	£5.50
	Up to 8 hours	£6.50	£10.00
	Over 8 hours	£8.50	£14.00
	Sunday (all day)	£2.00	£2.00
Season Ticket	£300 per quarter (Inclusive of VAT)	£375 per quarter (Inclusive of VAT)	
Civic Centre car park (open on Saturdays only)	Up to 2 hours	£0.90	£1.10
	Up to 4 hours	£1.80	£2.30
	Over 4 hours	£3.50	£4.50
<b>Car park Overnight Release Fee</b>	<b>Duration</b>	<b>Existing charges = Hillingdon First Cardholders tariff</b>	<b>Proposed Charges for Non- card holders</b>
All car parks that close overnight	Not applicable	£75 per vehicle, per occasion	£85 per vehicle, per occasion



# HILLINGDON

LONDON

Andrew Lock  
 Department for Communities and Local Government  
 Zone 5 / J2  
 Eland House  
 Bressenden Place  
 London  
 SW1E 5DU

Ref: CN/BL/RIH/202

7 January 2009

Dear Mr Lock

## Provisional Revenue Support Grant Settlement 2009/10 and Related Matters

This letter sets out the London Borough of Hillingdon's response to the consultation on the provisional Revenue Support Grant (RSG) settlement for 2009/10 announced on 26 November 2008, in line with the accompanying invitation for consultation responses.

We would like to thank you for the opportunity to comment on the announcement, and to note that in addition to the comments made in this letter, we refer you to responses from those representative organisations of which we are a member, including London Councils.

The key issues we wish to raise are summarised in the following table:

Table 1: Summary of Key Grant Losses to Hillingdon from Formula Methodology

Grant Change	2008/09 (£m)	2009/10 (£m)	2010/11 (£m)
Impact of Floor Damping	0	0.45	1.1
Baseline Transfer – Children's Services grant			
– undamped	0.9	0.9	0.9
– damped (impact on floor grant 2008/09)	0.25	0.65	0.65
Baseline Transfer – Public Law Family Fees	0	0.05	0.1
<b>Total</b>	<b>0.25</b>	<b>1.4</b>	<b>2.1</b>
Impact on Council Tax (£ at Band D)	£2.60	£14.50	£21.70
Impact on Council Tax (Increase %)	0.2%	1.3%	1.95%

Directorate  
 Finance and Resources Group  
 T.01895 556071 F.01895 250871  
 cneale@hillington.gov.uk www.hillingdon.gov.uk  
 London Borough of Hillingdon,  
 4N/08, Civic Centre, High Street, Uxbridge, UB8 1UW



INVESTOR IN PEOPLE

In addition, we wish to highlight that the provisional settlement is incomplete without a funding settlement from the Home Office for services to asylum seekers.

Turning first to the provisional settlement, which is being consulted upon by the Government as the second year of the three year settlement announced on 24 January 2008, and was previously consulted upon between 6 December 2007 and 8 January 2008. This consultation included the proposed outcomes of the formula grant distribution review conducted during 2007. Given that the Government has opted not to alter the headline grants arising from the settlement, we do not wish to repeat all of the points and representations made in relation to the formula grant methodology, and refer you instead to our letter dated 8 January 2008.

There are however some key current issues and concerns arising out of the provisional settlement that we wish to draw to the Minister's attention, that are reflected in Table 1 above.

#### Provisional Increase in Formula Grant

We have previously welcomed the move to the announcement of three-year settlements for 2008/09 to 2010/11. However, the stability that could be provided through multi-year settlements can only be effective if the level of funding and the data and formulae used to project future funding are sufficiently robust.

We note that the three-year settlement regime was clearly designed in and for an era of fundamental economic stability and growth, and it remains to be seen whether the system will withstand the current volatility in global financial and commodity markets and the impact of a deepening recession. We believe that the Minister is quite wrong in assuming that local government will simply be able to deliver 'business as usual' throughout this uncertain period, and has appeared to effectively rule out any change to local government funding until 2011/12.

We also note that Ministers have opted to provide a 'floor' increase in formula grant of 1.75% for education and social services authorities for 2009/10, reducing to 1.5% in 2010/11, and that this floor is paid for by scaling back grant increases calculated through the formulae for those authorities with recognised growth in needs. While progressively reducing the floor makes some sense in principle if there is sufficient confidence in the underlying formulae to predict spending need, the scale of the redistributive effect of other formula changes has meant that the level of scaling back increases over the three years, even though the floor is progressively lower. Under this arrangement, the London Borough of Hillingdon will lose over £1.5 million of grant through the floor mechanism cumulatively over the last two years of the three-year settlement period.

#### Baseline Transfers

We are concerned at the way that baseline adjustments for grant transfers have been fed into the proposed formula calculation. These have been added on a straight line basis to the formula block control totals, regardless of the previous distribution. This has serious implications, so that for example, whereas Hillingdon has only 0.43% of formula grant nationally, our share of Children's Services grant in 2007/08 was 0.89% of the England total - so we have effectively only got half the benefit of the grant transfer in 2008/09, since the treatment of the transfer into the formula depresses the headline grant increase we

would otherwise have received if the grant transfer has not taken place. The effect of this treatment on Hillingdon was a loss of £0.9 million of calculated formula grant in 2008/09 (before floors), or £0.25 million after the floors have been applied.

The effect of this shown more starkly in the manner in which the baseline transfer for Public Law Family Fees was added into the final local government finance settlement for 2008/09 to 2010/11, following inadequate consultation by the DCLG and the Ministry of Justice. As this was the only change between the provisional three-year settlement announced on 6 December 2007 and the final settlement announced on 24 January 2008, the effect of the formula methodology on this adjustment is clear. Hillingdon received 0.62% of the national total for this transfer equating to £232k of additional grant in 2008/09, but this reduces to £169k in 2009/10 and then to £115k in 2010/11, when comparing the grant level between the provisional and final settlements, thereby reducing the value of this adjustment by half over two years.

This reflects the general inadequacy of the four-block model, in that it is not sophisticated enough to target specific resources to the right formula blocks and sub-blocks within the model. Clearly in these circumstances, Hillingdon would be better off if these grant transfers had not occurred and had been retained as specific grants in 2008/09 and beyond, which we can only assume is an unfair result that Ministers could not have intended. It would therefore be more equitable for the baseline transfers to be added in after the increase in formula grant based on 2007/08 funding plus real funding increases over the three years of the settlement had been calculated.

Unless this inadequacy is rectified, there could be serious redistributive consequences if large baseline adjustments are again made in future, and in particular if the current Area Based Grant is rolled into formula grant in the next settlement period.

#### Area Based Grant

We welcome that the Government has also confirmed the specific grants that will form part of the Area Based Grant allocations from 2009/10 onwards. However, we are disappointed that the Government is considering an apparent retreat from the 'unringfencing' commitments made at the start of the three-year settlement. We note that the move to unringfencing Supporting People has been delayed until 2010/11, but we are especially concerned about the implication in the letter from Sadiq Khan MP dated 15 December 2008 suggesting that the Preventing Violent Extremism allocation within the Area Based Grant might be provided through another route which might include ringfencing. If we are to achieve the goal that we share with the Government of mainstreaming prevention work, then we must also have the maximum funding flexibility available to us and our partners to deliver on this important agenda.

It is particularly disappointing that of all of the Government departments that have contributed funding to the Area Based Grant, it is the Department for Communities and Local Government that is taking these retrograde steps to undo previous unringfencing decisions, especially at such a challenging time for service delivery where boldness is needed from local government's main supporter in central Government, rather than a retreat into past controlling behaviours.

### Funding for Services to Asylum Seekers

We are concerned that, among the specific grant announcements, it is noticeable that neither grant criteria nor a national funding total have been announced for the Home Office's responsibility to fund the costs of services to asylum seekers in 2008/09 and beyond. The absence of a funding regime for this service is causing significant difficulties for the Council in its budget setting process due to the high number of unaccompanied asylum seeking children in Hillingdon's care. Our total annual expenditure on services to asylum seekers is over £17 million, and yet we have no indication of the full extent to which this will be funded by the Home Office. We consider that the DCLG, as the co-ordinating Government department for local authority funding matters, should assist in ensuring that this funding is clarified with the Home Office as soon as possible.

### Icelandic Banks

We welcome the announcement at the time of the provisional settlement to provide the option for a delay to the enactment of impairments arising from potential losses of funds invested in Icelandic banks. However, this sensible step needs to be taken further by ensuring that capitalisation of any eventual losses will be endorsed by Government and a reasonable timescale provided for any applications for capitalisation directives, in order to provide an affordable funding mechanism for losses that minimises short term impact on service delivery. We note the separate consultation that is taking place on the draft regulations for the treatment of impairments and trust that the Government will give serious consideration to local government's views on the draft regulations.

We trust that Ministers will consider positively all of the issues highlighted in this letter in determining the final settlement for local authorities in England for 2009/10 and 2010/11.

Yours sincerely



Christopher Neale  
Director of Finance & Resources

Capital Programme 2009/10

APPENDIX 10

SCHEME	Budget 2009/10	General		Specific			Total
		Council Resources	Supported Borrowing SCER	Grants SCE(C)	HRA/ MRA	Section 106/ 3rd Party Conts	
Leaders Initiatives	200	200					200
Chrysalis	1,000	1,000					1,000
Town Centre Initiative	325	325					325
HIP Projects	600	600					600
<b>Deputy Chief Executive Total</b>	<b>2,125</b>	<b>2,125</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,125</b>
Assisted Funding Programme	150	150					150
S106/S278 Schemes	411	0				411	411
Hillingdon Sport & Leisure	8,707	6,432		2,275			8,707
Leisure Development - Botwell Green, Hayes	5,832	5,832					5,832
Libraries	1,500	1,500					1,500
Gymnastic centre	2,813	2,813					2,813
Minet Cycle Club	250	250					250
Queensmead Fitness Centre Refurb	80	80					80
Voltage Optimisation equipment	40	40					40
<b>Planning &amp; Community Total</b>	<b>19,783</b>	<b>17,097</b>	<b>0</b>	<b>2,275</b>	<b>0</b>	<b>411</b>	<b>19,783</b>
HRA - Decent Homes Works	10,000				10,000		10,000
HRA - Redevelopment	290				290		290
HRA - Cash Incentive Scheme	100				100		100
HRA - Other Projects	230				230		230
HRA - Estates Improvements	1,125			1,125			1,125
<b>HRA Total</b>	<b>11,745</b>	<b>0</b>	<b>0</b>	<b>1,125</b>	<b>10,620</b>	<b>0</b>	<b>11,745</b>
Disabled Facilities Grant (DFG)	2,040	510		1,530			2,040
Private Sector Renewal Grant (PSRG)	390	360		30			390
Colne Park Caravan Site - Refurbishment Works - phase 2	302	78		224			302
Improving Information Management	218	0		218			218
Enabling Electronic Social Care Record (ESCR)	100	100					100
Mental Health- Mead House	114	0		114			114
Learning Disability Modernisation Programme	243	243					243
Purchase of Benefits customer self-service facilities	225	225					225
Purchase of a SPLS (Supporting People software)	83	83					83
<b>Adult Social Care, Health &amp; Housing Total</b>	<b>3,715</b>	<b>1,599</b>	<b>0</b>	<b>2,116</b>	<b>0</b>	<b>0</b>	<b>3,715</b>
Children's Centres	2,075	0		2,075			2,075
Extended Schools - New grant from 08/09	606	0		606			606
Expansion Haydon	726	0	726				726

Capital Programme 2009/10

APPENDIX 10

SCHEME	Budget 2009/10	General		Specific			Total
		Council Resources	Supported Borrowing SCER	Grants SCE(C)	HRA/ MRA	Section 106/ 3rd Party Conts	
Extension of Nursery Care / Education	1,854	0		1,854			1,854
Formula Capital Devolved to Schools	6,388	0		6,388			6,388
Guru Nanak - Expansion 2010	3,000	0		3,000			3,000
Harefield School Nursery	52	0				52	52
Longmead S106	2,323	0				2,323	2,323
Primary Capital Programme - indicative amounts	3,893	0		3,893			3,893
Pinkwell 2 Classrooms	1,199	20				1,179	1,199
Rosedale College S106 - only	26	0				26	26
School Improvement Programme (Modernisation)	2,000		2,000				2,000
School Places Provision (Basic Needs)	3,757		3,757				3,757
School travel Plans	112	0		112			112
Schools Access Programme	500		500				500
Schools Kitchens	594	0		594			594
Surestart - AHDC short breaks - new allocation 09/10	157	0		157			157
Targeted Capital -Oak Farm	45	0	45				45
Targeted Capital -Uxbridge High	1,180	0	246			934	1,180
New Young People's Centre	3,010	3,010					3,010
<b>Education &amp; Childrens Services Total</b>	<b>33,497</b>	<b>3,030</b>	<b>7,274</b>	<b>18,679</b>	<b>0</b>	<b>4,514</b>	<b>33,497</b>
ICT Asset Management Strategy - IT projects 1-4 + 6	500	500					500
Property Enhancements Programme	500	500					500
YOT consolidation Link 1A/cashiers	372	372					372
C/C Electrical Works	2	2					2
Hillingdon First Card	182	52				130	182
Civic centre security Improvements	236	236					236
Farm Barns	15	15					15
Photovoltaic Cells - civic centre roof	34	34					34
Civic centre enhancements	750	750					750
<b>Finance &amp; Resources Total</b>	<b>2,591</b>	<b>2,461</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>130</b>	<b>2,591</b>
BSP funded by Transport for London	3,685			3,685			3,685
Highways Improvements	1,358	1,358					1,358
<b>Cabinet Member Initiatives - Highways</b>							<b>0</b>
- Road Safety	250	250					250
- Traffic Congestion Mitigation	200	200					200
- Street Lighting	300	300					300

Capital Programme 2009/10

APPENDIX 10

	Budget 2009/10	General		Specific			Total
		Council Resources	Supported Borrowing SCER	Grants SCE(C)	HRA/ MRA	Section 106/ 3rd Party Conts	
<b>SCHEME</b>							
<b>Cabinet Member Initiatives - Parks &amp; Street Scene</b>							0
- Green Spaces Strategy	250	250					250
- Street Scene	250	250					250
<b>Cabinet Member Initiatives - CCTV</b>	250	250					250
NYGL CA site 10-2008	1,600	1,600					1,600
Breakspear Crematorium	1,700	1,133				567	1,700
Car Park Improvement	200	200					200
<b>Environment &amp; Consumer Protection Total</b>	<b>10,043</b>	<b>5,791</b>	<b>0</b>	<b>3,685</b>	<b>0</b>	<b>567</b>	<b>10,043</b>
<b>Total</b>	<b>83,499</b>	<b>32,103</b>	<b>7,274</b>	<b>27,880</b>	<b>10,620</b>	<b>5,622</b>	<b>83,499</b>
<b>Contingency</b>							
Sports and Community Projects	1,000	1,000					1,000
Highways/Footpaths/Lighting	600	600					600
Priority Projects	400	400					400
Purchase of Vehicles	1,196	1,196					1,196
		0					0
General Contingency	1,500	1,500					1,500
<b>Total contingency</b>	<b>4,696</b>	<b>4,696</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,696</b>
<b>Grand Total</b>	<b>88,195</b>	<b>36,799</b>	<b>7,274</b>	<b>27,880</b>	<b>10,620</b>	<b>5,622</b>	<b>88,195</b>



**MINIMUM REVENUE PROVISION POLICY STATEMENT 2009/10 (England and Wales)**

The Council will implement the new Minimum Revenue Provision (MRP) guidance in 2008/09, and assess its MRP for 2009/10 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003. .

The major proportion of the MRP for several years from 2008/09 onwards will relate to the more historic debt liability and will continue to be charged at the rate of 4%, using the CFR as the basis of calculation. Certain expenditure reflected within the debt liability at 31<sup>st</sup> March 2008 will, under delegated powers be subject to MRP under option 3, which will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using a straight line method. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.

Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

## **MINIMUM REVENUE PROVISION – an introduction**

### **1. What is a Minimum Revenue Provision?**

Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred and so such expenditure is spread over several years so as to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual Minimum Revenue Provision, which was previously determined under Regulation, and will in future be determined under Guidance.

### **2. New statutory duty**

Statutory Instrument 2008 no. 414 s4 lays down that:

“A local authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent.”

The above is a substitution for the previous requirement to comply with regulation 28 in S.I. 2003 no. 3146, (as amended)

The share of Housing Revenue Account CFR is not subject to an MRP charge

### **3. New Government Guidance**

Along with the above duty, the Government issued new guidance in February 2008 which requires that a Statement on the Council’s policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate.

The Council are legally obliged to “have regard” to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was required under the previous statutory requirements. The guidance offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The requirement to ‘have regard’ to the guidance therefore means that: -

1. Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.
2. It is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

**Option 1: Regulatory Method**

Under the previous MRP regulations, MRP was set at a uniform rate of 4% of the adjusted CFR on a reducing balance method (which in effect meant that MRP charges would stretch into infinity). This historic approach must continue for all capital expenditure incurred in years before the start of this new approach. It may also be used for new capital expenditure up to the amount which is deemed to be supported through the SCE(R) annual allocation.

**Option 2: Capital Financing Requirement Method**

This is a variation on option 1 which is based upon a charge of 4% of the aggregate CFR without any adjustment for Adjustment A, or certain other factors which were brought into account under the previous statutory MRP calculation. The CFR is the measure of an authority's outstanding debt liability as depicted by their balance sheet.

**Option 3: Asset Life Method.**

This method may be applied to most new capital expenditure, including where desired that which may alternatively continue to be treated under options 1 or 2.

Under this option, it is intended that MRP should be spread over the estimated useful life of either an asset created, or other purpose of the expenditure. There are two useful advantages of this option: -

- Longer life assets e.g. freehold land can be charged over a longer period than would arise under options 1 and 2.
- No MRP charges need to be made until the financial year after that in which an item of capital expenditure is fully incurred and, in the case of a new asset, comes into service use (this is often referred to as being an 'MRP holiday'). This is not available under options 1 and 2.

There are two methods of calculating charges under option 3:

- a. equal instalment method – equal annual instalments
- b. annuity method – annual payments gradually increase during the life of the asset

**Option 4: Depreciation Method**

Under this option, MRP charges are to be linked to the useful life of each type of asset using the standard accounting rules for depreciation (but with some exceptions) i.e. this is a more complex approach than option 3.

The same conditions apply regarding the date of completion of the new expenditure as apply under option 3.

**Prudential Indicators FY 2009-10 to FY 2011-12****1 Background:**

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. It should be noted that CIPFA undertook a review of the Code in early 2008. The outcome from that review has yet to be published.

**2. Estimates of Capital Expenditure:**

2.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the Housing Revenue Account (HRA), housing rent levels.

<b>No. 1</b>	<b>Capital Expenditure</b>	2008-09	2008-09	2009-10	2010-11	2011-12
		Approved £m	Revised £m	Estimate £m	Estimate £m	Estimate £m
	Non-HRA	67.0	66.8	76.5	58.9	65.1
	HRA	10.9	11.2	11.7	10.5	10.5
	<b>Total</b>	<b>77.9</b>	<b>78.0</b>	<b>88.2</b>	<b>69.4</b>	<b>75.6</b>

2.2 Capital expenditure will be financed as follows:

<b>Capital Financing</b>	2008-09	2008-09	2009-10	2010-11	2011-12
	Approved £m	Revised £m	Estimate £m	Estimate £m	Estimate £m
Capital receipts	15.3	2.1	8.8	8.8	15.0
Government Grants	22.5	33.5	33.4	32.2	32.2
Major Repairs Allowance	7.6	7.6	8.0	7.7	8.0
Revenue contributions	4.7	3.4	2.6	2.8	2.6
Supported borrowing	6.9	3.8	3.8	3.8	3.8
Unsupported borrowing	20.9	27.6	31.6	14.1	14.0
<b>Total</b>	<b>77.9</b>	<b>78.0</b>	<b>88.2</b>	<b>69.4</b>	<b>75.6</b>

**3. Ratio of Financing Costs to Net Revenue Stream:**

3.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The definition of financing costs is set out at paragraph 87 of the Prudential Code.

3.2 The ratio is based on costs net of investment income.

No. 2	Ratio of Financing Costs to Net Revenue Stream	2008-09	2008-09	2009-10	2010-11	2011-12
		Approved	Revised	Estimate	Estimate	Estimate
	Non-HRA	4.20%	4.04%	4.90%	5.36%	5.72%
	HRA	5.04%	4.28%	4.15%	3.89%	3.72%
	<b>Total</b>	4.40%	4.10%	4.72%	5.00%	5.24%

#### 4. Capital Financing Requirement:

4.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing. It is an aggregation of the amounts shown for Fixed and Intangible assets, the Revaluation Reserve, the Capital Adjustment Account, Government Grants Deferred and any other balances treated as capital expenditure

No. 3	Capital Financing Requirement	31/3/09	31/3/09	31/3/10	31/3/11	31/3/12
		Approved £m	Revised £m	Estimate £m	Estimate £m	Estimate £m
	Non-HRA	152	143	172	184	195
	HRA	64	64	64	64	64
	<b>Total CFR</b>	216	207	236	248	259

4.2 The year-on-year change in the CFR is due to the following

Capital Financing Requirement	2008-09	2008-09	2009-10	2010-11	2011-12
	Approved £m	Revised £m	Estimate £m	Estimate £m	Estimate £m
<b>Balance B/F</b>	186	182	207	236	248
Capital expenditure financed from borrowing	30	32	35	18	18
Revenue provision for debt redemption.	-4	-4	-5	-6	-7
Other items	4	-3	-1	0	0
<b>Balance C/F</b>	216	207	236	248	259

4.3 In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council should make sure that net external borrowing does not, except in the short term, exceed the Capital Financing Requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

4.4 The Director of Finance and Resources reports that this Council had no difficulty meeting this requirement in 2007-08 nor are difficulties envisaged for the current or future financial years.

## 5 Actual External Debt:

5.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

No. 4	Actual External Debt as at 31/3/2008	£m
	Borrowing	218
	Other Long-term Liabilities	4
	<b>Total</b>	<b>222</b>

## 6. Incremental Impact of Capital Investment Decisions:

6.1 This is an indicator of affordability that shows the impact of capital investment decisions on council tax and housing rent levels.

No. 5	Incremental Impact of Capital Investment Decisions	2008-09	2009-10	2010-11	2011-12
		Approved	Estimate	Estimate	Estimate
	Increase in Band D Council Tax	-£11.62	£17.64	£41.39	£51.61
	Increase in Average Weekly Housing Rents	£0.11	-£0.03	-£0.18	-£0.18

6.2 The increase in Band D council tax reflects the increases in running costs and/or increases in the provision for capital financing charges of £1.7m arising from the proposed capital programme.

## 7 Authorised Limit and Operational Boundary for External Debt:

7.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

7.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities.) This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

7.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

7.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

<b>No. 6</b>	<b>Authorised Limit for External Debt</b>	2008-09	2008-09	2009-10	2010-11	2011-12
		Approved £m	Actual £m	Estimate £m	Estimate £m	Estimate £m
	Borrowing	277	277	293	305	317
	Other Long-term Liabilities	4	4	3	3	2
	<b>Total</b>	281	281	296	308	319

7.5 The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

7.6 The Director of Finance and Resources has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the council.

<b>No. 7</b>	<b>Operational Boundary for External Debt</b>	2008-09	2008-09	2009-10	2010-11	2011-12
		Approved £m	Actual £m	Estimate £m	Estimate £m	Estimate £m
	Borrowing	252	252	268	280	292
	Other Long-term Liabilities	4	4	3	3	2
	<b>Total</b>	256	256	271	283	294

## 8. Adoption of the CIPFA Treasury Management Code:

8.1 This indicator demonstrates that the Council has adopted the principles of best practice.

<b>No. 8</b>	<b>Adoption of the CIPFA Code of Practice in Treasury Management</b>
	The Council approved the adoption of the CIPFA Treasury Management Code at its meetings held on the 21 <sup>st</sup> March 2002.

## 9. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

9.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments)

9.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments. To provide greater clarity, the disclosures of upper limits for fixed and variable rate exposure have been amended for financial years 2009-10 to 2011-12 and are now shown as percentages rather than absolute values

		2008-09	2008-09	2009-10	2010-11	2011-12
		Approved	Revised	Estimate	Estimate	Estimate
<b>No. 9</b>	<b>Upper Limit for Fixed Interest Rate Exposure</b>	£252m	£252m	100%	100%	100%
<b>No. 10</b>	<b>Upper Limit for Variable Rate Exposure</b>	£64m	£64m	50%	50%	50%



9.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

## 10 Maturity Structure of Fixed Rate borrowing:

10.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

10.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

No.	Maturity structure of fixed rate borrowing	Lower Limit %	Upper Limit %
11	under 12 months	0	25
	12 months and within 24 months	0	25
	24 months and within 5 years	0	50
	5 years and within 10 years	0	50
	10 years and above	30	100

## 11. Upper Limit for total principal sums invested over 364 days:

11.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

No.	Upper Limit for total principal sums invested over 364 days	2008-09	2008-09	2009-10	2010-11	2011-12
12		Approved £m	Revised £m	Estimate £m	Estimate £m	Estimate £m
		23	23	50	34	18

## Treasury Management Strategy Statement and Investment Strategy 2009-10 to 2011-12

### 1. Background

1.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") requires local authorities to set the Treasury Management Strategy Statement (TMSS) for borrowing each financial year.

1.2 CIPFA has defined Treasury Management as:

"the management of the organisation's cash flows, its 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."

1.3 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Treasury management risks are identified in the Council's approved Treasury Management Practices; the main risks to the Council's treasury activities are:

- Liquidity Risk (Inadequate cash resources)
- Market or Interest Rate Risk (Fluctuations in interest rate levels and thereby in the value of investments).
- Inflation Risks (Exposure to inflation)
- Credit and Counterparty Risk (Security of Investments)
- Refinancing Risks (Impact of debt maturing in future years).
- Legal & Regulatory Risk (i.e. non-compliance with statutory and regulatory requirements, risk of fraud).

1.4 The strategy also takes into account the outlook for interest rates, the Council's current treasury position and its approved Prudential Indicators (PI) attached as Appendix 12. To provide greater clarity, the disclosures of upper limits for fixed and variable rate exposure have been amended for financial years 2009-10 to 2011-12 and are now shown as percentages rather than absolute values. The Prudential Indicators relevant to the treasury management strategy are set out below:

PI No.		2008-09 Approved	2008-09 Actual	2009-10 Estimate	2010-11 Estimate	2011-12 Estimate
6	Authorised Limit for External Debt	£281m	£281m	£296m	£308m	£319m
7	Operational Boundary for External Debt	£256m	£256m	£271m	£283m	£294m
9	Upper Limit for Fixed Interest Rate Exposure	£252m	£252m	100%	100%	100%

10	Upper Limit for Variable Rate Exposure	£64m	£64m	50%	50%	50%
12	Upper Limit for total principal sums invested over 364 days	£23m	£23m	£50m	£34m	£18m

11	Maturity structure of fixed rate borrowing :	Lower Limit %	Upper Limit %
	under 12 months	0	25
	12 months and within 24 months	0	25
	24 months and within 5 years	0	50
	5 years and within 10 years	0	50
	10 years and above	30	100

1.5 This TMSS also incorporates the Council's Investment Strategy.

## 2. The Treasury Position

2.1 The estimated treasury position for 31/3/2009 and for the following financial years is:

	31/3/2009 Estimate		31/3/2010 Estimate	31/3/2011 Estimate	31/3/2012 Estimate
	£m	%	£m	£m	£m
<b>External borrowing:</b>					
Fixed rate - PWLB	170	77	131	128	125
Fixed rate - Market	34	15	24	15	15
Variable rate - PWLB	0	0	35	33	32
Variable rate - Market	14	6	10	9	0
Other long-term liabilities	4	2	3	3	2
<b>Total external debt</b>	<b>222</b>	<b>100</b>	<b>203</b>	<b>188</b>	<b>174</b>
<b>Investments:</b>					
Managed in-house					
- Short-term deposits	98	98	40	35	30
- Long-term deposits	2	2	25	17	9
<b>Total Investments</b>	<b>100</b>	<b>100</b>	<b>65</b>	<b>52</b>	<b>39</b>

2.2 The estimate for interest payments in 2009-10 is £9.2m and for interest receipts is £1.7m.

## 3. Outlook for Interest Rates

The economic interest rate outlook provided by the Council's treasury advisor, Arlingclose Ltd, is attached at Appendix A. It is summarised below.

### (a) Background

Central bankers acted decisively in October 2008 as the effective breakdown of financial systems threatened to destabilise the global economy. It included government sponsored recapitalisations, interventions through the provision of liquidity and guarantees for lending; in some instances nationalisation of private sector financial institutions; the removal of compromised assets from banks' balance sheets through special finance mechanisms; and co-ordinated emergency interest rates cuts. The UK, Eurozone and US economies contracted in the third and fourth quarters of 2008.

### (b) Outlook

- **Availability of credit** is expected to remain restricted and credit conditions challenging, particularly as banks change their lending behaviour and lower their lending risk. The poorly functioning transmission mechanism for lower rates to be passed to consumers could cause governments to intervene directly between banks and corporates/individuals.
- **Inflation:** The elevated levels of commodity, food and energy inflation which exerted a powerful squeeze on real incomes in 2008 are expected to fade in 2009. CPI, which had risen to 5.2% in 2008, is now expected to fall below the MPC's lower boundary of 1%. Whilst this will provide consumers some relief, lower inflation erodes debt burdens more slowly.
- **Labour market:** Unemployment, already at 6%, is expected to rise further. The fear of unemployment will keep wage bargaining and wage inflation to a minimum.
- **Housing / Consumer Confidence:** The prospect of negative housing equity, and/or rising unemployment and depressed asset values could culminate in a further negative loop-back for confidence. Consumers and businesses will scale back spending to conserve or repair their balance sheets.
- **Growth:** The effort to reduce erstwhile ballooning debt will hit economic activity and growth in the UK, US and in Europe. The prospects for growth remain uniformly poor for much of 2009. Asset values are forecast to drop further, particularly those which are commodities and housing related.
- **Interest rates / Central Bank policies:** To avoid deflation and to mitigate the severity of the economic slowdown, there will be a growing willingness by Central Bankers to countenance abnormally low interest rates and/or some form of quantitative easing (i.e. using more unconventional methods such as expanding the central bank's balance sheet and injecting cash into the economy), sooner rather than later.
- **UK:** During the autumn on 2008, the Bank of England's Monetary Policy Committee cut rates by a cumulative 3% and a further 0.5% in January, bringing the Bank Rate down to 1.5%, a level the Bank deemed appropriate for the prevalent economic conditions. The Bank Rate is expected to be cut to 1% or lower.
- **US:** The Federal Funds rate was cut to 1%, before the decision in December 2008 to lower the rate to a range between 0% and 0.25% alongside the announcement of quantitative easing policies (among them, the purchase of large and unlimited quantities of agency and

mortgage backed debt and the potential purchase of longer term Treasuries).

- **Euroland:** The European Central Bank is expected to cut rates more cautiously from the current level of 2.0% due to the different imbalances in each of the member states.

**Market conditions and volatility:** Market volatility remains high whilst risk appetite is low, markets are expected to continue in 'capital preservation mode' into early 2009. Although LIBOR (London Interbank Offer Rate) is falling, the gap between official and market interest rates is likely to remain relatively wide for some months to come.

The deterioration in public finances, both via the cost of shoring up the financial system and also as recession hits the government's revenue streams and the burgeoning budget deficit, will require significant new gilt issuance in 2009. This excess supply is expected to push longer dated yields higher although not aggressively so. Short-dated gilt yields are however expected to fall with the gathering momentum of a fall in official policy rates.

The price destruction in equities will keep stock markets subdued and, even though there may be tentative signs of stability, it would be too early to say if a bottom has been reached.

The forecast provided by Arlingclose for the UK Bank Rate (January 2009) is:

	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11
<b>Official Bank Rate</b>									
Upside risk							+0.25	+0.25	+0.25
<b>Central case</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.50</b>	<b>2.00</b>	<b>2.50</b>	<b>2.50</b>
Downside risk	-0.50	-0.75	-0.75	-0.75	-0.75	-0.50	-0.50	-0.50	-0.50

The probability of zero or near zero interest rates, unthinkable just a few months ago, is now very high. The economic outlook provides both opportunities and challenges for the Council's treasury strategy in FY 2009-10.

#### **4. Borrowing Requirement and Strategy**

- 4.1 The Council's underlying need to borrow for capital purposes is measured by reference to its Capital Financing Requirement (CFR). The CFR will determine the Council's requirement to make a Minimum Revenue Provision for Debt Redemption (MRP) from within its Revenue budget. Actual borrowing may be greater or less than the CFR.

<b>PI No. 3 Capital Financing Requirement</b>	31/3/2009 Approved £m	31/3/2009 Revised £m	31/3/2010 Estimate £m	31/3/2011 Estimate £m	31/3/2012 Estimate £m
Non-HRA	152	143	172	184	195
HRA	64	64	64	64	64
<b>Total CFR</b>	<b>216</b>	<b>207</b>	<b>236</b>	<b>248</b>	<b>259</b>

- 4.2 In accordance with the Prudential Code, the Council will ensure that net external borrowing does not, except in the short term, exceed the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years.
- 4.3 Capital expenditure not financed from internal resources (i.e. Capital Receipts, Capital Grants and Contributions, Revenue or Reserves) will produce an increase in the CFR (the underlying need to borrow) and may in turn produce an increased requirement to charge MRP in the Revenue Account.
- 4.4 The cumulative estimate of the long-term borrowing requirement is calculated as follows:

	31/3/2009 Estimate £m	31/3/2010 Estimate £m	31/3/2011 Estimate £m	31/3/2012 Estimate £m
Capital Financing Requirement	207	236	248	259
<b>Less:</b>				
Existing Profile of Borrowing	218	218	215	215
Other Long Term Liabilities	4	3	3	2
<b>Borrowing Requirement</b>	<b>-15</b>	<b>15</b>	<b>30</b>	<b>42</b>

- 4.5 The Council prefers to maintain maximum control over its borrowing activities as well as flexibility on its loans portfolio. Capital expenditure levels, market conditions and interest rate levels will be monitored during the year in order to minimise borrowing costs over the medium to longer term. A prudent and pragmatic approach to borrowing will be maintained to minimise borrowing costs without compromising the longer-term stability of the portfolio, consistent with the Council's Prudential Indicators.
- 4.6 In conjunction with advice from its treasury advisor, Arlingclose Ltd, the Council will keep under review the options it has in borrowing from the PWLB, the market and other sources up to the available capacity within its CFR and Affordable Borrowing Limit (defined by CIPFA as the Authorised Limit).
- 4.7 Short-dated gilt yields are forecast to be considerably lower than medium- and long-dated gilt yields during the financial year. Despite additional gilt issuance to fund the UK government's support to the banking industry, short-dated gilts are expected to benefit from expectations of lower interest rates as the economy struggles through a recession. Yields for these maturities will fall as expectations for lower interest rates mount.

**The outlook for borrowing rates:**

- 4.8 Variable Rate borrowing : The shocks in the financial markets in the second half of 2008 leaves the UK in a different era in respect of official interest rates which are forecast to fall below 1%. By December 2008 the rates for PWLB variable-rate borrowing had fallen substantially and are forecast to fall to very low levels as the Bank Rate is cut further.

- 4.9 Fixed rate borrowing: Gilts across all maturities will initially benefit from their status of safe haven assets in uncertain economic times. As yields fall initially, fixed PWLB rates across most maturities could challenge historic lows. As the UK Bank Rate falls to 1% or lower, short-dated yields and PWLB rates should provide some attractive fixed rate borrowing opportunities.
- 4.10 The Council will evaluate with Arlingclose the relative merits of a strategic exposure to variable rate debt. Decisions to borrow at low, variable rates of interest will be taken after considering the absolute level of longer term interest rate equivalents and the extent of variable rate earnings on the Council's investment balances. Should longer term rates move below the cost of variable rate borrowing any strategic exposure to variable interest rates will be reviewed and, if appropriate, reduced.
- 4.11 Actual borrowing undertaken and the timing will depend on capital expenditure levels, interest rate forecasts and market conditions during the year, in order to minimise borrowing costs. The Council will be advised by Arlingclose of the specific timing of borrowing. This may include borrowing in advance of future years' requirements provided that overall borrowing is maintained within the Council's projected CFR and its approved Affordable Borrowing Limit.
- 4.12 The Council will undertake a financial options appraisal process to establish how it has arrived at its 'value for money' judgement in the use of resources.

## **5. Debt Rescheduling**

- 5.1 The Council will continue to maintain a flexible policy for debt rescheduling. Market volatility may provide opportunities for rescheduling debt from time to time. The rationale for rescheduling would be one or more of the following:
- Savings in interest costs with minimal risk.
  - Balancing the volatility profile (i.e. the ratio of fixed to variable rate debt) of the debt portfolio.
  - Amending the profile of maturing debt to reduce any inherent refinancing risks.
- 5.2 The rescheduling of PWLB debt since the introduction of its repayment rates on 1<sup>st</sup> November 2007 has not ceased, but has become undoubtedly harder and places greater emphasis on the timing and type of new borrowing. PWLB rates exhibited a fair degree of volatility in FY 2008-09; should a similar pattern emerge in FY 2009-10, this could provide the Council with some rescheduling opportunities.
- 5.3 Any rescheduling activity will be undertaken within the Council's treasury management policy and strategy. The Council will agree in advance with Arlingclose the strategy and framework within which debt will be repaid/rescheduled if opportunities arise. Thereafter the Council's debt portfolio will be monitored against equivalent interest rates and available refinancing options on a regular basis. As opportunities arise, they will be identified by Arlingclose and discussed with the Council's officers.

- 5.4 All rescheduling activity will comply with the accounting requirements of the local authority SORP and regulatory requirements of the Capital Finance and Accounting Regulations (SI 2007 No 573 as amended by SI 2008/414).
- 5.5 Borrowing and debt rescheduling activity will be included within the treasury reports provided to council in May and November of each year.

## **6. Investment Policy and Strategy**

### **Background**

- 6.1 Guidance from the then ODPM (now DCLG) on Local Government Investments in England requires, similarly, that an Annual Investment Strategy (AIS) be set. The Guidance permits the TMSS and the AIS to be combined into one document.

### **Investment Policy**

- 6.2 The Council's general policy objective is to invest its surplus funds prudently. The Council's investment priorities are:
- security of the invested capital;
  - liquidity of the invested capital;
  - an optimum yield which is commensurate with security and liquidity.

The speculative procedure of borrowing purely in order to invest is unlawful.

- 6.3 The credit crisis has refocused attention on the treasury management priority of security of capital monies invested. The Council has reviewed its approach and assesses a wider range of indicators of credit strength than the pure reliance upon credit ratings. This includes a range of objective indicators (such as credit default swaps, share price movements and sovereign credit ratings, individual, financial strength, support ratings and economic indicators) as well as a subjective overlay.
- 6.4 Investments are categorised as 'Specified' or 'Non Specified' investments based on the criteria in the ODPM Guidance.
- 6.5 Specified Investments will be those that meet the criteria in the ODPM Guidance, i.e. the investment
- is sterling denominated
  - has a maximum maturity of 1 year
  - meets the "high" credit criteria as determined by the Council or is made with the UK government or is made with a local authority in England, Wales and Scotland.



- the making of which is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate)

6.6 The Council's investments will be in the following investment instruments classified as Specified Investments:

- Term deposits in banks and building societies;
- Certificates of deposit with banks and building societies;
- Debt Management Account Deposit Facility;
- Other local authorities;
- Money market funds with a AAAM rating and a constant net asset value;
- UK Government bonds (Gilts); and,
- UK Treasury Bills.

6.7 Non-Specified Investments will satisfy all the criteria of Specified Investments with one exception, they will have a maximum maturity of 6 years and the maximum exposure will be £60m. They will cover the following investments:

- Bonds issued by Multilateral Development Banks (i.e. European Investment Bank, World Bank);
- Bonds issued by institutions with an explicit UK Government Guarantee; and,
- UK Government bonds (Gilts); and,
- Other local authorities.

6.8 The Director of Finance and Resources, under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators.

6.9 All investment activity will comply with the accounting requirements of the local authority SORP.

### **Investment Counterparties**

6.10 Financial markets and financial institutions remain in a state of heightened risk as the impact of the credit crunch continues to adversely affect the global economy. The Council's investment activities have been restricted as a consequence in order to demonstrably address the prevailing higher risk backdrop.

6.11 The Council is able to invest in the investment instruments outlined in 6.6 and 6.7 above but investments in banks and building societies (on a term or certificate of deposit basis) are currently limited to UK banks and building societies that have a minimum AA- long term credit rating and F1+ short term rating and are participants in the UK Government's Credit Guarantee Scheme (CGS).

This currently limits activity to the following banks:

- Abbey National
- Barclays
- Clydesdale
- HSBC
- Lloyds/HBOS (Group)
- Royal Bank of Scotland

and the following Building Society:

- Nationwide

The CGS effectively provides a UK Government Guarantee for these institutions, some of whom such as Lloyds/HBOS and Royal Bank of Scotland have been partially nationalised by the UK Government.

Deposits with these banks and building society are allowed for periods up to 12 months duration and £20m exposure limit per institution applies.

However the size of the average investment portfolio will be regularly monitored to ensure the limits in place do not allow a concentration of investments in a limited number of institutions. Any material movements in average portfolio size will require the revision of exposure limits for each institution to represent a maximum of 15% of the new average portfolio total.

Given the current volatility in market conditions, the rapid changes in sentiment and stability within the banking sector, the possibility of downgrade to the UK and its banks and new overseas support packages and initiatives it may be necessary for the Director of Finance and Resources under delegated powers in conjunction with the Cabinet Member for Finance and Business Services to make changes to the approved list of institutions. This will allow the council to respond quickly to transformations in the financial environment and to make decisions to ensure the security, liquidity and yield of investments.

Changes may include:

- The continued use of the seven institutions above even if they suffer downgrades below a long-term rating of AA- and a short-term rating of F1+
- Additions to the approved list as new institutions become available which represent the same level of security and creditworthiness as described in paragraph 6.11
- Amendments to exposure limits in terms of value and percentage due to changes in average portfolio size.

6.12 The Council has an account with the Debt Management Account Deposit Facility (DMADF). This facility allows the Council to invest with the UK

Government via HM Treasury for periods up to 6 months. There is no exposure limit on the DMADF as an investment counterparty.

6.13 The Council utilises Money Market Funds with a AAAM rating and operating on a constant net asset value basis (CNAV). The Council can invest up to £20m in money market funds but has a maximum exposure limit to any one fund of £5m.

6.14 Investments in other UK local authorities are permitted. There is a £35m exposure limit on each local authority as investment counterparties.

6.15 The Council is permitted to invest in sterling denominated bonds issued by HM Government (Gilts), bonds issued with a HM Government Guarantee and bonds issued by Multi Lateral Development Banks (i.e. European Investment Bank, World Bank). Investments in these bonds will be for periods of up to 6 years.

6.16 The permitted investments can be summarised as follows:

<b>Investment</b>	<b>Maximum Counterparty Limit</b>	<b>Maximum Counterparty Limit</b>	<b>Maximum Length of Investment</b>	<b>Criteria</b>
Banks and Building Societies	£20m	15%	1 year	Min AA- long term and F1+ rating plus CGS (or equivalent)
Local Authorities	£35m per local authority, unlimited exposure to the sector	25%	5 years	
Money Market Funds	£5m per Fund	7.5%	n/a	AAAM and CNAV
DMADF	Unlimited	100%		
HM Government (Gilts and Treasury Bills)	Unlimited	100%	6 years	
Bonds issued by Multilateral Development Banks	£50m	40%	6 years	
Bonds issued with HM Government Guarantee	£50m	40%	6 years	

## **Investment Strategy**

- 6.17 With short term interest rates sharply lower and expected to decrease further in 2009, investment strategy would typically result in a lengthening of investment periods, where cash flow permits, in order to lock-in higher rates of acceptable risk adjusted returns. The problem in the current environment is finding an investment counterparty providing acceptable levels of counterparty risk.

Investment strategy will include investment for longer periods (up to 6 years) in bonds issued by HM Government, Multilateral Development Banks and bonds with a HM Government Guarantee to secure a level of acceptable risk adjusted return that should span the period of sharply lower interest rates. The bonds satisfy the investment objectives of the Council and as Non Specified Investments any investment will be limited to a maximum of £60m.

Remaining investments will be placed with the other approved investment counterparties in order to achieve a diversified portfolio of prudent counterparties, investment periods and rates of return.

## **7. Icelandic Banks**

- 7.1 In early October 2008 all three of Iceland's major banks (Glitnir, Kaupthing and Landsbanki) collapsed following their difficulties in re-financing their short-term debt coupled with a run on deposits. In the UK, the Financial Services Authority (FSA) put Kaupthing, Singer & Friedlander (the UK subsidiary of Kaupthing) and Heritable Bank (the UK subsidiary of Landsbanki) into administration. The Administrators will be seeking to find purchasers for, and will continue to manage, the banks' businesses and loan books to maximise recovery for creditors.
- 7.2 The council currently has frozen deposits of £15m with Heritable and £5m with Landsbanki. The process of administration will determine the extent of any recoverable amount and also the timescale over which any such payments will be made. The Council will however be required under the SORP to account for the impairment of these financial assets in the 2008/09 Income and Expenditure Account. The Department for Communities and Local Government (DCLG) published draft Regulations in December 2008 aimed at deferring the impact of impairment until 2010/11. The Council will then have the opportunity to apply to the DCLG for a capitalisation direction in that year, although no guarantee can be given that a direction will be granted. The granting of a capitalisation direction allows the impairment cost to be spread over a number of years.

## **8. Balanced Budget Requirement**

- 8.1 The Council complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

**9. Annual MRP Statement**

- 9.1 The Annual MRP Statement is subject to Council approval and is reported separately under Appendix 11.

**10. Reporting on the Treasury Outturn**

- 10.1 The Investment Manager will report to council on the treasury management activity and performance against the approved strategy on a six monthly cycle. These reports will be produced along with the budget outturn figures during May and November of each year.

**11. Other items**

**CIPFA review of the Prudential Code.**

- 11.1 In early 2008 CIPFA undertook a consultation exercise to review the implementation and ongoing use of the Prudential Code. CIPFA has yet to publish its conclusions arising from the consultation process. In the event that amendments are made to the Code by CIPFA, these may need to be reflected in the Treasury Management and Investment Strategy documentation.

Arlingclose's Forecast for Interest Rates (December 2008)

- The inflationary threats of 2008 turn into the deflationary reality of 2009. Central Banks under pressure to reduce rates decisively – even to zero or near-zero – to avoid the perils of a destructive and prolonged recession.
- The downturn in the UK gathers pace and the economy contracts for much of 2009. Prospects for Bank of England “Quantitative easing” increasingly likely.
- Pension, hedge and insurance fund values struggle and lead to enhanced demand for longer dated gilts.

	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11
<b>Official Bank Rate</b>									
Upside risk							↑ +0.25	↑ +0.25	↑ +0.25
<b>Central case</b>	1.00	1.00	1.00	1.00	1.00	1.50	2.00	2.50	2.50
Downside risk	-0.50	-0.75	-0.75	-0.75	-0.75	-0.50	-0.50	-0.50	-0.50
<b>1-yr LIBID</b>									
Upside risk									
<b>Central case</b>	2.00	1.75	1.50	1.50	1.50	1.75	2.00	2.75	3.00
Downside risk	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
<b>5-yr gilt</b>									
Upside risk									
<b>Central case</b>	2.75	2.60	2.50	2.00	2.00	2.50	2.75	3.00	4.00
Downside risk		-0.50	-0.50	-0.50	-0.50	-0.50			
<b>10-yr gilt</b>									
Upside risk									
<b>Central case</b>	3.10	3.00	3.00	3.00	3.00	3.50	3.75	4.00	4.50
Downside risk	-0.25	-0.25	-0.50	-0.50	-0.50	-0.50			
<b>20-yr gilt</b>									
Upside risk		↑ +0.10	↑ +0.10	↑ +0.10	↑ +0.10	↑ +0.10			
<b>Central case</b>	4.00	4.00	4.00	4.25	4.25	4.50	4.75	4.75	4.75
Downside risk		-0.10	-0.10	-0.10	-0.10	-0.10			
<b>50-yr gilt</b>									
Upside risk	↑ +0.10	↑ +0.10	↑ +0.10	↑ +0.10	↑ +0.10	↑ +0.10	↑ +0.10	↑ +0.10	↑ +0.10
<b>Central case</b>	3.90	3.90	4.00	4.00	4.25	4.50	4.50	4.50	4.50
Downside risk	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10

Underlying assumptions

- Despite central bank intervention to raise bank capital and improve liquidity, conditions in money and credit markets will remain very difficult unless banks' lending behaviour changes fundamentally.
- Consumer spending and business investment stall, hampered by the credit drought.

- Falling house prices compel households to review savings levels and repair balance sheets (where possible).
- Commodity prices continue to fall. CPI is projected to fall below the MPC's 1% lower threshold in 2009, providing some relief for the overstretched consumer, but eroding debt burdens more slowly.
- Fear of rising unemployment dampens confidence and any prospect of sizeable wage demands.
- UK public finances are in a horrid shape and will worsen as the recession bites, resulting in a slew of gilt issuance in 2009. This will ultimately push gilt yields higher, although not aggressively so.
- Global growth and activity continue to weaken. The Federal Reserve has already cut rates to a range between 0% and 0.25% and has engaged in 'quantitative easing'. The ECB has moved slowly, reducing rates to 2% as European economies struggle with falling domestic and international demand.



# HILLINGDON

LONDON

Ray Smith  
Interim Head of Strategic Finance  
Greater London Authority  
City Hall  
The Queen's Walk  
More London  
London  
SE1 2AA

Ref: CN/BL/RIH/200

8 January 2009

Dear Mr Smith

## **Re: GLA Group Budget Proposals and Precepts 2009/10 – Consultation Response**

This letter sets out the London Borough of Hillingdon's response to the consultation on the Greater London Authority (GLA) Group's draft budget proposals for 2009/10 published on 11 December 2008, in line with the accompanying invitation for consultation responses.

I would like to thank you for the opportunity to comment on the draft budget proposals. We welcome in particular the proposal for a zero increase in the GLA precept on Council Tax for 2009/10. In matching the commitment already made to our residents by the London Borough of Hillingdon this will mean that households will for the first time have a zero increase across all of the elements of their Council Tax.

We look forward to working closely with the Mayor to continue to "deliver taxpayer value" in 2009/10 and in future years.

We welcome the Mayor's commitment to develop Crossrail, and urge the Mayor to ensure that the package of funding secured for the project is delivered in full, and that any risks in the funding package, especially over contributions from the main private sector

Directorate  
Finance and Resources Group  
T.01895 556071      F.01895 250871  
cneale@hillington.gov.uk      www.hillingdon.gov.uk  
London Borough of Hillingdon,  
4N/08, Civic Centre, High Street, Uxbridge, UB8 1UW



INVESTOR IN PEOPLE



**Cabinet Member**

Councillor Philip Corthorne

**Cabinet Portfolio**

Social Services, Health and Housing

**Officer Contact**

Maqsood Sheikh (01895 556518)

**Papers with report**

Appendices 1,2 &amp; 3

**HEADLINE INFORMATION****Purpose of report**

This report largely centres on recommended HRA rents and charges as well as the HRA budget for 2009/10.

**Contribution to our plans and strategies**

HRA resource priorities are aligned with, and enable the Council to deliver, its strategic housing objectives set out in the Housing Strategy, Hillingdon Homes Service Plan and other housing services strategies such as the Homelessness strategy. HRA resources are also combined with other funding streams, such as Supporting People, to deliver additional priorities for the Council's landlord service including tenancy support services.

**Financial Cost**

The proposals centre on the application of specific, ring-fenced HRA resources, and are contained within the overall HRA funds and as such there is no impact on the Council's General Fund.

**Relevant Policy Overview Committee**

Social Services, Health and Housing

**Ward(s) affected**

All

**RECOMMENDATION**

Following Cabinet's recommendation, that Council:

- 1. Use formula rents under the DCLG rent restructure policy to calculate HRA dwelling rents for 2009/2010.**
- 2. Agree the average HRA rents, charges and allowances for 2009/10 as set out in Tables A to D of this report.**
- 3. Agree the HRA Budget for 2009/10 as set out in Appendix 1 of this report.**

## **INFORMATION**

### **Reasons for recommendation**

1. The purpose of this report is to seek Council approval to the proposed HRA rents, service charges and allowances for 2009/2010. Under current legislation, income from council tenants for rents and service charges must be separately shown in the Housing Revenue Account. Under DCLG general guidelines these charges must be reviewed regularly to ensure that the HRA does not go into deficit.

### **Alternative options considered**

2. Council could amend or add to the proposals in respect of charges, but such amendments or additions must ensure that service charges levied cover the cost of providing services. Proposals in Table A to D reflect such costs;
3. To set rents higher or lower than those proposed in line with the Government rents restructuring policy. In both cases there would be a detrimental effect to the HRA. Setting rents higher would result in increased negative subsidy payable to the Government, with disproportionate increase in income generated. This effectively means we are charging higher rents to pass on to the Government. Setting rent lower would result in less income with the same amount of negative subsidy payable to the Government. Neither option can be recommended.

### **Comments of Policy Overview Committee**

4. The Social Services, Health and Housing Policy Overview Committee considered this report and provided comments to Cabinet.

### **Supporting Information**

#### **A. Background**

5. Following Cabinet approval, this report sets out the analysis to support the recommended rent increase, the proposals for the increases of the other HRA charges and setting of budgets for expenditure. It also provides further details of the proposals for the 2009/10 HRA Capital Programme that are covered in the General Fund report elsewhere on the Agenda.
6. Cabinet considered this report, which provided them with:
  - (i) an update on the latest HRA income and expenditure projections for the current financial year 2008/09;
  - (ii) the proposed HRA budget for 2009/10 for approval within the context of the budget process for 2009/10;
  - (iii) the proposals for HRA rents, fees and charges for 2009/10.
7. Local housing authorities are required to carry out a periodic review of rents for dwellings and charges for services and facilities provided to council tenants in connection with the provision of dwellings owned by the Council and accounted for within the HRA. The costs

of providing accommodation and tenancy services to council tenants are charged to the HRA. These costs are recharged to tenants by levying rents and service charges. There is a general directive from the Department for Communities and Local Government (DCLG) that these charges are reviewed annually.

8. In preparing the HRA budget, the authority will need to estimate as accurately as possible the total level of income needed from rents and charges to fund planned expenditure. Statutory provisions prevent the HRA from planning for an overall account deficit (income less expenditure plus balances and provisions). The total income from rents and charges will depend on:
  - the Government's rent restructure formula and guidelines;
  - the size and composition of the HRA stock of dwellings;
  - the level of voids;
  - income from commercial properties (e.g. shops owned by the HRA, way leaves);
  - ground rents;
  - provision for bad and doubtful debts from arrears;
  - provisions for future liabilities;
  - HRA Subsidy; and
  - the statutory need to avoid a deficit on the HRA.
9. The legislative provisions for charging rents and levying charges for services and facilities in the HRA are provided by Part 1 of Schedule 4 of the Local Government and Housing Act 1989.
10. Key strategic objectives for the Housing Revenue Account (HRA) are:
  - to secure the best use of resources,
  - build on increasing tenants satisfaction,
  - support the delivery and maintenance of the decent homes programme, and
  - support the delivery of the Council's strategic objectives.
11. The HRA is a ring-fenced account. The objective is to get the best service from effective use of the whole HRA resource. In this context the expectation is that savings and efficiency gains would be reinvested in HRA stock and services. Therefore our main financial objective is to deliver efficiency gains, and use funds released by such gains to improve services and provide additional stock investment.
12. The budget proposals for the HRA have been compiled through a process involving:
  - a detailed review of the costs of the current level of housing services;
  - review of forecasted outturn for 2008/09 to project year-end balances to be carried forward to 2009/10
13. Key areas of interest for Council tenants and HRA service users within this report are:
  - HRA dwelling rents for 2009/10, calculated using the Government's rents restructure formula;
  - the level of HRA funding available for investment in stock and service provision to tenants;
  - percentage increase for non-dwelling rents and charges for 2009/10.

14. As in previous years, precise calculations for HRA rents, fees, charges and budget proposals can only be carried out after release of the relevant HRA subsidy determinations. The DCLG released the HRA subsidy draft determination for 2009/10 on 28<sup>th</sup> October 2008 and the final determination was subsequently issued on 18<sup>th</sup> December 2008.
15. In accordance with requirements under the Housing Act 1985, tenants must be given 28 days notice of changes in their rents once set by Council in February 2009. Notices will be issued at the end of February 2009. This will ensure that tenants have four weeks notice of rent increases to come into force on 31 March 2009

## B. Rents and Charges

### *HRA Rent Setting Framework*

16. The HRA account framework is regulated by the DCLG. In recent years the HRA accounting framework has changed significantly and one of the key changes is how dwelling rents are calculated. Dwelling rents are now calculated using the formula rent in line with the DCLG national rent restructure programme. The rent restructure programme was introduced in 2002/2003. However, in the future it may change as a result of proposals for reform of the HRA Subsidy system.

### *Rent Restructure*

17. In 2009/2010 council dwelling rents are expected to nationally increase by about 6.2%. The Hillingdon dwelling rents proposal is also an average increase of 6.2%. This average is based on property specific calculations using the rent restructuring formula provided by DCLG. It is worth noting that the application of the formula at individual property level varies around this average according to property size and the market value of each property, as valued in January 1999. However, in 2009/10 no individual rents are allowed to increase by more than 7%.
18. The 2009/10 Subsidy Determination assumes an increase of this magnitude. Consequently, in order to minimise the impact of HRA subsidy losses on the HRA. It is therefore recommended that rents be increased by an average of 6.2%. Table A below provides the estimated average rents for HRA dwellings.

Table A: HRA Dwelling Rents

		Previous Year	Previous Year	Current Year	Next Year Proposed	
		2006/07 Rent	2007/08 Rent	2008/09 Rent	2009/10 Rent	2009/10 Rent
		Actual Rent pw	Actual Rent pw	Actual Rent pw	Rent Restructure pw	% Increase for Restructured rent
	<b>HRA Council Dwelling Rents (Average)</b>	<b>£80.88</b>	<b>£84.14</b>	<b>£86.09</b>	<b>£91.43</b>	<b>6.20%</b>
a.	<b>Flats/Maisonettes 1 bed</b>	<b>£67.40</b>	<b>£70.02</b>	<b>£70.48</b>	<b>£74.94</b>	<b>6.32%</b>
b.	<b>Flats/Maisonettes 2 beds</b>	<b>£77.52</b>	<b>£79.96</b>	<b>£79.75</b>	<b>£84.74</b>	<b>6.25%</b>
c.	<b>Flats/Maisonettes 3+ beds</b>	<b>£87.99</b>	<b>£91.09</b>	<b>£92.56</b>	<b>£98.23</b>	<b>6.13%</b>
d.	<b>Houses/Bungalows 1 bed</b>	<b>£71.73</b>	<b>£76.03</b>	<b>£79.53</b>	<b>£84.40</b>	<b>6.13%</b>
e.	<b>Houses/Bungalows 2 beds</b>	<b>£85.01</b>	<b>£88.85</b>	<b>£92.32</b>	<b>£97.97</b>	<b>6.13%</b>
f.	<b>Houses/Bungalows 3 beds</b>	<b>£96.59</b>	<b>£100.27</b>	<b>£104.81</b>	<b>£111.23</b>	<b>6.13%</b>
g.	<b>Houses/Bungalows 4+ beds</b>	<b>£103.36</b>	<b>£107.95</b>	<b>£112.26</b>	<b>£119.14</b>	<b>6.13%</b>
h.	<b>Temporary Accommodation HRA Hostels (Average)</b>	<b>£57.77</b>	<b>£57.40</b>	<b>£77.54</b>	<b>£81.29</b>	<b>4.84%</b>

19. This average level of rent increase will maintain balances at the current level. Without this increase balances would fall by around £2.5m.

20. Included in the rent restructuring calculation is an inflation factor prescribed by the Department for Communities and Local Government (DCLG). For 2009/10 this is 5.0% + 0.5% (3.9% + 0.5% for 2008/2009). This is based on the all retail price index at September 2008. The average increase of 6.2% includes other elements of the rent restructuring formula. This includes an element of de-pooled caretaking service charges and an element relating to convergence of social housing rents. As a result the vast majority of rents will increase by 6.1% with some increasing by the maximum allowed 7.0% to bring the average to 6.2%.

### *Non Dwelling Rents*

21. HRA non-dwelling rents cover garages, hard standings, carports, shops and commercial premises. This report deals with garages, hard standings and carports. Shops and commercial premises are managed as part of the Council's commercial holdings.

22. Garage and carport rents are not covered by rent restructure. These are generally increased annually using the percentage inflation rate used for dwelling rents. For 2009/2010, officers are recommending no changes to the existing charges to maintain parity with the Councils overall intention of not increasing charges wherever possible.

Table B: HRA Non-Dwelling Rents

		Previous Year	Previous Year	Current Year	Next Year Proposed	
		2006//07 Charges	2007/08 Charges	2008/08 Charges	2009/10 Charges	% Increase
a.	Garages	£9.20 pw	£9.60 pw	9.71	9.71	No Change
b.	Car ports	£5.20 pw	£5.40 pw	5.60	5.60	No Change
c.	Hardstandings	£3.50 pw	£3.60 pw	3.80	3.80	No Change

### Charges and Allowances

23. In previous years the Council's policy has been to increase existing service charges and allowances by inflation plus a nominal rate to support actual cost of service provision. For 2009/2010 this would result in an increase of the Government maximum rate of RPI of 5% plus 0.5% or 5.5% - the same basic rate used in the restructuring formula. However, officers are recommending no change for 2009/10 as set out in the following table C. This includes maintaining the charges for fuel at last years level despite increases in the order of between 30 and 60 percent to the Council.

24. For redecoration allowances section 2 in table C, allowances have been rounded up to the nearest £5.00 as these allowances are paid in vouchers that are exchangeable at a national DIY chain and the DIY store in question now only issues such vouchers in denomination of £5. 00.

Table C: Charges and Allowances

		Previous Yr	Current Yr	Proposed Change	Estimate
		2007/08 Charges & Allowance	2008/09 Charges & Allowance		2009/10 Charges & Allowance
<b>1</b>	<b>Ancillary Service Charges</b>				
a.	Careline Council Tenants	£1.35 pw	£1.35 pw	No Change	£1.35 pw
b.	Heating Schemes	£3.40-£10.50 pw	£7.59-£10.71 pw	No Change	£7.59-£10.71 pw
c.	Furniture In Temporary Accommodation	£11.20 pw	£10.00	No Change	£10.00
d.	Hostels Heating & Hot Water	£6.80 pw	£7.10	No Change	£7.10
e.	Hostels Electricity	£5.60 pw	£5.92	No Change	£5.92
f.	Grounds Maintenance	£1.04-£3.12 pw	£1.09-£3.26 pw	No Change	£1.09-£3.26 pw
g.	Communal Electricity	£0.90 pw	£0.94	No Change	£0.94
h.	CCTV	£1.50 pw	£1.57	No Change	£1.57
i.	Door Entry	£0.20 pw	£0.21	No Change	£0.21

		Previous Yr	Current Yr		Estimate
		2007/08 Charges & Allowance	2008/09 Charges & Allowance	Proposed Change	2009/10 Charges & Allowance
<b>2</b>	<b>Redecoration Allowances</b>				
a.	Living Room	£106.00	£106.00	Rounded up to the nearest £5.	£110.00
b.	Dining/Kitchen	£153.00	£153.00		£155.00
c.	Staircase	£106.00	£106.00		£110.00
d.	Landing	£54.00	£54.00		£55.00
e.	Double Bedroom	£106.00	£106.00		£110.00
f.	Single Bedroom	£79.00	£79.00		£80.00
g.	Bathroom	£79.00	£79.00		£80.00
h.	WC	£34.00	£34.00		£35.00
i.	Dining Recess	£28.00	£28.00		£30.00
j.	Working Kitchen	£106.00	£106.00		£110.00
k.	Two Room Allowance	£260.00	£260.00		£260.00
l.	sweeping flue	£6.00	£6.00	£10.00	

<b>3</b>	<b>Other Allowances</b>				
a.	Home Release Reward - Reduction by 1 Bed	£1,250.00	£1,250.00	No Change	£1,250.00
b.	Home Release Reward - Each Additional Bed	£1,000.00	£1,000.00	No Change	£1,000.00
c.	Home Release Reward - Removal Fees	£300.00	£300.00	No Change	£300.00
d.	Home Release Reward - Carpet/ Curtain/ Disconnection/ Reconnection	£700.00	£700.00	No Change	£700.00
e.	Statutory Home Loss*	£4,400.00	£4,400.00	6.38%	£4,700.00
f.	Golden Goodbye				
	Bedsit	£300.00	£150.00	No Change	£150.00
	1 Bed	£300.00	£200.00	No Change	£200.00
	2 Bed	£300.00	£250.00	No Change	£250.00
	3+ Bed	£300.00	£300.00	No Change	£300.00

\*Set by DCLG

## C. Service Charge De-pooling Update

### Background

25. In the past, each local authority had some discretion over the level of dwelling rents charged to council tenants. This has largely been removed, and dwelling rents is required to be calculated using a rent formula. The formula takes accounts of property value, location, size of accommodation and relative regional affordability by reference to manual worker earnings. Rents for social housing were planned to move to the formula rent by 2011/2012. At this point rents charged by both the RSL and local government sectors would be identical for similar properties in similar locations. However this and convergence to formula rent has been extended to 2024/25.

26. The HRA subsidy arrangements allow a limited category of costs to cover general management and maintenance costs (M&M Allowance). These M&M allowances do not

cover certain services provided to tenants such as caretaking, cleaning, grounds maintenance, warden services, estate patrols, CCTV cameras etc. Government expectations are that these costs are identified and de-pooled from the general level of rents and charged for separately. However, the following government rules must be observed in setting such charges as follows:

- a. Local authorities are only allowed to recover the actual cost of the relevant service;
- b. We can only charge those receiving the service or charge across similar types of properties to make the charge fair;
- c. Any charges de-pooled must be phased in small steps, and must not result in the total charges (i.e. rent plus service charge) for each tenant increasing by more than 5% (RPI) + 0.5% + £2 per week in the first years;
- d. In subsequent years, services previously de-pooled, such as Grounds Maintenance, the maximum increase year on year is limited to 5% (RPI) + 0.5% (4.4% for 08/09).

27. In order to fully comply with DCLG rents restructure and service charge de-pooling policies the following de-pooling strategy was adopted in February 2006: -

- a. In 2006/2007 grounds maintenance costs were de-pooled from rents;
- b. For 2007/2008 de-pool other miscellaneous charges (e.g. CCTV
- c. In 2008/2009 de-pool caretaking and cleaning costs from rent charges;

28. A number of service reviews took place during 2006/2007 and the outcome of these reviews was that caretaking and cleaning services would not be ready for service charge de-pooling in 2007/2008, and a decision was made to de-pool other miscellaneous charges (e.g. CCTV) in 2007/2008 and delay the de-pooling of caretaking and cleaning charges until 2008/2009. The service review for caretaking and cleaning recommended a number of improvements and investments for caretaking and cleaning service before the services were de-pooled in 2008/2009. As charges for communal heating systems for tenants and leaseholders have been de-pooled for a number of years the de-pooling plans have now been completed.

29. Caretaking charges are set out in Table D below. For 2009/10 officers are again recommending no change in the charges in line with intention of the Council to restrict increases wherever possible..

Table D: Caretaking Charges

	Previous Year	Previous Year	Current Year	Next Year Proposed	
Caretaking Charges	2006/07 Charges & Allowance	2007/08 Charges & Allowance	2008/09 Charges & Allowance	2009/010 Charges & Allowance	% Increase



Caretaking Band					
A	n/a	n/a	£10.00	£10.00	No Change
B	n/a	n/a	£6.50	£6.50	No Change
C	n/a	n/a	£4.50	£4.50	No Change
D	n/a	n/a	£3.50	£3.50	No Change
E	n/a	n/a	£2.50	£2.50	No Change
F	n/a	n/a	£1.50	£1.50	No Change
Sheltered Housing	n/a	n/a	£5.00	£5.00	No Change
Queens Lodge	n/a	n/a	£6.30	£6.30	No Change
Additional Refuse Collection	n/a	n/a	£1.75	£1.75	No Change

#### D. Impact of the 2008/2009 HRA Subsidy Determination on Hillingdon

##### *National 2009/10 Subsidy Determination Headlines*

30. In common with recent years, the 2009/10 HRA rent setting process is largely dependent upon the HRA Subsidy Determination which is the responsibility of Department for Communities and Local Government (DCLG). Since 2002, when rent restructuring was introduced, the Determination effectively also provides Government direction for individual Council rents.

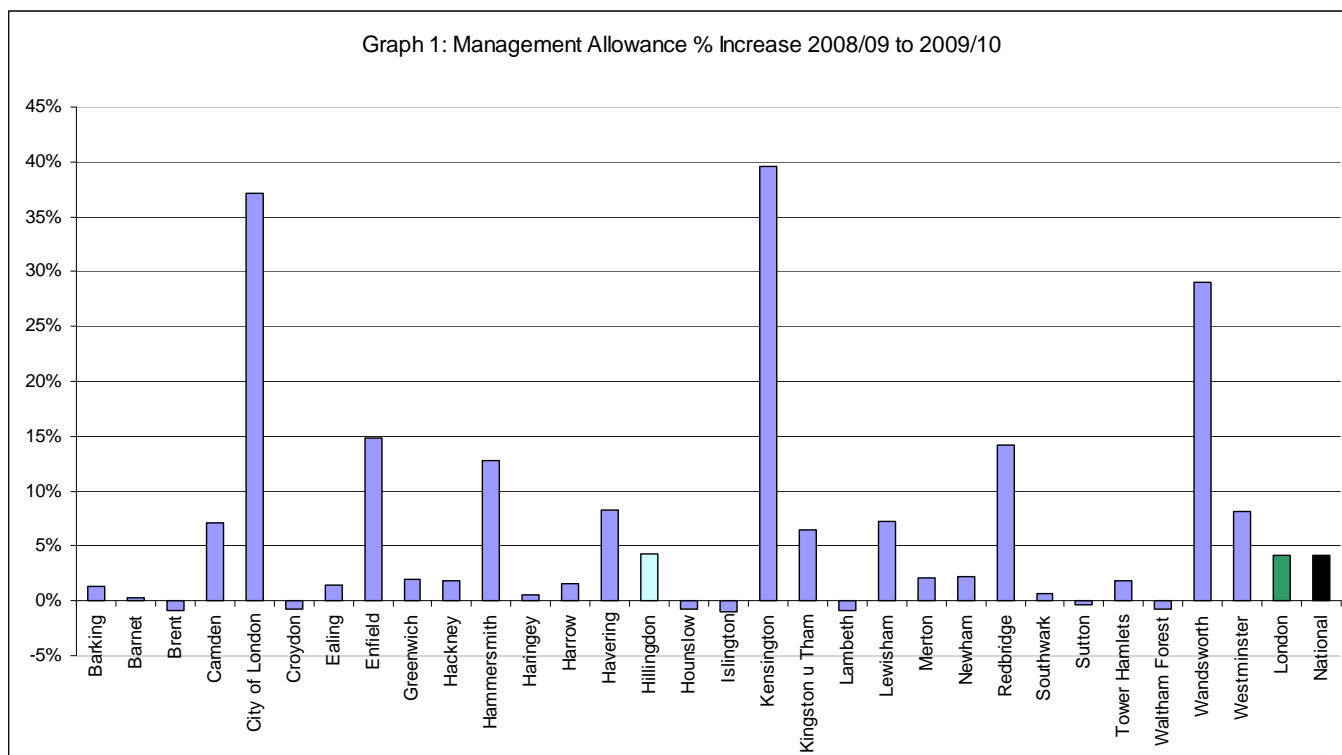
31. The final subsidy Determination for 2009/10 was issued on 18<sup>th</sup> December 2008 and, for Hillingdon, showed negligible changes from the draft determination that was published on 28<sup>th</sup> October 2008. The Determination confirms the DCLG preferred option to restrict rent increases to a national percentage of 6.2% in 2009/10 and 6.1% in 2010/11. The alternative option consulted on in the draft Determination would have maintained the target for Registered Social Landlords (RSLs) and local authorities to converge at the original target date of 2012. However, this would require rents to increase at a high level nationally and would require a rent increase in the region of 9% in Hillingdon. The level of rent increase set in the final Determination (6.2%) will result in a broadly neutral impact on overall resources for Hillingdon in gross terms and represents a real terms decrease in resources when inflation is taken into account.

32. The subsidy calculation involves working out allowances for expenditure items along with assumed income from rent levels. If the net amount is positive then the authority receives subsidy whereas if the net amount is negative the authority has to pay this net negative sum to the DCLG. Hillingdon has been in a negative position for a number of years largely as a result of having a relative low level of debt. The final subsidy Determination for 2009/10 confirmed that Hillingdon will need to pay over a negative subsidy amount of £11.7m. An increase of £1.3m compared to the £10.4m payable for this current financial year. The main reasons for this substantial increase relate to Government assumptions about a few key income and expenditure items that are used to determine the net subsidy amount and a brief sketch of the impact on Hillingdon is outlined in the following paragraphs.

##### *Hillingdon's Relative Position within the London Region*

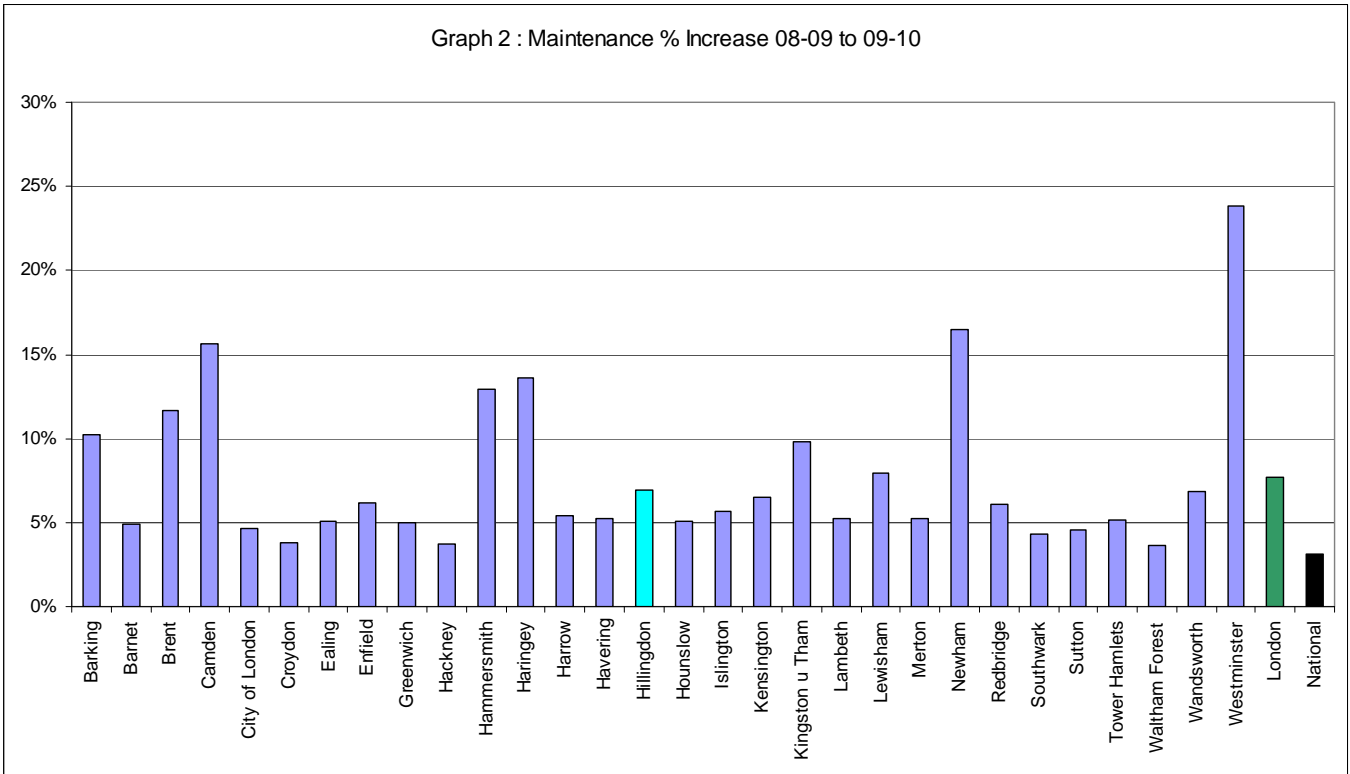
33. Within the overall national context there is a fair degree of variation within the London region. Hillingdon relative position is a little better than the median within the 30 London Housing Authorities that have responsibility for Council.

34. The London variation for Management Allowances is shown in Graph 1 below. This shows Hillingdon's relative position within London. There is considerable variation between authorities. The graph shows that eleven Boroughs will receive a higher rate of increase per dwelling than Hillingdon but eighteen Boroughs will receive a lower rate of increase in Management Allowance for 2009/10. The rate of increase for Hillingdon matches the London average increase.



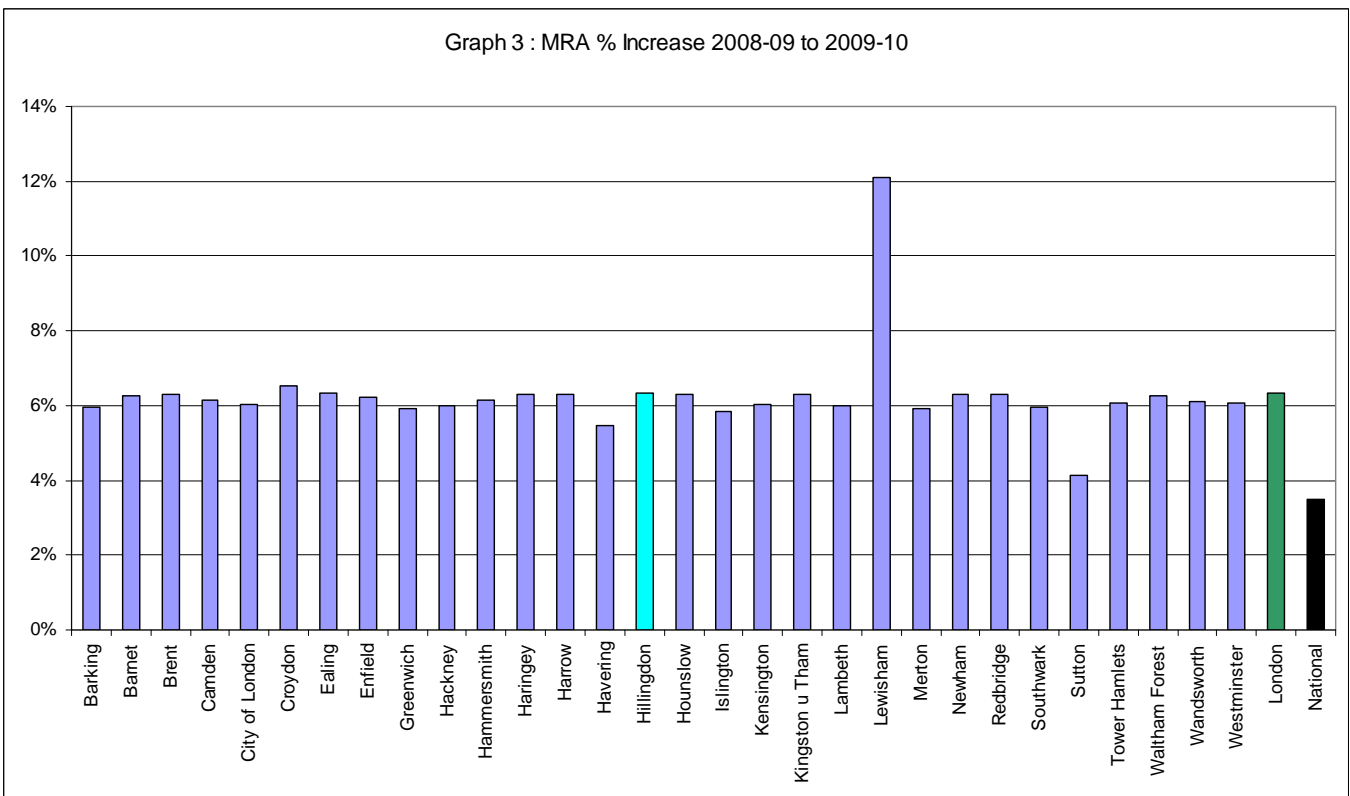
35. Graph 2 shows the increase for the Maintenance allowance for London authorities. Within the 2009/10 Determination. The graph again shows that eleven Boroughs will receive a higher rate of increase per dwelling than Hillingdon and that eighteen Boroughs will receive a lower rate of increase in Maintenance Allowance for 2009/10. The rate of increase for Hillingdon again matches the London average. However, there is less variation than there is for the Management Allowance. The graph also shows that the London average increase is significantly higher than the national increase. One of the reasons for this is that the weighting for high rise blocks of flats, which was reduced in last years Determination, has been reversed.

Graph 2 : Maintenance % Increase 08-09 to 09-10



36. Graph 3, below, shows the percentage increase in MRA for the various London Authorities. As a result of the DCLG wish to restrict volatility within the subsidy settlement relatively uniform increases have been set for London and only Lewisham has a markedly different percentage increase relative to the London average. Sutton deviates, unfavourably, to a lesser extent.

Graph 3 : MRA % Increase 2008-09 to 2009-10



37. Graph 3, however, also shows that London authorities have been favourably treated by the Determination and the London average increase of around 6.3% for MRA is considerably higher than the National average, which is around 0.9%. This reflects an emerging view that London is a special case and costs for major repairs are higher in London.
38. In summary, the government's overall subsidy assumption is that Hillingdon will have greater income through rent increases compared with our need to spend on management and maintenance and major repairs allowances. Whereas the assumed income increase in rents is matched by actual increases in rents, the expenditure assumptions are difficult to relate to actual needs and costs at the local level.
39. Consequently, the review of the current subsidy regime is to be welcomed. This review is being undertaken as part of a wider review of the HRA and its financial operation on a day to day basis. The need for a review is now firmly acknowledged by both central and local government and working groups of the Review have been looking at both technical aspects and the overall resources needs at the national level. Local Government groups and representatives have been lobbying strongly for the Government to stop and perhaps reverse the leakage of funds from the overall national HRA. Currently the national HRA will be contributing £194m to the national purse and this figure is projected to rise to £794 by 2022/23. This 'tax on tenants' has received a high level of publicity and is being reviewed by the various HRA Review groups.
40. Government proposals for the future HRA regime have been scheduled to be published during in late spring for consultation and the final paper setting future HRA financial arrangements is expected to be published in the autumn. Any changes will then be incorporated for the Determination two years time – that is, 2011/2012.
41. In taking account of this timetable the HRA Subsidy Determination for 2009/10 has set out the broad parameters for next years Determination. However, for the present at a local level, the negative subsidy has increased for Hillingdon in 2009/10's Determination. Table E below shows the subsidy payments to DCLG for 2007/08 to 2009/10.

Table E: Subsidy Payments to DCLG - 2007/08 to 2009/10

	Actual 2007/2008 Subsidy £	Actual 2008/2009 Subsidy £	Estimated 2009/2010 Subsidy £	Change Between 2008/2009 & 2009/2010 £	Change Between 2008/09 & 2009/2010 %
<b>Subsidy (Payment to DCLG)</b>	(8,798,965)	(10,461,735)	(11,730,299)	(1,268,564)	12.13%

42. The effects of this on tenants are:

- Despite increases in rent charges, due to impact of subsidy changes for guideline rent, there is little increase in general resources available for investment in stock and service

provision. However, impact on investment is mitigated by the use of partnering contract arrangements and joint procurements activities by Hillingdon Homes Ltd has reduced contract costs and delivered operational efficiencies.

- The impact of changes to the rent restructure formula means increased actual rents for Hillingdon tenants over the rents restructure years and Hillingdon's contribution into the HRA national pot increases by a significant amount every year.
- Service charge de-pooling becoming more a reality in order to balance the books (see Section B above).

#### E. LATEST PROJECTED EXPENDITURE AND INCOME FOR 2008/2009 AND 2009/2010

43. An update on the projected expenditure for 2008/2009 and the proposed Original Budget for 2009/2010 is provided in Appendix 1.

44. To summarise the account shows that we are maintaining over £4.2m in balances, as at the end of 2008/09. The level of capital investment for next year is £10.9m. Appendix 3 to this report provides a 10-year income and expenditure forecast. This forecast has to be treated with caution as the forthcoming review of the HRA is expected to have a significant impact on future HRA resources.

#### *2008/2009 Latest Projections*

45. In summary, for the current financial year 2008/09, a carried forward balance of £4.4m is projected. This is in line with the budget for the year.

46. The key variances for 08/09 are likely to be as follows:

- a.) Hillingdon Homes is expected to achieve a balanced budget. An overspend of £79k on repairs arising from increased costs of gas safety works has been offset by savings in General and Special Services along with a slightly higher income from Supporting People.
- b.) The only note of caution for the Hillingdon Homes expenditure is that the adverse weather conditions experienced in early February may have a corresponding adverse effect on the repairs budget. At this late stage it has not been possible to quantify the impact. It may therefore be necessary to review the budget provided to Hillingdon Homes in June when more information is available.
- c.) The Council side is projecting a small underspend of £63k. This is, however, the result of various combinations of overspends and underspends.
- d.) There is a favourable underspend of £664k within Other Expenditure. This is largely the result of a favourable variance of £398k within the Capital funded from Revenue line.
- e.) Income is showing an unfavourable variance of £329k with a likely under recovery of dwelling rents in the region of £384k being partially offset by increased income from non-dwelling rents as well as heating and other service charges.

## *2009/2010 Original Budget*

47. The major factors in the preparation of the draft budget for 2009/10 are the rent increase proposals and the subsidy position. These are set out in sections B and C above. The proposed budget for 2009/10 set out in appendix 1 shows a closing balance of £4.2m. The balance is lower by £200k as a result of the various recommendations to restrict charges at last years levels.
48. In addition, a Budget Efficiency Review has been carried out. Appendix 2 sets out such zero based budgeting (ZBB) items and also includes a number of unavoidable pressures. Further substantial savings will be sought by carrying out a full service review of Hillingdon Homes using the same process that has been used for other council services.
49. As indicated above, it may be necessary to review the Hillingdon Homes budget for repairs depending on the impact of prolonged adverse weather conditions on the scale experienced in early February. It may also be prudent to review the impact of the completion in 2008/09 of the trickle transfer programme. Under this scheme an agreed 100 properties that became void have been passed to Paradigm and therefore there has not been a need to carry out void repairs. There may be additional pressures on the repairs budget as a result of a future need to carry out 100% of future repairs for void properties.
50. Appendix 3 shows a 10 year projection for the HRA. This shows balances increasing steadily over the 10 years. Such a long term projection is important in the context of council dwellings with a long term life. However, this projection is based on the current subsidy arrangements. As indicated in paragraphs 37 and 38 above, these assumptions will be affected significantly by the HRA Review which could have a major impact on future funding. The implications of and future arrangements and their national and local impact for both the short and medium term will be reported to Cabinet when firm proposals for the future are first published in late spring / early summer of 2009.

## F. HRA CAPITAL PROGRAMME 2009/2010

51. A total budget of £11.745m is proposed for the HRA capital programme for 2009/2010, and mainly covers works to stock of £10.000m. Table F below provides a summary of the proposed capital programme for 2009/10.

Table F: Capital Programme

	<b>2007/2008 Final Outturn £000</b>	<b>2008/2009 Outturn Projection £000</b>	<b>2009/2010 Capital Programme £000</b>
<b><u>Expenditure</u></b>			
Work to Stock	24,181	10,416	10,000
Estates Improvements	0	0	1,125
Cash Incentive	72	155	100
Mental Health - Long Lane	962	305	30
Others (Computer, i-World, etc)	8	226	200
New Build	359	139	290
<b>Total Capital Programme Expenditure</b>	<b>25,582</b>	<b>11,241</b>	<b>11,745</b>
<b><u>Funding</u></b>			
SCA ALMO Grant	11,300	0	0
Regeneration/ Housing Subsidy Grant	825	0	0
Major Repairs Allowance	7,760	7,624	7,986
RCCO New Build	359	139	290
RCCO Others	80	381	300
RCCO Work to Stock	3,815	2,772	2,014
External Contributions	481	20	1,125
Capital Receipts	962	305	30
<b>Total Capital Programme Funding</b>	<b>25,582</b>	<b>11,241</b>	<b>11,745</b>

### *Work to Existing Stock*

52. The 2009/10 programme is expected to amount to £11.745m. This slightly higher than the £11.241m expected outturn for 2008/09 as result of £1.125m LDA funding for Estate Initiatives. Without this funding the programme would have been around £10.62m – a decrease of £0.6m.

53. The level of spend in the future will also be affected by the level of available revenue resources. In 2009/10 £2.014m is planned as capital spend from revenue on works to stock. This sum is steadily decreasing as shown in table F above. A worsening negative subsidy position will reduce and may even prevent such revenue support for capital works in the future.

54. The draft programme for works to the existing stock in 2009/10 totals £10m (Table F above). This will be funded as follows:-

<b>(£m)</b>	<b>Description</b>
7.99	Major Repairs Allowance (MRA)
2.01	Revenue Contribution to Capital Outlay (RCCO)
<b>10.00</b>	<b>Total</b>

55. The approach to capital investment in the existing stock is to provide a reasonable balance between investment in decent homes standards, investment in wider renewal, and in environmental schemes to improve the quality of life of residents. The aim therefore is to deliver a mixed programme that reflects the following priorities for investment.

- *Making better use of stock* – supporting the council in increasing high priority housing units through the stock management programme.
- *Other maintenance and improvements* – necessary works on estates that are not covered by the decent homes definition
- *Adaptations* – to provide greater opportunities for independent living to people with disabilities
- *Security, health and safety* – programmes of works that enhance the safety and security of residents - key aspects of quality of life.
- *Energy efficiency* – to support the council’s strategic priority of home energy conservation
- *Environmental improvements* – investment in landscaping and other external enhancements that improve the environment, change perceptions of the area and address specific management issues.

*New Build Affordable Programme*

56. For new build, officers are proposing a programmed cost of £290k for 2009/2010. This will take the total spend, since 2000/01, to £13.899m.

57. Table G below provides an analysis of the programme since 2000/01.

Table G: HRA Affordable Programme

<b>Financial Year</b>	<b>Amount £</b>	<b>Total £</b>
2000/2001	397,339	
2001/2002	705,118	
2002/2003	3,009,896	
2003/2004	1,602,547	
2004/2005	1,311,831	
2005/2006	2,713,280	
2006/2007	3,371,000	
2007/2008	359,000	
2008/2009*	139,000	
2009/2010*	290,000	
<b>Total Spend</b>		<b>13,899,011</b>

\*DENOTES ESTIMATE



## **Financial Implications**

58. As this report is concerned with the setting of rents for council dwellings and the budget for the HRA as a whole, the financial implications are covered in the body of the report.

## **EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES**

### **What will be the effect of the recommendation?**

59. The effect of the recommendation will result in an average increase in rent for those residents who are council tenants by £5.43 a week. However, for over 60% of tenants in receipt of housing benefit there will be no direct impact.

### **Consultation Carried Out or Required**

60. The management agreement with Hillingdon Homes (HH) Ltd requires HH to support the Council in its review of Housing Revenue Accounts (HRA) rents and charges. This is to support the Local Authority's legal obligations in reviewing and levying appropriate charges for rents, services and facilities provided to council tenants in connection with the provision of dwellings owned by the Council and accounted for within the HRA. Hillingdon Homes Ltd consulted with tenants and tenant representatives through a Special Housing Consultative Forum on 14<sup>th</sup> January 2009.

61. At this meeting the key principles in setting rents and the HRA budget were outlined as: no growth in base budget; only unavoidable price increases have been incorporated; efficiency savings to be used to finance service improvements; and there will be no reduction in service.

62. Although there were some concerns about the impact on their house keeping budgets, the Forum acknowledged the level of proposed rents and charges in line with the government guidelines. Other comments received from TRA not present at the meeting are:-

- The rent increase is fair.
- The increase in heating costs must be done but newsletters and communications should provide information on energy savings. Any future reduction in fuel costs should be passed back to tenants.
- Perhaps a rent increase in line with inflation would be more appropriate, although 6.2% is not extortionate.
- The rise in garage rent is appropriate.
- Although there have been massive energy cost increases recently, the proposed increases are too high.

## **CORPORATE IMPLICATIONS**

### **Corporate Finance**

63. The budget proposals and projections in this report are fully consistent with the report on the General Fund revenue budget and capital programme for 2009/10

## **Legal**

64. Part VI of the Local Government & Housing Act 1989 requires the Council to keep and maintain a Housing Revenue Account (HRA) and to comply with statutory provisions concerning what may be charged and debited to the account. The COUNCIL is also required in either January or February of each year to review rent and other charges in connection with housing to ensure that the HRA does not fall into a deficit in the forthcoming financial year.

65. The proposals in this report take account of government guidance and have also been subject to consultation. The proposals comply with the legislation and there are no legal impediments to them being implemented.

## **Corporate Property**

66. The Head of Corporate Property Services has no comments on the recommendations as his team do not have any management responsibilities in the setting and collection of HRA rents on residential dwellings.

## **BACKGROUND PAPERS**

None.

## Appendix 1

HOUSING REVENUE ACCOUNT	2008/2009			2009/2010	2009/10 Changes					2009/2010
	REVISED BUDGET <i>(£000)</i> Dec '08	PS YE OUTTURN PRJN <i>(£000)</i> Dec '08	VARIANCE <i>(£000)</i> Dec '08	Base Budget	Inflation	Fees & Charges	Technical adjustment	RCCO	ZBB & Unavoidable items <i>Appendix 2</i>	Original Budget
<b>BUDGET FOR 09-10</b>										
<b>EXPENDITURE</b>										
<b>HILLINGDON HOMES (HH LTD)</b>										
GENERAL SERVICES	8,155	8,112	(43)	8,155	413				84	8,652
SPECIAL SERVICES	4,950	4,914	(36)	4,950	103				221	5,274
REPAIRS SERVICES	11,349	11,428	79	11,349	227					11,576
FRS17 PENSIONS CHARGE	0	0	0	0						0
SUPPORTING PEOPLE CONTRIBUTION	(1,071)	(1,071)	0	(1,071)	(21)					(1,092)
<b>HH LTD NET OPERATIONS</b>	<b>23,383</b>	<b>23,383</b>	<b>0</b>	<b>23,383</b>	<b>722</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>305</b>	<b>24,410</b>
<b>LONDON BOROUGH OF HILLINGDON (LBH)</b>										
GENERAL SERVICES	1,285	1,321	36	1,285	20				22	1,327
SPECIAL SERVICES	1,091	1,168	77	1,091	149					1,240
REPAIRS CONTRIBUTION	(360)	(200)	160	(360)		94				(266)
<b>LBH NET OPERATIONS</b>	<b>2,016</b>	<b>2,289</b>	<b>273</b>	<b>2,016</b>	<b>169</b>	<b>94</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>2,301</b>
<b>OTHER EXPENDITURE</b>										
RENTS PAID	750	767	17	750			(40)			710
SUBSIDY PAYMENT TO GOVERNMENT	10,420	10,442	22	10,420			1,310			11,730
CHARGES FOR CAPITAL	4,001	3,960	(41)	4,001			(795)			3,206
CAPITAL FUNDED FROM REVENUE (RCCO)	11,695	11,297	(398)	11,031				(260)	206	10,977
INCREASE PROVISION FOR BAD DEBTS	50	0	(50)	50			50			100
OTHER EXPENSES - PENSIONS ADJUST	0	0	0	0						0
WORKS OVER PRECISED LIMIT RECEIPTS	(400)	(614)	(214)	(400)		(50)				(450)
CONTINGENCY	300	300	0	300						300
<b>TOTAL OTHER EXPENDITURE</b>	<b>26,816</b>	<b>26,152</b>	<b>(664)</b>	<b>26,152</b>	<b>0</b>	<b>(50)</b>	<b>525</b>	<b>(260)</b>	<b>206</b>	<b>26,573</b>
<b>TOTAL EXPENDITURE</b>	<b>52,215</b>	<b>51,824</b>	<b>(391)</b>	<b>51,551</b>	<b>891</b>	<b>44</b>	<b>525</b>	<b>(260)</b>	<b>533</b>	<b>53,284</b>
<b>INCOME</b>										
DWELLINGS	(46,608)	(46,224)	384	(45,734)		(2,589)				(48,323)
NON-DWELLINGS	(1,889)	(1,803)	85	(1,889)		126				(1,763)
INTEREST - ON MORTGAGES	(20)	(14)	6	(20)		6				(14)
INTEREST - ON BALANCES	(85)	(40)	45	(85)		46				(39)
OTHER WAYLEAVES	0	0	0	0		0				0
HEATING CHARGES	(440)	(447)	(7)	(361)		(6)				(367)
LEASEHOLDER'S CHARGES	(735)	(851)	(116)	(735)		(130)				(865)
OTHER SERVICE CHARGES	(1,802)	(1,869)	(67)	(1,881)		(113)				(1,994)
<b>TOTAL INCOME</b>	<b>(51,578)</b>	<b>(51,249)</b>	<b>329</b>	<b>(50,704)</b>	<b>0</b>	<b>(2,660)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(53,364)</b>
<b>BALANCES</b>										
BROUGHT FORWARD	(5,039)	(5,039)	0	(4,401)						(4,401)
IN YEAR (SURPLUS) /DEFICIT	637	575	(62)	847	891	(2,616)	525	(260)	533	(80)
EARMARKED RESERVES	0	63	63	0					285	285
PRIOR YEAR ADJUSTMENTS	0	0	0	0						0
<b>(SURPLUS) /DEFICIT C/F AT YEAR END</b>	<b>(4,402)</b>	<b>(4,401)</b>	<b>1</b>	<b>(3,554)</b>	<b>891</b>	<b>(2,616)</b>	<b>525</b>	<b>(260)</b>	<b>818</b>	<b>(4,196)</b>

## C ZBB Items &amp; Unavoidable items

	Changes on Base Budget 09- 10	
	£000's	
<b>Savings:</b>		
LBH General : EFHA 20 year leasing reduced maintenance costs	(60)	
HH Surveying - management consultancy fees	(25)	
HH Delete Estate Improvement Manager Post	(18)	
HH Removal of 0.5 FTE Admin Officer Post	(13)	(116)
<b>Reconciliation</b>		<b>(116)</b>
<b>ZBB &amp; Unavoidable Pressures</b>		
Council Tax (0910)	58	
Delay in sales - retaining Beeches/ FWC/ Kirtlands (security & utility costs)	35	
Hostels - selling Highgrove & Genesis package	66	
Asset Review & feasibility Costs	47	
HH Sheltered housing - Carpets and furniture in Barden Court, James Court and The Gouldings	60	
HH Townfield community centre - match funding	50	
HH Provision of Energy Performance Certs - Statutory Requirement	30	
HH Careline - One off equipment purchase of 1000 dispersed units	21	
LBH General Expected 5 yr survey fee to be carried out 31.3.10	22	
LBH General : Redundancy Cost Increase	60	
HH Caretaking - Service improvement - funded from increased income	200	
		<u>649</u>
<b>Ear Marked Reserves Changes</b>		
HRA Pipeline : Architectures Fees	239	
Pipeline Additional Legal Time Central Legal - Legal Time	26	
Pipeline Support Costs ( Survey fees etc)	20	
		<u>285</u>
<b>ZBB &amp; Unavoidable Items</b>		<b>818</b>

## HOUSING REVENUE ACCOUNT : 10 YEAR PROJECTION WITH NO GROWTH IN 0910

### Appendix 3

	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Original Budget (£000) Yr 1	LATEST PRJCTN (£000) Yr 2	LATEST PRJCTN (£000) Yr 3	LATEST PRJCTN (£000) Yr 4	LATEST PRJCTN (£000) Yr 5	LATEST PRJCTN (£000) Yr 6	LATEST PRJCTN (£000) Yr 7	LATEST PRJCTN (£000) Yr 8	LATEST PRJCTN (£000) Yr 9	LATEST PRJCTN (£000) Yr 10
<b>EXPENDITURE</b>										
<b>HILLINGDON HOMES (HH LTD)</b>										
GENERAL SERVICES	8,652	8,825	9,002	9,182	9,365	9,553	9,744	9,938	10,137	10,340
SPECIAL SERVICES	5,274	5,379	5,487	5,597	5,709	5,823	5,939	6,058	6,179	6,303
REPAIRS SERVICES	11,576	11,808	12,044	12,285	12,530	12,781	13,036	13,297	13,563	13,834
SUPPORTING PEOPLE CONTRIBUTION	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)
<b>HH LTD NET OPERATIONS</b>	<b>24,410</b>	<b>24,920</b>	<b>25,440</b>	<b>25,971</b>	<b>26,512</b>	<b>27,064</b>	<b>27,627</b>	<b>28,202</b>	<b>28,788</b>	<b>29,385</b>
<b>LONDON BOROUGH OF HILLINGDON (LBH)</b>										
GENERAL SERVICES	1,327	1,354	1,381	1,408	1,436	1,465	1,494	1,524	1,555	1,586
SPECIAL SERVICES	1,240	1,265	1,290	1,316	1,342	1,369	1,396	1,424	1,453	1,482
REPAIRS CONTRIBUTION	(266)	(271)	(277)	(282)	(288)	(294)	(300)	(306)	(312)	(318)
<b>LBH NET OPERATIONS</b>	<b>2,301</b>	<b>2,347</b>	<b>2,394</b>	<b>2,442</b>	<b>2,491</b>	<b>2,541</b>	<b>2,591</b>	<b>2,643</b>	<b>2,696</b>	<b>2,750</b>
RENTS PAID	710	60	30	30	30	30	30	30	30	30
SUBSIDY PAYMENT TO GOVERNMENT	11,730	12,250	13,507	14,896	16,337	17,842	19,342	20,896	22,509	24,179
CHARGES FOR CAPITAL	3,206	2,940	2,822	2,763	2,709	2,650	2,601	2,552	2,553	2,554
CAPITAL FUNDED FROM REVENUE (RCCO)	10,977	10,850	10,850	10,850	10,850	10,850	10,850	10,850	10,850	10,850
INCREASE PROVISION FOR BAD DEBTS	100	100	100	100	100	100	100	100	100	100
CONTINGENCY	300	300	300	300	300	300	300	300	300	300
<b>TOTAL EXPENDITURE</b>	<b>53,734</b>	<b>53,767</b>	<b>55,444</b>	<b>57,352</b>	<b>59,329</b>	<b>61,376</b>	<b>63,442</b>	<b>65,573</b>	<b>67,826</b>	<b>70,148</b>
<b>INCOME</b>										
DWELLINGS	(48,323)	(48,512)	(50,113)	(51,762)	(53,366)	(55,015)	(56,720)	(58,472)	(60,283)	(62,145)
NON-DWELLINGS	(1,763)	(2,015)	(2,082)	(2,151)	(2,222)	(2,295)	(2,371)	(2,449)	(2,530)	(2,613)
INTEREST - ON MORTGAGES	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)
INTEREST - ON BALANCES	(39)	(39)	(96)	(112)	(126)	(136)	(143)	(147)	(147)	(143)
HEATING CHARGES	(367)	(774)	(800)	(826)	(853)	(881)	(911)	(941)	(972)	(1,004)
LEASEHOLDER'S CHARGES	(865)	(784)	(810)	(837)	(865)	(893)	(923)	(953)	(984)	(1,017)
OTHER SERVICE CHARGES	(1,994)	(1,838)	(1,898)	(1,961)	(2,021)	(2,084)	(2,148)	(2,215)	(2,283)	(2,354)
WORKS OVER PRECISED LIMIT RECEIPTS	(450)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)
<b>TOTAL INCOME</b>	<b>(53,814)</b>	<b>(54,377)</b>	<b>(56,213)</b>	<b>(58,062)</b>	<b>(59,867)</b>	<b>(61,719)</b>	<b>(63,629)</b>	<b>(65,590)</b>	<b>(67,614)</b>	<b>(69,689)</b>
<b>BALANCES</b>										
BROUGHT FORWARD	(4,401)	(4,196)	(4,806)	(5,576)	(6,285)	(6,823)	(7,166)	(7,353)	(7,370)	(7,158)
IN YEAR (SURPLUS) /DEFICIT	(80)	(610)	(770)	(710)	(538)	(342)	(187)	(17)	212	459
EARMARKED RESERVES	285	0	0	0	0	0	0	0	0	0
<b>(SURPLUS) /DEFICIT C/F AT YEAR END</b>	<b>(4,196)</b>	<b>(4,806)</b>	<b>(5,576)</b>	<b>(6,285)</b>	<b>(6,823)</b>	<b>(7,166)</b>	<b>(7,353)</b>	<b>(7,370)</b>	<b>(7,158)</b>	<b>(6,699)</b>

### PART 1 – MEMBERS, PUBLIC AND PRESS