

The Council's Budget (2022/23 - 2026/27) - Medium Term Financial Forecast

Appendix A1

General Fund Budget Corporate Summary	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Three Year Outlook £'000	Five Year Outlook £'000
Resources								
Increase in Council Tax (%)	1.80%	0.90%	1.80%	1.80%	1.80%	1.80%		
Increase in Social Care Precept (%)	3.00%	1.00%	1.00%	1.00%	1.00%	1.00%		
Band D Council Tax (£)	£1,239.72	£1,263.28	£1,298.65	£1,335.02	£1,372.40	£1,410.82	£95.30	£171.10
Increase in Council Tax Base (Band D)	(36)	1,769	1,799	1,200	1,200	1,200		
Council Tax Base (Band D)	102,071	103,840	105,639	106,839	108,039	109,239	4,768	7,168
<i>Change from Tax Base (£'000)</i>	<i>(42)</i>	<i>2,194</i>	<i>4,424</i>	<i>5,911</i>	<i>7,399</i>	<i>8,887</i>	<i>5,953</i>	<i>8,887</i>
<i>Change from Tax Increase (£'000)</i>	<i>5,795</i>	<i>2,446</i>	<i>6,225</i>	<i>10,182</i>	<i>14,335</i>	<i>18,691</i>	<i>4,387</i>	<i>18,691</i>
Council Tax Revenues	126,539	131,179	137,188	142,632	148,273	154,117	16,093	27,578
Baseline Business Rates Income	47,221	47,221	48,165	49,128	50,111	51,113	1,907	3,892
Retained Business Rates Growth	7,884	9,395	9,736	9,931	10,130	10,332	2,047	2,448
Business Rates Income	55,105	56,616	57,901	59,059	60,241	61,445	3,954	6,340
Revenue Support Grant	6,801	7,014	7,078	7,219	7,364	7,514	418	713
Other Central Government Funding	43,271	51,348	51,542	51,684	51,484	51,384	8,413	8,113
Corporate Grant Income	50,072	58,362	58,620	58,903	58,848	58,898	8,831	8,826
Total Recurrent Funding	231,716	246,157	253,709	260,594	267,362	274,460	28,878	42,744
Collection Fund Deficit 2020/21	(928)	(1,958)	(1,958)	0	0	0	928	928
Collection Fund Deficit Govt Funding	1,468	1,468	1,468	0	0	0	(1,468)	(1,468)
Collection Fund Deficit 2021/22	0	(533)	0	0	0	0	0	0
Local Council Tax Support Grant	2,734	0	0	0	0	0	(2,734)	(2,734)
Prior Release of COVID-19 Reserves	834	1,507	1,535	0	0	0	(834)	(834)
Further Release of COVID-19 Reserves	0	4,406	0	0	0	0	0	0
Planned Use of General Balances	2,421	0	0	0	0	0	(2,421)	(2,421)
Total One-Off Funding	6,529	4,890	1,045	0	0	0	(6,529)	(6,529)
Total Resources	238,245	251,047	254,754	260,594	267,362	274,460	22,349	36,215

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Service Expenditure								
Roll Forward Budget	234,284	238,245	251,047	257,710	263,920	272,827		
Inflation	4,700	12,035	6,430	5,716	5,854	5,993	24,181	36,028
Demand-led Growth	3,779	13,520	3,334	3,284	2,999	3,259	20,138	26,396
Corporate Items	3,536	(2,106)	3,573	4,643	2,441	492	6,110	9,043
Savings Proposals	(8,054)	(10,647)	(6,674)	(7,433)	(2,387)	(2,431)	(24,754)	(29,572)
Total Service Expenditure	238,245	251,047	257,710	263,920	272,827	280,140	25,675	41,895
Of which:								
Property & Infrastructure	6,478	6,833	6,918	5,692	5,765	5,838	(786)	(640)
Finance	16,745	17,883	18,498	18,765	19,247	19,746	2,020	3,001
Public Safety and Transport	1,927	1,127	611	443	259	57	(1,484)	(1,870)
Corporate Services and Transformation	25,305	25,453	25,919	26,510	27,119	27,745	1,205	2,440
Environment, Housing & Regeneration	30,228	30,289	30,242	30,835	31,412	31,973	607	1,745
Families, Education & Wellbeing	14,441	15,228	14,740	14,778	14,962	15,142	337	701
Health & Social Care	128,778	141,583	146,361	149,117	154,761	160,619	20,339	31,841
Corporate Operating Budgets	14,343	13,155	16,262	20,156	22,818	23,536	5,813	9,193
Cross-Cutting Initiatives	0	(504)	(1,841)	(2,376)	(3,516)	(4,516)	(2,376)	(4,516)
Total Service Expenditure	238,245	251,047	257,710	263,920	272,827	280,140	25,675	41,895
Year on Year Change in Budget (Gap) / Surplus	0	0	(2,956)	(370)	(2,139)	(215)	(3,326)	(5,680)
Budget (Gap) / Surplus for the Year	0	0	(2,956)	(3,326)	(5,465)	(5,680)		
Closing General Balances	26,579	26,579	26,579	26,579	26,579	26,579	0	0
Earmarked Reserve Balances	31,385	23,369	20,596	20,596	20,596	20,596	(10,789)	(10,789)
Total Balances	57,964	49,948	47,175	47,175	47,175	47,175	47,175	47,175

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General Fund Budget Funding Projections	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Three Year Outlook £'000	Five Year Outlook £'000
Council Tax Base (Band D)								
Residential Properties	124,287	125,299	126,311	127,323	128,335	129,347	3,036	5,060
MOD Properties	683	683	683	683	683	683	0	0
Discounts & Exemptions	(11,317)	(11,317)	(11,317)	(11,317)	(11,317)	(11,317)	0	0
Empty Property Premium	85	85	85	85	85	85	0	0
Gross Council Tax Base	113,738	114,750	115,762	116,774	117,786	118,798	3,036	5,060
Council Tax Reduction Scheme	(10,636)	(9,861)	(9,056)	(8,856)	(8,656)	(8,456)	1,780	2,180
Collection Rate (%)	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%	0.00%	0.00%
Allowance for Losses in Collection	(1,031)	(1,049)	(1,067)	(1,079)	(1,091)	(1,103)	(48)	(72)
Net Council Tax Base	102,071	103,840	105,639	106,839	108,039	109,239	4,768	7,168
Increase in Council Tax Base	(36)	1,769	1,799	1,200	1,200	1,200	4,768	7,168
Business Rates Revenues								
Inflationary Uplift (%)	0.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Implied Multiplier (0.xxx)	0.499	0.499	0.509	0.519	0.529	0.540	0.020	0.041
Annual Change in Rating List	(12,000)	4,000	2,000	0	0	0	12,000	12,000
Cash Value of Annual Changes	(6,108)	1,996	1,018	0	0	0	6,108	6,108
Retail Relief 2022/23	0	(27,067)	27,608				0	0
Non-Domestic Rating Income	368,393	343,322	378,814	386,391	394,119	402,001	17,998	33,608
Local Share of Business Rates Yield	30%	30%	30%	30%	30%	30%	0	0
	110,518	102,997	113,644	115,917	118,236	120,600	5,399	10,082
Section 31 Grant Income	5,611	16,154	8,195	8,359	8,526	8,697	2,748	3,086
Forecast Business Rates Yield	116,129	119,151	121,839	124,276	126,762	129,297	8,147	13,168
Less: Baseline Business Rates Income	(47,221)	(47,221)	(48,165)	(49,128)	(50,111)	(51,113)	(1,907)	(3,892)
Less: Business Rates Tariff	(53,666)	(53,666)	(54,739)	(55,834)	(56,951)	(58,090)	(2,168)	(4,424)
Growth on Local Share	15,242	18,264	18,935	19,314	19,700	20,094	4,072	4,852
Less: Section 31 Grants Out of Scope	(527)	(527)	(538)	(549)	(560)	(571)	(22)	(44)
Levy Rate on Growth	50%	50%	50%	50%	50%	50%	0	0
Levy on Growth	(7,358)	(8,869)	(9,199)	(9,383)	(9,570)	(9,762)	(2,025)	(2,404)
Retained Growth	7,884	9,395	9,736	9,931	10,130	10,332	2,047	2,448

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Other Central Government Funding								
Public Health Grant	17,810	18,538	18,932	19,274	19,274	19,274	1,464	1,464
Better Care Fund	7,173	7,619	7,619	7,619	7,619	7,619	446	446
Improved Better Care Fund	7,248	7,467	7,467	7,467	7,467	7,467	219	219
Additional Social Care Funding	6,873	9,506	9,506	9,506	9,506	9,506	2,633	2,633
Services Grant	0	3,255	3,255	3,255	3,255	3,255	3,255	3,255
New Homes Bonus	2,385	2,765	2,765	2,765	2,765	2,765	380	380
Housing Benefit Administration Subsidy	882	700	500	300	100	0	(582)	(882)
Independent Living Fund Grant	0	496	496	496	496	496	496	496
Lower Tier Services Grant	427	459	459	459	459	459	32	32
Council Tax Administration Grant	290	360	360	360	360	360	70	70
Local Voices & Community Reform	164	164	164	164	164	164	0	0
Extended Rights to Free Travel	19	19	19	19	19	19	0	0
Other Central Government Funding	43,271	51,348	51,542	51,684	51,484	51,384	8,413	8,113

General Fund Budget Inflation Provision	2021/22	Annual Movement in Budget Requirement					Three Year	Five Year
	Budget	2022/23	2023/24	2024/25	2025/26	2026/27	Outlook	Outlook
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Inflation Rates</u>								
Workforce Expenditure (including Pension Contributions)	N/A	5.0%	2.0%	1.5%	1.5%	1.5%	8.5%	11.5%
Added Years Pension Costs	N/A	2.0%	2.0%	2.0%	2.0%	2.0%	6.0%	10.0%
Energy	N/A	41.4%	5.0%	5.0%	5.0%	5.0%	51.4%	61.4%
Vehicle Fuel	N/A	13.5%	5.0%	5.0%	5.0%	5.0%	23.5%	33.5%
Contracted Expenditure	N/A	5.5%	2.8%	2.6%	2.7%	2.8%	10.9%	16.4%
Homecare Provision (Adult Social Care)	N/A	3.0%	3.0%	3.0%	3.0%	3.0%	9.0%	15.0%
Care Placements (Adult Social Care)	N/A	2.4%	2.4%	2.4%	2.4%	2.4%	7.2%	12.0%
Care Placements (Children's Services)	N/A	2.4%	2.0%	2.0%	2.0%	2.0%	6.4%	10.4%
Business Rates	N/A	6.1%	2.0%	2.0%	2.0%	2.0%	10.1%	14.1%
Levies	N/A	0.1%	2.0%	2.0%	2.0%	2.0%	4.1%	8.1%
<u>Inflation Projections</u>								
Workforce Expenditure (including Pension Contributions)	127,310	6,351	2,613	2,047	2,076	2,105	11,011	15,192
Added Years Pension Costs	1,884	38	38	39	40	41	115	196
Energy	2,532	1,049	358	197	207	217	1,604	2,028
Vehicle Fuel	812	110	46	48	51	53	204	308
Contracted Expenditure	44,732	2,439	1,245	1,172	1,214	1,257	4,856	7,327
Homecare Provision (Adult Social Care)	12,025	361	372	383	394	406	1,116	1,916
Care Placements (Adult Social Care)	66,282	1,591	1,629	1,668	1,709	1,749	4,888	8,346
Care Placements (Children's Services)	24,032	577	591	605	619	634	1,773	3,026
Business Rates	3,146	192	68	70	71	73	330	474
Levies	8,226	12	158	161	164	168	331	663
Gross Inflation Requirement	290,981	12,720	7,118	6,390	6,545	6,703	26,228	39,476
Less: Externally Funded Items	(24,077)	(685)	(688)	(674)	(691)	(710)	(2,047)	(3,448)
Budgets Out of Scope of Inflation	(28,659)	0	0	0	0	0	0	0
Total Inflation Provision	238,245	12,035	6,430	5,716	5,854	5,993	24,181	36,028

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General Fund Budget Demand-led Growth	2021/22	Annual Movement in Budget Requirement					Three Year	Five Year
	Budget	2022/23	2023/24	2024/25	2025/26	2026/27	Outlook	Outlook
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Waste Disposal Levy & Contracts	14,867	610	469	600	600	600	1,679	2,879
Support for Looked After Children	12,567	2,794	476	359	430	690	3,629	4,749
Support for Children with Disabilities	2,738	122	127	132	132	132	381	645
SEND Transport	9,857	1,276	750	720	720	720	2,746	4,186
Adult Social Care Placements	58,278	5,739	1,117	1,117	1,117	1,117	7,973	10,207
Homelessness Prevention	2,323	0	0	0	0	0	0	0
Asylum Funding Shortfall	488	625	1	14	0	0	640	640
COVID-19 Impact on Fees & Charges	0	1,626	0	0	0	0	1,626	1,626
Investment in Public Health	17,810	728	394	342	0	0	1,464	1,464
Total	118,928	13,520	3,334	3,284	2,999	3,259	20,138	26,396

General Fund Budget Corporate Items	Annual Movement in Budget Requirement					Three Year Outlook £'000	Five Year Outlook £'000
	2022/23	2023/24	2024/25	2025/26	2026/27		
	£'000	£'000	£'000	£'000	£'000		
Adjustments to Financing & Corporate Budgets							
Capital Financing Costs	1,888	2,457	1,657	907	417	6,002	7,326
Flexible Use of Capital Receipts to finance Service Transformation	0	0	965	0	0	965	965
Earmarked Reserve Drawdown to Fund Transformation	(681)	681	0	0	0	0	0
Hillingdon First Enabling Developments	0	0	(1,000)	0	0	(1,000)	(1,000)
Cost of Older People Discount	(99)	(92)	(85)	(80)	0	(276)	(356)
Earmarked Reserves use for Older People Discount	99	(92)	1,422	0	0	1,429	1,429
Independent Living Fund Expenditure	496	0	0	0	0	496	496
Concessionary Fares Rebate	(2,290)	544	1,609	1,539	0	(137)	1,402
Unwind Council Tax Hardship Allowance	(1,271)	0	0	0	0	(1,271)	(1,271)
Housing Benefit Subsidy (Recovery of Overpayments)	100	100	100	100	100	300	500
Movement in Added Years Pension Costs	(25)	(25)	(25)	(25)	(25)	(75)	(125)
General Contingency	(323)	0	0	0	0	(323)	(323)
Total Corporate Items	(2,106)	3,573	4,643	2,441	492	6,110	9,043

General Fund Budget Savings Proposals	Annual Movement in Budget Requirement					Three Year Outlook	Five Year Outlook
	2022/23	2023/24	2024/25	2025/26	2026/27		
	£'000	£'000	£'000	£'000	£'000		
<u>Savings Proposals by Cabinet Portfolio</u>							
Property & Infrastructure	(61)	(64)	(1,367)	(71)	(74)	(1,492)	(1,637)
Finance	(450)	0	(200)	0	0	(650)	(650)
Public Safety and Transport	(1,754)	(1,008)	(458)	(481)	(505)	(3,220)	(4,206)
Corporate Services and Transformation	(1,380)	(243)	(37)	(39)	(41)	(1,660)	(1,740)
Environment, Housing & Regeneration	(2,003)	(1,091)	(477)	(500)	(523)	(3,571)	(4,594)
Families, Education & Wellbeing	(475)	(871)	(288)	(145)	(152)	(1,634)	(1,931)
Health & Social Care	(3,075)	(1,379)	(3,106)	(11)	(136)	(7,560)	(7,707)
Cross-Cutting Initiatives	(1,449)	(2,018)	(1,500)	(1,140)	(1,000)	(4,967)	(7,107)
Specific Savings Proposals	(10,647)	(6,674)	(7,433)	(2,387)	(2,431)	(24,754)	(29,572)
<u>Savings Proposals by Theme</u>							
Service Transformation	(4,656)	(3,166)	(4,650)	(1,140)	(1,000)	(12,472)	(14,612)
Effective Procurement	(979)	0	0	0	0	(979)	(979)
Managing Demand	(2,346)	(1,454)	(1,606)	(11)	(136)	(5,406)	(5,553)
Income Generation & Commercialisation	(2,666)	(2,054)	(1,177)	(1,236)	(1,295)	(5,897)	(8,428)
Specific Savings Proposals	(10,647)	(6,674)	(7,433)	(2,387)	(2,431)	(24,754)	(29,572)

The Council's Budget (2022/23 - 2026/27) - Medium Term Financial Forecast

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General Fund Budget Corporate Summary	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Three Year Outlook £'000	Five Year Outlook £'000
Service Expenditure by Portfolio								
<u>Property & Infrastructure</u>								
Staffing	3,566	3,744	3,817	3,874	3,932	3,991	308	425
Non-Staffing	8,208	8,491	8,598	7,406	7,516	7,628	(802)	(580)
Gross Expenditure	11,774	12,235	12,415	11,280	11,448	11,619	(494)	(155)
Grant Income	0	0	0	0	0	0	0	0
Fees & Charges	(1,222)	(1,283)	(1,347)	(1,414)	(1,485)	(1,559)	(192)	(337)
Other Income	(4,074)	(4,119)	(4,150)	(4,174)	(4,198)	(4,222)	(100)	(148)
Gross Income	(5,296)	(5,402)	(5,497)	(5,588)	(5,683)	(5,781)	(292)	(485)
Total Property & Infrastructure	6,478	6,833	6,918	5,692	5,765	5,838	(786)	(640)
<u>Finance</u>								
Staffing	11,804	12,046	12,293	12,283	12,475	12,670	479	866
Non-Staffing	8,310	9,207	9,575	9,852	10,142	10,446	1,542	2,136
Gross Expenditure	20,114	21,253	21,868	22,135	22,617	23,116	2,021	3,002
Grant Income	(894)	(895)	(895)	(895)	(895)	(895)	(1)	(1)
Fees & Charges	(1,260)	(1,260)	(1,260)	(1,260)	(1,260)	(1,260)	0	0
Other Income	(1,215)	(1,215)	(1,215)	(1,215)	(1,215)	(1,215)	0	0
Gross Income	(3,369)	(3,370)	(3,370)	(3,370)	(3,370)	(3,370)	(1)	(1)
Total Finance	16,745	17,883	18,498	18,765	19,247	19,746	2,020	3,001
<u>Public Safety and Transport</u>								
Staffing	9,252	9,714	9,907	10,055	10,205	10,358	803	1,106
Non-Staffing	8,916	9,215	9,517	9,661	9,810	9,963	745	1,047
Gross Expenditure	18,168	18,929	19,424	19,716	20,015	20,321	1,548	2,153
Grant Income	(314)	(321)	(324)	(326)	(328)	(331)	(12)	(17)
Fees & Charges	(13,800)	(15,354)	(16,362)	(16,820)	(17,301)	(17,806)	(3,020)	(4,006)
Other Income	(2,127)	(2,127)	(2,127)	(2,127)	(2,127)	(2,127)	0	0
Gross Income	(16,241)	(17,802)	(18,813)	(19,273)	(19,756)	(20,264)	(3,032)	(4,023)
Total Public Safety and Transport	1,927	1,127	611	443	259	57	(1,484)	(1,870)

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General Fund Budget Corporate Summary	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Three Year Outlook £'000	Five Year Outlook £'000
<u>Corporate Services and Transformation</u>								
Staffing	19,041	18,688	18,883	19,191	19,504	19,821	150	780
Non-Staffing	7,868	8,434	8,740	9,060	9,395	9,745	1,192	1,877
Gross Expenditure	26,909	27,122	27,623	28,251	28,899	29,566	1,342	2,657
Grant Income	(77)	(77)	(77)	(77)	(77)	(77)	0	0
Fees & Charges	(758)	(823)	(858)	(895)	(934)	(975)	(137)	(217)
Other Income	(769)	(769)	(769)	(769)	(769)	(769)	0	0
Gross Income	(1,604)	(1,669)	(1,704)	(1,741)	(1,780)	(1,821)	(137)	(217)
Total Corporate Services and Transformation	25,305	25,453	25,919	26,510	27,119	27,745	1,205	2,440
<u>Environment, Housing & Regeneration</u>								
Staffing	24,043	25,246	25,726	26,112	26,504	26,902	2,069	2,859
Non-Staffing	26,971	26,902	27,209	27,909	28,611	29,315	938	2,344
Gross Expenditure	51,014	52,148	52,935	54,021	55,115	56,217	3,007	5,203
Grant Income	(5,784)	(5,824)	(5,842)	(5,858)	(5,875)	(5,893)	(74)	(109)
Fees & Charges	(11,483)	(12,079)	(12,895)	(13,372)	(13,872)	(14,395)	(1,889)	(2,912)
Other Income	(3,519)	(3,956)	(3,956)	(3,956)	(3,956)	(3,956)	(437)	(437)
Gross Income	(20,786)	(21,859)	(22,693)	(23,186)	(23,703)	(24,244)	(2,400)	(3,458)
Total Environment, Housing & Regeneration	30,228	30,289	30,242	30,835	31,412	31,973	607	1,745

The Council's Budget (2022/23 - 2026/27) - Medium Term Financial Forecast

Appendix A7

General Fund Budget Corporate Summary	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Three Year Outlook £'000	Five Year Outlook £'000
<u>Families, Education & Wellbeing</u>								
Staffing	14,681	15,415	15,722	15,958	16,197	16,439	1,277	1,758
Non-Staffing	11,358	11,684	11,086	11,079	11,224	11,371	(279)	13
Gross Expenditure	26,039	27,099	26,808	27,037	27,421	27,810	998	1,771
Grant Income	(4,152)	(4,300)	(4,366)	(4,419)	(4,474)	(4,531)	(267)	(379)
Fees & Charges	(4,142)	(4,267)	(4,398)	(4,536)	(4,681)	(4,833)	(394)	(691)
Other Income	(3,304)	(3,304)	(3,304)	(3,304)	(3,304)	(3,304)	0	0
Gross Income	(11,598)	(11,871)	(12,068)	(12,259)	(12,459)	(12,668)	(661)	(1,070)
Total Families, Education & Wellbeing	14,441	15,228	14,740	14,778	14,962	15,142	337	701
<u>Health & Social Care</u>								
Staffing	42,883	45,026	45,900	46,587	47,285	47,993	3,704	5,110
Non-Staffing	122,181	133,432	137,907	140,555	146,095	151,854	18,374	29,673
Gross Expenditure	165,064	178,458	183,807	187,142	193,380	199,847	22,078	34,783
Grant Income	(8,309)	(8,368)	(8,396)	(8,419)	(8,443)	(8,469)	(110)	(160)
Fees & Charges	(350)	(350)	(350)	(350)	(350)	(350)	0	0
Other Income	(27,627)	(28,157)	(28,700)	(29,256)	(29,826)	(30,409)	(1,629)	(2,782)
Gross Income	(36,286)	(36,875)	(37,446)	(38,025)	(38,619)	(39,228)	(1,739)	(2,942)
Total Health & Social Care	128,778	141,583	146,361	149,117	154,761	160,619	20,339	31,841
<u>Corporate Operating Budgets</u>								
Staffing	521	544	555	563	572	581	42	60
Non-Staffing	175,939	174,086	177,182	182,068	184,721	185,430	6,129	9,491
Gross Expenditure	176,460	174,630	177,737	182,631	185,293	186,011	6,171	9,551
Grant Income	(148,765)	(148,269)	(148,269)	(148,269)	(148,269)	(148,269)	496	496
Fees & Charges	0	0	0	0	0	0	0	0
Other Income	(13,352)	(13,206)	(13,206)	(14,206)	(14,206)	(14,206)	(854)	(854)
Gross Income	(162,117)	(161,475)	(161,475)	(162,475)	(162,475)	(162,475)	(358)	(358)
Total Corporate Operating Budgets	14,343	13,155	16,262	20,156	22,818	23,536	5,813	9,193

The Council's Budget (2022/23 - 2026/27) - Medium Term Financial Forecast

Appendix A7

General Fund Budget Corporate Summary	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Three Year Outlook £'000	Five Year Outlook £'000
<u>Cross-Cutting Initiatives</u>								
Net Budget Movements	0	(504)	(1,841)	(2,376)	(3,516)	(4,516)	(2,376)	(4,516)
Total Cross-Cutting Initiatives	0	(504)	(1,841)	(2,376)	(3,516)	(4,516)	(2,376)	(4,516)
Total Service Expenditure	238,245	251,047	257,710	263,920	272,827	280,140	25,675	41,895
Total Resources	238,245	251,047	254,754	260,594	267,362	274,460	22,349	36,215
Budget Gap	0	0	(2,956)	(3,326)	(5,465)	(5,680)	(3,326)	(5,680)

General Fund Budget Capital Programme Summary	Annual Movement in Budget Requirement						TOTAL £'000
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
	£'000	£'000	£'000	£'000	£'000	£'000	
Capital Expenditure							
Major Projects	30,381	74,150	69,951	34,914	8,358	5,000	222,754
Programme of Works	39,663	28,639	24,078	23,676	21,673	20,735	158,464
Contingency	1,417	1,500	1,500	1,500	1,500	1,500	8,917
Total Capital Expenditure	71,461	104,289	95,529	60,090	31,531	27,235	390,135
Capital Financing							
Grants & Contributions	(24,155)	(44,803)	(32,604)	(29,637)	(13,810)	(11,037)	(156,046)
Council Resourced Investment							
Community Infrastructure Levy	(6,500)	(3,750)	(3,750)	(3,750)	(3,750)	(4,500)	(26,000)
Capital Receipts	(6,918)	(13,258)	(35,872)	(16,977)	(8,501)	(4,817)	(86,343)
Prudential Borrowing	(33,888)	(42,478)	(23,303)	(9,726)	(5,470)	(6,881)	(121,746)
Borrowing Projections							
Capital Financing Requirement	252,131	287,323	302,416	309,570	311,757	301,076	
Projected External Borrowing	(189,935)	(247,604)	(264,874)	(281,144)	(276,815)	(252,486)	
Projected Internal Borrowing	(62,196)	(39,719)	(37,542)	(28,426)	(34,942)	(48,590)	

Prior Year Budget	Project	2021-2027 Project Budget			Total Capital Programme		
		Live Project Budget	Grants and Contributions	Council Resources	Total Project Budget	Total Released Budget	Percentage Released Budget
£'000		£'000	£'000	£'000	£'000	£'000	%
	Major Projects						
	<u>Public Safety and Transport</u>						
101	Cranford Park Heritage Lottery Project	2,781	(2,466)	(315)	2,882	215	7%
97	Shopping Parades Initiative	2,815	(141)	(2,674)	2,912	900	31%
	<u>Families, Education and Wellbeing</u>						
21,355	Secondary Schools Expansions	6,852	(797)	(6,055)	28,207	21,877	78%
0	Additional Temporary Classrooms	3,800	0	(3,800)	3,800	0	0%
803	Schools SRP	53,716	(53,716)	0	54,519	3,345	6%
16,388	New Primary Schools Expansions	12	(12)	0	16,400	16,397	100%
0	Meadow School	240	0	(240)	240	240	100%
	<u>Property and Infrastructure</u>						
1,374	New Yiewsley Leisure Centre	35,296	(1,500)	(33,796)	36,670	36,670	100%
0	Motor Vehicle Workshop	517	0	(517)	517	28	5%
789	Hillingdon Watersports Facility	25,712	(25,712)	0	26,501	5,055	19%
8,469	Hayes Town Centre Improvements	1,155	(856)	(299)	9,624	8,537	89%
1,255	Yiewsley / West Drayton Community Centre	745	0	(745)	2,000	2,000	100%
242	Uxbridge Mortuary Extension	2,156	0	(2,156)	2,398	2,398	100%
276	Battle of Britain Underground Bunker	1,279	0	(1,279)	1,555	384	25%
2,028	Uxbridge Change of Heart	60	(54)	(6)	2,088	2,088	100%
0	Botwell Leisure Centre Football Pitch	200	0	(200)	200	0	0%
10,142	Housing Company Financing	14,858	0	(14,858)	25,000	12,419	50%
0	Woodside Development	2,575	0	(2,575)	2,575	0	0%
8	Refurbishment of Asha Day Centre	604	0	(604)	612	0	0%
161	Battle of Britain Bunker & Visitor Centre Enhancements	100	0	(100)	261	172	66%
2,556	Cedars & Grainges Car Park Improvement Works	115	0	(115)	2,671	2,670	100%
0	Appropriation of Townfield to General Fund	100	0	(100)	100	0	0%
0	Yiewsley Library	1,974	0	(1,974)	1,974	0	0%
0	Northwood Hills Library	2,392	0	(2,392)	2,392	0	0%

Prior Year Budget	Project	2021-2027 Project Budget			Total Capital Programme		
		Live Project Budget	Grants and Contributions	Council Resources	Total Project Budget	Total Released Budget	Percentage Released Budget
£'000		£'000	£'000	£'000	£'000	£'000	%
0	Civic Centre Project	35,000	0	(35,000)	35,000	0	0%
0	Carbon Zero Initiatives	25,000	0	(25,000)	25,000	0	0%
0	New Years Green Lane Extension	2,000	0	(2,000)	2,000	0	0%
0	Flood Alleviation - Bessingby Park	200	0	(200)	200	0	0%
0	Parking Improvements Schemes	500	0	(500)	500	0	0%
66,044	Total Major Projects	222,754	(85,254)	(137,500)	288,798	115,395	40%
	Programme of Works						
	<u>Finance</u>						
N/A	Purchase of Vehicles	8,485	(487)	(7,998)	8,485	3,746	44%
	<u>Public Safety and Transport</u>						
N/A	Highways Structural Works	40,471	(111)	(40,360)	40,471	10,471	26%
N/A	Highways Bridges and Structures	1,500	0	(1,500)	1,500	0	0%
N/A	Street Lighting Replacement	5,345	0	(5,345)	5,345	595	11%
N/A	Street Lighting LED Upgrade	130	0	(130)	130	0	0%
N/A	Road Safety	828	0	(828)	828	108	13%
N/A	Car Park Pay & Display Machines Replacement	35	0	(35)	35	0	0%
N/A	CCTV Programme	1,251	0	(1,251)	1,251	568	45%
N/A	HS2 Road Safety Fund	611	(611)	0	611	93	15%
N/A	Transport for London	15,543	(15,543)	0	15,543	1,586	10%
N/A	Parking Management Schemes	600	0	(600)	600	0	0%
N/A	Emergency Active Travel	43	(43)	0	43	43	100%
N/A	Highways Section 106 Projects	139	(139)	0	139	139	100%
	<u>Corporate Services and Transformation</u>						
N/A	Corporate Technology and Innovation	3,966	0	(3,966)	3,966	1,258	32%
N/A	Older Peoples Initiatives	1,200	0	(1,200)	1,200	231	19%

Prior Year Budget	Project	2021-2027 Project Budget			Total Capital Programme		
		Live Project Budget	Grants and Contributions	Council Resources	Total Project Budget	Total Released Budget	Percentage Released Budget
£'000		£'000	£'000	£'000	£'000	£'000	%
	<u>Environment, Housing and Regeneration</u>						
N/A	Chrysalis Programme	6,613	0	(6,613)	6,613	1,613	24%
N/A	Environmental and Recreational Initiatives - Pollution Screening	1,468	(1,468)	0	1,468	236	16%
N/A	Environmental and Recreational Initiatives - Green Spaces	508	(70)	(438)	508	246	48%
N/A	Green Spaces Section 106 Projects	76	(76)	0	76	76	100%
N/A	Private Sector Renewal Grants	10	0	(10)	10	10	100%
N/A	Landlord Property Renovation Grants	25	0	(25)	25	0	0%
N/A	Homeless Provision	40	(40)	0	40	0	0%
N/A	Playground Replacement Programme	1,000	0	(1,000)	1,000	0	0%
	<u>Families, Education and Wellbeing</u>						
N/A	Youth Provision	2,800	0	(2,800)	2,800	259	9%
N/A	Devolved Capital to Schools	1,883	(1,883)	0	1,883	0	0%
	<u>Health and Social Care</u>						
N/A	Equipment Capitalisation - Social Care	14,038	(14,038)	0	14,038	0	0%
	<u>Property and Infrastructure</u>						
N/A	Libraries Refurbishment Programme	468	0	(468)	468	345	74%
N/A	Bowls Clubs Refurbishments	125	0	(125)	125	125	100%
N/A	Sports Clubs Rebuild / Refurbishments	600	0	(600)	600	0	0%
N/A	Property Works Programme	7,239	(118)	(7,121)	7,239	1,520	21%
N/A	Civic Centre Works Programme	3,903	0	(3,903)	3,903	1,175	30%
N/A	Leisure Centre Refurbishment	3,059	0	(3,059)	3,059	701	23%
N/A	School Building Condition Works	22,168	(21,426)	(742)	22,168	1,337	6%
N/A	Harlington Road Depot Improvements	555	0	(555)	555	263	47%
N/A	Disabled Facilities Grant	11,739	(11,739)	0	11,739	906	8%
N/A	Section 106 Financing	0	(1,000)	1,000	0	0	0%
N/A	HS2 Amenity Fund	0	(2,000)	2,000	0	0	0%
	Total Programme of Works	158,464	(70,792)	(87,672)	158,464	27,650	17%

Prior Year Budget	Project	2021-2027 Project Budget			Total Capital Programme		
		Live Project Budget	Grants and Contributions	Council Resources	Total Project Budget	Total Released Budget	Percentage Released Budget
£'000		£'000	£'000	£'000	£'000	£'000	%
N/A	Development & Risk Contingency						
	General Contingency	8,917	0	(8,917)	8,917	0	0%
	Total Development & Risk Contingency	8,917	0	(8,917)	8,917	0	0%
66,044	Total GF Capital Programme	390,135	(156,046)	(234,089)	456,179	143,045	31%

Prior Year Budget £'000	Project	Project Budget						Total £'000
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	
	Major Projects							
	<u>Public Safety and Transport</u>							
101	Cranford Park Heritage Lottery Project	450	1,981	350	0	0	0	2,781
97	Shopping Parades Initiative	547	683	1,585	0	0	0	2,815
	<u>Families, Education and Wellbeing</u>							
21,355	Secondary Schools Expansions	6,852	0	0	0	0	0	6,852
0	Additional Temporary Classrooms	1,000	2,800	0	0	0	0	3,800
803	Schools SRP	1,365	19,578	15,000	15,000	2,773	0	53,716
16,388	New Primary Schools Expansions	12	0	0	0	0	0	12
0	Meadow School	240	0	0	0	0	0	240
	<u>Property and Infrastructure</u>							
1,374	New Yiewsley Leisure Centre	2,450	17,097	14,050	1,114	585	0	35,296
0	Motor Vehicle Workshop	50	457	10	0	0	0	517
789	Hillingdon Watersports Facility	6,000	10,510	5,602	3,600	0	0	25,712
8,469	Hayes Town Centre Improvements	1,155	0	0	0	0	0	1,155
1,255	Yiewsley / West Drayton Community Centre	721	24	0	0	0	0	745
242	Uxbridge Mortuary Extension	970	1,186	0	0	0	0	2,156
276	Battle of Britain Underground Bunker	250	1,029	0	0	0	0	1,279
2,028	Uxbridge Change of Heart	60	0	0	0	0	0	60
0	Botwell Leisure Centre Football Pitch	0	200	0	0	0	0	200
10,142	Housing Company Financing	8,000	6,858	0	0	0	0	14,858
0	Woodside Development	0	0	2,575	0	0	0	2,575
8	Refurbishment of Asha Day Centre	44	547	13	0	0	0	604
161	Battle of Britain Bunker & Visitor Centre Enhancements	100	0	0	0	0	0	100
2,556	Cedars & Grainges Car Park Improvement Works	115	0	0	0	0	0	115
0	Appropriation of Townfield to General Fund	0	0	100	0	0	0	100

Prior Year Budget £'000	Project	Project Budget						Total £'000
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	
0	Yiewsley Library	0	0	1,974	0	0	0	1,974
0	Northwood Hills Library	0	0	2,392	0	0	0	2,392
0	Civic Centre Project	0	5,000	20,000	10,000	0	0	35,000
0	Carbon Zero Initiatives	0	5,000	5,000	5,000	5,000	5,000	25,000
0	New Years Green Lane Extension	0	500	1,300	200	0	0	2,000
0	Flood Alleviation - Bessingby Park	0	200	0	0	0	0	200
0	Parking Improvements Schemes	0	500	0	0	0	0	500
66,044	Total Major Projects	30,381	74,150	69,951	34,914	8,358	5,000	222,754
	Programme of Works							
	<u>Finance</u>							
N/A	Purchase of Vehicles	3,821	3,561	469	634	0	0	8,485
	<u>Public Safety and Transport</u>							
N/A	Highways Structural Works	10,471	6,000	6,000	6,000	6,000	6,000	40,471
N/A	Highways Bridges and Structures	0	300	300	300	300	300	1,500
N/A	Street Lighting Replacement	720	925	925	925	925	925	5,345
N/A	Street Lighting LED Upgrade	0	130	0	0	0	0	130
N/A	Road Safety	228	120	120	120	120	120	828
N/A	Car Park Pay & Display Machines Replacement	35	0	0	0	0	0	35
N/A	CCTV Programme	568	82	81	149	184	187	1,251
N/A	HS2 Road Safety Fund	611	0	0	0	0	0	611
N/A	Transport for London	2,178	2,673	2,673	2,673	2,673	2,673	15,543
N/A	Parking Management Schemes	0	120	120	120	120	120	600
N/A	Emergency Active Travel	43	0	0	0	0	0	43
N/A	Highways Section 106 Projects	139	0	0	0	0	0	139
	<u>Corporate Services and Transformation</u>							
N/A	Corporate Technology and Innovation	1,258	100	975	1,002	497	134	3,966
N/A	Older Peoples Initiatives	200	200	200	200	200	200	1,200
	<u>Environment, Housing and Regeneration</u>							
N/A	Chrysalis Programme	1,613	1,000	1,000	1,000	1,000	1,000	6,613
N/A	Environmental and Recreational Initiatives - Pollution Scree	468	500	500	0	0	0	1,468
N/A	Environmental and Recreational Initiatives - Green Space	349	0	159	0	0	0	508
N/A	Green Spaces Section 106 Projects	76	0	0	0	0	0	76
N/A	Private Sector Renewal Grants	10	0	0	0	0	0	10

Prior Year Budget £'000	Project	Project Budget						Total £'000
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	
N/A	Landlord Property Renovation Grants	25	0	0	0	0	0	25
N/A	Homeless Provision	40	0	0	0	0	0	40
N/A	Playground Replacement Programme <u>Families, Education and Wellbeing</u>	0	200	200	200	200	200	1,000
N/A	Youth Provision	900	700	400	400	400	0	2,800
N/A	Devolved Capital to Schools <u>Health and Social Care</u>	773	222	222	222	222	222	1,883
N/A	Equipment Capitalisation - Social Care <u>Property and Infrastructure</u>	2,243	2,359	2,359	2,359	2,359	2,359	14,038
N/A	Libraries Refurbishment Programme	468	0	0	0	0	0	468
N/A	Bowls Clubs Refurbishments	125	0	0	0	0	0	125
N/A	Sports Clubs Rebuild / Refurbishments	600	0	0	0	0	0	600
N/A	Property Works Programme	2,496	1,677	1,208	1,090	306	462	7,239
N/A	Civic Centre Works Programme	1,915	671	384	499	384	50	3,903
N/A	Leisure Centre Refurbishment	2,404	655	0	0	0	0	3,059
N/A	School Building Condition Works	3,322	4,298	3,637	3,637	3,637	3,637	22,168
N/A	Harlington Road Depot Improvements	555	0	0	0	0	0	555
N/A	Disabled Facilities Grant	1,009	2,146	2,146	2,146	2,146	2,146	11,739
N/A	Section 106 Financing	0	0	0	0	0	0	0
N/A	HS2 Amenity Fund	0	0	0	0	0	0	0
	Total Programme of Works	39,663	28,639	24,078	23,676	21,673	20,735	158,464
	Development & Risk Contingency							
N/A	General Contingency	1,417	1,500	1,500	1,500	1,500	1,500	8,917
	Total Development & Risk Contingency	1,417	1,500	1,500	1,500	1,500	1,500	8,917
66,044	Total GF Capital Programme	71,461	104,289	95,529	60,090	31,531	27,235	390,135

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

Assessment of General Fund Reserves Requirement	Minimum Level 2022/23 (£ million)	Maximum Level 2022/23 (£ million)	Minimum Level 2021/22 (£ million)	Maximum Level 2021/2 (£ million)	Principal Reasons for Requirement
General financial climate to which the Council is subject to in terms of funding	1.5	5.0	1.5	5.0	The council now has a 3 year settlement terms of its core funding but there remains uncertainty going forward in terms of business rates reform and Health and Social Care reforms as well as uncertainty over specific grants.
The overall financial standing of the authority	1.0	2.0	1.0	2.0	To manage any adverse movement in the Council's financial standing
Estimates of level of locally raised income	2.0	4.0	2.0	4.0	Locally raised income accounts for approximately 80% of corporate funding. With the impacts of COVID-19 being felt across households and businesses there remains a risk around the collectability of this income.
The treatment of planned efficiency savings / productivity gains	1.0	4.0	1.0	4.0	To manage risk around slippage of the Council's major savings programme, in response to a growing demographic and inflationary pressures.
The treatment of inflation and interest rates	3.0 (+1.0)	4.0 (+1.0)	2.0	2.5	Assumptions have been refreshed to reflect latest intelligence, however, an element of risk exists due to a level of inherent uncertainty in these areas. This area has been increased by £1.0m due to the current high levels of inflation and the risk of further interest rate rises.
The financial risk inherent in major contract arrangements	2.5 (+1.0)	5.5 (+1.0)	1.5	4.5	To manage any impact of services arising from supplier risk, particularly in respect of Social Care provision. This risk is increasing as businesses have been through an extended pandemic and are now facing supply side issues and a high inflationary environment. As a result of this the range has been increased by £1m.
The treatment of demand led pressures	2.0	4.0	2.0	4.0	Increased demand for services from an aging and increasing population, and the ongoing impact of COVID-19 on demand for services supporting vulnerable residents.
The financial risks inherent in any major capital developments	1.0	2.5	1.0	2.5	Inherent risks due to significant level of investment within the Capital Programme, including securing contractors and managing inflation in challenging market conditions.
Estimates of the level and timing of capital receipts	1.0	2.0	1.0	2.0	Slippage on asset disposal programme could lead to increased borrowing
The availability of reserves and other funds to deal with major contingencies and pressures	5.0 (+3.0)	6.0 (+2.0)	2.0	4.5	Cover for unforeseen or exceptional events over and above the budgeted provision for General Contingency. This would include any unfunded pressures arising from COVID-19 as general funding for COVID-19 is due to end after 2021/22. It also needs to take account of the extent to which specific earmarked reserves are committed. As a result of this the range has been increased to £5-6m.
Unallocated GF Reserves	20.0	39.0	15.0	35.0	

<u>Housing Revenue Account</u> <u>Corporate Summary</u>	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Five Year Outlook £'000
Resources							
Increase in rents (CPI +1%)	1.5%	4.1%	3.6%	3.1%	3.0%	3.0%	
Gross Dwelling Rents	59,539	62,519	66,732	68,691	71,562	74,248	14,709
Void Risk Contingency	(595)	(830)	(791)	(756)	(716)	(738)	(143)
Net Dwelling Rents	58,944	61,689	65,941	67,935	70,846	73,510	14,566
Total Resources	58,944	61,689	65,941	67,935	70,846	73,510	14,566
Budget Requirement							
Roll Forward Budget	39,139	39,923	42,329	44,769	46,734	48,736	9,597
Inflation	380	1,593	1,409	964	1,084	1,015	6,065
Capital Charges	619	813	1,031	1,001	918	1,018	4,781
Savings	(215)	(924)	(190)	0	0	0	(1,114)
Growth	0	924	190	0	0	0	1,114
Total Budget Requirement	39,923	42,329	44,769	46,734	48,736	50,769	10,846
Contribution to Finance Capital Programme	19,021	19,694	21,172	21,201	22,110	22,741	3,720
(Drawdown) / Contribution to Reserves	0	(334)	0	0	0	0	
Opening HRA General Balance		15,334	15,000	15,000	15,000	15,000	
Closing HRA General Balance	15,334	15,000	15,000	15,000	15,000	15,000	

* Rent figures quoted above are inclusive of the different types of social housing stock e.g. formula rent, affordable rent, shared ownership rent, LAR rent.

Housing Revenue Account Inflation Provision	2021/22	Annual Movement in Budget Requirement					Three Year	Five Year
	Budget	2022/23	2023/24	2024/25	2025/26	2026/27	Outlook	Outlook
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Inflation Rates</u>								
Workforce Expenditure (including Pension costs)	N/A	5.0%	2.0%	1.5%	1.5%	1.5%	8.5%	11.5%
Contracted expenditure and materials	N/A	8.0%	6.6%	5.1%	5.0%	5.0%	21.0%	33.4%
Other expenditure	N/A	6.0%	4.6%	3.1%	3.0%	3.0%	14.3%	21.3%
Energy gas	N/A	67.5%	5.0%	5.0%	5.0%	5.0%	48.3%	63.5%
Energy electricity	N/A	37.2%	5.0%	5.0%	5.0%	5.0%	48.3%	63.5%
<u>Inflation Projections</u>								
Housing Management	15,185	1,381	854	560	614	576	2,795	3,985
Tenants Services	3,953	321	346	165	278	205	832	1,315
Repairs and Planned Maintenance	9,668	509	562	448	456	448	1,519	2,423
Gross Inflation Requirement	28,806	2,211	1,762	1,173	1,348	1,229	5,146	7,723
Other Income	(5,528)	(618)	(353)	(209)	(264)	(214)	(1,180)	(1,658)
		0	0	0	0	0	0	0
Total Inflation Provision	23,278	1,593	1,409	964	1,084	1,015	3,966	6,065

<u>Housing Revenue Account (HRA) - Savings and Growth</u>	Annual Movement in Budget Requirement					Three Year Outlook £'000	Five Year Outlook £'000
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £000s		
Full Year Effect of Prior Year Savings							
Cumulative Impact of Existing Savings Proposals	(63)	0	0	0	0	(63)	(63)
Full Year Effect of Prior Year Savings	(63)	0	0	0	0	(63)	(63)
<u>New Savings Proposals</u>							
<u>Housing Service Efficiency Review</u>							
Savings arising from implementation of reviews across HRA Zero Based Review	(199)	0	0	0	0	(199)	(199)
Outputs from Zero Based Budgeting across the HRA	(500)	0	0	0	0	(500)	(500)
<u>Further BID Reviews / Service Transformation</u>							
BID Reviews	(162)	(190)	0	0	0	(352)	(352)
New Savings Proposals	(861)	(190)	0	0	0		(1,051)
Total HRA Savings	(924)	(190)	0	0	0		(1,114)
<u>New Growth Proposals</u>							
Regulatory Compliance	183	190	0	0	0	373	373
Increasing Housing Supply	250	0	0	0	0	250	250
Restructuring the Repairs Team (BID review)	201	0	0	0	0	201	201
Repairs expenditure on Voids	250	0	0	0	0	250	250
Council Tax on Void Properties	40	0	0	0	0	40	40
New Growth Proposals	924	190	0	0	0		1,114
Total HRA Growth	924	190	0	0	0	0	1,114

The Council's Budget (2022/23 - 2026/27) - Medium Term Financial Forecast

HRA Service Budgets	2021/22 Budget £'000	2022/23 Draft Budget £'000	2023/24 Draft Budget £'000	2024/25 Draft Budget £'000	2025/26 Draft Budget £'000	2026/27 Draft Budget £'000	Three Year Outlook £'000	Five Year Outlook £'000
Rental Income	(58,944)	(61,689)	(65,941)	(67,935)	(70,846)	(73,510)	(8,991)	(14,566)
Other Income	(5,528)	(6,151)	(6,504)	(6,713)	(6,977)	(7,191)	(1,185)	(1,663)
Net Income	(64,472)	(67,840)	(72,445)	(74,648)	(77,823)	(80,701)	(10,176)	(16,229)
Housing Management	15,185	17,844	18,698	19,258	19,872	20,448	4,073	5,263
Tenant Services	3,953	4,274	4,620	4,785	5,063	5,268	832	1,315
Repairs and Planned Maintenance	9,668	10,177	10,739	11,187	11,643	12,091	1,519	2,423
Capital Programme Funding	19,021	19,694	21,172	21,201	22,110	22,741	2,180	3,720
Interest & Investment Income	15,385	16,185	17,216	18,217	19,135	20,153	2,832	4,768
Development & Risk Contingency	1,260	0	0	0	0	0	(1,260)	(1,260)
Operating Costs	64,472	68,174	72,445	74,648	77,823	80,701	11,436	17,489
(Surplus) / Deficit	0	334	0	0	0	0	0	0
Opening HRA General Balance		15,334	15,000	15,000	15,000	15,000		
Closing HRA General Balance	15,334	15,000	15,000	15,000	15,000	15,000	(334)	(334)

Project Total £'000	Project	2021/22 Budget £'000	2022/23 Draft Budget £'000	2023/24 Draft Budget £'000	2024/25 Draft Budget £'000	2025/26 Draft Budget £'000	2026/27 Draft Budget £'000
	<u>Capital Expenditure</u>						
325,034	Major Projects	39,679	50,784	59,101	57,415	60,501	57,554
193,919	Programme of Works	29,646	27,083	33,199	34,114	36,071	33,806
518,953	Total HRA Capital Programme	69,325	77,867	92,300	91,529	96,572	91,360
	<u>Capital Financing</u>						
138,724	Revenue Contributions	31,806	19,694	21,172	21,201	22,110	22,741
234,829	Prudential Borrowing	21,698	37,171	52,449	34,956	44,631	43,924
64,115	Grants	7,243	13,061	6,312	13,398	11,083	13,018
81,285	Capital Receipts	8,578	7,941	12,367	21,974	18,748	11,677
518,953	Total	69,325	77,867	92,300	91,529	96,572	91,360
	<u>Borrowing Projections</u>						
	Capital Financing Requirement	165,040	192,317	239,521	279,138	313,336	346,733
	Projected External Borrowing	(149,706)	(177,317)	(224,521)	(264,138)	(298,336)	(331,733)
	Projected Internal Borrowing	(15,334)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)

Project Total £'000	Project	Estimated Unit Numbers	2021/22 Budget £'000	2022/23 Draft Budget £'000	2023/24 Draft Budget £'000	2024/25 Draft Budget £'000	2025/26 Draft Budget £'000	2026/27 Draft Budget £'000
	<u>Major Projects</u>							
8,434	Maple and Poplar	34	1,046	5,761	1,627	0	0	0
206	Willow Tree	-	94	112	0	0	0	0
1,913	34-44 Sullivan Crescent	6	38	1,106	769	0	0	0
1,971	Nelson Road	6	1,076	819	76	0	0	0
1,839	Petworth Gardens	4	50	1,097	692	0	0	0
1,240	113-127 Moorfield Road	5	965	275	0	0	0	0
4,896	Woodside Day Centre	20	359	4,431	106	0	0	0
4,405	Acquisition of Freehold Land at TCM House	-	3,973	432	0	0	0	0
11,550	Acquisitions (GLA ex HRA pooling 141 receipts returned to LBH)	35	0	6,600	4,950	0	0	0
38,088	Acquisitions (1st 20 units each year)	100	0	7,280	7,469	7,626	7,779	7,934
2,300	Packet Boat House Buybacks	-	2,300	0	0	0	0	0
2,000	Loft Extensions	-	600	1,400	0	0	0	0
5,350	Rough Sleepers Accommodation Programme	-	5,350	0	0	0	0	0
113,449	Internal Development	290	8,000	6,864	10,564	28,761	29,337	29,923
685	Retentions on completed prior year schemes	-	685	0	0	0	0	0
198,326	Total Internal Developments and Acquisitions	500	24,536	36,177	26,253	36,387	37,116	37,857
	<u>Housing Regeneration Programme</u>							
126,708	Housing Regeneration Programme	369	15,143	14,607	32,848	21,028	23,385	19,697
126,708	Total Housing Regeneration Programme	369	15,143	14,607	32,848	21,028	23,385	19,697

Project Total £'000	Project	Estimated Unit Numbers	2021/22 Budget £'000	2022/23 Draft Budget £'000	2023/24 Draft Budget £'000	2024/25 Draft Budget £'000	2025/26 Draft Budget £'000	2026/27 Draft Budget £'000
	<u>HRA Programmes of Work</u>							
154,145	Works to Stock programme		24,958	20,023	26,544	27,222	28,934	26,464
15,730	Major Adaptations to Property		2,711	2,900	2,352	2,472	2,596	2,699
24,044	Green Homes Initiatives		1,977	4,160	4,303	4,420	4,541	4,643
193,919	Total Works to Stock	-	29,646	27,083	33,199	34,114	36,071	33,806
518,953	Total HRA Capital Programme Expenditure	869	69,325	77,867	92,300	91,529	96,572	91,360

Housing Revenue Account (HRA) 30 Year Business Plan

Introduction

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

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

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

Financial Summary – key assumptions

The global assumptions modelled in the plan are set out below. Rental income assumptions follow the government social rent guidelines and are based on previous September CPI inflation figures. The model assumes that the 1% above inflation increase will continue beyond 2024-25, however these rates are reviewed and updated annually. Expenditure inflation is expected to track relevant indices, with capacity generated from rent uprating providing a mechanism for funding rising costs over the life of the Business Plan.

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

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

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

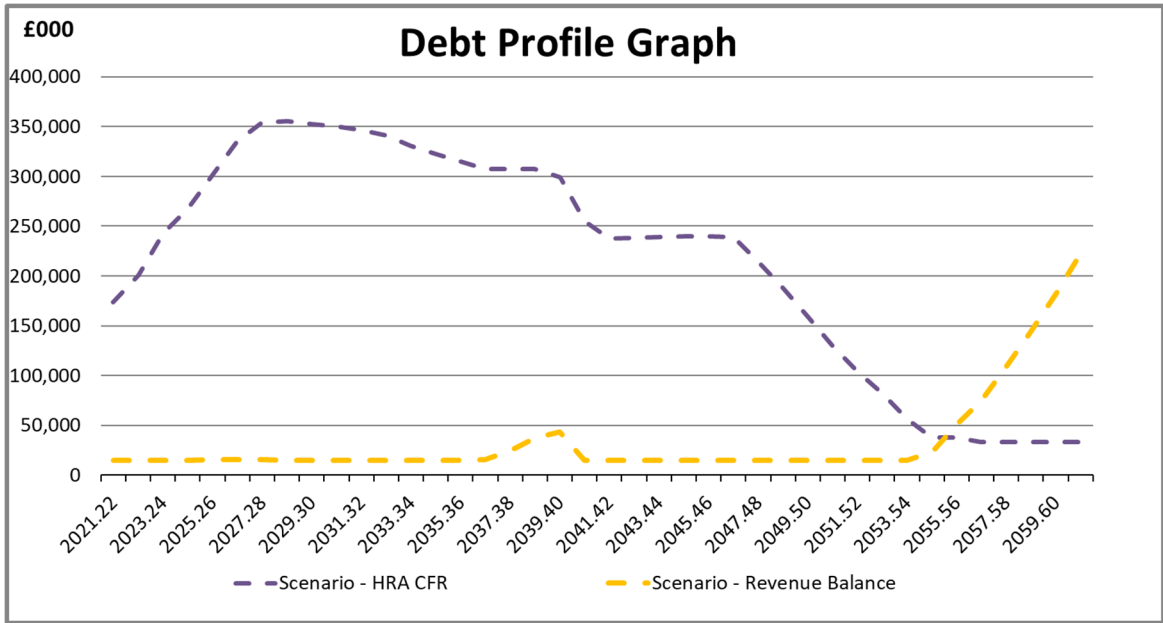
In order to provide manage the range of risks facing the Council's landlord function, a minimum of £15m will be held in HRA General Balances within the 30 Year Business Plan.

An overview of key assumptions is provided below:

	2022-23	2023-24	2024-25	2025-26	2027-28	2028 on
Income						
Inflation CPI	4.00%	2.60%	2.10%	2.00%	2.00%	2.00%
Inflation RPI	6.00%	4.60%	3.10%	3.00%	3.00%	3.00%
Rent (CPI + 1%)	4.10%	5.00%	3.60%	3.10%	3.00%	3.00%
Salaries	5.00%	3.60%	2.10%	2.00%	2.00%	2.00%
R&M materials & contracts	8.00%	6.60%	5.10%	5.00%	4.00%	3.00%
Other Revenue Exp (RPI -1.0%)	5.00%	3.60%	2.10%	2.00%	2.00%	2.00%
Voids	1.35%	1.20%	1.10%	1.00%	1.00%	1.00%
Voids - Hayes Regen	18.63%	21.00%	42.87%	44.80%	68.93%	100.00%
Right to Buy Sales	40	40	40	40	25	25
Minimum HRA Balance	£15.0m	£15.0m	£15.0m	£15.0m	£15.0m	£15.0m
External Borrowing	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%

Debt and Capacity for Further Investment

Borrowing will be required to support the planned programme of investment covering new homes, estate regeneration and renewal of existing stock, with ongoing debt servicing costs and provision for repayment factored into the 30 Year Business Plan and funded from future rental income. On the basis of current investment plans, borrowing is projected to peak at circa £355m in 2028/29, with capacity for this debt to be paid off in full by 2055/56 as shown graphically below and demonstrating scope for additional investment over the 30 Year Business Plan period.



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