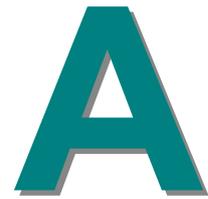




HILLINGDON
LONDON



Cabinet

To all Members of the Cabinet:

Date: THURSDAY, 24 JANUARY
2019

Time: 7.00 PM

Venue: COMMITTEE ROOM 6 -
CIVIC CENTRE, HIGH
STREET, UXBRIDGE

**Meeting
Details:** Members of the Public and
Media are welcome to attend
this meeting and observe the
public business discussed.

This meeting will also be
broadcast live on the
Council's YouTube Channel.

Ray Puddifoot MBE (Chairman)
Leader of the Council

David Simmonds CBE (Vice-Chairman)
Deputy Leader / Education & Children's Services

Jonathan Bianco
Finance, Property & Business Services

Keith Burrows
Planning, Transportation & Recycling

Philip Corthorne
Social Services, Housing, Health & Wellbeing

Douglas Mills
Community, Commerce & Regeneration

Richard Lewis
Central Services, Culture & Heritage

You can view the agenda
at www.hillingdon.gov.uk or use a smart
phone camera and scan the code below:



Published:
Tuesday, 15 January 2019

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Putting our residents first

Lloyd White
Head of Democratic Services
London Borough of Hillingdon,
Phase II, Civic Centre, High Street, Uxbridge, UB8 1UW

Useful information for residents and visitors

Watching & recording this meeting

You can watch the public part of this meeting on the Council's YouTube channel, live or archived after the meeting. Residents and the media are also welcome to attend in person, and if they wish, report on the public part of the meeting. Any individual or organisation may record or film proceedings as long as it does not disrupt proceedings.

Watch a **LIVE** broadcast of this meeting on the Council's YouTube Channel: *Hillingdon London*

Those attending should be aware that the Council will film and record proceedings for both official record and resident digital engagement in democracy.



It is recommended to give advance notice of filming to ensure any particular requirements can be met. The Council will provide seating areas for residents/public, high speed WiFi access to all attending and an area for the media to report. The officer shown on the front of this agenda should be contacted for further information and will be available to assist.

When present in the room, silent mode should be enabled for all mobile devices.

Travel and parking

Bus routes 427, U1, U3, U4 and U7 all stop at the Civic Centre. Uxbridge underground station, with the Piccadilly and Metropolitan lines, is a short walk away. Limited parking is available at the Civic Centre. For details on availability and how to book a parking space, please contact Democratic Services.

Please enter from the Council's main reception where you will be asked to sign-in and then directed to the Committee Room.

Accessibility

For accessibility options regarding this agenda please contact Democratic Services. For those hard of hearing an Induction Loop System is available for use.

Emergency procedures

If there is a FIRE, you will hear a continuous alarm. Please follow the signs to the nearest FIRE EXIT and assemble on the Civic Centre forecourt.

Lifts must not be used unless instructed by a Fire Marshal or Security Officer. In the event of a SECURITY INCIDENT, follow instructions issued via the tannoy, a Fire Marshal or a Security Officer. Those unable to evacuate using the stairs, should make their way to the signed refuge locations.



Notice

Notice of meeting and any private business

The London Borough of Hillingdon is a modern, transparent Council and through effective Cabinet governance, it seeks to ensure the decisions it takes are done so in public as far as possible. Much of the business on the agenda for this Cabinet meeting will be open to residents, the wider public and media to attend. However, there will be some business to be considered that contains, for example, confidential, commercially sensitive or personal information. Such business is shown in Part 2 of the agenda and is considered in private. Further information on why this is the case can be sought from Democratic Services.

This is formal notice under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to confirm that the Cabinet meeting to be held on:

24 January 2019 at 7pm in Committee Room 6, Civic Centre, Uxbridge

will be held partly in private and that 28 clear days public notice of this meeting has been given. The reason for this is because the private (Part 2) reports listed on the agenda for the meeting will contain either confidential information or exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it. An online and a hard copy notice at the Civic Centre in Uxbridge indicates a number associated with each report with the reason why a particular decision will be taken in private under the categories set out below:

- (1) information relating to any individual
- (2) information which is likely to reveal the identity of an individual
- (3) information relating to the financial or business affairs of any particular person (including the authority holding that information)
- (4) information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
- (5) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- (6) Information which reveals that the authority proposes (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.
- (7) Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Notice of any urgent business

To ensure greater transparency in decision-making, 28 clear days public notice of the decisions to be made both in public and private has been given for these agenda items. Any exceptions to this rule are the urgent business items on the agenda marked *. For such items it was impracticable to give sufficient notice for a variety of business and service reasons. The Chairman of the Executive Scrutiny Committee has been notified in writing about such urgent business.

Notice of any representations received

No representations from the public have been received regarding this meeting.

Date notice issued and of agenda publication

15 January 2019
London Borough of Hillingdon

Agenda

- 1 Apologies for Absence
- 2 Declarations of Interest in matters before this meeting
- 3 To approve the minutes of the last Cabinet meeting 1 - 12
- 4 To confirm that the items of business marked Part 1 will be considered in public and that the items of business marked Part 2 in private

Cabinet Reports - Part 1 (Public)

- 5 Proposed Licensing Scheme for Professional Dog Walking in Parks & Open Spaces (Cllr Douglas Mills & Cllr Jonathan Bianco) 13 - 28
- 6 Monthly Council Budget Monitoring Report: Month 8 (Cllr Jonathan Bianco) 29 - 72

Cabinet Reports - Part 2 (Private and Not for Publication)

7	Acceptance of Tenders: Supported Living Services for people with learning disabilities (Cllr Philip Corthorne)	73 - 82
8	Purchase of 10 Refuse Collection Vehicles for use by Waste Services (Cllr Jonathan Bianco)	83 - 88
9	Extension of Contract: Care and Support Services for people with mental health needs (Cllr Philip Corthorne)	89 - 98
10	Voluntary Sector Leases (Cllr Jonathan Bianco)	99 - 106

The reports listed above in Part 2 are not made public because they contains exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it.

- 11** Any other items the Chairman agrees are relevant or urgent

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Minutes and Decisions

Cabinet

Thursday, 13 December 2018

Meeting held at Committee Room 6 - Civic Centre,
High Street, Uxbridge



HILLINGDON
LONDON

Published on: 14 December 2018

Decisions come into effect on: from 21 December 2018*

Cabinet Members Present:

Ray Puddifoot MBE

David Simmonds CBE

Philip Corthorne

Jonathan Bianco

Douglas Mills

Keith Burrows

Richard Lewis

Susan O'Brien (Ex-Officio Member of the Cabinet)

Members also Present :

Peter Money

John Morse

Stuart Mathers

John Riley

Henry Higgins

Simon Arnold

Nick Denys

Ian Edwards

1. APOLOGIES FOR ABSENCE

All Cabinet Members were present.

2. DECLARATIONS OF INTEREST IN MATTERS BEFORE THIS MEETING

No interests were declared by Members on matters on the agenda.

3. TO APPROVE THE MINUTES OF THE LAST CABINET MEETING

The decisions and minutes of the Cabinet meeting held on 15 November 2018 were agreed as a correct record.

4. TO CONFIRM THAT THE ITEMS OF BUSINESS MARKED PART 1 WILL BE CONSIDERED IN PUBLIC AND THAT THE ITEMS OF BUSINESS MARKED PART 2 IN PRIVATE

It was confirmed that the items marked Part 1 would be considered in public and the items marked Part 2 in private.

5. MONTHLY COUNCIL BUDGET MONITORING REPORT: MONTH 7

RESOLVED:

That Cabinet:

- 1. Note the budget position as at October 2018 (Month 7) as outlined in Table 1.**
- 2. Note the Treasury Management update as at October 2018 at Appendix E.**
- 3. Continue the delegated authority up until the next Cabinet meeting to the Chief Executive to approve any consultancy and agency assignments over £50k, with final sign-off of any assignments made by the Leader of the Council. Cabinet are also asked to note those consultancy and agency assignments over £50k approved under delegated authority between 15th November and 13th December 2018 Cabinet meetings, detailed at Appendix F.**
- 4. Agree a Fixed Penalty Notice for small scale fly tipping at a maximum penalty of £400.**
- 5. Accept £100k of grant funding from the Environment Agency, Thames Regional Flood and Coastal Committee, to undertake a catchment plan within the Borough to reduce flood risk. Furthermore, that Cabinet delegate authority to the Deputy Chief Executive and Corporate Director of Residents Services, in consultation with the Leader of the Council and Cabinet Member for Finance, Property and Business Services, to appoint flood risk consultants from the grant monies accepted above.**
- 6. Approve acceptance of gift funding of up to £22k in relation to a Planning Performance Agreement in accordance with the provisions of Section 93 of the Local Government Act 2003 for Unit 2 Skyline Business Park, Great South West Road.**

Reasons for decision

Cabinet was informed of the latest forecast revenue, capital and treasury position for the current year 2018/19 to ensure the Council achieved its budgetary and service objectives. Additionally, Cabinet agreed a new fine to tackle small scale fly-tipping which had become a recent concern across the Borough, along with the acceptance of funding for flood management preparedness and in relation to a planning performance agreement for a proposed development on the Heathrow Airport perimeter.

The Deputy Leader of the Council and Cabinet Member for Education and Children's Services expressed his concern at the pressures in the Schools Budget and the responsibility of the School Forum in tackling this far more effectively.

Alternative options considered and rejected

None.

Officer to action:

Paul Whaymand, Finance

Classification: Public

The report and any background papers relating to this decision by the Cabinet are available to view on the Council's website or by visiting the Civic Centre, Uxbridge.

6. THE COUNCIL'S BUDGET - MEDIUM TERM FINANCIAL FORECAST 2019/20 - 2023/24

RESOLVED:

That Cabinet:

- 1. Approve the draft General Fund and Housing Revenue Account budgets and capital programme proposals for 2019/20 and beyond as the basis for consultation with Policy Overview Committees and other stakeholders.**
- 2. Note that confirmation of the Local Government Finance Settlement is awaited from HM Government and this will be taken into consideration in the final budget proposal considered by Cabinet in February 2019.**
- 3. Request the comments of individual Policy Overview Committees on the draft budget proposals relating to their areas of responsibility, to be collated into a single report back to Cabinet from the Corporate Services, Commerce & Communities Policy Overview Committee.**
- 4. Approve the proposed amendments to Fees and Charges, included at Appendix 8, as the basis for consultation with Policy Overview Committees and other stakeholders.**
- 5. Authorise the Corporate Director of Finance, in consultation with the Leader of the Council, to respond on behalf of the Council to the consultation on the provisional Local Government Finance Settlement and to the Mayor of London's budget consultation.**

Reasons for decision

Cabinet put forward for consultation its budget proposals. This included the Council's Medium Term Financial Forecast, the draft General Fund revenue budget for 2019/20 along with indicative projections for future years, the Housing Revenue Account, fees and charges proposals and the draft capital programme for 2019/20 and beyond.

Cabinet noted that the budget proposals for 2019/20 had been developed to maintain front-line service provision through a 2.4% increase in Council Tax and utilising general balances, whilst avoiding levying the social care precept for the fourth successive year and a continued freeze in Council Tax for over 65s for the thirteenth successive year.

Cabinet considered the background of growing local demand for social care, combined with ongoing reductions in Government support for local services. Overall, Cabinet welcomed the well-designed budget proposals, which it believed would

secure the most effective combination of service outcomes and value for money for residents. It was also noted that the Borough's fees and charges would remain competitive with neighbouring boroughs. The Leader of the Council also updated Cabinet on the Local Government Finance Settlement announced during the day.

The wider proposed capital programme presented by Cabinet continued to invest in new school buildings and also included substantial additional funding for local road improvements, a new leisure centre for the Yiewsley/West Drayton area and a variety of other projects benefiting residents.

Cabinet welcomed a balanced approach to new housing development in the Borough and proposals that would provide for additional new General Needs and Supported Living units.

The Leader of the Council noted the Metropolitan Police's refusal to accept the Council's offer to purchase Uxbridge Police Station and also provide for some of its operational costs. In light of this, Cabinet agreed to remove the offer on the table and alternatively earmark the funds for other community capital projects and to increase funding for the Council's campaign against Heathrow expansion.

In recommending the budget proposals, which had been carefully developed to put residents first, Cabinet agreed for them to go out for public and business sector consultation, including the Council's Policy Overview Committees, before being re-considered in February 2019.

Alternative options considered and rejected

The Cabinet could have chosen to vary the proposals in its budget before consultation. However, to comply with the Budget and Policy Framework, the Cabinet was required to publish a draft budget for consultation at the meeting.

Officers to action:

Paul Whaymand, Finance

Urgency Provisions

The report relating to this decision had been circulated less than 5 working days before the Cabinet meeting and for the reasons set out on the official notice, it was thereby agreed by the Chairman to be considered as urgent business.

Classification: Public

The report and any background papers relating to this decision by the Cabinet are available to view on the Council's website or by visiting the Civic Centre, Uxbridge.

7. ASSISTANCE TO HILLINGDON'S LOCAL VOLUNTARY ORGANISATIONS

RESOLVED:

That Cabinet agrees:

- 1. The overall allocation of grants to Voluntary Sector of up to £1,941,150 for the provision of core grant funding for the 2019/20 financial year with specific awards as set out in the schedule - Appendix A.**
- 2. The overall allocation of grants to Voluntary Sector of up to £169,700 for the provision of dining centres grant funding for three years : 2019/20 to 2021/22 with specific awards as set out in the paper and in Appendix C. That total grants for the three year period amount to £509,100.**
- 3. Grants totalling £46,675 to organisations to enable the provision of transport as set out in Appendix D.**
- 4. The Council's contribution of £228,447 to the London Councils' Grants scheme for 2019/20.**

Reasons for decision

Cabinet welcomed the important role of the local voluntary sector that supports a wide variety of activities for residents in Hillingdon. Cabinet agreed to continue its well-established financial commitment to this sector during 2019/20.

After carefully considering the merits of the individual grant applications received, Cabinet agreed grant funding for a variety of local groups which sought to maximise the benefits from the Council's investment to encourage voluntary activity that supports Hillingdon residents, reduces demand on Council services and provide value for money.

Cabinet agreed the provision of specific dining centre grants and transport grants which would directly fund and benefit priority groups of residents. Additionally, Cabinet welcomed the transfer of previous grant funding for Domestic Violence into the mainstream service budgets, along with additional investment provided for this important cause.

Alternative options considered and rejected

Cabinet could have made changes to the proposed level of grants.

Officers to action:

Kevin Byrne – Residents Services

Classification: Public

The report and any background papers relating to this decision by the Cabinet are available to view on the Council's website or by visiting the Civic Centre, Uxbridge.

8. QUARTERLY PLANNING OBLIGATIONS MONITORING REPORT

RESOLVED:

That the Cabinet notes the updated financial information.

Reasons for decision

Cabinet noted the report which detailed the financial planning obligations received by developers and held by the Council. Cabinet considered what progress had, and was, being made to further invest in a wide range of local infrastructure and Council capital projects benefitting local communities.

Alternative options considered and rejected

To not report to Cabinet. However, Cabinet believed it was an example of good practice to monitor income and expenditure against specific planning agreements.

Officer to action:

Nicola Wyatt, Residents Services

Classification: Public

The report and any background papers relating to this decision by the Cabinet are available to view on the Council's website or by visiting the Civic Centre, Uxbridge.

9. AWARD OF CONTRACT: LEADER'S INITIATIVE FOR OLDER PEOPLE - FREE BURGLAR ALARM SCHEME

RESOLVED:

That Cabinet accept the tender from ERA Home Security Limited to supply and install burglar alarm systems in the homes of older Hillingdon residents and carry out servicing of alarm systems after eighteen months for a (3) three year period and at the value of £642k. Furthermore, that this includes the provision to extend the contract by two (2) years, subject to satisfactory performance, at the absolute discretion of the Council and the approval of the Leader of the Council, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services.

Reasons for decision

Following a procurement exercise, Cabinet accepted the tender from ERA Home Security Limited to deliver the highly popular free burglar alarm scheme for residents aged over 65. Cabinet welcomed the scheme, which continued to provide additional security and peace of mind for Hillingdon's older residents.

Alternative options considered and rejected

Cabinet could have decided not to award the contract leaving those on the waiting list for an alarm in limbo.

Officer to action:

John Wheatley, Residents Services

Classification: Private

Whilst the Cabinet's decisions above are always made public, the officer report relating to this matter is not because it was considered in the private part of the meeting and contained information relating to the financial or business affairs of any particular person (including the Authority holding that information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.

10. AWARD OF CONTRACT: COUNCIL LEASEHOLDER BUILDINGS INSURANCE

RESOLVED:

That Cabinet accept the tender from Avid Insurance Services Limited for the Buildings Insurance Contract for Council leasehold residential properties for a period of 3 years from 1 April 2019 to 31 March 2022. Furthermore, that this includes the provision to extend the contract for periods of 1 year + 1 year, subject to approval from the Leader of the Council and relevant Cabinet Members, in consultation with the Corporate Director of Finance.

Reasons for decision

Following a procurement exercise, Cabinet accepted the most economically advantageous tender for Buildings Insurance for the Council's leasehold residential properties. Cabinet noted that leasehold representatives had been consulted on the proposed contract and were in support.

Alternative options considered / risk management

None.

Officers to action:

Shane Phiri - Finance
Allison Mayo - Finance

Classification: Private

Whilst the Cabinet's decisions above are always made public, the officer report relating to this matter is not because it was considered in the private part of the meeting and contained information relating to the financial or business affairs of any particular person (including the Authority holding that information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.

11. AWARD OF CONTRACT: PROVISION OF OFFICIAL VETERINARY SERVICES FOR THE IMPORTED FOOD OFFICE, HEATHROW

RESOLVED:

That Cabinet accept the tender from Senlac Associates for the provision of veterinary services as required by European and Domestic import control legislation for the London Borough of Hillingdon for a two year period from 1 April 2019 to 31 March 2021. Furthermore, that this includes the option to extend the contract for a one year period, subject to satisfactory performance, at the absolute discretion of the Council and approval from the Leader of the Council and relevant Cabinet Member, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services.

Reasons for decision

Following a procurement exercise, the tender from Senlac Associates was accepted to provide specialised services in order for the Council to maintain its statutory obligations for the inspection and clearance of imported products of animal origin arriving at Heathrow Airport.

Cabinet noted the Council's responsibilities for overseeing imported food and feed controls at its Imported Food Office based at Heathrow, which was a designated Border Inspection Post as required under national and EU legislation.

Alternative options considered and rejected

None.

Officer to action:

Nicholas Green – Residents Services

Classification: Private

Whilst the Cabinet's decisions above are always made public, the officer report relating to this matter is not because it was considered in the private part of the meeting and contained information relating to the financial or business affairs of any particular person (including the Authority holding that information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.

12. AWARD OF PUBLIC HEALTH CONTRACTS

RESOLVED:

That Cabinet:

1. **Accept the tender from ARCH (Central and North West London NHS Foundation Trust) for the provision of smoking cessation services for a 2 year period from 1 April 2019 to 31 March 2021 at a cost of £138k. That this includes the provision to extend the contract for further 1+1+1 year periods at a supplementary cost of £223k (up to a maximum 5 year period and total cost of £361k), subject to satisfactory performance and approval from the Leader of the Council and Cabinet Member for Social Services, Housing, Health and Wellbeing;**
2. **Agree to a direct award to Central and North West London NHS Foundation Trust for the provision of Primary Care-delivered Substance Misuse contracts and the devolved model of Tier 4 Specialist Inpatient Substance Misuse Detoxification services for a 2 year period from 1 April 2019 to 31 March 2021 at a total cost of £246k;**
3. **Agree to a direct award to Hillingdon General Practitioners (GPs) for the provision of the NHS Health Checks Service for a period of 2 years from 1 April 2019 to 31 March 2021 at a total cost of £560k;**
4. **Agree to fund an equipment release from Public Health earmarked reserves for a value of approximately £22k, for NHS Health Check point of care testing (POCT) equipment.**

Reasons for decision

Cabinet made a number of procurement decisions, following a review of the cost-effectiveness of public health contracts, to ensure that substance misuse and smoking cessation services continued to be provided and targeted to those residents most in need, along with the offer of NHS health checks to enable early diagnosis of underlying medical issues.

Alternative options considered and rejected

Cabinet considered a number of commissioning and procurement options.

Officer to action:

Daniel Kennedy - Residents Services

Classification: Private

Whilst the Cabinet's decisions above are always made public, the officer report relating to this matter is not because it was considered in the private part of the meeting and contained information relating to the financial or business affairs of any particular person (including the Authority holding that

information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.

13. AWARD OF CONTRACT: DRAIN CLEARANCE AND ASSOCIATED SERVICES TO THE COUNCIL'S HOUSING PROPERTIES AND ESTATES

RESOLVED:

That Cabinet accept the tender received from CCR Property Services Limited for the Borough-wide drain clearance and associated services maintenance contract for a 3 year period from 1 February 2019 to 31 January 2022 and at the estimated value of £500,000. Furthermore, that this includes the provision to extend the contract for a 1 year period, subject to the approval of the Leader of the Council and Cabinet Member for Finance, Property and Business Services, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services.

Reasons for decision

Following a procurement exercise, Cabinet accepted the most economically advantageous tender for drainage related services that are provided as and when required to the Council's housing properties and estates.

Alternative options considered and rejected

None.

Officer to action:

Gary Penticost, Residents Services

Classification: Private

Whilst the Cabinet's decisions above are always made public, the officer report relating to this matter is not because it was considered in the private part of the meeting and contained information relating to the financial or business affairs of any particular person (including the Authority holding that information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.

14. ANY OTHER ITEMS THE CHAIRMAN AGREES ARE RELEVANT OR URGENT

No additional items were considered by the Cabinet.

The meeting closed at 7.33pm.

***Internal Use only - implementation of decisions**

When the Cabinet's decisions come into effect

Meeting after Cabinet, the Executive Scrutiny Committee did not call-in any of the Cabinet's decisions.

Cabinet's decisions on next year's budget took immediate effect to enable consultation with residents, Policy Overview Committees and the business sector to commence.

All remaining decisions of the Cabinet can, therefore, be implemented by officers upon the expiry of the scrutiny call-in period which is:

from 5pm, Friday 21 December 2018.

Officers to action the decisions are indicated in the minutes.

The minutes are the official notice for any subsequent internal process approvals required by officers to action the Cabinet's decisions.

The public part of this meeting was broadcast on the Council's YouTube channel [here](#). Please note that these minutes and decisions are the definitive record of proceedings by the Council of this meeting.

If you would like further information about the decisions of the Cabinet, please contact the Council below:

democratic@hillingdon.gov.uk

Democratic Services: 01895 250636

Media enquiries: 01895 250403

To find out more about how the Cabinet works to put residents first, visit [here](#).

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PROPOSED LICENSING SCHEME FOR PROFESSIONAL DOG WALKING IN PARKS AND OPEN SPACES

Cabinet Member(s)	Councillor Jonathan Bianco Councillor Douglas Mills
Cabinet Portfolio(s)	Finance, Property and Business Services Community, Commerce and Regeneration
Officer Contact(s)	Paul Richards, Residents Services
Papers with report	<ol style="list-style-type: none"> 1. Draft Code of conduct for professional dog walking licence holders 2. Draft Terms & Conditions for professional dog walking registration and use of parks.

HEADLINES

Summary	This report asks Cabinet to consider progressing a proposal to introduce a new licensing scheme for professional dog walkers using Hillingdon's parks and open spaces on behalf of their clients. This would limit the number of dogs under one person's control. This proposal would be subject to the necessary statutory process and consultation required on any changes to Public Space Protection Orders.
Putting our Residents First	This report supports the following Council objectives: <i>Our People; Our Natural Environment; Strong financial management.</i>
Financial Cost	There is no material expenditure or income arising from the proposal to introduce a licence system for professional dog walkers.
Relevant Policy Overview Committee	Residents', Education and Environmental Services
Relevant Ward(s)	All

RECOMMENDATIONS

That Cabinet:

- 1. Note the proposal to introduce a licensing scheme for professional dog walkers using Hillingdon's parks and open spaces on behalf of their clients, including the draft terms and conditions and code of conduct as set out in the report. Furthermore, Cabinet note the intention to reduce the maximum number of dogs under one persons control from six to four and that commercial dog walkers be licensed to a maximum number of six dogs under one persons control.**
- 2. Authorise the Deputy Chief Executive and Corporate Director of Residents Services, in consultation with the Leader of the Council and Cabinet Members for Commerce, Community and Regeneration and Finance, Property and Business Services, to undertake the necessary statutory consultation required before changes can lawfully be made to existing Public Space Protection Orders and to then decide whether to give effect to the proposed changes, having conscientious regard to the consultation responses and also determining whether the statutory test required to make these changes is fully satisfied.**
- 3. Subject to the outcome of the statutory process above, delegate authority to the Leader of the Council and Cabinet Members for Commerce, Community and Regeneration and Finance, Property and Business Services, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services, to approve the licensing scheme and make all necessary decisions to give effect to this proposal, including setting the associated fees and charges.**

Reasons for recommendation

To consider progressing a proposal to introduce a new licensing scheme for professional dog walkers. This will ensure parks and wildlife are protected, access to and use of public open space is maintained for all visitors and professional dog walkers comply with current health and safety and best practice for the safety and enjoyment of their dogs. Such schemes have been introduced in nearby local authorities, along with the Royal Parks. The proposals outlined in this report would be subject to the statutory consultation and process relating to Public Space Protection Orders (PSPOs) and subject to the outcome of this, delegated authority to Cabinet Members is recommended to give effect to the proposals and formally approve any licensing scheme.

Alternative options considered / risk management

The existing controls could be left in place and not replaced by both a licensing scheme and the amended Public Spaces Protection Orders. This is not recommended as the number of professional dog walkers has increased, as have the number of dogs under their control. Robust controls are required to manage these operators to ensure the welfare of the dogs and to help protect our environment.

Democratic compliance / previous authority

Cabinet on 23 October 2014 approved the replacement of the Bylaws for Parks and Pleasure Grounds within the London Borough of Hillingdon with the Anti-social Behaviour, Crime and Policing Act 2014 Public Spaces Protection Order to be enforced using the Residents Services Enforcement Policy December 2013. This introduced the maximum of six dog's permitted under one persons control. At this meeting, Cabinet also provided the necessary delegated authority to the Deputy Chief Executive and Corporate Director of Residents Services to undertake the statutory consultation and process relating to PSPOs and then make any necessary Orders.

Policy Overview Committee comments

None at this stage.

SUPPORTING INFORMATION

1. This proposal to Cabinet aims to reduce the impact on parks and park users from the increase in people walking multiple dogs, which has become common place in recent months - problems that mainly stem from the lack of ability to control several dogs at once or from very large groups of dogs where two or more dog walkers walk together.
2. Since the Royal Parks and five London Boroughs have introduced both a four dog limit and a licence scheme for professional dog walkers, including the London Borough of Ealing, Officers have seen an increase of this commercial activity within Hillingdon's parks. It would seem that many of these commercial operators have migrated to Hillingdon's parks from our neighbouring boroughs to avoid licensing.
3. In proposing to licence these operators we can also check that the welfare of the dog is of paramount importance and the vehicles used are suitable for the safe transit to and from parks. This will ensure that professional dog walkers are complying with current health and safety and best industry practice for the safety and enjoyment of their dogs and staff all professional dog walkers are fully insured and hold liability for participant's safety.
4. Professional Dog Walkers would be expected to provide the following:
 - Evidence of valid Public Liability Insurance for minimum £2 million and the number of dogs, they are covered to walk at any one time, if applicable;
 - Animal welfare statement;
 - Operational method statement;
 - A signed and dated risk assessment and a written policy on their emergency procedures (First Aid, Accident Reporting) ;
 - A registered trade reference, e.g. Kennel Club, or a reference from a qualified vet;
 - Details about their experience of multiple dog walking, including the number of year's experience they have, any training they have completed and any related qualifications they hold.

5. A suggested fee would be charged comparable to those charged by neighbouring boroughs such as Ealing (£175) but consideration should also be given to include a non resident rate of £250. The Council could also charge a replacement fee of £20 (Inc VAT) for each subsequent replacement of the photo identification.

Borough/Park	Resident	Non Resident
Richmond Park	£300	£300
LB Richmond	£110	£110
Ealing	£175	£175
Lee Valley	£50	£50
Wandsworth	£0 limited to 50 permits	£0 limited to 50 permits
Lambeth	£300 for up to six dogs	£300 for up to six dogs
LB Hillingdon	£175	£250

6. It is proposed that an online application form will be designed to ensure any applicant conforms to the stated requirements. Once agreed, a license will be issued together with a photo identity which is required to be worn at all times. This new initiative will be promoted in Hillingdon People and in all park notice boards.
7. The Anti-Social Behaviour Crime and Policing Act 2014 Public Spaces Protection Orders are intended to deal with a particular nuisance or problem in particular areas that are detrimental to the local communities' quality of life, by imposing conditions on the use of the area which apply to everyone. They are designed to ensure the law-abiding majority can use and enjoy public spaces, safe from anti-social behaviour.
8. It is then an offence for a person, without reasonable excuse, to do anything that the person is prohibited from doing by a Public Spaces Protection Order such as having more than four dogs under one person control or not a licensed operator. The enforcing officer could decide that a fixed penalty notice (FPN) of a maximum of £100 would be the most appropriate sanction. The FPN can be issued by an authorised Council officer in accordance with the Residents Services Enforcement Policy, or a police officer.

Financial Implications

The introduction of a commercial dog walking licensing scheme will safeguard access to and use of public open space in the Borough for all visitors and wildlife.

A fee of £175 for Residents and £250 for non-residents is proposed. There are no material costs associated with issuing the photo card and license.

Licence applications, including payment, are expected to be completed online, with the applicant providing the required documentation for checking. This will be managed by the business support team at no extra cost.

Likewise, the Council's Environment Enforcement Team will enforce the scheme at no extra costs. Where an offence occurs, a fixed penalty notice of a maximum of £100 is proposed.

This scheme is not expected to generate significant levels of income and will not contribute towards Green Spaces MTF savings targets.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon Hillingdon residents, service users and communities?

To improve the quality of life for residents and those using and living near our parks and open spaces. To know that commercial dog walkers are licensed to ensure the safety and welfare for the dogs in their care and to other park users.

Consultation carried out or required

Although no consultation has taken place to date, the Council is required to consult with certain individuals and bodies before it can amend a PSPO and implement this proposal.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance has reviewed the report and concurs with the financial implications set out above noting that any expenditure to implement the scheme will be contained within current approved revenue budgets. No significant income is expected from the implementation of the licensing scheme.

Legal

There are two proposals in the report which relate to controls which the Council is seeking to introduce for the purpose of limiting the number of dogs under the control of commercial dog walkers.

The first is to introduce a licensing scheme for professional dog walkers using Hillingdon's parks and open spaces. The second is to amend existing Public Space Protection Orders [PSPOs] as a further means of exercising control.

The two proposals are related in the sense that the enforcement powers at the disposal of the Council are contained in the legislation governing PSPOs whilst the purpose of the licence is to act as a means of regulation. It is therefore important that the two regimes complement each other and therefore they should be introduced at the same time. To illustrate this point, the

Code of Conduct for Professional Dog Walking Licence Holders specifies that, 'The Licensee shall abide by Public Space Protection Orders'.

The relevant legislation relating to PSPOs is the Anti-social Behaviour, Crime and Policing Act 2014 and Regulations made pursuant to it. These statutory provisions stipulate that before introducing, extending, varying or discharging a PSPO, there are certain requirements which the Council has to observe regarding consultation, publicity and notification.

Local authorities are required to consult with the local chief officer of police, the police and crime commissioner, owners or occupiers of land within the affected area where reasonably practicable, and appropriate community representatives.

There are no strict rules governing the length of the consultation period but 4-6 weeks would appear to be a reasonable period. There are a set of well-established common law rules which set out the requirements of a lawful public consultation which are known as the Gunning principles. They were endorsed by the Supreme Court in the Moseley case.

The principles can be summarised as follows:

- Consultation should occur when proposals are at a formative stage;
- Consultations should give sufficient reasons for any proposal to permit intelligent consideration;
- Consultations should allow adequate time for consideration and response;
- The product of consultation should conscientiously be taken into account by the decision maker.

There are a very significant number of judicial review cases which involve successful challenges to the lawfulness of a consultation undertaken by a public authority so it is imperative that the Gunning principles are closely followed in this case".

BACKGROUND PAPERS

NIL

DRAFT

Code of conduct for Professional Dog Walking licence holders

The purpose of the code of conduct is:

1. Ensure considerate use between those undertaking licensed professional multiple dog walking activities in the park and other park users.
2. To protect the parks and their wildlife.
3. To ensure access to and use of public open space is preserved for all visitors.
4. To work alongside a licence agreement to ensure that operators are complying with current health and safety regulation and best industry practice for the safety and enjoyment of all.

The Code

The licensee shall not have exclusive rights over any area of the Authority's Premises and due consideration is given to members of the general public visiting the Authority's Premises.

Licensee's shall leave the Authority's Premises in a clean and tidy condition and be liable for any loss of or damage to any Authority's Property through their direct improper use.

The Licensee shall abide by Public Space Protection Orders.

The Licensee must wear a Licensed Operator photo identity in a way that is clearly visible to the public and Park Management representatives at all times while in the park.

Every dog while on a public highway or place of public resort must wear a collar with the name, phone number and address of the owner and /or dog walker inscribed on it or a plate or badge attached to it.

Ensure you have a lead for each of your dogs.

Pre-screen your dogs. Dogs without proper social skills must be kept under control at all times. Dog waste left in the park is unpleasant for other park users, unhygienic and causes serious ecological damage to plant and animal communities. It is an offence under the PSPO to fail to clean up after your dog. Dog waste should be placed in a tightly sealed bag and taken home or deposited in the bins marked for dog waste or in the general waste bins. Anyone failing to clean up after their dog may be issued with a fine by the Police or face prosecution. Be prepared and bring more dog bags than you need.

Please be considerate about where you allow your dogs to urinate, when entering parks, where the entrance is adjacent to residential areas. Urine leaves bad smells in warm weather.

Park 'No Go' Zones

You are not permitted to use:

- Areas within the park where Group dog walking activities have a negative impact on other park users, residents and Licensees;
- Areas clearly marked any formal garden areas and other park sensitive locations such as; conservation areas, etc.
- Areas closed for renovation or upgrading.

A list of areas of the park unsuitable locations for professional dog walking is available under the terms and conditions. There may be other areas that have restrictions and the Authority may issue seasonal instructions from time to time - please look out for notices and regularly check our website.

Park 'No Go' Activities

The following activities are not to be conducted by Licensees:

- Aggressive, intimidating or unruly activities that interfere with the comfort of other visitors.
- Corporal punishment towards dogs
- Dogs threatening or interfering with wildlife or the enjoyment of other park users.
Permitting your dog to chase, injure or kill any form of wildlife is an offence under the Byelaws. You may face prosecution (Covered in the Dangerous Dogs Act 1991).

As a licence holder you agree to abide by these guidelines at all times. Non compliance to the above Code of Conduct, Section I of the Dangerous Dogs Act 1991 and the PSPO means you are at risk of losing your licence.

[1] <http://www.legislation.gov.uk/ukpga/1991/65/contents>

[2] <https://www.gov.uk/government/publications/dealing-with-irresponsible-dog-ownership-practitioners-manual>

DRAFT

Terms and conditions for professional dog walking registration and use of parks

1) Issue of Annual Licence

1.1 This licence is granted by the Authority to the Licensee on the Commencement Date subject to the acceptance of these terms and conditions and payment of the Licence Fee.

2) Interpretation

In these terms and conditions: -

"Application" means the application form submitted by the Licensee as varied by any amendment agreed by the Licensee and the Authority or any direction issued by the Authority.

"Approval" and "Approved" means the written acceptance by the Authority.

"Authority" means the London Borough of Hillingdon and includes any person nominated to act as the Authority's Representative such as the Green Spaces Service Manager.

"Authority's Property" means any property on the Authority's Premises. This shall include any building or other structure (whether or not permanent), statue of monument, pavement, road surface, footpath, railing, fence, tree, shrub or flower bed, grass, soil, wildlife, feature of fauna and flora, park furniture, lamp post, bench, bin, notice board, sign, gate, recreational equipment, wall, river or water body and all other such items located in or on the Authority's premises.

"Condition" means a condition within these Terms and Conditions.

"Dog Walker" means each individual employed or paid by the Licensee to carry out professional dog walking specified in the Application.

"Group" means the dogs in the Licensee's or their Dog Walker's charge whilst undertaking professional dog walking in the Authority's Parks

"Licence" means the Approved Application and these terms and conditions read together

"Licence Period" means the period running from the 1st April – 31st March inclusive in any year

"Licensee" means the individual or company named in the Application.

"Parks" means the parks or green spaces named in the Application

"Parties" means the Authority and the Licensee

"Permitted Use" means the use of open grassland excluding those indicated as per Appendix I, within the Parks or as indicated from time to time as instructed by the Authority, for the purpose of providing a Dog Walking service of a professional aspect where fees are paid to the licensee.

2.2 The interpretation and construction of the Licence shall be subject to the following provisions:

- a reference to any statute, enactment, order, regulation or other similar instrument shall be construed as a reference to the statute, enactment, order, regulation or instrument as subsequently amended or re-enacted;
- the headings to Conditions are for ease of reference only and shall not affect the interpretation or construction of the Conditions;
- references to Conditions are references to Conditions in the section of the Terms and Conditions in which they appear, unless otherwise stated;
- where the context allows, the masculine includes the feminine and the neuter, and the singular includes the plural and vice versa;
- any notice to be served on the Licensee shall be sent by letter or email to the contact details set out in the Application until the Authority receives written notification of different contact details;
- any obligation on the part of the Licensee not to do an act or thing shall be deemed to include an obligation not to permit or suffer such act or thing to be done by any other person.

3) Registration

3.1 The Licensee and any Dog Walkers must be Approved by the Authority in order to carry out professional dog walking sessions in the Parks in the Permitted Use areas.

3.2 In order to be Approved, the Licensee must have:

3.2.1 Completed the application form in full;

3.2.2 Paid the licence fee and have:

- current public liability insurance a minimum of £2 million, but a preferred £5m, for a minimum of 1 month validity at the point of application but to be insured through the Licence Period. It is the Licensee's responsibility to ensure that they have valid insurance at all times and that this covers any Dog Walker.
- current risk assessment and health & safety method statement to be submitted signed and dated;
- read the terms and conditions of the licence including Code of Conduct.

3.3 Failure to comply with 3.2 shall entitle the Authority to terminate this Licence in accordance with condition 9.

3.4 The Authority shall be under no obligation to Approve an Application but will provide a full written explanation for its decision.

3.5 The Authority reserves the right, when approving an Application, or at any time during the Licence Period by giving reasonable written notice to the Licensee, to limit the Licensee's access to parks. In the event of Force Majeure access to the Parks may be restricted without warning. For the purposes of this clause "Force Majeure" means any event or occurrence which is reasonably outside the control of the Authority which it could not be reasonably expected to foresee or provide for in advance.

3.6 Upon Approval of the Application the Authority will provide the Licensee with photo identification which the Licensee and or Dog Walker must wear at all times whilst carrying out professional dog walking sessions in the Parks. It is the Licensee's responsibility to ensure that its Dog Walkers carry and wear the photo identification issued at all times whilst carrying out

dog walking sessions. The Authority will charge a replacement fee of £20 (Inc VAT) for each subsequent replacement of the photo identification. At the end of the Licence the Licensee must return all identification permits to the Authority.

3.7 Following Approval of the Application the Licensee may carry out professional dog walking sessions in the Parks, during the hours which the Parks are open to members of the public or as specified in any direction issued by the Authority.

3.8 The Licensee acknowledges that:

3.8.1 This Licence does not guarantee that the Parks will be open or that there will be space in the Parks for the Licensee or Dog Walker to carry out dog walking sessions.

3.8.2 This Licence does not grant the Licensee or their Dog Walker priority over any other lawful user of the Parks.

4) Licence Fee

4.1 The Licence fee payable by the Licensee shall be:

4.1.1 In accordance with the annual rate as advertised on the Authority's website, together with VAT on such fee.

4.2 Where the Application is approved after the 1st April the Licence fee shall be reduced on a pro-rata basis. The Licensee should contact the Authority concerned to determine the amount of licence fee payable.

5) Duration

5.1 Subject to condition 9, this Licence shall continue until the end of the Licence Period, upon expiry the Licensee may reapply for it to be approved for a further year but nothing in this Licence shall imply any obligation on the Authority to approve a further application but will provide a full written explanation for its decision.

5.2 The Authority will issue renewal reminders one month before the current licence expires.

6) Licensee obligations

6.1 The Licensee and/or its Dog Walker(s)) shall, at all times exercise the rights and duties under this Licence in a proper and responsible way, having regard to the safety of users of the Parks, the Authority's staff and other third parties.

6.2 Any activities undertaken must not be detrimental to the Parks, the Authority's Property or any wildlife.

6.3 The Licensee and/or its Dog Walker(s) shall place all dog faeces in bins. Failure to comply with this condition can result in the issue of a Penalty Notice of Disorder if witnessed by the Authority's representative.

6.4 The Licensee and/or its Dog Walker(s) must not cause an annoyance or nuisance or interfere with the reasonable enjoyment of other persons using the Parks.

6.5 The Licensee and/or its Dog Walker(s) must ensure that any dog under their responsibility is to be kept under control or on a lead at all times.

6.6 The Licensee and/or its Dog Walker(s) must adhere to and comply with the Authority's Code of Conduct at all times whilst conducting dog walking sessions within the Parks.

6.7 The Licensee and/or its Dog Walker(s) must not walk dogs in restricted areas of the Parks as listed in Appendix I and in areas where there are further temporary restrictions that are clearly signposted.

6.8 The Licensee and/or its Dog Walker(s) shall comply with PSPO's. Copies are obtainable from the Authority's website;

6.10 The Licensee and/or its Dog Walker(s) are permitted to wear branded clothing as part of a uniform.

6.11 The Licensee and/or its Dog Walker(s) must not collect monies/fees from clients whilst in the Parks.

6.12 The Licensee and/or its Dog Walker(s) may only distribute promotional materials to persons who request it.

6.13 The Licensee and/or its Dog Walker(s) must not operate in excess of four dogs per Dog Walker. In smaller spaces the Authority shall stipulate fewer dogs per Dog Walker. (See Appendix 1).

6.14 The Licensee or their Dog Walkers shall walk independently of each other. Contact with other multiple Dog Walkers shall not be permissible.

6.15 The Licensee and/or its Dog Walker(s) shall be responsible for avoiding other park users wherever possible and ensure that the public are given right of way.

6.16 Each Party shall notify the other of any health and safety hazards which may arise in connection with the performance of this Licence as soon as they become aware of them.

6.17 While in the Parks, the Licensee shall comply with any health and safety measures implemented by the Authority in respect of users of the Parks.

6.18 The Licensee shall notify the Authority immediately in the event of any incident occurring where that incident causes any personal injury or damage to the Authority's Property and if requested by the Authority shall provide a copy of the incident investigation report if appropriate.

6.19 The Licensee shall not have exclusive rights over any area of the Authority's Premises.

6.20 The Licensee and or its Dog Walker(s) shall not leave clients dogs in their vehicles whilst conducting a dog walking session.

7) Independent Operator

7.1 Nothing in this agreement shall be construed as creating a partnership, contract of employment or relationship of principal and agent between the Authority and the Licensee.

8) Indemnity

8.1 The Licensee shall indemnify the Authority fully against all claims, proceedings, actions, damages, legal costs, expenses and any other liabilities in respect of any death or personal injury, loss of or damage to property, which is caused directly or indirectly by any act or omission of the Licensee PROVIDED ALWAYS that the Authority shall be at liberty to settle as it may think fit after consultation with the Licensee any such actions claims or demands by payment of such sum or sums as it in his discretion may consider reasonable and it may in his discretion after giving notice in writing to the Licensee cause any such damage to be made good and the expenses incurred by the Authority in doing or in making any such payment shall be repaid by the Licensee to the Authority on demand PROVIDED NEVERTHELESS that the Licensee shall not be required to pay by way of indemnity any sum greater than that which would be reasonably payable in settlement having regard to the circumstances of the case and in particular (where the payment is legally enforceable) to the damages which might be recoverable at common law.

8.2 Subject to clause 8.3, the Authority is not liable for:

1. the death of, or injury to the Licensee, its Dog Walkers, or dogs in its Group visiting the Parks; or
2. damage to any property of the Licensee or that of the Dog Walkers, or dogs in its Group visiting the Parks; or
3. any losses, claims, demands, actions, proceedings, damages, costs or expenses or other liability incurred by Licensee or its Dog Walker(s), or owners of dogs in its Group visiting the Parks under the rights granted by this Licence.

8.3 Nothing in clause 8.2 will limit or exclude the Authority's liability for:

1. death or personal injury or damage to property caused by negligence on the part of the Authority or its employees or agents; or
2. any matter in respect of which it would be unlawful for the Authority to exclude or restrict liability.

9) Termination of Agreement

9.1 The Authority may revoke this Licence with immediate effect where the Licensee and/or its Dog Walker:

9.1.1 Is in breach of its obligations under this Licence and, where the breach is capable of remedy, fails to remedy such breach to the satisfaction of the Authority within seven calendar days of receipt of written notice to remedy the breach.

9.1.2 Acts in any way that is likely to bring the Authority into disrepute or damage its reputation or interests.

9.1.3 Is found to be in breach of the Public Space Protection Order (PSPO).

9.2 The Authority may terminate the Licence giving not less than one month's written notice with a full written explanation for its decision.

9.3 Where the Authority terminates this Licence under condition 9.1 the Licensee shall not be entitled to receive any refund of the Licence fee or any compensation for any outlay made by the Licensee in connection with this Licence.

9.4 Where the Authority terminates this Licence under condition 9.2, the Authority shall reimburse the License Fee on a pro-rata basis for the remaining duration of the Licence Period but without paying any compensation for any outlay made by the Licensee in connection with this Licence.

9.5 The Licensee must give not less than one month's written notice to terminate this Licence.

9.6 For the avoidance of doubt, following termination of this Licence by either party, the Licensee and/or its Dog Walker shall no longer be licensed and therefore not permitted to run professional dog walking sessions within the Authority's Parks and the Licensee must return all identification permits to the Authority.

10) General

10.1 Nothing in this Licence shall render or be deemed to render the Licensee or any of its Dog Walkers an employee or agent of the Authority.

10.2 This Licence contains the entire understanding and agreement between the parties and supersedes all prior representations, documents, negotiations or understandings. The Licensee

acknowledges that it has not entered into this Licence in reliance upon any representation by the Authority or anyone acting on its behalf.

10.3 Pursuant to the Freedom of Information Act 2000 the Authority is subject to certain legal obligations in relation to public disclosure of information. The Licensee shall co-operate with and assist the authority with any requests for disclosure which the Authority receives under the Freedom of Information Act 2000 which relate to this Licence. The Licensee understands and agrees that the Authority may be required to provide information relating to this Licence or the Licensee to a third party in order to comply with its obligations under these provisions.

10.4 Nothing in this Licence shall fetter the Authority in the exercise or discharge of its functions, powers and duties (Including, without limitation, the power to close all or part of their Parks either on a permanent or temporary basis or to temporarily use all or part of their Parks for an event).

11) Disputes

11.1 In the event that any dispute arises between Parties in connection with this Licence, the parties shall, in the first instance, use their reasonable endeavours to resolve it amicably themselves.

11.2 Disputes remaining unresolved shall, if parties agree, be referred to non-binding mediation.

11.3 In the event that the parties do not agree to non-binding mediation or if the dispute remains unresolved, the dispute shall be referred to the exclusive jurisdiction of the Courts of England pursuant to condition 12 below.

12) Law and Jurisdiction

12.1 This Licence shall be governed by and construed in accordance with English Law and the Authority and Licensee hereby submit to the exclusive jurisdiction of the English courts.

13) Agreement and Declaration

13.1 This Licence does not nor is intended to confer any legal or other tenancy estate or interest in respect of any Parks and that the Authority is not empowered to do so.

13.2 The benefit of this Licence is personal to the Licensee and is not capable of being claimed by any other person body of persons firm or corporation whatsoever and shall not be assignable in whole or in part by the Licensee to any such person body or persons firm or corporation and for the purposes hereof the parties agree that the Contract (Rights of Third Parties) Act 1999 shall not apply.

Appendix 1 - Excluded dog walking areas

The table below gives details of the area in specific Parks where dogs are not allowed or need to be kept on leads. This list is not exhaustive. There may be other areas or times when further temporary restrictions are enforced - please look out for notices and regularly check our website

Parks/open spaces with restrictions for multiple walkers

The following spaces permit licensed Dog Walkers with up to six dogs

	Areas where dogs are not permitted	Areas where dogs need to be kept on leads
General	<ul style="list-style-type: none"> ● Children's Playgrounds ● Tennis Courts ● Inside all cafes and restaurants ● Toilets 	<ul style="list-style-type: none"> ● Near roadways and car parks
Ruislip Lido	<ul style="list-style-type: none"> ● The Beach 	
Eastcote House and Gardens		<ul style="list-style-type: none"> ● The Formal Garden

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COUNCIL BUDGET - 2018/19 REVENUE AND CAPITAL MONTH 8 BUDGET MONITORING

Cabinet Member	Councillor Jonathan Bianco
Cabinet Portfolio	Finance, Property and Business Services
Report Author	Paul Whaymand, Corporate Director of Finance
Papers with report	Appendices A – F

HEADLINE INFORMATION

Purpose of report	<p>This report provides the Council's forecast financial position and performance against the 2018/19 revenue budgets and Capital Programme.</p> <p>An underspend of £297k is reported against 2018/19 General Fund revenue budgets as of November 2018 (Month 8), representing an improvement £56k from the position reported to Cabinet at Month 7.</p> <p>The latest positions on other funds and the Capital Programme are detailed within the body of this report, with continuing pressures on High Needs placements in the Schools Budget feeding through to a projected £7,046k cumulative deficit on the ringfenced Dedicated Schools Grant account. This represents an improvement of £619k on the previously reported position due to additional funding from the DfE.</p>
Contribution to our plans and strategies	<p>Putting our Residents First: <i>Financial Management</i></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
Financial Cost	N/A
Relevant Policy Overview Committee	Corporate Services, Commerce & Communities
Ward(s) affected	All

RECOMMENDATIONS

That Cabinet:

1. Note the budget position as at November 2018 (Month 8) as outlined in Table 1.
2. Note the Treasury Management update as at November 2018 at Appendix E.
3. Continue the delegated authority up until the next Cabinet meeting to the Chief Executive to approve any consultancy and agency assignments over £50k, with final sign-off of any assignments made by the Leader of the Council. Cabinet are also asked to note those consultancy and agency assignments over £50k approved under delegated authority between 13th December and 24th January 2019 Cabinet meetings, detailed at Appendix F.
4. Accept an award of £533k Disabled Facilities Grant funding from the Ministry of Housing, Communities and Local Government.
5. Note the additional High Needs funding of £775k provided by the Department for Education within the Dedicated Schools Grant.
6. Accept the Grant Award of £400k to Transform Childrens's Social Care from the 'What Works Centre for Children's Social Care'.
7. Approve the release of £328k from the General Contingency to Residents Services budgets to meet the ongoing costs of specialist advice in relation to the Council's claim for compensation in connection with the Council owned land acquired by SJWL to provide accesses to the Southall Gas Works site.
8. Approve a virement in 2018/19 of £6,408k from the HRA General Capital Contingency Budget to HRA New General Needs Housing Stock £6,290k and New Build Shared Ownership £118k.
9. Approve a virement of £200k from capital programme under spends to the General Equipment and Furniture capital budget.
10. Approve acceptance of gift funding of up to £32k in relation to a Planning Performance Agreement in accordance with the provisions of Section 93 of the Local Government Act 2003 for Land at Status Park, Nobel Drive, Heathrow.
11. Agree to the virement of £146k from unallocated capital contingency to fund redevelopment of Harefield Pond and approve the associated capital release.

SUPPORTING INFORMATION

Reasons for Recommendations

1. The reason for **Recommendation 1** is to ensure that the Council achieves its budgetary objectives, providing Cabinet with an update on performance at Month 8 against budgets approved by Council on 22 February 2018. An update on the Council's Treasury Management activities is signposted in **Recommendation 2**.
2. **Recommendation 3** is intended to enable continued delegation of approval for appointment of consultancy and agency appointments over £50k to the Chief Executive, with final sign-off from the Leader of the Council. In addition, Appendix F reports on use of this delegated authority previously granted by Cabinet.
3. The Ministry of Housing, Communities and Local Government have recently announced an additional £55 million nationwide Disabled Facilities Grant funding of which the allocation to

London Borough of Hillingdon is £533k. **Recommendation 4** seeks to accept the award, which are required to be spent by 31 March 2019.

4. Department for Education have provided additional high needs funding allocations in to the DSG across local authorities totalling £125m, to help local councils to manage pressures arising from increases high needs demand , **Recommendation 5** asks the Cabinet to note this additional funding.
5. A successful bid was made to the What Works Centre for Children’s Social Care to seek pump prime funding to transform the way that Children’s Services provides support to vulnerable children. **Recommendation 6** seeks to accept the £400k funding awarded which will be allocated as a personal budget to individual children based on their specific profile of need and used to enable young people along with their families and social workers, to identify services and activities that support them in staying safe and prevent the need for placing these children into high cost accommodation.
6. The Council has appointed a number of specialist advisors since 2014 to provide advice on the Council's claim for compensation in relation to access rights at the Southall Gas Works site. A Land Tribunal Hearing is scheduled for Autumn 2019 and **Recommendation 7** seeks release of funding for the further fees that will be incurred in preparation for the hearing. The majority of the appointments have been/are to be made jointly with Canal & River Trust (CRT) with the costs split equally.
7. **Recommendation 8** requests a virement from contingency to specific budgets within the HRA capital programme to facilitate further potential acquisitions and buy backs of properties.
8. The existing approved General Equipment and Furniture capital budget of £491k is fully committed and an estimated further £200k is required for further expenditure in 2018/19. **Recommendation 9** proposes that this can be financed by reported under spends from the Corporate Technology and Innovation budget within the 2018/19 approved capital programme.
9. Gift funding has been offered by developers which if accepted by Cabinet will be utilised to fund dedicated staff to support this pre-application and application work. **Recommendation 10** seeks authority from Cabinet to approve the acceptance of £32k, in relation to the major development of the Land at Status Park, Nobel Drive Heathrow.
10. Harefield Pond, a designated Site of Importance for Nature Conservation of Borough Grade II, requires a new liner to ensure water levels can be maintained at a suitable level, with **Recommendation 11** seeking authority to transfer and release £146k from capital contingency to finance the project. In order to expedite these works, this recommendations seeks authority to both vire funds from contingency and grant capital release.

SUMMARY

REVENUE

11. General Fund revenue budgets are projected to underspend by £297k as at Month 8, an improvement of £56k from Month 7, although this comprises of a number of reported pressures such as growing demand for Children's Services and the cost of Fleet Management operations being offset through a range of measures including; workforce underspends, reduced capital financing costs, release of General Contingency and deployment of Earmarked Reserves. There is currently £517k uncommitted General Contingency available to manage emerging issues over the remainder of this financial year, with recommendations above potentially reducing this sum to £189k.
12. General Fund Balances are expected to total £39,668k at 31 March 2019, under the assumption that the remaining Unallocated Budgets are utilised in-year, and reflecting the planned £950k drawdown from the £40,321k opening General Balances.
13. Of the £10,655k savings included in the 2018/19 budget, £9,698k are either banked or classed as 'on track for delivery', with £957k classified as being higher risk or in the early stages of delivery. Ultimately, all £10,655k savings are expected to be delivered in full or met through alternative mechanisms. Any items with potential issues will be covered by alternative in-year savings proposals and management actions.
14. A surplus of £1,029k is reported within the Collection Fund relating to favourable positions on both Council Tax and Business Rates, which is predominantly driven by strong growth in Business Rates in the borough and a carry forward surplus within Council Tax and represents a £61k adverse movement on Month 7. Any surplus realised at outturn will be available to support the General Fund budget in future years.
15. The Dedicated Schools Grant is projecting an in-year overspend of £2,921k at Month 8, a favourable movement of £619k from Month 7. The improvement is due to an increase in the High Needs funding recently announced by the Department for Education (DfE). This overspend is largely due to continuing pressures in the cost of High Needs, and results in a forecast carry forward cumulative deficit of £7,046k at 31 March 2019.
16. Although, additional funding has been provided by the DfE and there is a favourable movement this month, it remains unlikely that this pressure can be contained within the Schools Budget, and therefore the longer-term solution to this pressure represents a significant risk within the context of the Council's own medium term financial planning. This is a problem across the sector and as such, and significant lobbying of Government will continue.

CAPITAL

17. As at Month 8 an underspend of £5,170k is reported across the £394,956k General Fund Capital Programme, this material variance relates to the purchase of Uxbridge Police Station not proceeding as noted in the December Cabinet report. While a favourable variance of £1,247k is reported on capital grant income, a £2,172k shortfall in capital receipts and CIL is expected to result in a £4,245k improvement against £178,625k budgeted Prudential Borrowing. Slippage in planned capital expenditure from 2018/19 is expected to reduce the in year borrowing requirement by £49,871k from £72,377k and therefore impact favourably on debt financing costs for 2019/20.

FURTHER INFORMATION

General Fund Revenue Budget

18. An underspend of £297k is reported across normal operating activities at Month 8, although this includes a number of underlying pressures including Children's Services Placements and Fleet Management. These are being contained at a corporate level through the use of workforce underspends, Earmarked Reserves, uncommitted General Contingency budget and favourable variances on Corporate Operating Budgets arising from slippage in borrowing required to support capital investment.
19. £10,655k of savings are included in the 2018/19 General Fund revenue budget. Currently £7,744k are banked, delivery is currently in progress against £1,954k of savings, £957k are tracked as amber due to either being in the early stages of delivery or deemed higher risk although all savings are expected to ultimately be delivered in full or met through alternative measures. Since Month 7, £835k of savings have been moved to banked, amber savings are at £957k, a reduction of £893k from Month 7.

Table 1: General Fund Overview

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000
			Revised Budget £'000	Forecast Outturn £'000			
207,578	(1,191)	Directorate Operating Budgets	206,387	206,556	169	224	(55)
4,878	1,307	Corporate Operating Budgets	6,185	5,741	(444)	(443)	(1)
8,929	(987)	Development & Risk Contingency	7,942	7,942	0	0	(0)
200	0	HIP Initiatives	200	200	0	0	0
(1,249)	871	Unallocated Budget Items	(378)	(378)	0	0	0
220,336	0	Sub-total Normal Activities	220,336	220,061	(275)	(219)	(56)
0	0	Exceptional Items N/A	0	0	0	0	0
220,336	0	Total Net Expenditure	220,336	220,061	(275)	(219)	(56)
(219,386)	0	Budget Requirement	(219,386)	(219,408)	(22)	(22)	0
950	0	Net Total	950	653	(297)	(241)	(56)
(40,321)	0	Balances b/fwd	(40,321)	(40,321)			
(39,371)	0	Balances c/fwd 31 March 2019	(39,371)	(39,668)			

20. General Fund Balances are projected to total £39,668k at 31 March 2019 as a result of the planned drawdown of £950k being reduced by the £297k projected in year underspend. The Council's current MTFE assumes that unallocated balances will remain between £15,000k and £32,000k to manage emergent risks, with any sums above that level earmarked for use to smooth the impact of Government funding cuts.

Directorate Operating Budgets

21. Directorate Operating Budgets represent the majority of the Council's investment in day-to-day services for residents, with more volatile or demand-led areas of activity tracked separately through the Development and Risk Contingency. Further information on the latest projections for each service is contained within Appendix A to this report, with salient risks and variances within this position summarised in the following paragraphs.

Table 2: Directorate Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
7,591 (1,092)	427 0	Chief Executive's Office	Expenditure	8,018	7,906	(112)	(78)	(34)
			Income	(1,092)	(1,169)	(77)	(71)	(6)
6,499	427		Sub-Total	6,926	6,737	(189)	(149)	(40)
17,262 (3,170)	(1,603) 0	Finance	Expenditure	15,659	15,733	74	78	(4)
			Income	(3,170)	(3,590)	(420)	(410)	(10)
14,092	(1,603)		Sub-Total	12,489	12,143	(346)	(332)	(14)
116,355 (43,096)	1,915 (1,658)	Residents Services	Expenditure	118,270	118,598	328	416	(88)
			Income	(44,754)	(44,512)	242	159	83
73,259	257		Sub-Total	73,516	74,086	570	575	(5)
142,505 (28,777)	2,801 (3,073)	Social Care	Expenditure	145,306	145,690	384	318	66
			Income	(31,850)	(32,100)	(250)	(188)	(62)
113,728	(272)		Sub-Total	113,456	113,590	134	130	4
207,578	(1,191)	Total Directorate Operating Budgets		206,387	206,556	169	224	(55)

22. An underspend of £189k is reported on the Chief Executive's Office budgets at Month 8 as a result of vacancies and non-staffing underspends and the overachievement of income within Human Resources. Across Finance, a net underspend of £346k is projected as a result of vacant posts across the directorate while compensatory variances on income and expenditure relate to revisions to grant funding to support Housing Benefit administration and associated investment in additional staffing.
23. A net pressure of £570k is reported across Residents Services, representing a favourable movement of £5k on the previously reported position at Month 7. The favourable movement results from reductions in forecasts in Administration, Technical and Business Services of £13k, property of £30k, waste of £10k and ICT of £26k offset by adverse movement from pressures on Green Spaces £96k and Highways and Street Lighting £26k and other minor favourable movements across the group.
24. The Residents Services position for Month 8 incorporates pressures of £751k linked to vehicle hire and maintenance in Fleet services, £92k feasibility costs for Capital and Planned works, £159k on Residual Education functions and £346k on Green Spaces which are offset by staffing vacancies and the use of Earmarked reserves to support services. A range of

management actions are being undertaken which are expected to improve this position and reduce the forecast deployment of Earmarked Reserves to support these priority services.

25. A net £134k overspend is reported across Social Care budgets, representing an adverse movement of £4k from Month 7 which results from movements in staffing costs and income offset by reductions in forecast costs of placements during the month. Overall there is an overspend on the current level of agency staff to cover essential and hard to fill posts, legal costs and the cost of supporting Section 17 cases within Children Services amounting to a net £405k pressure. A favourable movement on client income offsets these pressures for Adult Social Care Placements. In addition, the headline position incorporates pressures arising from higher placement costs following slippage in opening the Parkview development which are expected to be funded through liquidated damages from the contractor. Similarly, the management of this position is currently dependent on drawdown of earmarked reserves which are expected to reduce as the year progresses and the impact of management actions and new ways of working are delivered.
26. The Council is permitted to finance the costs associated with service transformation from Capital Receipts, with both one-off implementation costs and the support for service transformation, including the BID team, being funded from this resource. Current projections include an estimate of £2,203k for such costs, which will continue to be reviewed over the remainder of the year and have been excluded from reported monitoring positions. It is anticipated that these costs will be financed from a combination of Capital Receipts and Earmarked Reserves.

Progress on Savings

27. Savings of £10,655k were included in the 2018/19 budget, of which £9,698k are either banked or on track for delivery which is an improved position from Month 7. £957k savings are in the early stages of delivery or potentially subject to greater risk to delivery, an improved position from Month 7, however ultimately all £10,655k savings are expected to be either delivered in full or replaced with alternative initiatives. Any items with potential issues will be covered by alternative in-year savings proposals and management actions.

Table 3: Savings Tracker

2018/19 General Fund Savings Programme		CEO	Finance	Residents Services	Social Care	Cross-Cutting	Total 2018/19 Savings	
		£'000	£'000	£'000	£'000	£'000	£'000	%
B	Banked	(58)	(728)	(2,444)	(3,600)	(914)	(7,744)	72.7%
G	On track for delivery	0	0	(320)	(1,328)	(306)	(1,954)	18.3%
A	Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	0	(350)	0	(607)	(957)	9%
R	Serious problems in the delivery of the saving	0	0	0	0	0	0	0.0%
Total 2018/19 Savings		(58)	(728)	(3,114)	(4,928)	(1,827)	(10,655)	100.0%

Corporate Operating Budgets

28. Corporately managed expenditure includes the revenue costs of the Council's Capital Programme, the net impact of Housing Benefit Subsidy arrangements on the Council, externally set levies and income arising from the provision of support services to other funds and ring-fenced budgets.
29. An underspend of £444k is reported against Corporate Operating Budgets as at Month 8 an improvement of £1k from Month 7. As a result of anticipated capital expenditure and associated borrowing being deferred from 2018/19, a £499k underspend is forecast. Externally set levies are reporting a pressure of £63k in relation to additional investment to support implementation of the West London District Coroners Service Improvement Plan. All other levies have been confirmed by awarding bodies and are not expected to vary materially over the remainder of the financial year.

Table 4: Corporate Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000
			Revised Budget £'000	Forecast Outturn £'000			
0	0	Interest and Investment Income	Salaries	0	0	0	0
6,259	(592)		Non-Sal Exp	5,667	5,168	(499)	(499)
(371)	100		Income	(271)	(271)	0	0
5,888	(492)		Sub-Total	5,396	4,897	(499)	(499)
480	0	Levies and Other Corporate Budgets	Salaries	480	477	(3)	(2)
11,237	1,871		Non-Sal Exp	13,108	13,166	58	58
(11,602)	(72)		Income	(11,674)	(11,674)	0	0
115	1,799		Sub-Total	1,914	1,969	55	56
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0
147,529	0		Non-Sal Exp	147,529	147,529	0	0
(148,654)	0		Income	(148,654)	(148,654)	0	0
(1,125)	0		Sub-Total	(1,125)	(1,125)	0	0
4,878	1,307	Total Corporate Operating Budgets		6,185	5,741	(444)	(443)

Development & Risk Contingency

30. For 2018/19, £8,929k was set aside to manage uncertain elements of budgets within the Development & Risk Contingency, which included £7,929k in relation to specific risk items and £1,000k as General Contingency to manage unforeseen issues. Cabinet at Month 6 approved the release of those elements of the Development and Risk Contingency relating to prior years, items which were uncertain at the time of budget setting and are now confirmed into base budgets. The impact of these changes reduces the funding for the Development and Risk Contingency by £987k in 2018/19 to £7,942k. At this stage in the financial year, a breakeven position is projected against this provision, which represents no change from the projection at Month 7. Within this position, £517k of General Contingency remains available to manage emerging risks.

Table 5: Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
291	(291)	Fin.	Uninsured claims	0	0	0	0	
1,736	0	Residents Services	Impact of Welfare Reform on Homelessness	1,736	938	(798)	(798)	(0)
1,172	0		Waste Disposal Levy & Associated Contracts	1,172	772	(400)	(400)	0
200	0		Heathrow Expansion Challenge Fund	200	200	0	0	0
1,885	0	Social Care	Asylum Service	1,885	1,985	100	100	0
797	(394)		Demographic Growth - Looked After Children	403	1,172	769	769	0
367	0		Demographic Growth - Children with Disabilities	367	756	389	388	1
277	0		Social Worker Agency Contingency	277	292	15	99	(84)
443	(184)		SEN transport	259	633	374	330	44
730	258		Demographic Growth - Adult Social Care	988	1,077	89	90	(1)
50	0		Winterbourne View	50	0	(50)	(50)	0
381	(376)	Corp. Items	Apprenticeship Levy	5	0	(5)	(5)	0
(400)	0		Additional Investment Income	(400)	(400)	0	0	0
1,000	0		General Contingency	1,000	517	(483)	(523)	40
8,929	(987)	Total Development & Risk Contingency		7,942	7,942	0	0	(0)

31. The managed reduction in households accommodated in Bed and Breakfast seen throughout 2017/18 has continued into 2018/19, with projections assuming that the number of households will be maintained at 130, 20 below MTFE assumptions for the remainder of the year. In addition, continuing management action to reduce the costs and use of Temporary Accommodation through maintaining a high number of placements into the private sector is expected to deliver a £798k underspend against contingency provision, no change from Month 7.

32. The call on the Waste contingency reflects an underspend of £400k for Month 8 against the budgeted provision of £1,172k, to fund estimated population driven increases in the cost of disposal via the West London Waste Authority (WLWA) levy and associated waste disposal contracts. Waste tonnages to date have shown an increase compared to the same period last year, but the rate of increase has slowed recently (in particular that for organic waste, which has been affected by the very dry summer). Current projections indicate that costs can be managed within the reduced contingency sum.
33. As at Month 8 the Asylum service is projecting a drawdown of £1,985k from the contingency, an overspend of £100k, no change from the Month 7 forecast. The overspend relates to a drop in the level of income received as well as an increase in the number of UASC, which the Council remains responsible for. These USAC's are not being transferred in accordance with the National Transfer Agreement, which was introduced in 2016 due to a slowdown in the number of authorities now willing to take them.
34. The forecast overspend of £769k on the contingency provision for Looked After Children remains unchanged from Month 7. The overspend is a result of a continuing increase in the number of high cost residential placements, where the Service has had to place children outside of the Borough. The unit cost of placement has increased from an average of £3,400 per week to £4,000 per week, and the length of stay is now longer than in previous years due to the complex nature of the support required. It is also evident that the type of places needed are becoming increasingly harder to source as other councils are trying to secure similar places.
35. The Children with Disabilities service is projecting a draw down of £756k from the Contingency, representing a £389k forecast overspend, an adverse movement of £1k from Month 7 projections. The service have taken steps to review individual placements to ascertain whether any of the placements should be part funded by external partners, such as education and health and anticipate that a number of placements will be part funded.
36. The service is projecting a drawdown of £1,077k from the Demographic Growth for Adult Social Care contingency, a pressure of £89k, £1k improvement from Month 7. The service continues monitor the growth in the number of and complexity of Social Care placements especially in the lead up to the winter months.
37. On 17 October 2018, the Department of Health and Social Care confirmed funding allocations totalling £240m of additional funding for councils to spend on adult social care services to help councils alleviate winter pressures on the NHS, getting patients home quicker and freeing up hospital beds across England. Hillingdon will receive £1,041k of this funding, which will be managed through contingency and applied to ensure appropriate social care packages are in place for those leaving hospital with eligibility for social care.
38. The service is projecting a drawdown of £292k from the Social Worker agency contingency, an improvement of £84k from the Month 7 position, reflecting the latest recruitment success of Newly Qualified Social Workers. This contingency reflects the additional cost of using agency staff to cover essential Social Worker posts as the recruitment of Social Workers continues to be very competitive.
39. The forecast drawdown from the contingency for SEN Transport is £633k, a pressure of £374k and an adverse movement of £44k from Month 7, due to an increase in the number of single occupancy routes being required, reflecting the impact of the start of the new academic year

which generally has the greatest movement. The service has had to purchase additional roles which has resulted in the additional funding being required from contingency.

40. No other material variances are reported against specific contingency items; with a minor £5k underspend on the Apprenticeship Levy reflecting current payroll expenditure. To date there have been no specific calls on the £1,000k General Contingency, and it has been assumed that £483k of this sum will be applied to fund the pressures outlined above, with the remaining £517k to manage emerging issues: Cabinet approval is sought for the release of £328k from the remaining General Contingency to meet the costs of specialist advice concerning an on-going compensation claim, which would reduce this sum to £189k.

HIP Initiatives

41. £200k of HIP Initiative funding is included in the 2018/19 General Fund revenue budget, which is supplemented by £899k brought forward balances, to provide £1,099k resources. £128k of projects have been approved through HIP Steering Group for funding from resources as at Month 8, leaving £971k available for future release.

Table 6: HIP Initiatives

Original Budget	Budget Changes	HIP Initiatives	Month 8		
			Revised Budget	Approved Allocations	Unallocated Balance
£'000	£'000		£'000	£'000	£'000
200	0	HIP Initiatives Budgets	200	0	(200)
0	899	B/fwd Funds	899	128	(771)
200	899	Total HIP Initiatives	1,099	128	(971)

Schools Budget

42. At Month 8 the Dedicated Schools Grant position is an in-year overspend of £2,921k. This is predominantly due to continuing pressures in the cost of High Needs. When the £4,125k deficit brought forward from 2017/18 is taken into account, the forecast deficit to carry forward to 2019/20 is £7,046k. This represents a favourable movement of £619k on the previously reported position, primarily as a result of the additional funding made available by the Department for Education.
43. The in year overspend of £2,921k as at Month 8 is made up of £2,344k High Needs linked to the transfer of pupils from statements to EHCP's, £405k to alternative provision for pupils not attending mainstream provision, £483k for early years provision offset by £311k underspend due to the decision of Schools Forum to withhold growth contingency where pupil growth is not sufficient to require the need for this funding.

Collection Fund

44. A £1,029k surplus is projected against the Collection Fund at Month 8, a £61k adverse movement from Month 7, which is made up of a £711k surplus on Council Tax and a £318k surplus on Business Rates. The Council Tax surplus is largely as a result of strong in-year collection rates contributing £212k and the brought forward surplus of £499k relating to better than expected performance during 2017/18. The favourable variance across Business Rates is due to strong growth in Business Rates as a number of new developments in the Borough

have been brought into rating, with a £758k in-year surplus being sufficient to offset the brought forward deficit of £440k.

Housing Revenue Account

45. The Housing Revenue Account is currently forecasting a £277k favourable variance, resulting in a drawdown of reserves of £20,868k. This results in a projected 2018/19 closing HRA General Balance of £16,240k, with the use of reserves funding investment in new housing stock. The headline monitoring position incorporates underspends of £999k mainly in relation to planned works and contingency, offsetting a £430k income pressure predominantly from rental income.

Future Revenue Implications of Capital Programme

46. Appendix D to this report outlines the forecast outturn on the 2018/19 to 2022/23 Capital Programme, with a £5,170k underspend projected over the five-year programme. Alongside a marginal variance on Government Grant income and a less favourable outlook for Capital Receipts, Prudential Borrowing is projected to be £4,245k lower than the £178,625k revised budget. This uplift has been factored into the growth in capital financing costs over the MTFF period outlined in the budget report to December Cabinet, any further reductions in anticipated Capital Receipts or increases in project expenditure may necessitate a review of future financing costs.

Appendix A – Detailed Group Forecasts (General Fund)

Chief Executive's Office (£189k underspend, £40k improvement)

47. The CEO directorate is reporting an underspend of £189k at Month 8, representing an improvement of £40k on Month 7. The movement largely reflects revised staffing costs within Legal Services, following the resignation of Prosecution Lawyer.

Table 7: Chief Executive's Office Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
1,445	0	Democratic Services	Salaries	1,445	1,468	23	24	(1)
1,750	(29)		Non-Sal Exp	1,721	1,695	(26)	(24)	(2)
(602)	0		Income	(602)	(616)	(14)	(9)	(5)
2,593	(29)		Sub-Total	2,564	2,547	(17)	(9)	(8)
2,012	(13)	Human Resources	Salaries	1,999	1,914	(85)	(78)	(7)
361	407		Non-Sal Exp	768	761	(7)	(13)	6
(230)	0		Income	(230)	(273)	(43)	(42)	(1)
2,143	394		Sub-Total	2,537	2,402	(135)	(133)	(2)
1,954	75	Legal Services	Salaries	2,029	2,012	(17)	13	(30)
69	(13)		Non-Sal Exp	56	56	0	0	0
(260)	0		Income	(260)	(280)	(20)	(20)	0
1,763	62		Sub-Total	1,825	1,788	(37)	(7)	(30)
5,411	62	Chief Executive's Office Directorat	Salaries	5,473	5,394	(79)	(41)	(38)
2,180	365		Non-Sal Exp	2,545	2,512	(33)	(37)	4
(1,092)	0		Income	(1,092)	(1,169)	(77)	(71)	(6)
6,499	427		Total	6,926	6,737	(189)	(149)	(40)

48. Within the position, underspends are reported across each subjective heading. Staffing underspends are primarily a result of the early delivery of a 2019/20 MTF savings in Human Resources, with a favourable non-staffing forecast driven by a reduction in the number of Special Responsibility Allowances in Democratic Services. Income surpluses have been achieved through increased legal planning work and lease renewals, alongside contributions from education establishments supporting expenditure on training for newly qualified social workers in Learning & Development.

Finance (£346k underspend, £14k improvement)

49. The overall position for Finance at Month 8 is a forecast underspend of £346k. This position is broadly in line with that reported at Month 7 - the reported variation due predominantly to revised income assumptions for the Health & Safety function within Business Assurance.

Table 8: Finance Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
2,058	(278)	Business Assurance	Salaries	1,780	1,654	(126)	(123)	(3)
1,443	409		Non-Sal Exp	1,852	1,918	66	63	3
(567)	0		Income	(567)	(580)	(13)	(6)	(7)
2,934	131		Sub-Total	3,065	2,992	(73)	(66)	(7)
1,540	0	Procurement	Salaries	1,540	1,583	43	43	0
64	0		Non-Sal Exp	64	57	(7)	(7)	0
(35)	0		Income	(35)	(35)	0	0	0
1,569	0		Sub-Total	1,569	1,605	36	36	0
3,505	(170)	Corporate Finance	Salaries	3,335	3,325	(10)	(12)	2
1,785	(1,702)		Non-Sal Exp	83	86	3	3	0
(151)	0		Income	(151)	(164)	(13)	(10)	(3)
5,139	(1,872)		Sub-Total	3,267	3,247	(20)	(19)	(1)
4,277	155	Revenues & Benefits	Salaries	4,432	4,468	36	35	1
1,847	(17)		Non-Sal Exp	1,830	1,918	88	88	0
(2,090)	0		Income	(2,090)	(2,475)	(385)	(385)	0
4,034	138		Sub-Total	4,172	3,911	(261)	(262)	1
536	0	Pensions, Treasury & Statutory Accounting	Salaries	536	520	(16)	(9)	(7)
207	0		Non-Sal Exp	207	204	(3)	(3)	0
(327)	0		Income	(327)	(336)	(9)	(9)	0
416	0		Sub-Total	416	388	(28)	(21)	(7)
11,916	(293)	Finance Directorate	Salaries	11,623	11,550	(73)	(66)	(7)
5,346	(1,310)		Non-Sal Exp	4,036	4,183	147	144	3
(3,170)	0		Income	(3,170)	(3,590)	(420)	(410)	(10)
14,092	(1,603)		Total	12,489	12,143	(346)	(332)	(14)

50. The Business Assurance workforce underspend is largely within Internal Audit and reflects vacancies following the recent BID review of the Service, which is nearing full implementation. A corresponding increased reliance on external consultancy supporting the audit function during the implementation of the new structure is driving the non-staffing pressure for the Business Assurance function as a whole.
51. The underspend on Corporate Finance reflects vacancies within the current establishment. The position within Revenues and Benefits reflects the in year benefit of external grant funding.
52. Pensions, Treasury and Statutory Accounting is reporting an underspend of £28k, principally due to a vacant post held within the service, reduced costs against the external audit contract with Ernst & Young, and increased charges to the Pension Fund for support provided.

Residents Services (£570k overspend, £5k favourable movement)

53. Residents Services directorate is showing a projected outturn overspend of £570k at Month 8, excluding pressure areas that have identified contingency provisions.

Table 9: Residents Services Operating Budget

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
17,187	89	Infrastructure, Waste and ICT	Salaries	17,276	17,032	(244)	(155)	(89)
35,689	197		Non-Sal Exp	35,886	37,096	1,210	1,164	46
(10,543)	(479)		Income	(11,022)	(11,261)	(239)	(234)	(5)
42,333	(193)		Sub-Total	42,140	42,867	727	775	(48)
18,547	306	Housing, Environment, Education, Health & Wellbeing	Salaries	18,853	18,211	(642)	(643)	1
23,510	863		Non-Sal Exp	24,373	24,981	608	495	113
(17,361)	(1,037)		Income	(18,398)	(18,095)	303	361	(58)
24,696	132		Sub-Total	24,828	25,097	269	213	56
3,995	18	Planning, Transportation & Regeneration	Salaries	4,013	3,782	(231)	(198)	(33)
685	437		Non-Sal Exp	1,122	1,378	256	225	31
(4,059)	(231)		Income	(4,290)	(4,282)	8	5	3
621	224		Sub-Total	845	878	33	32	1
12,626	6	Administrative, Technical & Business Services	Salaries	12,632	12,051	(581)	(467)	(114)
4,116	(1)		Non-Sal Exp	4,115	4,067	(48)	(105)	57
(11,133)	89		Income	(11,044)	(10,874)	170	127	43
5,609	94		Sub-Total	5,703	5,244	(459)	(445)	(14)
52,355	419	Residents Services Directorate	Salaries	52,774	51,076	(1,698)	(1,463)	(235)
64,000	1,496		Non-Sal Exp	65,496	67,522	2,026	1,879	147
(43,096)	(1,658)		Income	(44,754)	(44,512)	242	259	83
73,259	257		Total	73,516	74,086	570	575	(5)

54. The overall variance is a result of non-staffing pressures across Fleet Management, Grounds Maintenance and Residual Education functions being offset by staffing underspends across the directorate.
55. The Council's 2018/19 contingency budget contains provision for areas of expenditure or income within Residents Services for which there is a greater degree of uncertainty. The position against these contingency items is shown in Table 2 below. At Month 8, projected calls on contingency are £1,198k below the budgeted provision, no change from the Month 7 position. The table below shows the breakdown for each contingency item.

Table 10: Development and Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 8		Variance (As at Month 8)	Variance (As at Month 7)	Movement from Month 7
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,736	0	Impact of Welfare Reform on Homelessness	1,736	938	(798)	(798)	(0)
1,172	0	Waste Disposal Levy & Associated Contracts	1,172	772	(400)	(400)	0
200	0	Heathrow Expansion Challenge Fund	200	200	0	0	0
3,108	0	Current Commitments	3,108	1,910	(1,198)	(1,198)	(0)

56. The Month 8 data in Table 11 below shows a continuation of the reduction achieved in 2017/18 of the use of Temporary Accommodation. The last two months has seen a reduction in the number of Households in higher cost Bed & Breakfast placements, which had increased during the 2nd quarter of 2018/19. The total number accommodated remains below MTFE assumptions made by officers in modelling Supply and Demand.

Table 11: Housing Needs performance data

	September 18	October 18	November 18
All Approaches	203	190	174
Full Assessment Required	183	186	165
New into Temporary Accommodation (Homeless and Relief)	27	28	21
Households in Temporary Accommodation	483	474	461
Households in B&B	135	133	126

57. As in previous years, a contingency has been set aside in 2018/19 to resource the procurement of Private Sector placements or the need for Temporary Accommodation in the borough. The call on contingency relating to homelessness is forecast at £938k, £798k below the budgeted provision, no change from Month 7. The service is forecasting the number of clients in B&B accommodation will be 130 at the end of the financial year, 20 below MTFE assumptions, whilst reducing the overall use and cost of Temporary Accommodation. This is expected to be achieved through maintaining a high number of placements into the private sector and the continued close monitoring of unit costs.
58. The Council will continue to closely monitor this risk, as given the introduction of the Homeless Reduction Act in April 2018, potential pressures could materialise in the remainder of the financial year. Increased prevention and move-on activity could require the service to draw on the Housing Incentives earmarked reserve, with any drawdown being subject to the usual approvals. It should be noted that there has been a notable increase in homeless referrals to the Council from 1st October 2018 when a new 'duty to refer' commenced, placing a new responsibility on statutory and partner organisations to refer homelessness cases to the local authority for assistance. Officers will keep the referral rates to the Council under review.
59. The call on the Waste contingency, to fund estimated population driven increases in the cost of tonnages via the West London Waste Authority (WLWA) levy and associated waste disposal

contracts, is forecast at £772k, having been reduced by £400k earlier this year from the budgeted provision of £1,172k. Whilst aggregate waste tonnages to date have shown an increase compared to the same period last year, current projections, based on actual data for the eight months to November, continue to indicate that costs can be managed within this reduced contingency sum in 2018/19.

Infrastructure, Waste and ICT (£727k overspend, £48k favourable)

60. At Month 8, there is a £727k forecast overspend across the service, arising from a number of variances affecting service areas reflecting a combination of ongoing staffing and non-staffing pressures. The overall forecast encompasses a number of management actions, which will be closely monitored during the financial year.
61. The forecast pressure for Fleet Management is £751k, representing a £16k favourable movement. The pressure relates primarily to vehicle repairs and maintenance, with a combination of legacy costs from the outgoing contractor and some additional costs from the new contractor. There are also risks associated with increasing fuel costs, potential risks regarding the service's performance in relation to insurance claims and pressures from hired vehicle costs. A range of management actions are in place and the service is continuing to refresh its Capital Vehicle Replacement Programme. The favourable movement in the month largely relates to an increased earmarked reserve drawdown to help mitigate claims pressures, partly offset by an uplift in the forecast for damage repair costs.
62. An earmarked reserve drawdown of £500k is offsetting the pressure of £366k in Waste Services (a favourable movement of £10k compared with Month 7). The projected underlying overspend results from a temporary increase in overtime payments within the Waste Service due to performance issues with agency staff and wider recruitment difficulties in the refuse/recycling area owing to demand and competition. Non-staffing costs are forecasting a pressure, due to overspends on refuse sacks for green and garden waste and mixed dry recycling.
63. The Highways and Street Lighting service shows a net overspend of £40k (a £26k adverse movement) reflecting latest staffing forecasts and underachievement of the managed vacancy factor due to low staff turnover. Within this position, there is anticipated over-achievement against income targets, attributable to various revenue streams including S38, S278, vehicle crossings and fixed penalties. The adverse movement in the month primarily relates to an increase of £57k in the forecast for street lighting energy costs following a review of the latest supplier invoices, partly offset by a £31k reduction in street lighting improvement costs relating to projects that will now be LIP funded.
64. The Capital and Planned Works service shows a projected pressure of £92k against base budget, no change from Month 7. This reflects the latest forecast of the residual expenditure for staffing costs after forecast fees have been assumed as chargeable to capital projects. The service is reviewing the cost of some of its higher cost agency which could improve the position further.
65. The Corporate Communications Service is showing an underspend of £3k against budget (a £18k favourable movement), attributable to refreshed staffing and agency cover requirements following the implementation of the BID review.

66. Favourable movements at Month 8 of £30k within the Property and Estates Service relate to reduced consultancy costs for carrying out NNDR appeals and increased rental income across the portfolio due to increased collection rates.

Housing, Environment, Education, Health & Wellbeing (£269k overspend, £56k adverse movement)

67. At Month 8 there is a overspend position of £269k across the service, representing an adverse movement of £56k on the month 7 position. Pressures within Green Spaces and the Residual Education functions are being partially mitigated by underspends within Business Performance, Community Safety and the wider Public Health service. Adverse forecasts for income within Green Spaces are offset by an improved income position within Private Sector Housing following increased projected enforcement action.
68. Green Spaces shows an adverse movement of £97k from Month 7 reflecting repairs of crematorium machinery, declining golf green fee income and a decrease in the projections for music tuition income. The overall position continues to reflect underspends on hard to recruit posts within Youth services, reductions in income streams as a result of HS2 implementation within Golf and forecast pressures on non-staffing budgets within Parks and Open Spaces.
69. Underspends from vacant posts within Trading Standards and projected underspends on Voluntary sector grants continue to be forecast at Month 8. The wider Public Health position will be influenced by outcomes from the BID review, which is currently focused on areas of contract spend and ensuring efficient provision of mandated services.

Planning, Transportation & Regeneration (£33k overspend, £1k adverse movement)

70. A net pressure of £33k is reported across the service at Month 8; with a £231k underspend on workforce budgets across Planning Services and Road Safety being offset by £256k pressures across non-staffing budgets and a marginal £8k adverse variance on income.
71. Workforce underspends continue to reflect challenging market conditions for the recruitment and retention of professional Planning Officers, with a corresponding increase in reliance on external consultancy contributing towards the non-staffing pressure. The reported non-staffing position includes an in year £130k pressure in fees for outsourced planning applications processing, with the draft budget for 2019/20 making allowance for this uplift.
72. A minor £8k shortfall is projected against the budgeted £4,290k Development and Building Control revenue streams, although these continue to be closely monitored alongside corresponding contract expenditure given both the potential impact of changing property market conditions and the need to maintain sufficient capacity within the service to support Planning Performance Agreements and Pre-Application Advice. As at Month 8 £2,702k or 62% of this forecast income has been banked which will continue to be closely monitored.

Administrative, Technical & Business Services (£459k underspend, £14k improvement)

73. Administrative, Technical and Business Services is reporting a forecast underspend of £459k at Month 8, representing a £14k improvement on the month. The underspend is primarily due to high staff turnover and part year vacancies within the service.

74. Included within the favourable position is an adverse non-staffing movement, which reflects anticipated legal and veterinary costs for a recent animal welfare licensing incident. This additional cost, however, can be fully mitigated by further slippage on recruitment assumptions.
75. The key pressures in the service continue to be the revenue streams at Cedars and Grainges Car Parks and the Imported Food Office. Underachievement of income at Cedars and Grainges is delivering a £498k pressure, however, this is mitigated through the use of Earmarked Reserves in year. Within the Heathrow Imported Food Unit, income achieved through testing of soil products is now reporting a £150k pressure.

SOCIAL CARE (£134k overspend, £4k adverse)

76. The Social Care directorate is projecting an overspend of £134k as at Month 8, a minor adverse movement of £4k on the Month 7 projections. It should be noted that the service is managing ongoing cost pressures relating to the cost of Agency Social Workers, Legal Counsel and the provision of Temporary Accommodation for Section 17 cases.

Table 13: Social Care Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
14,762	(6)	Children's Services	Salaries	14,756	14,729	(27)	42	(69)
17,224	520		Non-Sal Exp	17,744	18,366	622	531	91
(6,483)	(201)		Income	(6,684)	(6,874)	(190)	(167)	(23)
25,503	313		Sub-Total	25,816	26,221	405	406	(1)
8,358	95	Early Intervention, Prevention & SEND	Salaries	8,453	7,711	(742)	(626)	(116)
6,044	(105)		Non-Sal Exp	5,939	6,072	133	113	20
(2,243)	(15)		Income	(2,258)	(1,902)	356	304	52
12,159	(25)		Sub-Total	12,134	11,881	(253)	(209)	(44)
4,139	238	Social Care, OPS & PD	Salaries	4,377	4,123	(254)	(235)	(19)
38,672	(2,220)		Non-Sal Exp	36,452	37,486	1,034	772	262
(12,159)	(690)		Income	(12,849)	(13,687)	(838)	(576)	(262)
30,652	(2,672)		Sub-Total	27,980	27,922	(58)	(39)	(19)
4,208	(496)	Learning Disability and Mental Health Service	Salaries	3,712	3,868	156	144	12
34,031	2,933		Non-Sal Exp	36,964	36,291	(673)	(558)	(115)
(7,291)	(2,145)		Income	(9,436)	(8,931)	505	381	124
30,948	292		Sub-Total	31,240	31,228	(12)	(33)	21
11,719	411	Provider and Commissioned Care	Salaries	12,130	12,245	115	128	(13)
3,348	1,431		Non-Sal Exp	4,779	4,799	20	7	13
(601)	(22)		Income	(623)	(706)	(83)	(130)	47
14,466	1,820		Sub-Total	16,286	16,338	52	5	47
43,186	242	Social Care Directorate Total	Salaries	43,428	42,676	(752)	(547)	(205)
99,319	2,559		Non-Sal Exp	101,878	103,014	1,136	865	271
(28,777)	(3,073)		Income	(31,850)	(32,100)	(250)	(188)	(62)
113,728	(272)		Total	113,456	113,590	134	130	4

SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£1,686k overspend, £40k improvement)

77. The Council's 2018/19 Development and Risk Contingency includes provisions for areas of expenditure within Social Care for which there is a greater degree of uncertainty and relates to in-year demographic changes, including Asylum seekers and SEN Transport. Table 14 sets out the Month 8 projected position for the Development and Risk Contingency, which is reporting a pressure of £1,686k; an improvement of £40k on the Month 7 projections.
78. The overspend is due to continuing pressures in the costs of Looked After Children and Children with Disabilities placements, where it is evident that the service are supporting more children with complex needs. The service are also experiencing growth in SEN Transport requirements, where the service have firmed up the impact of the new academic year and the

new transport requirements. There is also an underlying growth in Adult placements with a Learning Disability and Mental Health primary care need.

Table 14: Social Care Development & Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 8		Variance (As at Month 8)	Variance (As at Month 7)	Movement from Month 7
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,885	0	Asylum Service	1,885	1,985	100	100	0
797	(394)	Demographic Growth - Looked After Children	403	1,172	769	769	0
367	0	Demographic Growth - Children with Disabilities	367	756	389	388	1
277	0	Social Worker Agency Contingency	277	292	15	99	(84)
443	(184)	SEN transport	259	633	374	330	44
730	308	Demographic Growth - Adult Social Care	1,038	1,077	39	40	(1)
50	(50)	Winterbourne View	0	0	0	0	0
4,549	(320)	Current Commitments	4,229	5,915	1,686	1,726	(40)

Asylum Service (£100k overspend, no change)

79. The service is projecting a drawdown of £1,985k from the contingency, no change on the Month 7 projections. The overspend relates to a drop in the level of income received as well as an increase in the number of UASC, which the Council remains responsible for, which are not being transferred in accordance with the National Transfer Agreement, which was introduced in 2016. This agreement has enabled the Council to transfer a number of under-18 UASC to other local authorities in line with the agreement, resulting in a lower volume of under 18's being supported by Hillingdon. However, the Council is now seeing a growth in the younger cohort of UASC, generally in the 13 to 14 year old age group, which will require at least a Foster Care placement and a slow down in the number of authorities willing to take UASC, which is having an impact on the projected position.

Demographic Growth - Looked After Children (£769k overspend, no change)

80. The service is projecting a drawdown of £1,172k from the Contingency, an overspend of £769k, no change on the Month 7 projections. The majority of this pressure relates to an increase in the number of high cost Residential placements, where the Service has had to place children outside of the Borough. It is also evident that the unit cost has increased from an average of £3,400 per week to £4,000 per week, and that the length of stay is much greater than in previous years due to the complex nature of the support required. It is also evident that the type of places needed are becoming increasingly harder to source as other Councils are trying to secure similar placements.
81. The service continues to monitor this position through regular reviews of individual cases, and where possible children are stepped down when it is safe to do so. It should also be noted that this year could start to see an increase in the number of children looked after, where previously this number has remained constant over the last few years.

82. Additionally, the service received confirmation in December 2018, that they had been successful in securing a grant of £400k, which will be used to support vulnerable children and prevent them from entering the care system.

Demographic Growth – Children with Disabilities (£389k overspend, £1k adverse)

83. The service is projecting a draw down of £756k from the Contingency, an overspend of £389k and an adverse movement of £1k on the Month 7 projections. This reflects that there is an increase in the number of cases that have more complex needs, which in most cases, require a residential placement or more respite care. The service have now taken steps to review individual placements to ascertain whether any of the placements should be part funded by external partners, such as education and health and anticipate that a number of placements will be part funded.

Social Worker Agency (Children's) (£15k overspend, £84k improvement)

84. The service is projecting a drawdown of £292k from this contingency, an overspend of £15k and an improvement of £84k on the Month 7 position, which continues to reflect the latest recruitment success of Newly Qualified Social Workers and more recently a reduced reliance on agency staff. The pressure relates to the additional cost of using agency staff to cover essential Social Worker posts as the recruitment of Social Workers continues to be very competitive. The determination of the contingency was based on a proportion of 90% permanent and 10% agency staff, the additional amount reflecting the premium that the Council pays for agency staff, which is currently assessed as £18k greater than the current total cost of a permanent member of staff. The current figures, based on hard to fill posts, indicates that the current percentage usage of agency staff stands at 38%, based on the latest anticipated recruitment activity.

Demographic Growth - SEN Transport (£374k Overspend, £44k adverse)

85. The service is projecting a drawdown of £633k from the SEN Transport contingency, an overspend of £374k, and an adverse movement of £44k on the month 7 position, due to an increase in the number of single occupancy routes being required. This reflects the latest position taking into account the impact of the start of the new academic year, which generally has the greatest movement. The additional cost is required to cover the increase in the number of pupils that have an Education, Health and Care Plan (EHCP), in most cases the increase in the SEN pupil population has been absorbed in existing routes, but it is now clear that the service is having to purchase additional routes for some children, which has resulted in additional funding being required from the contingency.

Demographic Growth - Adult Social Care (£39k overspend, £1k improvement)

86. The service is projecting a drawdown of £1,077k from the Adult Social Care contingency, an overspend of £39k, and an improvement of £1k on the Month 7 projections. This position is being closely monitored especially in the lead up to the winter months.

DIRECTORATE OPERATING BUDGETS (£134k overspend, £4k adverse)

Children's Services (£405k overspend, £1k Improvement)

87. The service is projecting an overspend of £405k, as at Month 8, a £1k favourable improvement on the Month 7 projections. The service is now reporting a slight underspend of £27k on

staffing, which reflects the success of recent recruitment activity and a slow down in the reliance of agency staff to cover vacant posts, where any new request continues to be closely scrutinised.

88. The service is currently managing a pressure in Legal costs and the cost of supporting Section 17 cases, through management action and by implementing new ways of working. Additionally, the in house Legal Service has recruited an additional advocate, which should help to reduce external Legal costs.

Early Intervention, Prevention & SEND (£253k underspend, £44k improvement)

89. The service is projecting an underspend of £253k as at Month 8, an improvement of £44k on the Month 7 projections, due to a reduction in staffing cost projections. The majority of the underspend relates to staffing, where the service has put on hold staff recruitment, whilst it undertakes a BID review. Included in this is an underspend of £224k on the Educational Psychological Service, which partially offsets a shortfall in income of £362k, following the cessation of funding from the DSG for Early Years and School based support. The position also includes a projected overspend of £148k in the Early Years Centres budgets, following the transfer of responsibility from the Dedicated Schools Grant into the Council's base budget with effect from 1 September 2018.

Older People and Physical Disabilities (£58k underspend, £19k improvement)

90. The service is projecting an underspend of £58k as at Month 8, an improvement of £19k on the Month 7 projections. The service has an underspend of £254k on staffing, where the service has a number of vacant posts. In addition there is a £838k forecast overachievement of income of which £496k relates to clients and external organisations and the balance of £342k relates to an increase in the capitalisation of adaptation and minor works costs. These are netted down by an overspend of £1,034k on non-staffing costs, which predominantly relates to the cost of care packages.

Learning Disability and Mental Health (£12k underspend, £21k adverse)

91. The service is projecting an underspend of £12k as at Month 8, an adverse movement of £21k on the Month 7 projections, due to a drop in the income projections, where a number of cases are in dispute with other local authorities. The service is currently reporting an overspend of £156k on staffing costs, which is due primarily to a timing difference of realigning the salary budgets to reflect recent restructures. This is offset by a net underspend in the cost of placements totalling £168k.

Provider and Commissioned Care (£52k overspend, £47k adverse)

92. The service is projecting an overspend of £52k as at Month 8, an adverse movement of £47k on the Month 7 projections, due to a reduction in the projected meals income from the Extra Care sites. This includes an overspend of £115k on staffing, which relates predominantly to the cost of staff delivering a project which is funded by the CCG and a small overspend of £20k on non-staffing costs netted down by a surplus of £83k in income, which relates to CCG grant funding received for one post.

Appendix B – Other Funds

COLLECTION FUND (£1,029k underspend, £61k adverse movement)

93. A surplus of £1,029k is reported within the Collection Fund at Month 8, relating to favourable positions on both Council Tax and Business Rates, which is predominantly driven by growth in Gross Rates in the borough and a carry forward surplus within Council Tax. This represents a £61k adverse movement from the position reported at Month 7 resulting from a rating appeal being raised. Any surplus realised at outturn will be available to support the General Fund budget from 2019/20 onwards.

Table15: Collection Fund

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
(121,176)	0	Council Tax	Gross Income	(121,176)	(121,241)	(65)	(68)	3
10,918	0		Council Tax Support	10,918	10,771	(147)	(148)	1
(2,680)	0		B/fwd Surplus	(2,680)	(3,179)	(499)	(499)	0
(112,938)	0		Sub-Total	(112,938)	(113,649)	(711)	(715)	4
(109,572)	0	Business Rates	Gross Income	(109,572)	(110,648)	(1,076)	(1,193)	117
(3,849)	0		Section 31 Grants	(3,849)	(4,045)	(196)	(192)	(4)
53,246	0		Less: Tariff	53,246	53,246	0	0	0
7,451	0		Less: Levy	7,451	7,965	514	570	(56)
69	0		B/fwd Deficit	69	509	440	440	0
(52,655)	0	Sub-Total	(52,655)	(52,973)	(318)	(375)	57	
(165,593)	0	Total Collection Fund	(165,593)	(166,622)	(1,029)	(1,090)	61	

94. A surplus of £711k is projected against Council Tax at Month 8, predominantly as a result of strong collection rates continuing into and throughout 2018/19 and the brought forward surplus of £499k relating to better than expected performance during 2017/18. This represents an improvement of £4k adverse movement from the Month 7 position.
95. A £318k net surplus is reported across Business Rates at Month 8, driven by growth in Gross Rates due to a number of new developments in the borough being brought into rating. This £758k in-year underspend is sufficient to off-set the brought forward deficit of £440k. The £61k adverse movement from month 7 is caused by an appeal against the rateable value being raised by a property owner.

SCHOOLS BUDGET

Dedicated Schools Grant (£2,921k overspend, £619k favourable)

96. The Dedicated Schools Grant (DSG) outturn position is an in-year overspend of £2,921k at month 8. This is a favourable movement of £619k from the month 7 position, due to an increase in High Needs funding recently announced by the Department for Education (DfE). When the £4,125k deficit brought forward from 2017/18 is taken into account, the deficit to carry forward to 2019/20 is £7,046k.

Table 16: DSG Income and Expenditure 2018/19

Original Budget	Budget Changes	Funding Block	Month 8			Variance (as at Month 7)	Movement from Month 7
			Revised Budget	Forecast Outturn	Variance		
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(275,559)	1,485	Dedicated Schools Grant Income	(274,074)	(274,074)	0	0	0
214,132	0	Schools Block	214,132	213,821	(311)	(311)	0
26,100	(2,238)	Early Years Block	23,862	24,345	483	499	(16)
2,773	0	Central School Services Block	2,773	3,178	405	416	(11)
32,554	753	High Needs Block	33,307	35,651	2,344	2,936	(592)
0	0	Total Funding Blocks	0	2,921	2,921	3,540	(619)
0	0	Balance Brought Forward 1 April 2018	4,125	4,125			
0	0	Balance Carried Forward 31 March 2019	4,125	7,046			

Dedicated Schools Grant Income (nil variance, no change)

97. The DSG has been updated with the additional High Needs funding recently announced by the DfE. The allocation of this additional funding is based on the 2 to 18 year old population and for Hillingdon this has resulted in a £775k increase to the High Needs block in 2018/19. There will also be an additional £775k of High Needs block funding allocated in 2019/20.

Schools Block (£311k underspend, no change)

98. The £311k underspend relates to the growth contingency fund which is funded from the Schools Block. Schools that are expanding, in agreement with the local authority, to meet basic need pupil population growth, receive additional funding to provide financial recompense to schools throughout the relevant financial year to cover the cost of this agreed and planned growth. Schools Forum have taken the decision to withhold growth contingency allocations for three schools due to the expectation that pupil growth in September 2018 will not be sufficient to require the need for growth contingency funding, which accounts for the majority of this underspend.
99. There is also a mechanism within the growth contingency policy to allow for schools that have experienced significant in year growth and it is currently anticipated that there will be an underspend in this budget allocation.

Early Years Block (£483k overspend, £16k improvement)

100. Two year old funding has now been adjusted to reflect the number of children accessing the entitlement based on the January 2018 census. This has resulted in a £128k increase in 2018/19 funding which should cover the cost of the increase in two year olds accessing the free entitlement.

101. The 3 and 4 year old funding for both the universal and the additional free entitlement has also been adjusted following the January 2018 census and the release of the updated guidance. This guidance clarifies that the funding provided for the new additional 15 hour free entitlement will be adjusted based on actual take up, which is a change to the treatment of previous new initiatives, where the funding provided was not adjusted until sufficient time had been allowed to settle in the initiative. Funding for the universal entitlement has increased slightly, whilst the funding for the additional 15 hour entitlement has reduced significantly as a consequence of lower actual uptake than estimated by the DfE when calculating the original funding allocation. The current projection has been revised following publication of the May census data for early years and the impact of the funding adjustments is estimated to result in a £501k overspend in 2018/19.
102. It has been agreed that the DSG will only fund the Early Years Centres up until 31 August 2018 with any over or underspend at this point to be charged to the DSG. The outturn position for the three centres at the end of August is a £100k overspend, as a consequence of a shortfall in the levels of income being generated. The only additional charges to the DSG in relation to the Early Years Centres will be for overheads which will be calculated at the end of the financial year.
103. There is currently an overspend of £37k in the Early Years Advisory Service where a savings target of £150k has been put in place by Schools Forum which may not be achieved in full in the current year.
104. These overspends are partly offset by a £42k underspend in the Family Information Service where there have been vacant posts for part of the year along with a projected £109k underspend in vulnerable children funding as fewer children are being identified as requiring additional support.

Central School Services Block (£405k overspend, £11k improvement)

105. The overspend partly relates to confirmation from the ESFA that the copyright licences for schools should be charged to the centrally retained DSG. The DSG budget was set with the view that these licenses could be charged to the Schools Block, and therefore no budget was included within the Central School Services Block.
106. There is a £267k overspend as a result of an increase in the number of young people accessing alternative provision. The local authority currently commissions fifty places at the in-borough alternative provision setting and the historic trend is for numbers at the start of the academic year to be below this number before gradually building up. Currently numbers accessing this provision are already in excess of the commissioned number, resulting in an additional cost pressure.
107. The overspend is partly offset by additional income projected from schools that have excluded pupils where the local authority is able to recover the Age Weighted Pupil Unit cost for the period following exclusion.

High Needs Block (£2,344k overspend, £592k improvement)

108. There continues to be significant pressure in the High Needs Block with an overspend of £2,344k being projected at month 8. The improved position follows the increase in High Needs funding recently announced by the DfE.

109. The main driver for the overspend is linked to the transfer of pupils from statements to Education, Health and Care plans (EHCPs). As pupils were transferred to an EHCP they moved onto the new banded funding model which often resulted in a higher resource requirement. The transfer process was completed by 31 March 2018, however, there are still cases where schools are querying the funding levels allocated. These cases are subject to a further review and following the submission of additional evidence often a higher level of resource is agreed. The 2018/19 budget was increased to reflect this anticipated increase but the budget is still insufficient.
110. There is an increase in the total High Needs spend in month 8 following a change in the top-up funding model for one of the in-borough special schools. Due to the schools size and its transient population, Schools Forum agreed to implement a fixed per pupil rate of funding. The benefit of this model is that it secures the future viability of the school thus avoiding potentially more costly out of borough placements.
111. There is also an increase in expenditure on the placement of pupils with SEN in independent or non-maintained schools. The High Needs budget for 2018/19 includes a savings target within the budget for Independent and non-maintained school SEN placements which is dependent on a number of pupils leaving at the end of the summer term 2018 and new placements not being made. However, due to a lack of capacity in-borough, further placements have been made throughout the year, resulting in an additional pressure on the High Needs block.
112. The current year has seen a further increase in the cohort of post-16 SEN placements from September 2018. The local authority is still negotiating with providers on the level of funding for some of these placements with the current projection based on an estimated increase in cost.
113. In addition to the cost of pupils with an EHCP, the High Needs Block is now funding Early Intervention Funding (EIF) as an alternative to the allocation of statutory funding for children with SEN who experience significant barriers to learning. This funding allows schools to access funding quicker to enable them to intervene early and have the greatest impact. The current projected spend on EIF in 2018/19 is £157k.

Appendix C – HOUSING REVENUE ACCOUNT

114. The Housing Revenue Account (HRA) is currently forecasting a drawdown of reserves of £20,868k, which is £569k more favourable than the budgeted position and the overall movement from Month 7 is a favourable £277k. The 2018/19 closing HRA General Balance is forecasted to be £16,240k. The use of reserves is funding investment in new housing stock. The table below presents key variances by service area:

Table 17: Housing Revenue Account

Service	Month 8		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 8)	Variance (As at Month 7)	Movement from Month 7
	£'000	£'000	£'000	£'000	£'000
Rent Income	(55,932)	(55,279)	653	653	0
Other Income	(4,877)	(5,100)	(223)	(223)	0
Net Income	(60,809)	(60,379)	430	430	0
Housing Management	12,819	13,057	238	63	175
Tenant Services	4,172	4,128	(44)	(57)	13
Repairs	5,056	5,556	500	341	159
Planned Maintenance	4,360	3,471	(889)	(439)	(450)
Capital Programme Funding	38,728	38,728	0	0	0
Interest & Investment Income	15,371	15,197	(174)	0	(174)
Development & Risk Contingency	1,740	1,110	(630)	(630)	0
Operating Costs	82,246	81,247	(999)	(722)	(277)
(Surplus) / Deficit	21,437	20,868	(569)	(292)	(277)
General Balance 01/04/2018	(37,108)	(37,108)	0	0	0
General Balance 31/03/2019	(15,671)	(16,240)	(569)	(292)	(277)

Income

115. Rental Income is forecast to under recover by £653k and other income is forecast to over recover by £223k, nil movement on Month 7.

116. The number of RTB applications received in the first eight months of 2018/19 was 114 compared to 119 for the same period in 2017/18, a reduction of 4%. There have been 29 RTB completions in the first eight months of 2018/19 compared to 43 for the same period in 2017/18, a reduction of 33%. The RTB sales forecast as at Month 8 remains the same as Month 7 at 50 RTB sales and this will be kept under further review in Month 9.

Expenditure

117. The Housing management service is forecast to overspend by £238k, an adverse movement of £175k on Month 7 due to reduced forecasts on capitalisation of salaries of £100k and increase in forecasts on running costs of £75k, mainly utilities and Council Tax on void properties.

118. Tenant services is forecast to underspend by £44k, an adverse movement of £13k on Month 7 due to staffing related costs.
119. The repairs budget is forecast to overspend by £500k, a net adverse movement of £159k on Month 7 due to increased pressures on void repairs of £170k and a reduction in agency costs of £11k. The planned maintenance budget is forecast to underspend by £889k, a favourable movement of £450k on Month 7 due to reduced forecast expenditure on the external decorations programme.
120. The interest and investment income budget is forecast to underspend by £174k, a favourable movement of £174k on Month 7 and this reflects updated forecast interest on HRA balances.
121. The overall forecasts for the capital programme and the development and risk contingency budget remain unchanged from Month 7.

HRA Capital Expenditure

122. The HRA capital programme is set out in the table below. The 2018/19 revised budget is £83,791k and there is a forecast net variance of £21,554k, £23,434k due to re-phasing and a cost overspend of £1,880k. There is an increase in re-phasing of £2,375k compared to Month 7.

Table 18: HRA Capital Expenditure

Programme	2018/19 Revised Budget	2018/19 Forecast	2018/19 Cost Variance Forecast V Revised Budget	2018/19 Project Re-Phasing	Total Project Budget 2018-23	Total Project Forecast 2018-23	Total Project Variance 2018-23	Movement 2018-23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Projects								
New General Needs Housing Stock	24,147	16,297	0	(7,850)	138,133	138,133	0	0
New Build - Appropriation of Land	8,635	10,765	2,130	0	8,635	10,765	2,130	0
New Build - Shared Ownership	6,382	723	0	(5,659)	15,596	15,596	0	0
New Build - Supported Housing Provision	12,884	9,350	(250)	(3,284)	15,343	15,093	(250)	0
HRA General Capital Contingency	8,908	8,908	0	0	8,908	8,908	0	0
Total Major Projects	60,956	46,043	1,880	(16,793)	186,615	188,495	1,880	0
HRA Programmes of Work								
Works to stock programme	20,619	14,274	0	(6,345)	57,797	57,797	0	0
Major Adaptations to Property	2,135	1,920	0	(215)	7,160	7,160	0	0
ICT	81	0	0	(81)	162	162	0	0
Total HRA Programmes of Work	22,835	16,194	0	(6,641)	65,119	65,119	0	0
Total HRA Capital	83,791	62,237	1,880	(23,434)	251,734	253,614	1,880	0
Movement on Month 7	0	(2,375)	0	(2,375)	0	0	0	0

Major Projects

123. The 2018/19 Major Projects programme revised budget is £60,956k and the forecast expenditure is £46,043k, with a re-phasing of £16,793k, and a cost variance of £1,880k during

the period 2018-2023. There is a marginal reduction in re-phasing variance of £43k across the programme.

New General Needs Housing Stock

124. The 2018/19 General Needs Housing Stock revised budget is £24,147k. There is a forecast re-phasing of £7,850k across the General Needs programme due to the construction works across a number of developments commencing later than initially expected. This represents no change on the Month 7 position.
125. To date 41 buybacks have been approved with each acquisition at different stages of completion. A further 2 properties are pending approval, combined all the potential buybacks are estimated to cost up to £14,520k. This will be funded from a combination of the New General Needs Housing Stock and the HRA General Contingency.
126. The planning application was approved at Planning Committee on 20 February 2018 for the mixed development of General Needs and Shared Ownership units at the Acol Crescent site. Demolition and tree removal works have been completed and the former nursery site has been cleared. The main contractor is now on site completing preliminary site set up works with a view to commencing construction works shortly. The scheme is estimated to have a 12 month programme to completion.
127. The Housing programme comprising seven units of new build properties and five extensions or conversions at various sites are all now complete. The final account position is currently being negotiated with the contractor for the new build developments.
128. Lead Consultants and architects have been appointed for the developments at Maple and Poplar Day Centre and Willow Tree. The employer's agents and appointed architects have finalised the design of the schemes. The planning application for the Maple and Poplar site has been approved with the Willow Tree development also approved by committee subject to the S106 obligations being signed off. The tender process is being undertaken to appoint a main contractor for both projects. This is likely to be completed by March 2019.
129. The planning approval for the Belmore site remains outstanding although the scheme will go to planning in December. A contractor has been appointed to complete demolition works across all the aforementioned sites in preparation for the main works with demolition now complete on all sites with the exception of Willow Tree, which is due for completion in January 2019.

New Build - Appropriation of Land

130. The revised budget of £8,635k is for New Build appropriation of land for two sites at the former Belmore allotments and Maple / Poplar day centre. The forecast expenditure includes these two sites and appropriations for Woodside Day Centre £1,870k and Bartram Close garages £260k.

New Build - Shared Ownership

131. The New Build Shared Ownership 2018/19 revised budget is £6,382k, with a forecast expenditure of £723k and a re-phasing of £5,659k, an increased re-phasing movement of £205k when compared to Month 7.
132. The new build shared ownership budget comprises schemes being delivered across five sites including units at both Belmore and Maple and Poplar. These will deliver 60 units in total.

133. The Woodside Day Centre redevelopment has progressed in year following approval to submit Planning Application for mixed-use development of a GP surgery and 20 shared ownership flats. Consultants are now progressing designs and preparing tender documents ready to gain expressions of interest.

New Build - Supported Housing

134. The Supported Housing Programme comprises the build of 160 mixed client group units across three different sites. The 2018/19 revised budget is £12,884k with a re-phasing of £3,284k due to a combination of the Parkview and Yiewsley schemes, with the former scheme being subject to liquidated damages. There is a reduction in re-phasing of £248k across the Supported Housing Programme when compared to Month 7 primarily resulting from increased effort from the contractor at Parkview to complete the scheme.
135. The reported cost underspend for Grassy Meadow remains at £250k. The cost underspend represents a partial release of the contingency budget and the remaining contingency will potentially be released once the final account position has been agreed with the contractor and officers are confident all costs have been absorbed.
136. The scheme at Yiewsley is a small part of a wider re-development of the whole site and is anticipated to create 12 units of supported housing. The project is at the preliminary stage of feasibility and the multi-disciplinary consultants have been appointed.
137. The scheme at Parkview will run beyond its target completion date, although the contractor has now intensified resources on the site to achieve completion as soon as possible.

HRA General Contingency

138. The HRA General Capital Contingency revised budget is £8,908k and the forecast is break even. The contingency budget is included within the HRA capital programme to ensure the Council retains sufficient flexibility to secure additional housing units where opportunities become available.

HRA Programmes of Work

139. The Works to Stock re-phasing variance is £6,345k, an increase in re-phasing of £2,337k on the Month 7 position due to a reduced forecast expenditure in 2018/19 of £1,260k on kitchens and £1,077k on bathrooms.
140. The major adaptations budget is £2,135k and the forecast expenditure is £1,920k, with a re-phasing of £215k, nil movement on the Month 7 position.
141. The HRA ICT budget is £81k and the forecast expenditure is zero, an increase in re-phasing of £81k on the Month 7 position.

HRA Capital Receipts

142. There have been 29 Right to Buy sales of council dwellings as at the end of November 2018 for a total gross sales value of £5,991k and a further 21 sales are forecast to bring the yearly total to 50, totalling £10,063k in 2018/19.

143. The application of retained Right to Buy receipts is limited by the retention agreement to a maximum 30% of the cost of replacement housing. In the event that expenditure does not meet the criteria, funds would be payable to the MHCLG.
144. During 2018/19, the £10,642k receipts generated in 2015/16 could potentially become repayable unless the following expenditure profile is achieved: Q1 £10,229k, Q2 £7,170k, Q3 £7,435k and Q4 £10,641k. Cumulative expenditure on 1 for 1 replacement from previous quarters above the minimum requirement can be carried forward.
145. At this stage, there is a risk that the cumulative expenditure requirement is not met in Q3, as this is dependent on the exchange of several buybacks by 31st December 2018. The cumulative expenditure requirement for 2018/19 Q3 will be reported in the Month 9 budget monitoring report. Furthermore, there is a risk that the cumulative expenditure requirement is not met in Q4 and this is dependent on the exchange of buybacks and securing acquisitions. Therefore, there is a risk that Right to Buy 1-4-1 capital receipts along with interest charges would be payable to the MHCLG. However the London Borough of Hillingdon has signed up to the Mayor of London's Right to Buy Ring-fence Offer, whereby Right to Buy 1-4-1 capital receipts and interest returned to MHCLG, can be re-routed back to individual councils through the GLA as a grant.

Appendix D - GENERAL FUND CAPITAL PROGRAMME

146. As at Month 8 an under spend of £60,235k is reported on the £128,412k General Fund Capital Programme for 2018/19 due mainly to re-phasing of project expenditure. The forecast outturn variance over the life of the 2018/19 to 2022/23 programme is an under spend of £5,055k.
147. General Fund Capital Receipts of £17,964k are forecast for 2018/19, with a shortfall of £672k in total forecast receipts to 2022/23.
148. Overall, Prudential Borrowing required to support the 2018/19 to 2022/23 capital programmes is forecast to be within budget by £4,245k. This is mainly due to cost under spends of £5,170k and additional grants and contributions of £1,247k, partly offset by a combined shortfall of £2,172k in forecast capital receipts and Community Infrastructure Levy receipts.

Capital Programme Overview

149. Table 19 below sets out the latest forecast outturn on General Fund capital projects, with project level detail contained in annexes A - D to this report. Forecasts for future years include capital projects and programmes of work approved by Cabinet and Council in February 2018.

Table 19 – General Fund Capital Programme Summary

	Total Project Budget 2018-2023	Total Project Forecast 2018-2023	Total Project Variance 2018-2023	Movement from Month 7
	£'000	£'000	£'000	£'000
Schools Programme	72,316	72,176	(140)	-
Self Financing Developments	79,544	79,544	-	
Main Programme	123,332	118,332	(5,000)	(5,000)
Programme of Works	112,746	112,716	(30)	(55)
General Contingency	7,018	7,018	-	
Total Capital Programme	394,956	389,786	(5,170)	(5,055)
Movement	2,314	(2,741)	(5,055)	

150. The revised five year programme budget has increased by £2,314k due mainly to the recently expanded Highways Structural Works programme where additional works will be funded from the Highways earmarked reserve.
151. The Schools programme reports a cost saving of £140k partly relating to under spend on the replacement of Northwood Academy and uncommitted temporary classroom funding on the former Primary Schools expansions programme. The expansions at Warrender and Hillside Primary schools are at various stages of progress and are expected to be complete in the first half of 2019. The all-weather sports pitch at Vyners Secondary School has been completed and works are in progress for the main expansion, which is expected to be finished towards the end of next year. The main building contractor has recently been approved for the

expansion at Ruislip High. Works on site are expected to commence early next year, with completion anticipated in April 2020.

152. Projects to increase provision for young persons and pupils with Special Educational Needs are planned to commence at four sites in 2018/19 and ten schools and colleges overall over three years.
153. The Self-Financing development programme includes two major mixed residential developments at the former Belmore Allotments and Yiewsley pool sites. The Yiewsley sites redevelopment includes the re-provision of the library and discounted market sale housing. Options are under consideration on all sites, including the re-provision of the swimming pool budgeted within the Main Programme. The budget also includes £50,000k over two financial years to finance the newly incorporated housing company Hillingdon First.
154. The Main programme reports an under spend of £5,000k as the purchase of Uxbridge police station will not be proceeding as noted in the December Cabinet budget report. The re-provision of Hillingdon Outdoor Activity Centre (HOAC) is in progress with permanent arrangements to be in place in 2020/21. Public realm works on several town centre improvements are continuing into next year.
155. Programmes of Works reports an increase of £182k on Social Care equipment capitalisation, a movement of £20k in month which will be funded from available Disabled Facilities Grant. The forecast under spend on the private sector renewal grants budget has increased to £200k as there are a low number of commitments expected this year. The School Conditions Programme also reports a small under spend of £12k on a completed scheme. The CCTV programme has been accelerated with installations of new and upgraded cameras at various locations throughout the borough being carried out this year. Designs for the new library refurbishment programme are under consideration.
156. The 2018/19 unallocated general contingency budget is £1,018k after the allocation of £21k funding to a project within the Civic Centre Works Programme. In total, there are £7,018k contingency funds available over the period 2018-23.

Capital Financing - General Fund

157. Table 20 below outlines the latest financing projections for the capital programme, with a favourable medium term variance of £4,245k reported on Prudential Borrowing, due mainly to forecast cost under spends.

Table 20 General Fund Capital Programme Financing Summary

	Revised Budget 2018/19 £'000	Forecast 2018/19 £'000	Variance £'000	Total Financing Budget 2018-2023 £'000	Total Financing Forecast 2018-2023 £'000	Total Variance £'000	Movement
Council Resource Requirement	98,370	43,470	(54,900)	277,198	270,781	(6,417)	(5,075)
Financed By Prudential Borrowing							
Service Development	45,517	14,756	(30,761)	100,410	96,165	(4,245)	(4,803)
Self Financing	26,860	7,750	(19,110)	78,215	78,215	-	
Total Borrowing	72,377	22,506	(49,871)	178,625	174,380	(4,245)	(4,803)
Financed By Other Council Resources							
Capital Receipts	21,493	17,964	(3,529)	72,073	71,401	(672)	228
CIL	4,500	3,000	(1,500)	26,500	25,000	(1,500)	(500)
Total Council Resources	98,370	43,470	(54,900)	277,198	270,781	(6,417)	(5,075)
Grants & Contributions	30,042	24,707	(5,335)	117,758	119,005	1,247	20
Capital Programme	128,412	68,177	(60,235)	394,956	389,786	(5,170)	(5,055)
Movement	2,314	(11,124)	(13,438)	2,314	(2,741)	(5,055)	

158. Total approved prudential borrowing is £178,625k over the five-year programme of which £78,215k is in respect of self-financing developments that will generate future income including capital receipts from discounted market sale. There is also £100,410k approved borrowing for the development of services, which remains the principal driver of the £8,133k uplift in capital financing charges borne by revenue over the MTFF period.
159. In 2018/19 forecast capital receipts amount to £17,964k after financing transformation costs and as at the end of November an amount of £1,316k has been received. A further two sites have been sold at auction in December at higher prices than previously estimated resulting in a favourable movement of £228k. A major site has been approved to be sold to Hillingdon First at the market valuation of £3,500k and this is also included in the forecast. Other forecast receipts in 2018/19 include £10,765k for planned appropriations of four General Fund sites to the HRA for residential development.
160. As at the end of November a total of £1,307k Community Infrastructure Levy (CIL) receipts (after administration fees) have been invoiced or received this financial year, a movement of £21k from last month. The forecast has been reduced by a further £500k due to uncertainty around the level of receipts that will be received this financial year. Budgeted eligible activity exceeds the CIL forecast with spend on Highways investment, community assets through the

Chrysalis Programme and other major community infrastructure such as schools meeting the criteria for application of CIL monies.

161. The reduction in CIL has been mitigated by additional Section 106 contributions identified towards existing schemes totalling £715k, including the Schools Expansions Programme, CCTV and Town Centres programmes. The Grants and Contributions forecast also includes increased allocation of available Disabled Facilities Grant of £182k towards Social Care equipment capitalisation. There are also additional grants and contributions totalling £350k mainly allocated to existing Schools projects. The financing budget assumes £13,350k Basic Needs grant for the period 2020/21-2022/23. It is expected that any grant awards below this level would be offset by expenditure reductions as the grant is based on forecast school places demand.
162. A favourable variance of £4,245k is reported on prudential borrowing with the movement in month of £4,803k due mainly to the removal of the purchase of Uxbridge police station.

ANNEX A - Schools Programme

Prior Year Cost	Project	2018/19 Revised Budget	2018/19 Forecast	2018/19 Cost Variance	Forecast Re-phasing	Total Project Budget 2018-2023	Total Project Forecast 2018-2023	Total Project Variance 2018-2023	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Education and Children Services										
137,138	Primary Schools Expansions	93	43	(50)	0	93	43	(50)	43	0	0
4,352	New Primary Schools Expansions	8,880	8,481	0	(399)	10,974	10,974	0	7,615	3,359	0
1,040	Secondary Schools Expansions	19,828	4,861	0	(14,967)	54,960	54,960	0	24,034	30,497	429
45,568	Secondary Schools New Build	399	309	(90)	0	399	309	(90)	309	0	0
0	Meadow School	250	250	0	0	250	250	0	250	0	0
0	Additional Temporary Classrooms	2,400	0	0	(2,400)	4,000	4,000	0	3,431	569	0
0	Schools SRP	0	568	0	568	1,640	1,640	0	0	1,640	0
188,098	Total Schools Programme	31,850	14,512	(140)	(17,198)	72,316	72,176	(140)	35,682	36,065	429

Prior Year Cost	Project	2018/19 Revised Budget	2018/19 Forecast	2018/19 Cost Variance	2018/19 Forecast Re-phasing	Total Project Budget 2018-2023	Total Project Forecast 2018-2023	Total Project Variance 2018-2023	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Self Financing Developments										
	Finance, Property and Business Services										
14	Yiewsley Site Development	1,860	250	0	(1,610)	23,000	23,000	0	23,000	0	0
0	Belmore Allotments Development	0	0	0	0	4,605	4,605	0	3,276	0	1,329
0	Housing Company Financing	25,000	7,500	0	(17,500)	50,000	50,000	0	50,000	0	0
	Social Services, Housing, Health and Wellbeing										
0	Woodside GP Surgery	0	0	0	0	1,939	1,939	0	1,939	0	0
14	Total Self Financing Developments	26,860	7,750	0	(19,110)	79,544	79,544	0	78,215	0	1,329

Annex B –Self Financing Developments

ANNEX C - Main Programme

Prior Year Cost	Project	2018/19 Revised Budget £'000	2018/19 Forecast £'000	2018/19 Cost Variance £'000	2018/19 Forecast Re-phasing £'000	Total Project Budget 2018-23 £000	Total Project Forecast 2018-23 £000	Total Project Variance 2018-23 £000	Project Forecast Financed by:		
									Council Resources £000	Government Grants £000	Other Cont'ns £000
Community, Commerce and Regeneration											
2,200	Gateway Hillingdon	950	950	0	0	950	950	0	950	0	0
6,274	Hayes Town Centre Improvements	2,687	1,000	0	(1,687)	2,962	2,962	0	306	1,300	1,356
448	Inspiring Shopfronts	247	122	0	(125)	447	447	0	447	0	0
25	Uxbridge Cemetery Gatehouse	549	15	0	(534)	549	549	0	549	0	0
951	Uxbridge Change of Heart	1,045	350	0	(695)	1,045	1,045	0	807	0	238
Central Services, Culture and Heritage											
0	New Museum	525	25	0	(500)	5,632	5,632	0	4,882	0	750
0	New Theatre	300	25	0	(275)	44,000	44,000	0	42,950	0	1,050
Finance, Property and Business Services											
6,438	Battle of Britain Heritage Pride Project	342	342	0	0	342	342	0	342	0	0
36	Battle of Britain Underground Bunker	824	90	0	(734)	1,018	1,018	0	1,018	0	0
97	Bessingby Football/Boxing Clubhouse	1,497	1,247	0	(250)	1,497	1,497	0	1,497	0	0
0	Uiter Building Refurbishment	400	0	0	(400)	400	400	0	400	0	0
0	Purchase of Uxbridge Police Station	5,000	0	(5,000)	0	5,000	0	(5,000)	0	0	0
0	Botwell Leisure Centre Football Pitch	0	0	0	0	200	200	0	200	0	0
0	Yiewsley Swimming Pool	2,000	100	0	(1,900)	30,000	30,000	0	30,000	0	0
12	Hillingdon Outdoor Activity Centre	6,988	4,248	0	(2,740)	26,488	26,488	0	0	0	26,488
Planning, Transportation and Recycling											
0	RAGC Car Park	250	25	0	(225)	250	250	0	250	0	0
4,017	Street Lighting - Invest to Save	1,483	1,483	0	0	1,483	1,483	0	1,483	0	0
Social Services, Housing, Health and Wellbeing											
0	1 & 2 Merrimans Housing Project	620	25	0	(595)	620	620	0	620	0	0
Cross Cabinet Member Portfolios											
4,356	Projects Completing in 2018/19	449	436	0	(13)	449	449	0	444	0	5
24,854	Total Main Programme	26,156	10,483	(5,000)	(10,673)	123,332	118,332	(5,000)	87,145	1,300	29,887

ANNEX D - Programme of Works

Prior Year Cost	Project	2018/19 Revised Budget	2018/19 Forecast	2018/19 Cost Variance	Forecast Re-phasing	Total Project Budget 2018-2023	Total Project Forecast 2018-2023	Total Project Variance 2018-2023	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
N/A	Leaders Initiative	393	308	0	(85)	1,193	1,193	0	1,193	0	0
	Community, Commerce and Regeneration										
N/A	Chrysalis Programme	1,331	1,331	0	0	5,331	5,331	0	5,316	0	15
N/A	Playground Replacement Programme	250	150	0	(100)	750	750	0	750	0	0
	Central Services, Culture and Heritage										
N/A	Bowls Clubs Refurbishments	651	336	0	(315)	1,151	1,151	0	1,151	0	0
N/A	Libraries Refurbishment Programme	1,000	300	0	(700)	3,000	3,000	0	3,000	0	0
N/A	Leisure Centre Refurbishment	1,601	150	0	(1,451)	3,101	3,101	0	3,101	0	0
	Education and Children Services										
N/A	Devolved Capital to Schools	1,208	1,208	0	0	2,240	2,240	0	0	1,846	394
N/A	School Building Condition Works	3,059	1,498	(12)	(1,549)	9,859	9,847	(12)	1,655	7,140	1,052
	Finance, Property and Business Services										
N/A	Civic Centre Works Programme	1,585	1,136	0	(449)	3,585	3,585	0	3,585	0	0
N/A	Corporate Technology and Innovation	1,104	708	0	(396)	3,596	3,596	0	3,596	0	0
N/A	Property Works Programme	680	680	0	0	2,600	2,600	0	2,600	0	0
N/A	CCTV Programme	708	1,393	0	685	1,758	1,758	0	1,677	0	81
N/A	Youth Provision	1,409	750	0	(659)	2,409	2,409	0	2,409	0	0
	Planning, Transportation and Recycling										
N/A	Highways Structural Works	10,539	10,539	0	0	19,539	19,539	0	17,265	0	2,274
N/A	Road Safety	202	202	0	0	802	802	0	802	0	0
N/A	Transport for London	7,087	5,378	0	(1,709)	19,979	19,979	0	0	19,223	756
N/A	Purchase of Vehicles	3,911	3,000	0	(911)	10,551	10,551	0	10,551	0	0
N/A	Harlington Road Depot Improvements	315	315	0	0	315	315	0	315	0	0
	Social Services, Housing, Health and Wellbeing										
N/A	Disabled Facilities Grant	2,300	2,300	0	0	11,500	11,500	0	0	11,500	0
N/A	PSRG / LPRG	225	25	(200)	0	1,125	925	(200)	925	0	0
	Cross Cabinet Member Portfolios										
N/A	Environmental/Recreational Initiatives	897	800	0	(97)	897	897	0	887	0	10
N/A	Section 106 Projects	597	249	0	(348)	597	597	0	0	0	597
N/A	Equipment Capitalisation - Social Care	985	1,167	182	0	4,925	5,107	182	0	5,107	0
N/A	Equipment Capitalisation - General	491	491	0	0	1,943	1,943	0	1,943	0	0
	Total Programme of Works	42,528	34,414	(30)	(8,084)	112,746	112,716	(30)	62,721	44,816	5,179

Appendix E – Treasury Management Report as at 30 November 2018

Table 21: Outstanding Deposits – Average Rate of Return on Deposits: 0.57%

	Actual (£m)	Actual (%)	Benchmark (%)
Up to 1 Month	55.8	69.49	70.00
1-2 Months	9.5	11.83	10.00
2-3 Months	0.0	0.00	0.00
3-6 Months	0.0	0.00	0.00
6-9 Months	0.0	0.00	0.00
9-12 Months	0.0	0.00	0.00
Total	65.3	81.32	80.00
Strategic Funds	15.0	18.68	20.00
Total	80.3	100.00	100.00

163. Deposits are held with UK Institutions or overseas institutions, all of which hold a minimum A-Fitch (or lowest equivalent) long term credit rating, UK deposit is spread between AAA rated Money Market Funds, an AAA rated Pooled Fund, the DMADF, Goldman Sachs International Bank and Lloyds Bank plc. Overseas deposit are held with DBS (Development Bank of Singapore) and Svenska Handelsbanken. There is also an allocation to Strategic Pooled Funds.
164. The average rate of return on day-to-day operational treasury balance is 0.57%. As part of the Council's investment strategy for 18/19, a total of £15m has been invested in three long dated strategic pooled funds (£5m in each). The strategic Funds have a 3-5 year investment horizon with dividends being distributed periodically.
165. The Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions whenever possible. However, due to the significant amount held in instant access facilities needed to manage daily cashflows, it is not possible to fully protect Council funds from bail-in risk. At the end of November, 84% of the Council's total funds have exposure to bail-in risk compared to a September benchmark average of 60% in the Local Authority sector (latest benchmark provided quarterly by the Council's treasury advisors Arlingclose). The Council's exposure reduces to 11% once instant access facilities are removed from the bail-in total.
166. Liquidity was maintained throughout November by placing surplus funds in instant access accounts and making short-term deposits with the DMADF. Deposit maturities were scheduled to match cash outflows and where required, funds were withdrawn from instant access facilities. During the month, there were maturities with the DMADF, Northumberland CC, Powys CC and scheduled T-Bills settled.

Table 22: Outstanding Debt - Average Interest Rate on Debt: 3.41%

	Actual (£m)	Actual (%)
General Fund		
PWLB	44.27	17.99
Long-Term Market	15.00	6.09
HRA		
PWLB	153.82	62.51
Long-Term Market	33.00	13.41
Total	246.09	100.00

167. There were no scheduled debt repayments during November. Gilts yields increased slightly during the month. Premiums remained too high to make early repayment of debt feasible; however with the potential need to borrow later in the year, repayment of any debt is unlikely.
168. There were no breaches of the Prudential Indicators or non-compliance with the Treasury Management Policy and Practices.
169. In order to maintain liquidity for day-to-day business operations during December, cash balances will be mainly be placed in instant access accounts and short-term deposits.

Appendix F – Consultancy and agency assignments over £50k approved under delegated authority

170. The following Agency staff costing over £50k have been approved under delegated powers by the Chief Executive in consultation with the Leader and are reported here for information. The number of agency approvals granted over the past month is lower than normal due to Social Care assignments being approved for two months, rather than one, in December 2018.

Table 23: Consultancy and agency assignments

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Residents Services						
Interim Transition Manager	11/06/2018	18/12/2018	19/03/2019	41	30	71
Interim Pre-Applications Manager	04/06/2018	03/12/2018	31/03/2019	52	34	86
Air Quality Officer	21/09/2015	31/12/2018	31/03/2019	85	9	94
Parking Operations Manager	03/07/2017	03/12/2018	31/03/2019	88	24	112
Education Strategy & Quality Assurance Manager	29/04/2015	03/01/2019	11/04/2019	508	43	550
Senior School Improvement Advisor	07/03/2016	02/01/2019	09/04/2019	264	49	313
Senior School Improvement Advisor	07/03/2016	24/12/2018	01/04/2019	226	4	230
Casual Smoking Cessation Sessional Advisors	01/04/2013	03/12/2018	03/03/2019	122	5	127
Programme Manager (HOAC)	06/11/2017	24/12/2018	24/03/2019	77	23	100
Quantity Surveyor	04/06/2017	24/12/2018	24/03/2019	145	24	168
Education Project Manager	17/09/2018	04/01/2019	10/05/2019	48	47	95

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