



HILLINGDON
LONDON

VIRTUAL
CABINET

Date: THURSDAY, 23 JULY 2020

Time: 7.00 PM

Venue: THIS IS A VIRTUAL
MEETING

**Meeting
Details:** Watch a live broadcast of this
meeting on the Council's YouTube
channel: [Hillingdon London](#)

To all Members of the Cabinet:

Ray Puddifoot MBE (Chairman)
Leader of the Council

Jonathan Bianco (Vice-Chairman)
*Deputy Leader / Finance, Property & Business
Services*

Susan O'Brien
Education, Children and Youth Services

Keith Burrows
Planning and Transportation

Jane Palmer
Social Care, Health & Wellbeing

Philip Corthorne
Housing and the Environment

Douglas Mills
Community, Commerce & Regeneration

Richard Lewis
Central Services, Culture & Heritage

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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

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:

23 July 2020 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 exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 (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 July 2020
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 - 8
- 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 Cranford Park Project: Delivery Stage (Councillor Jonathan Bianco and Councillor Richard Lewis) * 9 - 30
- 6 Monthly Council Budget Monitoring Report: Month 2 (Councillor Ray Puddifoot MBE & Councillor Jonathan Bianco) 31 - 80

Cabinet Reports - Part 2 (Private and Not for Publication)

- | | | |
|----------|--|----------|
| 7 | Refurbishment of the Yiewsley and West Drayton Community Centre
(Councillor Jonathan Bianco) | 81 - 90 |
| 8 | Disposal of Land at Whiteheath Avenue, Ruislip (Councillor Jonathan Bianco) | 91 - 98 |
| 9 | Voluntary Sector Lease - Hillingdon District Guides, Mayfield Close, Hillingdon (Councillor Jonathan Bianco) | 99 - 106 |

The reports in Part 2 of this agenda are not for publication because they involve the disclosure of information in accordance with Section 100(A) and Part 1 of Schedule 12 (A) to the Local Government Act 1972 (as amended), in that they contain exempt information and that the public interest in withholding the information outweighs the public interest in disclosing it.

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

Minutes

VIRTUAL CABINET

7pm, Thursday, 25 June 2020

Meeting broadcast live on the Council's YouTube channel, [Hillingdon London](#)



Decisions Published on: 26 June 2020

Decisions come into effect on: Friday 3 July 2020

Cabinet Members Present:

Ray Puddifoot MBE (Chairman)
Jonathan Bianco (Vice-Chairman)
Philip Corthorne
Douglas Mills
Keith Burrows
Richard Lewis
Susan O'Brien
Jane Palmer

Other Members Present (in the virtual meeting):

Duncan Flynn
Henry Higgins
John Riley
Wayne Bridges
Nick Denys
Simon Arnold
Pete Curling
Peter Money
Kerri Prince

1. APOLOGIES FOR ABSENCE

All Members were present for the virtual Cabinet meeting.

2. DECLARATIONS OF INTEREST IN MATTERS BEFORE THIS MEETING

No interests were declared by Members present.

3. TO APPROVE THE MINUTES OF THE LAST VIRTUAL CABINET MEETING ON 21 MAY 2020

The decisions and minutes of the Virtual Cabinet meeting held on 21 May 2020 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

This was confirmed.

5. COUNCIL BUDGET: 2019/20 REVENUE AND CAPITAL OUTTURN

RESOLVED:

That Cabinet:

- 1. Note the budget position as at March 2020 (Outturn), including the in-year release of Development and Risk Contingency funds into Directorate Operating budgets as outlined in Table 5.**
- 2. To ratify a further COVID-19 related emergency decision taken by the Leader of the Council on 20 May 2020 to provide interim financial assistance for SEN Transportation Services Suppliers (during May-July 2020) at a cost of approx. £330k.**
- 3. Note the use of Capital Receipts to fund service transformation as set out in Appendix E.**
- 4. Note the Treasury Management update as at March 2020 (Outturn) at Appendix F.**
- 5. 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 23 April to 25 June Cabinet meetings, detailed at Appendix G.**
- 6. Ratify three decisions taken during May and June 2020, as set out in Appendix H on the following matters:**
 - a. 4 May 2020 - Award of Contracts: Care and Wellbeing Services for People with Learning Disabilities and / or Autism;**
 - b. 22 May 2020 - Award of Contract for Servicing, Repairs & Maintenance of Communal Housing & Corporate Gas Heating and Hot water Installations - Lot 2**
 - c. 1 June 2020 - Electrical Testing, Repairs and Upgrades contract – Borough Wide. Extension of Contract.**
- 7. Approves re-phasing of £26,047k 2019/20 General Fund capital expenditure and financing budgets as set out in Table 20 of the report.**
- 8. Approves re-phasing of £26,272k 2019/20 HRA capital expenditure and financing budgets into future years as set out in Table 19 of the report.**
- 9. Accepts the annual grant funding from The Mayor's Office for Policing and Crime (MOPAC) of £16,739 per annum as a contribution to the Appropriate Adult Service within Hillingdon.**
- 10. Approve the acceptance of Youth Music Grant funding totalling £19,175 over two years (£9,950 and £9,225 for years one and two respectively) from the Music Education Hub Development Fund, which, in addition to cash and in-kind match funding totalling £7,340, will support increased inclusion**

and engagement in music education for a more diverse group of young people.

11. Approve acceptance of gift funding in relation to a Planning Performance Agreement in accordance with the provisions of Section 93 of the Local Government Act 2003 for;
 - a. Stonefield Close, Ruislip - £12,000
 - b. GSK Stockley Park: £50,000
 - c. Harefield Road (Wickes/Halfords Site): £40,000
 - d. Douglas Webb House; £16,250
 - e. Frays Court, 71-73 Cowley Road: £10,000
12. Agree that the Council donates £28.5k to the Mayor of Hillingdon's Charitable Trust to support local good causes, with further donations to top up the overall income for the year to £100k.
13. Accepts West London Better Homes capital grant of £40k to provide accommodation for single homeless people.
14. Accepts 2020/21 Rough Sleeper Initiative grant funding of £2,187k from the Ministry for Housing, Communities and Local Government.

Reasons for decision

Cabinet was informed of the outturn revenue, capital and treasury position from the previous financial year 2019/20. Cabinet noted the underspend of £2,691k on normal activities in the past financial year.

Cabinet noted that whilst the above outturn position was not materially affected by the COVID-19 pandemic, the improvement in the monitoring position had provided funds to be set aside to provide a dedicated reserve to manage costs associated with the pandemic not funded from other sources. The Leader of the Council outlined his confidence in the Council's finances going forward.

Cabinet made a number of finance related decisions including re-phasing of capital and Housing Revenue Account expenditure into later years and ratification of recent emergency or interim decisions taken by the Leader of the Council.

Cabinet accepted a number of external grants including for the Youth Music Fund, accommodation for single homeless people, rough sleepers, the Appropriate Adult Service and for Planning Performance agreements at key development sites in the Borough.

Cabinet also agreed to donate funds to the Mayor's Charitable Trust to support local good causes.

Alternative options considered and rejected

None.

Officer to action:

Paul Whaymand, Finance Directorate

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. QUARTERLY PLANNING OBLIGATIONS MONITORING REPORT

RESOLVED:

That the Cabinet notes the updated financial information attached at Appendix 1.

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.

The Cabinet Member for Planning and Transportation informed Cabinet that despite a slow down during the pandemic, developers were now starting to get busy in the Borough pointing its strong economic position.

The Cabinet Member also updated Cabinet on the positive feedback received regarding the highly professional nature of Hillingdon's virtual planning committee meetings and passed on his thanks to those Councillors and officers involved.

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.

7. DOUAY MARTYRS SCHOOL, ICKENHAM

RESOLVED:

That the Cabinet:

- 1. Authorises entering into legal agreements to enable the Education and Skills Funding Agency (ESFA) to proceed with a project of refurbishment and improvement at the Douay Martyrs School site at Cardinal Hume Campus, Long Lane, Ickenham under the Priority**

Schools Building Programme (PSBP)2. That the legal agreements will include a Deed of Surrender of the school classroom, an Agreement permitting the construction project within the Council's leased area and a licence granted by the Council for use of the new buildings by the school for a minimum period of 15 years on completion of the project.

- 2. Delegates authority to the Leader of the Council and the Cabinet Member for Finance, Property and Business Services, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services, for all subsequent decisions regarding any subsequent alterations to the agreements required to enable the refurbishment project to proceed.**

Reasons for decision

Cabinet agreed to enter into legal agreements to enable the Education and Skills Funding Agency to proceed with a project of refurbishment and improvement at the Douay Martyrs School site at Cardinal Hume Campus, Long Lane, Ickenham under the Priority Schools Building Programme 2.

Alternative options considered and rejected

None.

Officer to action:

Michael Paterson, 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 in accordance with Section 100(A) and paragraph 3 of Part 1 of Schedule 12 (A) to the Local Government Act 1972 (as amended).

8. ACCEPTANCE OF TENDER: SUPPLY, INSTALLATION AND MAINTENANCE OF PAY AND DISPLAY PARKING PAYMENT EQUIPMENT

RESOLVED:

That the Cabinet:

- 1. Revoke its previous decision on 26 September 2019 to award the contract to Metric Group Limited under the previous tender process.**
- 2. Approves the installation of new Pay & Display parking payment equipment across the borough which incorporates the HillingdonFirst**

card system, in order that residents receive preferential parking charges, and accepts coins and payment cards.

- 3. Accept the tender from Flowbird Smart City UK for the Provision of the Supply, Installation and Maintenance of Pay & Display parking payment equipment to the London Borough of Hillingdon for a five year period from July 2020 and at the value of £1,400,840.**
- 4. Furthermore, agree that this includes the provision to extend the contract for a further five year period (ten years in total), subject to the approval of the Leader of the Council and Cabinet Member for Planning & Transportation, in consultation with the Corporate Director of Resident Services.**
- 5. Approve the capital release request of £851,090 from the 2020/21 capital budget as set out in the report (Appendix A).**

Reasons for decision

Cabinet made the necessary contractual decisions to progress the replacement and installation of 273 new Pay & Display parking payment equipment across the Borough. Cabinet welcomed that the new equipment would provide the ability for residents to continue to use their HillingdonFirst card but also pay through contactless, card, as well as cash, means.

Alternative options considered and rejected.

None.

Officers to action:

Roy Clark - Resident Services

Lisa Sharp - Finance

Classification: Private

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9. ACCEPTANCE OF TENDER: CARE AND WELLBEING SERVICE FOR PEOPLE WITH LEARNING DISABILITIES AND/OR AUTISM

RESOLVED:

That Cabinet:

- 1. Accepts a single tender from Comfort Care Services (UK) Ltd for the provision of a care and wellbeing service for people with learning disabilities and/or autism in the supported living schemes described in the report to the London Borough of Hillingdon for the period 10th July 2020 to 31st August 2024 at a contract price of £9,613,834 (£2,317,734 per annum). This comprises £5,673,632 (£1,418,408 per annum) for the core service and approximately £3,597,304 for the flexi service (£899,326 per annum) based on assessed need.**
- 2. Agrees the provision to extend the contract for up to two further years, subject to the approval of the Leader of the Council and Cabinet Member for Social Services, Health and Wellbeing, in consultation with the Corporate Director of Social Care.**

Reasons for decision

Cabinet agreed to accept a single tender for the provision of a care and wellbeing service for people with learning disabilities and/or autism within a range of high quality supported living schemes developed by the independent sector. Cabinet's noted that this was an established provider and that their decision would provide for good continuity of service for users, to enable them to receive good care in a safe environment.

Alternative options considered and rejected

Cabinet could have undertaken a competitive tender or secured alternative accommodation, but these were discounted for the reasons set out in the report.

Officer to action:

Sandra Taylor - Social Care

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 in accordance with Section 100(A) and paragraph 3 of Part 1 of Schedule 12 (A) to the Local Government Act 1972 (as amended).

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

No additional items were considered by the Cabinet.

The meeting closed at 7.27pm.

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

All decisions: Meeting after Virtual Cabinet, the Virtual Executive Scrutiny Committee did not call-in any of the Cabinet's decisions. Therefore, these decisions can be implemented by officers upon the expiry of the scrutiny call-in period which is from:

5pm, Friday 3 July 2020.

Officers to action the decisions are indicated in the minutes.

This virtual meeting was broadcast live on the Council's YouTube channel [here](#) under The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) (Regulations) 2020.

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](#).

CRANFORD PARK PROJECT: DELIVERY STAGE

Cabinet Member(s)	Councillor Jonathan Bianco Councillor Richard Lewis
Cabinet Portfolio(s)	Finance, Property and Business Services Central Services, Culture and Heritage
Officer Contact(s)	Charmian Baker, Project Manager of the Cranford Park Project
Papers with report	Appendix 1 - Costings and Funding Schedule Appendix 2 - Heritage Fund Stage 2 Award Offer Letter with Terms and Conditions Appendix 2 - Master Plan, Cranford Park

HEADLINES

Summary	The Round 2 Bid for the Cranford Park project has been successful and the National Lottery Heritage Fund has awarded the sum of £2,282,600 towards the delivery stage. This report seeks approval to accept this award on the basis of the proposed match funding package; to retain the previous consultants and to delegate all procurement decisions to the Leader and Deputy Leader of the Council, in consultation with the appropriate Corporate Directors.
Putting our Residents First	The project subject of this report supports the following Council objectives of: Our People; Our Natural Environment, Our Built Environment; Our Heritage and Civic Pride; Adult and Community Education opportunities Reduction of anti-social behaviour Strong financial management.
Financial Cost	The National Lottery Heritage Fund has awarded £2,282,600 towards the delivery phase of the Cranford Park project. The total project cost estimate is £3,474,100 with the remaining £1,191,500 to be funded through other sources as detailed in Appendix 1
Relevant Policy Overview Committee	Residents, Education and Environmental Services
Relevant Ward(s)	Heathrow Villages / Pinkwell

RECOMMENDATIONS

That the Cabinet:

- 1) **Welcomes and accepts the National Lottery Heritage Fund (Heritage Fund) award of £2,282,600, on the basis of the proposed match funding package, and authorises the delivery stage of the project, which will entail the restoration of the historic buildings, structures and landscapes, the provision of additional visitor facilities with volunteering and events programmes and the upgrading and interpreting of Cranford Park for educational, recreational and community purposes.**
- 2) **Authorises the Deputy Chief Executive & Corporate Director of Residents Services, in consultation with the Leader of the Council and Cabinet Member for Finance, Business & Property Services and Cabinet Member for Central Services, Culture and Heritage, to make any necessary decisions to retain the Design Team for the delivery phase, specifically Chris Blandford Associates up to a cumulative value of £265,000 and AOC Archaeology up to a cumulative value of £80,000;**
- 3) **To ensure efficient delivery of the project, agrees to delegate all necessary future decisions that would require Cabinet approval to the Leader of the Council and Cabinet Members for Finance, Business & Property Services and Central Services, Culture and Heritage, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services.**

Reasons for recommendation

The Council has been successful in its Stage 2 Bid to the National Lottery Heritage Fund (Heritage Fund) for the project at Cranford Park. The award of £2,282,600 represents 66% of the total eligible project cost of £3,474,159 for works of restoration and improvement and a programme of community and educational activities at Cranford Park. The majority of the match funding would come from S.106 contributions and other external sources, with revenue costs covered by the income identified in the Business Plan. The proposals have been informed by specialist surveys and designed by consultants with considerable input from the Steering Group, comprising officers, councillors and members of the Friends Group. They have also been shaped by the results of a large public consultation and visitor surveys.

It is desirable to retain the Design Team of consultants and specialists for the delivery phase, with the required addition of an Evaluation Consultant, and, once the proposals have been fully detailed, the relevant contractors will need to be appointed to carry out the capital works and take on the new cafe, and recruitment will be needed for the Project Manager role and for officers to run the park and the programmes forming part of the approved works.

The project would enable the buildings and gardens to be transformed into a very valuable community and educational resource for residents from the local area and from all parts of the Borough.

Alternative options considered / risk management

The Cabinet could decide not to proceed with the project, in which case the work and expenditure invested in the Development Stage of the Project by the Council and local residents would have been to no avail and local expectations would be dashed.

Democratic compliance / previous authority

On 25th January 2018, Cabinet accepted the award of £221,100 from the Heritage Lottery Fund for the Cranford Park project and instructed officers to proceed with the Development Phase.

On 25th July 2018, the Leader of the Council and Cabinet Members (Cabinet Member for Finance, Property and Business Services and the Cabinet Member for Central Services, Culture and Heritage) authorised the appointment of a lead consultant (Chris Blandford Associates) for the Cranford Park Heritage Lottery Fund Project.

On 7th August 2018, the Leader of the Council and Cabinet Members authorised the appointment of an archaeological consultant (AOC Archaeology) for the Cranford Park Heritage Lottery Fund Project.

On 23rd April 2019, the Leader of the Council and Cabinet Members authorised the Public Consultation on the Concept Proposals for Cranford Park and the publication of the Conservation Plan on the Council's website.

On 17th July 2019, the Leader of the Council and Cabinet Members noted the outcome of the public consultation, agreed the progression to the detailed drawing stage and to the submission of planning/listed building consent applications and authorised the Chief Executive and Corporate Director of Residents Services, in consultation with the Cranford Park Steering Group [which includes the Cabinet Member for Finance, Property and Business Services] to agree the detailed drawings prior to submission of the applications.

On 20th February 2020, the Leader of the Council and Cabinet Members noted the development of the Cranford Park project and the proposed funding streams and authorised officers, in consultation with the Leader and Cabinet Member, to submit the Round 2 Bid to the National Lottery Heritage Fund on or before the deadline of 28 February 2020.

Policy Overview Committee comments

None at this stage.

SUPPORTING INFORMATION

Background

1. This large park is rich in history, natural biodiversity and potential. It is located just to the south of the canalside industrial zone in Hayes, the area of greatest housing growth in the Borough. The scale of the work needed to regenerate Cranford Park, with its listed buildings and historic landscapes, river, orchard, meadow and woodland, would require substantial external funding and it is for this reason that a Heritage Lottery Fund Round 1 Bid was sought in August 2017.
2. In December 2017, the Heritage Lottery Fund announced that the Bid had been successful and that an award had been made towards the development of the project for submission as a Round 2 Bid in February 2020.
3. During the Development Phase, building, topographical, archaeological, geophysical, arboricultural, ecological and condition surveys were undertaken. Also a Visitor Survey, Educational Survey, Visitor Observation Studies and a large public consultation took place, the latter comprising three well attended events, two library exhibitions and an online questionnaire. The Surveys and the Consultation on the Concept proposals demonstrated that there was overwhelming public support for the project and that many considered the park to have a great deal of potential.
4. The capital works were designed by the lead consultancy team, Chris Blandford Associates, in partnership with the Project Manager and Green Spaces officers, in liaison with the Cranford Park Friends and with the oversight of the Cranford Park Steering Group.
5. In summary, the proposals included: the repair and conversion of the listed Cellars, with a cafe and external seating area above, within the layout of the former Cranford House; the repair and conversion of the listed Stable block; the restoration of the historic driveway and Pleasure Gardens, with the relocation of the play area; the repair of the listed garden walls and ha-ha, with the reinstatement of the 'fruit wall' in the kitchen garden; accessibility enhancements to the courtyard with enhancements to St. Dunstan's subway; a circular cycling and walking trail; addition of play area and informal football pitch in the northern section; re-opening of views and access to the River Crane; improvements to the car park and all entrances; on-site interpretation; and the employment of a Site Manager and a Community Engagement Officer to build up the volunteering groups and activities required in fulfilment of the Heritage Fund's outcomes.
6. The Development Phase also involved the drawing up of an extensive Conservation Plan, which detailed the park's built and natural heritage and laid the foundations for the Interpretation Strategy and the Management and Maintenance Plan. Extensive research then informed the Business Plan and the Activity Plan, the latter involving the trialling of a number of activities and volunteering opportunities.

7. Planning Application and Listed Building Consent were granted on 20th February 2020 and the Round 2 Bid was submitted to the National Lottery Heritage Fund on 28th February 2020.

Terms and Conditions of the Grant

8. On 29th June 2020, the Parks Board of the Heritage Fund considered all the Bids submitted in the UK under their Parks for People programme and decided to award funding to the Cranford Park project. The award comprises a grant of up to £2,282,600, which is 66% of the total eligible project cost of £3,474,100.

9. The award offer letter, with the terms and conditions, is attached (Appendix 2). The salient points are set out below:

- The project delivery must accord with the proposals (known as the *approved purposes*), set out in the Stage 2 Application, listed in the attached Award letter and summarised in Paragraph 11 below;
- A Heritage Fund Monitor will be appointed to monitor the project management of the delivery phase against the approved purposes and standard terms and conditions, carrying out review meetings and providing support in project management and inclusion and community engagement.
- If there is an underspend on the delivery phase, the Heritage Fund will reduce the final grant payable *pro rata*.
- The delivery phase can only be started after Permission to Start is given. However a start must be made before 2nd January 2021. The list of Approved Purposes must be completed by 31st December 2025.
- The standard terms of grant and the additional grant conditions (if any) will last for 20 years from the Project Completion Date.
- The project must be publicised in accordance with the Heritage Fund media guidelines.

Approved Purposes

11. The Stage 2 Application, which forms the 'Approved Purposes', includes:

- Capital works to the buildings and gardens, listed in the Award letter and illustrated in the Master Plan (Appendix 3 attached);
- Employment of a full-time Site Manager and a full-time Community Engagement Officer;
- Delivery of the Activity Plan, including engagement of under-represented target groups including local families, BAME local residents, formal education groups, informal interest groups and heritage interest visitors;
- Improved interpretation of the Park through site maps, information boards, trails, education packs/material, exhibitions and a video explaining the Park's heritage.

Permission to Start:

12. As part of the formal 'Permission to Start' process, the Council's acceptance of the Award is required.

Retention of Consultants

13. Once Permission to Start has been authorised, it will be necessary to retain the services of the previous consultancy teams, in order to expedite the discharging of the planning and listed building conditions, Bat Licence and detailed drawings for the tender contract.

14. The lead consultants were Chris Blandford Associates (landscape architects). Their team included Thomas Ford and Partners (Architects), William Dick and Partners (Quantity Surveyors), the Morton Partnership (Conservation Engineers) and Eng Design (M and E Engineers). Other consultants employed were AOC Archaeology Ltd (Archaeology), and Middlemarch Environmental Ltd. (Ecology).

15. Chris Blandford Associates and AOC Archaeology tendered originally for both the Development and Delivery Phases, to ensure consistency if the project were to be successful. Middlemarch Environmental won the lowest quote for their ecology specialism.

16. The Development Stage was completed on time and 12% under budget. The Heritage Fund awarded the project the full amount sought.

17. Given the success of the project at the Development Stage and the importance of continuity, it is considered very advantageous to retain the services of the former consultants for the Delivery Stage.

Contractors

18. The Round 2 Bid included, *inter alia*, a Master Plan, with detailed costings and cash flow projections and a project timetable.

19. The consultant architect and landscape architect will be instructed to develop the scheme to RIBA Stage 4 to provide the drawings needed for the discharge of the planning conditions and for the tender documents. The Council's Procurement Officer will manage the tender process for the main contractors for the capital works, and also for the smaller contract for the Evaluation and Monitoring Consultant and the licence for the catering operator to run the café. A project manager will be employed prior to, and for the duration of, the works on site, with the oversight of the project Steering Group.

20. Due to the short time frames and the complexity of the project, it would be very advantageous if all necessary procurement decisions for this project, ordinarily reserved to the Cabinet are delegated to the Leader of the Council and Cabinet Member for Finance, Property & Business Services, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services.

Financial Implications

21. Following recent confirmation from the National Lottery Heritage Fund of the Round 2 Bid submitted in February 2020, this report is seeking authorisation to accept the award of £2,282,600 from the National Lottery Heritage Fund to contribute to the delivery phase of the Cranford Park project. The total project cost estimate is £3,474,100 with the remaining £1,191,500 to be funded through other sources as detailed in Appendix 1.

22. The remaining funding includes £635,500 from other external sources and £556,000 from existing council resources and the use of volunteers. The capital element of the project is broadly in line with MTFF budget assumptions included in the overall capital programme budget approved by Cabinet in February 2020, and the revenue element is expected to be managed through the NLHF grant and existing revenue budgets. Other external funding opportunities will be maximised where appropriate.

23. The recommendations also seek approval for future decisions relating to the Design Team during the delivery phase to be delegated to the Deputy Chief Executive & Corporate Director of Residents Services, in consultation with Cabinet Members. It is proposed to retain the previously appointed design consultants Chris Blandford Associates during the delivery phase up to a cumulative value of £265,000 from the capital element of the budget, and AOC Archaeology up to a cumulative value of £80,000.

24. The recommendations also seek approval to delegate all necessary procurement decisions for this project that are ordinarily reserved to the Cabinet to the Leader of the Council and Cabinet Member for Finance, Property & Business Services, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services, to ensure swift project delivery. Approval to commit capital expenditure during the delivery phase, covering external professional fees, project management fees, the main contractor following tenders and other items, will be sought via the normal capital release governance process.

RESIDENT BENEFIT & CONSULTATION

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

The proposals contained in the Cranford Park project would be of considerable benefit to those living in neighbouring parts of the Borough, where there is generally a shortage of good quality public open space. The public consultation, which took place in April and May 2019 and comprised events, exhibitions and an online questionnaire, resulted in a total of 289 responses. These were overwhelmingly in favour and there is a great appetite amongst the community to restore this much loved historic park and its buildings, and a keenness to see its appearance improved, the provision of much needed community facilities and an interesting programme of family events and volunteering opportunities.

The Cranford Park Steering Group has been closely involved with the project and their views have been sought and taken into account throughout the development phase. They are fully supportive of the proposals. The Secretary of the Cranford Park Friends wrote a very positive letter to the Heritage Fund in support of the project.

Consultation carried out or required

The proposals were subject to a public consultation, visitor survey and an education survey. The overwhelmingly positive results were reported in a Cabinet Member Report of July 2019.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance has reviewed this report and concurs with the financial implications set out above, noting the recommendation to accept National Lottery Heritage Fund award of £2,283k as well as retaining the design team for the delivery phase, namely Chris Blandford Associates and AOC Archaeology.

The cumulative value of the delivery phase is up to £265k with Chris Blandford Associates, with a further £80k with AOC Archaeology Ltd. Corporate Finance note that the contract price can be met from existing budgets within the agreed Capital Programme and ICT service area.

Legal

The Borough Solicitor confirms that the proposed delegation of procurement decisions complies with the Council's Procurement & Contract Standing Orders. There are no legal impediments to Cabinet agreeing the recommendations set out in the report.

Infrastructure / Asset Management

Infrastructure / Asset management comments are included within the body of the report. There are no property implications arising from the recommendations at this stage, however, there may be a need to enter into lease arrangements at a later date, for example, in respect of the proposed cafe.

Green Spaces

The Green Spaces Team has been involved throughout the process and are fully supportive of the proposals. The project will bring a range of benefits to residents of the Borough, enhancing facilities at this, award winning, historic parkland site.

BACKGROUND PAPERS

NIL

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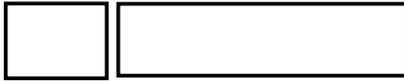
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APPENDIX 2

02 July 2020

Our Ref: PP-16-00302

Charmian Baker
Project Manager for the Development Phase of the Cranford Park Project
London Borough of Hillingdon
Civic Centre
High Street
UXBRIDGE
Middlesex
UB8 1UW



Cranford Park

Congratulations, your application has now been assessed, and I am delighted to inform you that we have decided to award you a grant of up to £2,282,600.00 (two million, two hundred and eighty two thousand, six hundred pounds, 66% of the total eligible project cost of £3,474,100.00) towards the revitalisation of Cranford Park. More specifically, we will monitor your progress against the following:

Approved Purposes

- Carry out access improvements to entrances, paths and wayfinding;
- Carry out landscape improvements including restoration of the pleasure grounds, reinstatement of views, thinning of trees alongside River Crane and provision of facilities such as Forest Schools space;
- Repair the stable buildings for mixed public and business use;
- Restore the cellars for community use and private hire;
- Provide a new 40-seat café and toilets over the footprint of the former Cranford House, to include energy-saving devices such as an air-source heat pump;
- Provide two new playgrounds;
- Employ a full-time site manager and a full-time Community Engagement Officer;
- Deliver the activity plan, including engagement of under-represented target groups including local families, BAME local residents, formal education groups, informal interest groups and heritage interest visitors;
- Improve interpretation of the park through site maps, information boards, trails, education packs/material, exhibitions and a video explaining the park's heritage.

Part 1 of this letter sets out how we will work with you during the delivery phase of your project.

Part 2 deals with the legal aspects of the grant that we are offering. It refers to the standard terms of grant that you accepted when you completed the Declaration section of your online application.

Part 3 advises you on the next steps.

Part 1 – How we will work with you

Delivering your project

You will need to deliver your project in line with the proposals set out in your application. We will contact you shortly to arrange a start-up discussion, when we will agree a timetable for progress reporting and grant payment requests. More information on this can be found within the enclosed *Receiving a grant* guidance.

Keeping in touch

We will be monitoring your progress against the approved purposes of our grant and any areas of risk we have identified. This will help us to understand how well the delivery is advancing and alert us to any issues.

We will appoint consultants to monitor your project and provide support in the following areas:

- Project management
- Inclusion and community engagement

We will let you know their name and contact details when appointed.

Please read the enclosed *Receiving a grant* guidance. This requires you to:

- obtain our permission to start the delivery phase;
- submit progress reports at a frequency agreed between us when we have our start up discussion;
- request your grant payments;
- provide a completion and evaluation report when you have finished the delivery phase;
- procure goods, works and services in accordance with EU procurement regulations and the *Receiving a grant* guidance.

The forms that you will need for requesting permission to start, requesting your grant and reporting your progress and completion should be **accessed and submitted via your online account (https://forms.hlf.org.uk/officeforms/HLF_Projects.ofml)**, in the same way that you supplied your application form. If you do not have an online account, send hard copies of your forms to your Grants Officer.

Part 2 – The legal section

Grantee name and address:

London Borough of Hillingdon
of Civic Centre
High Street
UXBRIDGE
Middlesex
UB8 1UW

Project Reference Number: PP-16-00302

Grant

The attached appendix 1 sets out the principal elements of the approved purposes to which the National Lottery Heritage Fund has agreed to contribute along with anticipated partnership funding.

Please be aware that if you spend less on your delivery project than the approved project budget, we will reduce the final grant payable. Any reduction will be in proportion to The National Lottery Heritage Fund's grant contribution.

Standard terms of grant

We will pay you the grant subject to you complying with our standard terms of grant which formed part of your application; the additional grant conditions (if any) set out below; and with the conditions and requirements set out in *Receiving a grant*.

Additional grant conditions

In addition to our standard terms of grant, you must observe the following additional conditions in respect of the Project: none.

Grant expiry date

You must complete the approved purposes by 31 Dec 2025.

Duration of the terms of grant

The standard terms of grant and the additional grant conditions (if any) will last for 20 years from the Project Completion Date.

The following documents define the project for which the grant is offered:

1. This letter
2. Your application dated 28 Feb 2020
3. Documents submitted by you in support of your application including the following correspondence:
 - Dated 20.4.2020 from Charmian Baker To Sandra Hirons
 - Dated 21.5.2020 from Charmian Baker To Sandra Hirons
 - Dated 27.5.2020 from Charmian Baker To Sandra Hirons

Withdrawal of the grant

We may withdraw the grant if:

- You have already started work on the delivery phase before we have given you our permission to do so, in accordance with the standard terms of grant.
- You do not start work on the delivery phase within 6 months of the date of this letter.

Part 3 – Next steps

You should read the following related documents:

- 'Receiving a grant' setting out our monitoring requirements – either in hard copy with this letter, sent via email or available online at <https://closedprogrammes.hlf.org.uk/>
- 'Standard Terms of Grant' sent in hard copy with this letter or available online at <https://closedprogrammes.hlf.org.uk/>

Available online:

- 'How to acknowledge your grant' guidance and information on logos and how to promote your project <https://www.heritagefund.org.uk/funding/promote-your-project>
- Template Press Release: <https://www.heritagefund.org.uk/publications/press-release-templates>

Permission to start

We will only give you our permission to start when certain pre-conditions, defined in the *Receiving a grant* guidance, have been satisfied. For us to pay your grant requests by bank transfer (BACS), we need to see a copy of a recent bank statement (within the last three months), or a cheque or a paying-in slip for the relevant account, showing the bank's name and address. You will need to submit this with your 'Permission to start' form.

Please note that your *Permission to start* form will be released to your online account within 5 working days of this letter. Please contact your Grants Officer using the contact details below if you need to access the form any earlier than this.

Sandra Hiron
Senior Investment Manager
Direct Line: 020 7591 6132
Email: sandrah@hlf.org.uk

Publicity

It is important to publicise your award to local media so that lottery players know where their money has gone. However, you must keep your award confidential until we have discussed and agreed your publicity plans. We will publish the fact that you have been awarded a grant on our website within 10 days of the grant being awarded. Your Grants Officer can assist you with queries about publicity and the media and I have enclosed a template press release which you may find helpful to issue to media once your publicity plans have been agreed.

Please also contact your Grants Officer as soon as possible to agree the most appropriate location and nature of The National Lottery Heritage Fund and the National Lottery Community Fund acknowledgment for your grant both during your project and after its completion. You must make sure you include our logos on any information you produce

about your delivery, for example, on public consultation or fundraising information or materials. You must also include The National Lottery Heritage Fund and The National Lottery Community Fund logos on all designs or plans you produce, on all specialist reports or surveys, and on all tender documents that are funded by our grant.

Please refer to the enclosed *How to acknowledge your grant - Parks for People a guide for grantees in England* guidance and <https://www.heritagefund.org.uk/funding/promote-your-project>

Project evaluation

We expect Parks for People grantees to evaluate their projects and submit evaluation feedback in two parts – a reporting spreadsheet that will be sent to you each year, and a final evaluation report that must be sent to HLF before we pay your last 10% of grant.

We wish you every success with your project, and look forward to receiving regular updates.

Please contact your case grant officer Sandra Hirons if you have any queries arising from this letter.

Sandra Hirons
Senior Investment Manager, London & South

Appendix 1 – Approved project costs

a) Delivery Phase costs

Capital costs

Cost Heading	Description	Cost £	Vat £	Total £
Repair and conservation work	Repair of Stables (£142,155), Cellars (295,470), Garden Walls (£30,000), Ha-ha (15,000); Revealing historic landscape and house footprint (£58,910); Enhancements to courtyard and subway (£89,840)	631,375	0	631,375
New building work	Café (£434,100); Bin Store (4,000); New Playground (£110,000)	548,100	0	548,100
Other capital work	Interpretation and signage (£45,000); driveway, entrance and car park improvements (£171,325); cycle paths (£226,100); utilities (£120,000); new landscaping (£78,800); alterations to Information Centre (£25,000)	666,225	0	666,225
Other costs (capital)	Preliminaries	280,000	0	280,000
Equipment and materials (capital)	Office furniture and equipment for the on-site staff	5,000	0	5,000
Professional fees relating to any of the above (capital)	Design Team (£265,000) and Project Manager 18hrs/wk for 24 months (£49,400)	314,400	0	314,400
Total Costs		2,445,100	0	2,445,100

Activity costs

Cost Heading	Description	Cost £	Vat £	Total £
New staff costs	Site Manager, f/t 3.5yrs (139,600); Community Engagement Officer f/t, 3.5yrs (£139,600); 2 year Apprentice Level 2 (£28,700)	307,900	0	307,900
Training for staff	Staff trained through Council budgets	0	0	0
Paid training placements	Apprenticeship training	18,000	0	18,000
Training for volunteers	Archaeology; Orchard Management; Fruit Wall; SPAB brick repairs; Thames 21 Project; Social Media, Guiding Walks and Customer Service	52,500	0	52,500
Travel for staff	Council budgets	0	0	0
Travel and expenses	For Specific Groups only, eg Dementia	2,000	0	2,000

Cost Heading	Description	Cost £	Vat £	Total £
for volunteers				
Other costs (activity)	Films; Festivals and Events	17,800	0	17,800
Equipment and materials (activity)	Family Trails; Orchard trees; Interpretation dress up and horse tack;Tools	21,600	0	21,600
Professional fees relating to any of the above (activity)	Archaeologist;Community Artist;Photographer;Story Teller	97,200	0	97,200
Total Costs		517,000	0	517,000

Other costs

Cost Heading	Description	Cost £	Vat £	Total £
Recruitment	Council budgets	0	0	0
Publicity and promotion	Printing of Posters and Leaflets; Advertisement	2,000	0	2,000
Evaluation	Evaluation Consultant	20,000	0	20,000
Contingency	210000 for Capital Works; 7000 for Activity Plan	217,000	0	217,000
Inflation	8% for Capital Works only	188,000	0	188,000
Increased management and maintenance costs (maximum five years)	Tree and Scrub Management;Mowing and Hay Cutting;Event Stewarding; Cleaning; Cattle Grazing	60,000	0	60,000
Volunteer time	Involvement in setting up, running and attending Events, Activities	25,000	0	25,000
Total Costs		512,000	0	512,000

b) Delivery Phase income

Delivery income

Income Heading	Description	Secured	Total (£)
Local authority	Capital Programme;Chrysalis Grant;Playground;Apprenticeship;Watersplash Lane Development Bonus	Yes	489,000
Other public sector	Transport for London - Cycling	Yes	115,900
Private donation - Trusts/Charities/Foundation s	Heritage of London Trust - Repair of Stables	Yes	10,000
Commercial/business	S106 Contributions - 288873 secured, 202727 tbc	No	491,600
Increased management and maintenance Costs (maximum five years)	As described elsewhere	Yes	60,000

Income Heading	Description	Secure d	Total (£)
Volunteer time	As described elsewhere	Yes	25,000
Grant			2,282,600
Total Income			3,474,100



1. New cafe and community space
2. Existing Stable Block and courtyard improvements
3. Restoration of historic house driveway / arrival space
4. Restoration of Pleasure Gardens - opening up of views, selected removal of trees
5. Garden wall repairs
6. Restored fruit wall in Kitchen Garden
7. Repairs to ha-ha
8. Proposed play area
9. Cranford Wood - woodland management, opening up of views, widening and clearance of paths, increased natural light
10. Improvements to historic avenue- selective clearance of woodland understorey, replacement of dead trees where required
11. Indicative location for outdoor classroom - wooden log seats and boulders for Forest School
12. Existing community orchard retained
13. Improvements to Roseville Road park entrance and threshold space
14. Improvements to Subway
15. Improvements to Fuller Way park entrance
16. Road widening for improved vehicle passing
17. Proposed vehicle turning area
18. Existing drive retained
19. Existing car park extended and reduction of visual prominence
20. Existing play area removed
21. Ice house interpretation
22. Riverside clearance and restoration to grass. Overhanging trees along river to be removed / cut back (volunteers)
23. Indicative flood alleviation and water quality improvement works (outside of NHLF funded project scope)
24. Improvements to Frog Ditch water flow (outside of NHLF funded project scope)
25. Improvements to northern park entrance
26. Hedge reduced in height
27. Informal football pitch and play features
28. Indicative location of future car park (outside of NHLF funded project scope)

- Park Boundary
- Planning Application Boundary
- Shared route for running, cycling & walking (informal use by horses)
- New footway
- - - Improved surfacing and vegetation clearance to existing footway (provision of TFL-funded cycle track outside of NHLF-funded project scope)
- Surface repairs and vegetation clearance
- Informal mown grass path
- - - - - Existing path retained
- - - - - Existing cattle fence and gates
- Existing stream/river
- ▲ Primary & Secondary park entrance

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COUNCIL BUDGET - 2020/21

REVENUE AND CAPITAL MONTH 2 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 2020/21 revenue budget and Capital Programme.</p> <p>A net in-year underspend of £361k is reported against General Fund revenue budget normal activities as of May 2020 (Month 2), with unallocated reserves projected to total £28,266k at 31 March 2020.</p> <p>In-year COVID-19 pressures of £25,182k are being reported as an exceptional item. This report outlines that actual government grant awards of £13,653k and estimated further funding of £8,500k can be applied to this pressure in 2020/21. The Council has a £3,293k COVID-19 pressures reserve that was set aside as part of outturn in 2019/20 and £2,356k of Public Health reserves that can be applied to cover the balancing figure of £3,029k. There are further service specific reserves of £3,477k that take the total earmarked reserves available to £9,126k. Over the coming months, the impact of this pressure and associated funding will continue to be closely monitored and the impact on future years' budgets will be dealt with as part of the MTFP process.</p> <p>The latest positions on other funds and the Capital Programme are detailed within the body of this report.</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 May 2020 (Month 2) as outlined in Table 1.
2. Note the Treasury Management update as at May 2020 at Appendix E.
3. Continue the delegated authority up until the September 2020 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 the 25 June 2020 and 23 July 2020 Cabinet meetings, detailed at Appendix F.
4. Accept a grant of £40k from the GLA Greener City Fund towards wetland creation and ecological improvements at Hillingdon House Farm.
5. Approve the acceptance of £25k additional GLA funding for Adult Education from the 'Skills for Londoners COVID – 19 Response Fund Programme' to support the delivery of Adult Education during the pandemic.
6. Agree to enter into a three year strategic partnership with Trees for Cities, at a total cost to the Council of £75,000 (£25,000 per year) to be funded by existing budgets within Green Spaces.

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 2 against budgets approved by Council on 20 February 2020. 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 K reports back on use of this delegated authority previously granted by Cabinet.
3. **Recommendation 4** covers a GLA grant award of £40k from the Greener City Fund Community Grant Scheme towards the creation of wetlands & ecological improvements at Hillingdon House Farm, Uxbridge. The total project is £70k including £30k Section 106 match funding. The works will be completed in 2020/21 and will be reported under Environmental and Recreational Initiatives.
4. The acceptance of the £25k GLA Adult Education grant in **Recommendation 5** will support the continued access to learning opportunities for Learners while traditional classroom settings are either closed, or space-limited due to social distancing restrictions during the COVID-19 pandemic. The fund is intended to support providers in the development of the necessary infrastructure for increased online learning provision and to equip learners who are at risk of digital exclusion. In this way, service users can continue to 'develop skills to access new employment opportunities and gain confidence in digital skills'.

5. **Recommendation 6** is proposed to provide a variety of community based tree planting and greening projects to increase engagement and volunteering from local communities to improve existing open spaces and encourage cleaner air. Through encouraging work via the Trees for Cities Corporate Volunteering Programme, this will provide support to the Green Spaces team with the management and maintenance of existing woodlands, parks and green spaces and help to support Hillingdon's Local Environmental Plan. With this multi-year agreement in place, it is expected that this will then increase opportunities for grant and corporate funding and leverage a further £75,000 (£25,000 per year) through Trees for Cities-led and joint approaches.

Alternative options considered

6. There are no other options proposed for consideration.

SUMMARY

REVENUE

7. General Fund pressures totalling £25,182k are projected in relation to the impacts of the COVID-19 pandemic and the Council's response during the 2020/21 financial year, with confirmed grant awards from the first 2 tranches of Covid-19 funding totalling £15,617k and an estimated further £8,500k to come from the recent tranche 3 announcement which includes funding for 75% of fees and charges pressures over a 5% threshold. £1,964k of the confirmed funding was applied in 2019/20 leaving £13,653k to fund 2020/21 pressures. It is expected that these funding allocations, together with the use of earmarked reserves of £3,029k will contain this exceptional pressure in the current financial year. The Council has earmarked reserves available that can be applied to meet the balancing funding requirement and any additional pressures should they materialise. The Council set aside £3,293k into an earmarked reserve to fund potential unfunded COVID-19 pressures as part of the outturn for 2019/20. In addition to this, the Council holds £2,356k of earmarked Public Health Reserves which can also be directed at COVID-19 related spend that meets the criteria for Public Health grant spend. There are further service specific reserves of £3,477k that take the total available to £9,126k and give sufficient headroom to avoid any requirement to call on General Balances.
8. On the assumption that this funding strategy for COVID-19 pressures can be achieved, an underspend of £361k is projected across General Fund budgets at Month 2 consisting of £241k service underspends alongside a £120k underspend on capital financing and funding. Taking account of the budgeted £6,334k drawdown from General Balances, this will result in unallocated General Balances totalling £28,266k at 31 March 2021 – which is marginally higher than anticipated in the budget strategy approved by Cabinet and Council in February 2020. This position reflects the likelihood of a higher than budgeted pay award for 2020/21, although this ongoing cost pressure is being offset by temporary underspends.
9. Within this position, £1,973k of the £6,386k savings planned for 2020/21 are on track for delivery in full by 31 March 2021, with £4,413k being tracked as being at an earlier stage of implementation or at risk as a result of the COVID-19 pandemic. While any in year pressures relating to delays in implementing savings have been incorporated into the COVID-19 pressure noted above, it will be necessary to monitor the impact of any delays on the 2021/22 budget.
10. Within the Collection Fund, a pressure of £3,973k is reported at Month 2 as a result of the significant growth in demand for the Council Tax Reduction Scheme as well as slower than budgeted growth in both Council Tax and Business Rates taxbases. These pressures reflect the impact of COVID-19 on local tax collection. The government have recently announced that the deficit on the Collection Fund can be recouped from the General Fund over a period of 3 years rather than the usual 1 to help spread the funding strategy for covid-19 over a longer period of time.
11. While a funding strategy is in place to contain the financial effects of COVID-19 in the current financial year, it appears likely that development of a budget for the 2021/22 financial year will be challenging. The budget strategy approved by Cabinet and Council in February 2020 assumed £10,644k savings and a £3,000k release from General Balances would be required to balance the 2021/22 budget. This savings requirement is likely to be revised upwards to reflect slippage in 2020/21 savings, a level of on-going COVID-19 pressures, the impact of a higher than anticipated pay award for 2020/21 and the projected deficit on the Collection Fund. However, it is also reasonable to expect that government will provide some degree of further Covid-19 funding in 2021/22 to meet the on-going pressures relating to Covid-19.

CAPITAL

12. As at Month 2 an under spend of £22,441k is reported on the 2020/21 General Fund Capital Programme of £113,271k, due mainly to re-phasing of project expenditure into future years with some schemes temporarily put on hold during the Coronavirus pandemic. This position reflects an initial view which will be refined in future reports as the impact of the pandemic on the progress of individual schemes and programmes becomes clearer. The forecast outturn variance over the life of the 2020/21 to 2024/25 programme is an under spend of £3,623k.

FURTHER INFORMATION

General Fund Revenue Budget

13. **Normal Activities** - An underspend of £361k is reported across normal operating activities at Month 2, with the most significant gross pressures relating to the Social Care directorate, driven by a pressure within Children's Services, being offset by an underspend on Provider and Commissioned Care to a net pressure of £298k. These are offset by underspends predominately in the Business Services, Transport & Business Improvement directorate (£438k), largely driven by an underspend in Highways. There are underspends reported against Interest and Investment Income and Levies and Other Corporate Budgets, with further details on all of these variances later in this report. A minor £4k overachievement of income is reported on Corporate Funding, as the exact level of grant funding for the year was not confirmed until after Cabinet and Council approved budgets in February 2020.
14. **COVID-19 Financial Impact** - There is a significant pressure of £25,182k relating to the in-year impact of the COVID-19 pandemic being reported under Exceptional Items in the table below. In terms of funding this pressure there are confirmed grant awards from the first 2 tranches of Covid-19 funding totalling £15,617k and an estimated further £8,500k to come from the recent tranche 3 announcement which includes funding for 75% of fees and charges pressures over a 5% threshold. £1,964k of the confirmed funding was applied in 2019/20 leaving £13,653k to fund 2020/21 pressures. It is expected that these funding allocations, together with the use of earmarked reserves of £3,029k, based on this forecast, will contain this exceptional pressure in the current financial year. The Council set aside £3,293k into an earmarked reserve to fund potential unfunded COVID-19 pressures as part of the outturn for 2019/20. In addition to this the Council holds £2,356k of earmarked Public Health Reserves which can also be directed at COVID-19 related spend that meets the criteria for Public Health grant spend. There are further service specific reserves of £3,477k that take the total available to £9,126k and give sufficient headroom to avoid any requirement to call on General Balances.
15. The COVID-19 financial pressure is being driven largely by a reduction in Fees and Charges income, partly due to services not running during the pandemic and partly due to the Council ceasing Fees and Charges to support the residents during times of financial hardship. In addition to this the Council is continuing to support the Social Care provider market, to ensure consistency in service delivery to our more vulnerable residents, compounded by a forecast increase in demand for these services during the pandemic. Alongside this, the Council also continues to support homelessness and rough sleepers, ensuring this group are protected during the pandemic.
16. **Savings** - £6,386k of savings are included in the 2020/21 General Fund revenue budget. Currently, delivery is on track against £1,973k of this total, with £4,413k either in the early stages of delivery or deemed higher risk. The high value of the savings at risk are directly attributable to the COVID-19 pandemic, due to delays in implementing the saving programme as a result of the Council's efforts to redirect resources during these difficult times, protecting vulnerable residents and supporting local businesses, particularly within the Social Care market place. Where savings are not expected to be delivered in full during the current financial year, the resulting pressures form part of the reported COVID-19 pressure and associated funding strategy.
17. **2020/21 Pay Award** - The Council budgeted for a 2% pay award being agreed based on the latest intelligence available at the time the budget was set at February Council. Since this time, an offer of 2.75% has been rejected by the unions, leading to further negotiations needing to take place. The in-year monitoring position reported below has been forecast on the basis of a

2.75% uplift in pay, but any award above 2% will also require a funding strategy going forward which will be dealt with as part of the MTFF.

Table 1: General Fund Overview

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000
			Revised Budget £'000	Forecast Outturn £'000	
213,955	(1,483)	Directorate Operating Budgets	212,472	212,231	(241)
7,093	0	Corporate Operating Budgets	7,093	6,977	(116)
13,657	0	Development & Risk Contingency	13,657	13,657	0
(421)	1,483	Unallocated Budget Items	1,062	1,062	0
234,284	0	Sub-total Expenditure	234,284	233,927	(357)
(227,950)	0	Corporate Funding	(227,950)	(227,954)	(4)
6,334	0	Total Normal Activities	6,334	5,973	(361)
		<u>Exceptional Covid-19 items</u>			
0	0	Pressures	0	25,182	25,182
0	0	Confirmed grant funding	0	(13,653)	(13,653)
0	0	Estimated further grant funding	0	(8,500)	(8,500)
0	0	Earmarked Reserves applied	0	(3,029)	(3,029)
234,284	0	Total Net Expenditure	234,284	233,927	(361)
(34,239)	0	Balances b/fwd	(34,239)	(34,239)	
(27,905)	0	Balances c/fwd 31 March 2021	(27,905)	(28,266)	

18. General Fund Balances are expected to total £28,266k at 31 March 2021 as a result of the forecast position detailed above, which remains broadly consistent with the budget strategy agreed in February 2020. The Council's current MTFF 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

19. The Directorate Operating Budgets are presented in the format of the new structures approved by Council. They 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. The impacts of COVID-19 are being reported discretely under Exceptional Items as detailed in Table 1, the position presented in Table 2 therefore represents the position reported against normal activities. Further information on 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 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
19,303	19	Finance	Expenditure	19,322	19,358	36
(3,400)	(19)		Income	(3,419)	(3,457)	(38)
15,903	0		Sub-Total	15,903	15,901	(2)
166,186	(1,840)	Social Care	Expenditure	164,346	164,683	337
(38,158)	308		Income	(37,850)	(37,889)	(39)
128,028	(1,532)		Sub-Total	126,496	126,794	298
49,148	6	Environment, Education & Community Services	Expenditure	49,154	49,243	89
(35,800)	0		Income	(35,800)	(35,959)	(159)
13,348	6		Sub-Total	13,354	13,284	(70)
48,439	1	Building Services, Transport & Business Improvement	Expenditure	48,440	48,146	(294)
(11,076)	(1)		Income	(11,077)	(11,221)	(144)
37,363	0		Sub-Total	37,363	36,925	(438)
21,275	44	Corporate Resources & Services	Expenditure	21,319	21,203	(116)
(1,962)	(1)		Income	(1,963)	(1,876)	87
19,313	43		Sub-Total	19,356	19,327	(29)
213,955	(1,483)	Total Directorate Operating Budgets		212,472	212,231	(241)

20. An underspend of £2k is reported on Finance budgets at Month 2. There are compensating movements reported in Exchequer and Business Assurance Services and Procurement, which relate to the implementation of BID reviews. This is primarily relating to extended notice periods and staffing vacancies.
21. At this early stage in the financial year a net pressure of £298k is reported across Social Care before COVID-19 pressures, with this variance being driven largely by the use of agency staff within Children's Services to fill vacant posts, offset by reductions in Provider and Commissioned Care where some services have been unable to run during the lockdown period.
22. Environment, Education & Community Services is reporting a net underspend of £70k, within this position is an overspend on Housing, Education and Trading Standards offset mostly by a large underspend in Green Spaces. The underspend in Green Spaces is linked to a number of services not being operational due to the pandemic and underspends in staffing due to vacant posts.

23. A net £438k underspend is reported across Building Transport & Business Improvement with £210k relating to slippage in Highways works. Waste Services is also reporting an underspend resulting from recruitment delays.
24. Corporate Resources & Services are reporting compensating variances to an overall £29k underspend. There is an underspend in Legal Services due to vacant posts, which is offsetting the overspend in HR following BID transformation changes.
25. 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 £1,474k for such costs, which will remain under review over the remainder of the year and have been excluded from the reported monitoring positions. It is anticipated that these costs will be financed from a combination of Capital Receipts and Earmarked Reserves.

Progress on Savings

26. The savings requirement for 2020/21 is £6,136k. In addition, there are savings of £250k brought forward from 2019/20, which gives an overall total of £6,386k reported below. Of this sum £1,973k are either banked or on track for delivery at this early stage of the year. £1,651k savings are in the early stages of delivery or potentially subject to greater risk to delivery, with the remaining £2,762k being reported as having a serious problem with delivery.
27. The high number of savings being reported as having a serious problem with delivery (£2,762k) are directly attributed to the COVID-19 pandemic and the delay this has caused in implementing the saving programme as the Council has needed to redirect resources to manage the pandemic. This value has been included within the Council's COVID-19 pressures under Exceptional Items and is therefore not included within the reported position on normal activities quoted in Table 1. It will be necessary to reassess these at risk savings over the coming months to ensure these are appropriately reflected in future iterations of the Council's MTFP.

Table 3: Savings Tracker

2020/21 General Fund Savings Programme	Finance	Social Care	DEECS	BSTBI	Corporate Resources	Cross-Cutting	Total 2020/21 Savings	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
B Banked	0	0	0	0	0	0	0	0.0%
G On track for delivery	0	(1,383)	0	0	0	(590)	(1,973)	30.9%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	(228)	(1,112)	(80)	(200)	(31)	0	(1,651)	25.9%
R Serious problems in the delivery of the saving	0	0	(1,461)	(400)	0	(901)	(2,762)	43.3%
Total 2020/21 Savings	(228)	(2,495)	(1,541)	(600)	(31)	(1,491)	(6,386)	100.0%

Corporate Operating Budgets

28. Corporately managed expenditure includes 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, as such Corporate Operating Budgets are not forecasting any COVID-19 pressures at this time.
29. Corporate Operating Budgets are currently forecasting a £116k favourable variance, primarily as a result of borrowing costs being lower than anticipated at the time of budget setting, through a proactive review of the Council's approach to providing for the repayment of debt. In addition, minor variances are reported across corporate levies at this time.

Table 4: Corporate Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
0	0	Interest and Investment Income	Salaries	0	0	0
8,359	0		Non-Sal Exp	8,359	8,251	(108)
(487)	0		Income	(487)	(487)	0
7,872	0		Sub-Total	7,872	7,764	(108)
499	0	Levies and Other Corporate Budgets	Salaries	499	501	2
12,476	0		Non-Sal Exp	12,476	12,466	(10)
(12,289)	0		Income	(12,289)	(12,289)	0
686	0		Sub-Total	686	678	(8)
0	0	Housing Benefit Subsidy	Salaries	0	0	0
147,893	0		Non-Sal Exp	147,893	147,893	0
(149,358)	0		Income	(149,358)	(149,358)	0
(1,465)	0		Sub-Total	(1,465)	(1,465)	0
7,093	0	Total Corporate Operating Budgets	7,093	6,977	(116)	

Development & Risk Contingency

30. For 2020/21 £16,127k was set aside to manage uncertain elements of budgets within the Development & Risk Contingency, which included £15,627k in relation to specific risk items and £500k as General Contingency to manage unforeseen issues, since this date, £2,470k has been released into directorates' base budgets, leaving £13,657k to finance expenditure in these areas.
31. At this early stage in the financial year, the majority of contingency items continue to be forecast at budgeted levels although a pressure of £226k on homelessness reflects higher than anticipated number of households requiring support. It is expected that this pressure can be managed within the £500k budget set aside for General Contingency. All contingency items will continue to be closely monitored over the coming months and forecasts refreshed accordingly.

Table 5: Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
1,063	0	Social Care	Asylum Service	1,063	1,063	0
3,211	0		Demographic Growth - Looked After Children	3,211	3,211	0
895	0		Demographic Growth - Children with Disabilities	895	895	0
2,873	(150)		SEN transport	2,723	2,723	0
3,842	(1,049)		Demographic Growth - Adult Social Care	2,793	2,793	0
1,736	(914)	Environment, Education & Community Services	Impact of Welfare Reform on Homelessness	822	1,048	226
2,407	(357)	Building Services, Transport & Business Improvement	Waste Disposal Levy & Associated Contracts	2,050	2,050	0
(400)	0	Corp Items	Additional Investment Income	(400)	(400)	0
500	0		General Contingency	500	274	(226)
16,127	(2,470)	Total Development & Risk Contingency		13,657	13,657	(0)

Exceptional Items – COVID-19 Pressures

32. The majority of the COVID-19 pressure is relating to Social Care, and Environment, Education & Community Services, these two areas represent £19,746k of the £25,182k pressure.
- a. Within Social Care, the Council is forecasting a pressure of just over £7m, driven by support offered to providers, additional demand for services and Personal Protective Equipment (PPE) to enable to Council to ensure that some of the more vulnerable residents are supported and receive the care they need during the pandemic.

- b. In addition to this, approximately £1m of support has been provided to support homeless residents of the borough and ensure their safety during COVID-19, with a further £1.3m being used to fund environmental services including the mortuary and crematorium services, alongside waste management.
 - c. Included within this pressure is a forecast decline in Fees and Charges income of approximately £12m, some of which relates to services not running during the pandemic, alongside a number of Fees and Charges that the Council has temporarily suspended in order to support residents during difficult times, with the suspension of parking charges making up approximately £4m of this value.
33. Included within this position is a forecast assumption that the overall pressure caused by COVID-19 will be funded by Central Government and other funding strategies. To date, the Council has received £15,617k of unringfenced grant funding, with £13,653k of this being utilised in 2020/21, with the balance having been applied in 2019/20.
34. The strategy to deal with any unfunded in-year Covid-19 costs is to utilise earmarked reserves. As part of the outturn for 2019/20, the Council took the decision to transfer £3,293k into an Earmarked Reserve to boost the Council's financial resilience in 2020/21. A further £2,356k is held in Public Health earmarked reserves and £3,477k in service specific reserves which can be utilised if necessary to fund any further in-year pressures.

HIP Initiatives

35. There is £200k of HIP Initiative funding included in the 2020/21 budget, funded from Earmarked Reserves, which is supplemented by £677k brought forward balances, to provide total resources of £877k. Due to the COVID-19 pandemic, there have been no HIP meetings or allocations in 2020/21, leaving £877k available for future releases.

Schools Budget

36. At Month 2 the Dedicated Schools Grant position is reporting an in-year overspend of £8,333k. This is predominantly due to continuing pressures in the cost of High Needs. When the £15,002k deficit brought forward from 2018/19 is taken into account, the deficit to carry forward to 2019/20 is forecast at £23,335k. This pressure will ultimately be funded from future grant awards and will therefore not impact upon the Council's own resources.

Collection Fund

37. The Collection Fund is forecasting a deficit of £3,973k as at Month 2, with the variance being largely driven by a large adverse position being reported against Council Tax Support. This is being driven by increased demand as households face financial difficulties as a result of COVID-19 alongside reduced assumptions against taxbase growth for both Council Tax and Business Rates, again associated with COVID-19.

Housing Revenue Account

38. The Housing Revenue Account is currently forecasting a breakeven position, resulting in a drawdown of reserves of £2,057k. This results in a projected 2020/21 closing HRA General Balance of £15,018k. This excludes the potential cost pressures of COVID-19, which are estimated at £1,011k. These pressures have not been included in the Month 2 forecast position for HRA revenue or capital as firstly they may not all materialise and secondly they are at a level that is fundable in-year. In addition lobbying for specific HRA Covid-19 funding from government is ongoing.

Future Revenue Implications of Capital Programme

39. Appendix D to this report outlines the forecast outturn on the 2020/21 to 2024/25 Capital Programme, with a balanced position over the five-year programme. Alongside marginal variances on Government Grant income and Capital Receipts, Prudential Borrowing is projected to be £2,586k higher. The increase in the borrowing requirement would result in a £149k per annum pressure to revenue, which represents a minor variance when set in the context of the current MTFF position on capital financing costs.
40. Capital Projects have been affected by the pandemic and the ability to deliver to previous timescales is being reviewed on an ongoing basis. A number of schemes have had to be put on hold until the autumn and this is likely to increase slippage on the programme further than that initially flagged in this Month 2 monitoring report.

Appendix A – Detailed Group Forecasts (General Fund)

FINANCE

41. There is a forecast underspend of £2k reported for the Finance Directorate as at Month 2 against normal activities, with £396k being reported against the COVID-19 pressure within Exceptional Items. Pressures within Exchequer and Business Assurance relating to the implementation of the recent BID review of the Housing Benefits function with extended notice periods for staff to ensure continuity of service have been netted down by vacant posts held open pending a BID review of Procurement and non-staffing underspends within Fleet.

Table 6: Finance Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
4,224	0	Corporate Finance	Salaries	4,224	4,207	(17)
636	0		Non-Sal Exp	636	694	58
(445)	0		Income	(445)	(471)	(26)
4,415	0		Sub-Total	4,415	4,430	15
6,029	78	Exchequer and Business Assurance Services	Salaries	6,107	6,186	79
3,306	0		Non-Sal Exp	3,306	3,309	3
(2,837)	(78)		Income	(2,915)	(2,927)	(12)
6,498	0		Sub-Total	6,498	6,568	70
1,790	(59)	Procurement	Salaries	1,731	1,688	(43)
3,318	0		Non-Sal Exp	3,318	3,274	(44)
(118)	59		Income	(59)	(59)	0
4,990	0		Sub-Total	4,990	4,903	(87)
12,043	19	Finance Directorate	Salaries	12,062	12,081	19
7,260	0		Non-Sal Exp	7,260	7,277	17
(3,400)	(19)		Income	(3,419)	(3,457)	(38)
15,903	0		Total	15,903	15,901	(2)

Exceptional Items – COVID-19 Pressures

42. Within the Finance Service, £396k is being reported against COVID-19 pressures under Exceptional Items, the pressure is being driven by additional staffing resource requirements (£81k) and court fee income pressures (£315k) within the service arising from the operational impact of the COVID pandemic.

SOCIAL CARE

43. Social Care is projecting an overspend of £298k at Month 2 on normal activities, excluding COVID-19 exceptional items of £7,225k that are covered under development and risk contingency below. This is predominantly as a result of pressures on agency spend, with an adverse variance reported against Children's Services due to agency covering vacant posts, partly offset by a reduction in agency spend in Provider and Commissioned Care. Improvements in the projected income targets for the year are predominantly within the Educational Psychologists Service, with any pressures on income as a result of COVID-19 covered by contingency.

Table 7: Social Care Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
21,123	(696)	Provider and Commissioned Care	Salaries	20,427	19,951	(476)
9,849	696		Non-Sal Exp	10,545	10,631	86
(4,876)	0		Income	(4,876)	(4,819)	57
26,096	0		Sub-Total	26,096	25,763	(333)
7,350	0	Adult Social Work	Salaries	7,350	7,385	35
77,244	(1,795)		Non-Sal Exp	75,449	75,443	(6)
(23,405)	308		Income	(23,097)	(23,097)	0
61,189	(1,487)		Sub-Total	59,702	59,731	29
17,371	(36)	Children's Services	Salaries	17,335	17,829	494
21,311	(9)		Non-Sal Exp	21,302	21,327	25
(9,600)	0		Income	(9,600)	(9,600)	0
29,082	(45)		Sub-Total	29,037	29,556	519
1,714	0	SEND	Salaries	1,714	1,863	149
178	0		Non-Sal Exp	178	198	20
(125)	0		Income	(125)	(221)	(96)
1,767	0		Sub-Total	1,767	1,840	73
351	0	Public Health	Salaries	351	368	17
6,822	0		Non-Sal Exp	6,822	6,805	(17)
(45)	0		Income	(45)	(45)	0
7,128	0		Sub-Total	7,128	7,128	0
456	0	Health Integration & Voluntary Sector Partnerships	Salaries	456	466	10
2,417	0		Non-Sal Exp	2,417	2,417	0
(107)	0		Income	(107)	(107)	0
2,766	0		Sub-Total	2,766	2,776	10
48,365	(732)	Social Care Directorate Total	Salaries	47,633	47,862	229
117,821	(1,108)		Non-Sal Exp	116,713	116,821	108
(38,158)	308		Income	(37,850)	(37,889)	(39)
128,028	(1,532)		Total	126,496	126,794	298

SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (Nil Variance)

44. The Council's 2020/21 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 across Adults and Children's Social Care, including Asylum Seekers and SEN Transport. Table 8 sets out the Month 2 projected position for the Development and Risk Contingency.
45. At Month 2, Social Care contingency is forecast to budget. The contingency position is being closely monitored in line with the ongoing work on the overall impact of COVID-19 on Social Care budgets. As such, any demographic increases above the budgeted levels are being considered as an impact of COVID-19 and are being offset against the COVID-19 contingency, which has been the case within Adult Social Care, the Looked After Children and Children with Disabilities Services this month. This will continue to be monitored closely throughout the year.

Table 8: Social Care Development & Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 2		Variance (As at Month 2)
			Revised Budget	Forecast Outturn	
£'000	£'000		£'000	£'000	£'000
1,063	0	Asylum Service	1,063	1,063	0
3,211	0	Demographic Growth - Looked After Children	3,211	3,211	0
895	0	Demographic Growth - Children with Disabilities	895	895	0
2,873	(150)	SEN Transport	2,723	2,723	0
3,842	(1,049)	Demographic Growth - Adult Social Care	2,793	2,793	0
11,884	(1,199)	Current Commitments	10,685	10,685	0

Exceptional Items – COVID-19 Pressures

46. Within Social Care, COVID-19 pressures of £7,225k are being reported, with approximately £5,925k of this value being reported against Adult Social Care and £1,300k being reported against Children's Services.
47. The Adult Social Care pressure includes £2,500k of support provided to external providers during the pandemic, to ensure continuation of care to eligible Social Care clients at a time when providers are facing financial difficulty. In addition to this, a further £2,200k is forecast to provide PPE within the wider Adult Social Care service delivery model. A further £1,000k is being forecast for additional demand within the service as a result of the pandemic. The remaining balance relates to workforce pressures within the service that are directly attributable to the pandemic.
48. The pressure associated with Children's Services relates to an increase in spend in Residential care as during the pandemic, the department are not able to move Children on to more suitable accommodation and therefore achieve a lower unit cost, based on providing a more appropriate level of care.

SOCIAL CARE OPERATING BUDGETS (£298k overspend)

Provider and Commissioned Care (£333k underspend)

49. At Month 2, Provider and Commissioned Care is showing an underspend of £333k. This is predominantly as a result of large staffing underspends of £476k driven by the cessation of agency contracts in services delivering a reduced provision during lockdown. This has been particularly apparent in services such as Passenger Transport, which was heavily impacted by school closures and the temporary closure of Children's Centres, where permanent staff were redeployed to Early Year's Centres to replace agency staffing.

Adult Social Work (£29k overspend)

50. The position reported at Month 2 is an overspend of £29k across Adult's Social Work, driven by a minor pressure on staffing budgets.
51. Placement budgets within Adult's Social Care are undergoing an extensive review in line with the pooled budget arrangements with the CCG and the use of the Hospital Discharge Grant to fund additional costs of discharges, to determine the long term impact of clients currently funded through this grant arrangement. The premise of the payment into the pooled budget with the CCG has been on the basis that hospital discharges as a result of COVID-19 should be on a cost neutral basis. While this review is ongoing the forecast at Month 2 is in line with budget to reflect this position.
52. NHS England is still to issue guidance on the likely cessation date of this funding arrangement, following which will be a transitional period of assessments before Social Care liability for placement costs are resumed. Once this guidance has been received, officers will be able to more accurately forecast the costs for the remainder of the year and the potential impact of COVID-19 on placement budgets.

Children's Services (£519k overspend)

53. High levels of agency staff covering permanent posts within Children's Services is driving the overspend position at Month 2. BID reviews in a number of areas within the Service and the introduction of new agency staffing arrangements with Sanctuary Personnel, which will deliver the agency requirements at a lower cost, will aim to reduce this spend further.

SEND (£73k overspend)

54. Pressures on staffing budgets within SEND are driven largely by the Educational Psychology Service, however, these additional staffing requirements are delivering income within the service and broadly net off this pressure. Across the remainder of the service, other minor staffing and non-staffing pressures caused by additional mediation and consultancy costs are driving the overspend position at Month 2.

Public Health (Breakeven position)

55. The Public Health budgets are offset against the Public Health earmarked reserve, so any over or underspend are either funded by or contribute to the reserve each year. The main spend within Public Health is through contract provision, for which services have continued to be delivered through the lockdown period as far as possible and the Government advice has been to continue funding these contracts at full value

Health integration and Voluntary Sector Partnerships (£10k overspend)

56. A fully established structure at Month 2 has led to a slight pressure within the Service of £10k. There is a budget of £2.2m within this Service area to fund contributions to the Voluntary Sector, which is forecast to spend to budget at Month 2.

ENVIRONMENT, EDUCATION & COMMUNITY SERVICES

57. The Environment, Education and Community Services directorate is showing a projected outturn underspend of £70k at Month 2 on normal activities, with a further £12,521k being reported under the COVID-19 exceptional items disclosure. The overall variance on normal activities is a result of pressures within Trading Standards, Housing and Education offset by underspends in Green Spaces, Sport and Culture.

Table 9: Environment, Education & Community Services Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
4,526	0	Planning, Transportation & Regeneration	Salaries	4,526	4,599	73
1,414	0		Non-Sal Exp	1,414	1,437	23
(4,770)	0		Income	(4,770)	(4,880)	(110)
1,170	0		Sub-Total	1,170	1,156	(14)
13,089	0	Green Spaces, Sports & Culture	Salaries	13,089	12,988	(101)
5,970	1		Non-Sal Exp	5,971	5,795	(176)
(10,767)	0		Income	(10,767)	(10,866)	(99)
8,292	1		Sub-Total	8,293	7,917	(376)
3,030	0	Housing	Salaries	3,030	3,148	118
3,940	6		Non-Sal Exp	3,946	3,895	(51)
(3,482)	0		Income	(3,482)	(3,431)	51
3,488	6		Sub-Total	3,494	3,612	118
973	0	Education	Salaries	973	923	(50)
4,230	0		Non-Sal Exp	4,230	4,378	148
(4,313)	0		Income	(4,313)	(4,312)	1
890	0		Sub-Total	890	989	99
2,419	0	Trading Standards, Environment Health & Licensing	Salaries	2,419	2,401	(18)
559	0		Non-Sal Exp	559	743	184
(3,134)	0		Income	(3,134)	(3,132)	2
(156)	0		Sub-Total	(156)	12	168
959	0	Parking Services	Salaries	959	900	(59)
2,958	0		Non-Sal Exp	2,958	2,958	0
(8,429)	0		Income	(8,429)	(8,429)	0
(4,512)	0		Sub-Total	(4,512)	(4,571)	(59)
2,364	0	Community Safety, Cohesion & Resilience	Salaries	2,364	2,219	(145)
2,716	0		Non-Sal Exp	2,716	2,859	143
(905)	0		Income	(905)	(909)	(4)
4,175	0		Sub-Total	4,175	4,169	(6)
27,360	0	Environment, Education & Community Services Directorate	Salaries	27,360	27,178	(182)
21,787	7		Non-Sal Exp	21,794	22,065	271
(35,800)	0		Income	(35,800)	(35,959)	(159)
13,347	7		Total	13,354	13,284	(70)

58. The Council's 2020/21 contingency budget contains provision for areas of expenditure or income within Environment, Education and Community Services for which there is a greater degree of uncertainty. At Month 2, projected calls on contingency are forecast to be £226k greater than the budgeted provision.

Table 10: Development and Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 2		Variance (As at Month 2)
			Revised Budget	Forecast Outturn	
£'000	£'000		£'000	£'000	£'000
822	0	Impact of Welfare Reform on Homelessness	822	1,048	226
822	0	Total	822	1,048	226

59. The data in the table below shows the use of Temporary Accommodation. At Month 2, the number of households in Bed and Breakfast accommodation is 30 units above the budgeted assumptions made in modelling Supply and Demand for the 2020/21 MTFP.

Table 11: Housing Needs performance data

	March 20	April 20	May 20
All Approaches	309	225	242
Full Assessment Required	190	155	187
New into Temporary Accommodation (Homeless and Relief)	50	24	14
Households in Temporary Accommodation	448	457	429
Households in B&B	178	194	160

60. As in previous years, a contingency has been set aside in 2020/21 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 £1,048k, £226k above the budgeted provision. The service is currently forecasting the number of clients in B&B accommodation will average 164 over the financial year, however, Management actions to reduce numbers through increased non-cost prevention and move-on activity are being implemented.
61. The Council will continue to closely monitor this risk, as following the introduction of the Homeless Reduction Act in April 2018, there has been increased demand for Housing assistance. Specific funding is retained within an earmarked reserve to manage this risk.

Exceptional Items – COVID-19 Pressures

62. Environment, Education and Community Services are currently forecasting £12,521k of pressures against the COVID-19 exceptional items disclosure, with approximately £10,000k of this amount related to losses of income during the pandemic, with the balance being related to cost pressures.
63. The largest single pressure within the service area relates to approximately £4,000k loss of income from parking Fees and Charges as the Council took the decision to temporarily cease charging in this area to support residents during difficult times. A further £3,000k is being reported against Green Spaces, Sports and Culture income as a result of these services not being able to run during the pandemic, with leisure centres and golf courses closing under Government guidelines. The remaining £3,000k of loss income relates to trading standards and licencing (predominantly driven by imported food charges) and lost income from planning and development control Fees and Charges.
64. The expenditure pressures being reported in this area include approximately £1,000k for homelessness and rough sleeper support, ensuring that this vulnerable group is protected during the pandemic, alongside an estimated £1,000k to support our leisure centres whilst they remain closed, following Government guidelines. A number of smaller pressures reported

across the directorate make up the remaining balance, with the largest of these being circa £91k within the Anti-Social Behaviour Team.

ENVIRONMENT, EDUCATION AND COMMUNITY SERVICES OPERATING BUDGETS (£70k underspend)

Planning, Transportation and Regeneration (£14k underspend)

65. Planning Services is currently reporting a £14k underspend, largely driven by unbudgeted Section 106 funding for Air Quality agency staff. Building Control is forecasting an underspend of £32k due to posts being vacant until later in the financial year, whilst Transport and Aviation Services is reporting a £36k overspend attributable to unachievable managed vacancy factor due to the service being fully staffed.

Green Spaces, Sports and Culture (£376k underspend)

66. Green Spaces, Sports and Culture is currently reporting a £376k underspend, of which £176k relates to a reduction in non-staffing expenditure. This predominantly reflects a large number of services not being operational for the first two months of the financial year and some constraints on operations going forward as some of these services gradually resume. The £101k underspend against staffing is largely driven by vacant posts across the service in a number of different areas.

Housing (£118k overspend)

67. Housing is reporting an overspend of £118k at Month 2. There is a forecast staffing pressure within the Homelessness service from the non-achievement of the Managed Vacancy factor and a pressure on enforcement income with the Private Sector Housing Team, which has been offset by non-staffing underspends.

Education (£99k overspend)

68. The Month 2 position for Education shows an overspend of £99k against budget. Staffing underspends have netted down a pressure on the base budget carried related to a historical underlying pressure that is due to be addressed in a BID review of the Education service.

Trading Standards, Environment Health & Licensing (£168k overspend)

69. The service is reporting a £168k pressure at Month 2. There is a small staffing underspend forecast, relating to delayed recruitment to vacant posts. The £184k non-staffing pressure largely reflects ongoing costs associated with the Project Pompeii animal welfare case (£71k) and overspends within the Imported Food Office.

Parking Services (£59k underspend)

70. The reported underspend at Month 2 relates to the service's staff costs forecast, with recruitment to a number of vacant posts, particularly within the Parking Admin Team, subject to some delays.

Community Safety, Cohesion & Resilience (£6k underspend)

71. The service is reporting a £6k underspend, with staffing underspends resulting from recruitment delays across the Community Safety and ASBET teams partly negated by non-staffing overspends.

BUILDING SERVICES, TRANSPORT & BUSINESS IMPROVEMENT

72. Building Services, Transport and Business Improvement directorate is showing a projected outturn underspend of £438k at Month 2 on normal activities, with a pressure of £3,437k being reported against the COVID-19 pressures under exceptional items. The overall variance is a result of underspends within Highways, Waste Services and Property & Estates.

Table 12: Environment, Education & Community Services Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
449	0	Property & Estates	Salaries	449	424	(25)
3,596	0		Non-Sal Exp	3,596	3,685	89
(2,869)	0		Income	(2,869)	(3,040)	(171)
1,176	0		Sub-Total	1,176	1,069	(107)
1,581	0	Capital Programme	Salaries	1,581	1,531	(50)
254	0		Non-Sal Exp	254	254	0
(1,526)	0		Income	(1,526)	(1,449)	77
309	0		Sub-Total	309	336	27
590	0	Repairs & Engineering	Salaries	590	694	104
4,082	0		Non-Sal Exp	4,082	4,135	53
(178)	0		Income	(178)	(272)	(94)
4,494	0		Sub-Total	4,494	4,557	63
2,114	0	Highways	Salaries	2,114	2,118	4
3,741	0		Non-Sal Exp	3,741	3,527	(214)
(3,015)	0		Income	(3,015)	(3,015)	0
2,840	0		Sub-Total	2,840	2,630	(210)
9,399	0	Waste Services	Salaries	9,399	9,290	(109)
14,589	0		Non-Sal Exp	14,589	14,557	(32)
(3,236)	0		Income	(3,236)	(3,236)	0
20,752	0		Sub-Total	20,752	20,611	(141)
3,087	0	ICT	Salaries	3,087	3,034	(53)
4,444	0		Non-Sal Exp	4,444	4,446	2
(200)	0		Income	(200)	(203)	(3)
7,331	0		Sub-Total	7,331	7,277	(54)
358	0	Town Centre Initiatives	Salaries	358	307	(51)
156	0		Non-Sal Exp	156	143	(13)
(53)	0		Income	(53)	(6)	47
461	0		Sub-Total	461	444	(17)
17,578	0	Building Services, Transport & Business Improvement Directorate	Salaries	17,578	17,399	(179)
30,862	0		Non-Sal Exp	30,862	30,747	(115)
(11,077)	0		Income	(11,077)	(11,221)	(144)
37,363	0		Total	37,363	36,925	(438)

73. The Council's 2020/21 contingency budget contains provision for areas of expenditure or income within Building Services, Transport & Business Improvement for which there is a greater degree of uncertainty. At Month 2, projected calls on contingency are forecast to budget.

Table 13: Development and Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 2		Variance (As at Month 2)
			Revised Budget	Forecast Outturn	
£'000	£'000		£'000	£'000	£'000
2,050	0	Waste Disposal Levy & Associated Contracts	2,050	2,050	0
2,050	0	Current Commitments	2,050	2,050	0

74. The call on the Waste contingency is consistent with the budgeted provision of £2,050k, to fund estimated population driven increases in the cost of tonnages via the West London Waste Authority (WLWA) levy and associated waste disposal contracts. In terms of Pay as you Throw (PAYT), the first two months of 2020/21 have shown a 2% increase in residual waste volumes and a 28% rise in mixed organic (food & garden) waste when compared to the same period last year. The latter in particular has been impacted by the pandemic and lockdown. Similarly, mixed dry recycling tonnages are also significantly above those for the equivalent period last year (up 18%), affecting disposal costs via the Council's contract with Biffa. Accordingly, a further £250k drawdown from the COVID-19 contingency has been proposed at Month 2, to fund the estimated additional costs emerging (see below). The position will be reviewed as the year progresses and the impact of lockdown easing, the 'usual' seasonal fluctuations and wider market factors become clearer.

Exceptional Items – COVID-19 Pressures

75. Building Services, Transport and Business Improvement Services are currently forecasting COVID-19 pressures of £3,437k, which relates to £929k of expenditure pressures alongside £2,508k of income shortfalls all directly attributable to the COVID-19 pandemic.
76. The expenditure pressure within this service area relates to pressures within the Waste Service with pressures reported against staffing due the Council's Passenger Services vehicles being used to transport waste crews to facilitate social distancing measures, as well as non-staffing pressures due to higher kerbside collections, predominantly within garden and mixed dry recycling.
77. Within the income shortfall reported against COVID-19, £940k also relates to the Waste Service, due to reduced income at the New Years Green Lane site whilst it was closed, as well as reduced income from Trade Waste services.
78. A pressure against rental income of approximately £950k is included within Property & Estates on the anticipation that income collection rates are likely to reduce from commercial shops and garages alongside other small pressures within rental income budgets.
79. Finally £618k is being reported in Highways as a result of the suspension of vehicle crossovers work as well as reduced street-works activity during the early part of the lockdown period.

BUILDING SERVICES, TRANSPORT AND BUSINESS IMPROVEMENT SERVICES OPERATING BUDGETS (£438k underspend)

Property and Estates (£107k underspend)

80. There is a reported underspend of £107k at Month 2, predominantly due to additional rental income receivable from two new leases effective from April.

Capital Programme (£27k overspend)

81. The Capital and planned works service is showing a projected pressure of £27k against base budget. This represents the residual expenditure for staffing and project costs after fees have been assumed as chargeable to capital projects.

Repairs and Engineering (£63k overspend)

82. The Facilities Management Service is showing an overspend of £63k against budget, attributable to increased reactive and compliance works required across the corporate property portfolio.

Highways (£210k underspend)

83. The service is reporting a £210k underspend at Month 2, largely reflecting reduced costs associated with the construction of domestic vehicle crossings whilst works ceased following lockdown (not resuming until the latter part of May).

Waste Services (£141k underspend)

84. There is a reported £141k underspend across Waste Services. The staff costs forecast is £109k below budget, resulting from delays to the recruitment of three new recycling officer posts and to reduced levels of overtime and agency spend at the New Years Green Lane CA site whilst it was shut for several weeks at the start of the year owing to the pandemic. The £32k non-staffing underspend is attributable to the temporary cessation of Waste Weekend events, partly offset by increased spend on trade waste bin maintenance.

ICT (£54k underspend)

85. The service is reporting a £54k underspend, largely attributable to vacant posts as it continues to recruit to establish the structure approved as part of the March 2019 BID business case.

Town Centre Initiatives (£17k underspend)

86. A staffing underspend at Month 2 relates to a plan to recruit a new Town Centres Improvement Officer no longer being progressed (this post was to be recharged to capital, with a compensatory pressure against the income budget). There is a £13k non-staffing underspend at Month 2 largely relating to publicity costs

CORPORATE RESOURCES & SERVICES OPERATING BUDGET

87. Corporate Resources and Services Operating Budget directorate is showing a projected outturn underspend of £29k at Month 2 on normal activities with £923k reported against the COVID-19 exceptional item disclosure. The overall variance is a result of overspends within Human Resources, Business Performance and Business and Technical Support.

Table 14: Corporate Resources & Services Directorate Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
1,496	0	Democratic Services	Salaries	1,496	1,508	12
1,750	0		Non-Sal Exp	1,750	1,728	(22)
(702)	0		Income	(702)	(702)	0
2,544	0		Sub-Total	2,544	2,534	(10)
1,791	0	Human Resources	Salaries	1,791	1,858	67
978	0		Non-Sal Exp	978	967	(11)
(232)	0		Income	(232)	(232)	0
2,537	0		Sub-Total	2,537	2,593	56
2,303	44	Legal Services	Salaries	2,347	2,265	(82)
58	1		Non-Sal Exp	59	69	10
(284)	0		Income	(284)	(284)	0
2,077	45		Sub-Total	2,122	2,050	(72)
614	0	Corporate Communications	Salaries	614	612	(2)
152	0		Non-Sal Exp	152	147	(5)
(26)	0		Income	(26)	(26)	0
740	0		Sub-Total	740	733	(7)
679	0	Business Performance	Salaries	679	697	18
83	0		Non-Sal Exp	83	83	0
0	0		Income	0	0	0
762	0		Sub-Total	762	780	18
11,159	0	Business & Technical Support	Salaries	11,159	11,036	(123)
211	0		Non-Sal Exp	211	233	22
(719)	0		Income	(719)	(632)	87
10,651	0		Sub-Total	10,651	10,637	(14)
18,042	44	Corporate Resources & Services Director	Salaries	18,086	17,976	(110)
3,232	1		Non-Sal Exp	3,233	3,227	(6)
(1,963)	0		Income	(1,963)	(1,876)	87
19,311	45		Total	19,356	19,327	(29)

Exceptional Items – COVID-19 Pressures

88. Within Corporate Resources and Services Directorate, a pressure of £923k is being reported against the COVID-19 exceptional items disclosure, with £525k of this relating to expenditure pressures and £398k relating to income shortfalls.
89. Within the expenditure pressures, £300k of this relates to the Council's provision of food shopping to shielding residents and some of the more vulnerable residents of the borough. The majority of the difference relates to a £180k pressure to cover non-Social Care Personal Protective Equipment (PPE), the remaining balance is made up of smaller items, with the

largest being Hillingdon's contribution of £16k of mortuary funding for dignity screens at the Fulham mortuary.

90. Within the £398k pressure reported against income shortfalls from the COVID-19 pandemic, £202k relates to a loss of income against Land Charges, alongside £170k relating to a reduction of income against the registration of Births, Deaths and Marriages and £21k reported against street naming income, all of which are related to lockdown restrictions and social distancing impacting on these services.

CORPORATE RESOURCES & SERVICES OPERATING BUDGET (£29k underspend)

Democratic Services (£10k underspend)

91. Non-salaries underspends relate to a reduced requirement for printing within Democratic Services as a volume of Cabinet and committee business has transferred to electronic media during the pandemic. This has offset slight pressures on staffing budgets as a result of a fully established structure

HR (£56k overspend)

92. A full staffing establishment is reported for HR following the completion of recent service transformation, which has led to the staffing overspend reported in the Service. This has been netted down slightly by underspends in Learning and Development budgets as a result of a reduction in training spend during lockdown.

Legal Services (£72k underspend)

93. Posts held vacant within Legal Services during the COVID pandemic have resulted in a net underspend at Month 2 of £72k. The position assumes recruitment to 7 posts of varying grades currently vacant by September, offset by costs of locum or agency staff that may be required to support with peaks in workload.

Corporate Communications (£7k underspend)

94. The service is reporting an underspend of £7k at Month 2. There is a small favourable variance in relation to staff costs, with savings related to recruitment delays partly offset by the managed vacancy factor. The non-staffing underspend is attributable to the reduced printing costs of the smaller format April/May edition of Hillingdon People (focused on the COVID pandemic).

Business Performance (£18k overspend)

95. Business Performance are showing an overspend position of £18k at Month 2 as a result of a full staffing establishment.

Business & Technical Support (£14k underspend)

96. There is an £14k underspend reported at Month 2. A staffing underspend of £123k, attributable to delayed recruitment to vacant posts has been largely offset by (i) a £22k non-staffing overspend (extended hire of a mortuary freezer and consultancy costs associated with two stage 2 complaints) and (ii) a £87k income shortfall (reduced mortuary contribution from Ealing Council and an unachievable Tech Admin agency cost recharge).

Appendix B – Other Funds

SCHOOLS BUDGET

Dedicated Schools Grant (£8,333k overspend)

97. The Dedicated Schools Grant (DSG) outturn position is an in-year overspend of £8,333k at Month 2, this is an increase of £1,158k on the budgeted deficit of £7,175k. This overspend is due to ongoing pressures in the cost of High Needs placements, where significant growth continues. The budget for High Needs was increased for 2020/21 to take account of projected growth, but it is projected that when the current backlog in cases is added to the estimated in-year growth, the budget will be exceeded. When the £15,002k deficit brought forward from 2019/20 is taken into account, the cumulative deficit carry forward to 2021/22 is £23,335k.

Table 15: DSG Income and Expenditure 2020/21

Original Budget	Budget Changes	Funding Block	Month 2		
			Revised Budget	Forecast Outturn	Variance
			£'000	£'000	£'000
(296,926)	0	Dedicated Schools Grant Income	(296,926)	(296,926)	0
231,400	0	Schools Block	231,400	231,331	(69)
25,401	0	Early Years Block	25,401	25,401	0
3,270	0	Central School Services Block	3,270	3,270	0
44,030	0	High Needs Block	44,030	45,257	1,227
7,175	0	Total Funding Blocks	7,175	8,333	1,158
		Balance Brought Forward 1 April 2020	15,002	15,002	
		Balance Carried Forward 31 March 2021	22,177	23,335	

Dedicated Schools Grant Income (nil variance)

98. The DSG will be adjusted in June to reflect the actual uptake of the free entitlement for eligible two, three and four year olds. This adjustment will be based on the January 2020 census and will include a retrospective change to the 2019/20 funding, as well as a recalculation of the 2020/21 Early Years block funding.
99. There will also be an amendment to the High Needs block allocation following confirmation of the import/export adjustment for 2020/21 which updates funding to reflect the local authority in which pupils with SEND are resident.

Schools Block (£69k underspend)

100. The Schools Block includes all funding paid directly to mainstream schools as part of their delegated budget share, including the funding recouped by the ESFA and paid to mainstream academies.
101. There is also a 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 throughout the relevant financial year to cover the cost of this agreed and planned growth.
102. Schools Forum took the decision to withhold growth contingency allocations for one school due to insufficient projected pupil growth in September 2020 and therefore there will be an

underspend relating to this allocation. The growth contingency policy has been amended for 2020/21 in order address the growth in secondary pupils. Schools will be funded for any Year 7 pupils which are above the Published Admission Number (PAN). £480k was set aside for this purpose, with the actual funding requirement will not be known until actual numbers on roll are confirmed

103. The growth contingency also funds diseconomies of scale funding for new basic need academy schools and officers are still waiting on further details from one school on the level of diseconomies of scale funding that is being requested, which could still affect the final position.

Early Years Block (Nil variance)

104. Two year old funding will be adjusted in July to reflect the number of children accessing the entitlement based on the January 2019 census.
105. The 3 and 4 year old funding for both the universal and the additional free entitlement will also be adjusted in July following the January 2020 census. There is an expectation that the funding allocation will increase as the number of children accessing the additional free entitlement has increased over the past year. The projections will be revised once the impact of the funding adjustments is known.

Central School Services Block (Nil variance)

106. The published DSG budget allocations confirmed a 20% decrease in the Central School Services Block provided for historic commitments. This resulted in a £265k reduction in funding, though this was partly offset by £51k of additional funding for pupil growth. The reduction in funding resulted in a budget shortfall for the services funded by the Central School Services block adding to the pressure which has led to an overall deficit DSG being agreed for 2020/21. At Month 2 the Central School Services block is projected to be in line with budget.

High Needs Block (£1,227k overspend)

107. There continues to be significant pressure in the High Needs Block in 2020/21, with an overspend of £1,227k being projected at Month 2. The growth in the number of pupils with an EHCP continued throughout 2019/20 resulting in a £5,229k High Needs overspend at outturn. This is despite a transfer of £3,500k from the Schools Block in 2019/20 to address High Needs pressures.
108. In 2020/21 Schools Forum and the DfE did not agree a transfer of funding from the Schools Block. Therefore, even though High Needs funding increased by £5,289k in 2020/21, there was no alternative but to set a deficit budget for 2020/21. The projected position at Month 2 takes into account the full year financial impact of the growth in EHCPs to the end of 2019/20 and an estimate for future growth throughout 2020/21. The assumptions currently indicate that the High Needs growth built into the budget for 2020/21 will be exceeded by £1,227k.
109. The current academic year has seen a further increase in the number of in-borough special schools that are now over their commissioned place number. Where a special school is over its planned place number there is a requirement to fund the additional places plus the agreed top-up funding which is placing additional pressure on the High Needs block.
110. Due to a continuing lack of capacity in-borough and across other local authority provision, there is a requirement to place pupils in more costly school placements, with an increase in the number of children that commenced new placements in independent special schools in the current academic year. This is resulting in significant additional pressure on the High Needs

block. There is an expectation that this will become the only route that the Council will be able to take until more provision is created locally.

111. There was a further increase in the cohort of post-16 SEN placements in 2019/20 and this has put additional pressure on the 2020/21 High Needs budgets with the potential that placements for young people with SEN can continue to be funded up to the age of 25.
112. In addition to the cost of pupils with an EHCP, the High Needs Block is now funding Early Support Funding (ESF) 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. Whilst the expectation is that this might reduce total costs in the long-term, we are yet to see the financial impact of this.

COLLECTION FUND

113. A deficit of £3,973k is reported within the Collection Fund relating to an adverse position across both Council Tax and Business Rates, which is predominantly driven by reduced growth in the Council Tax taxbase and a reduction in the Business Rates taxbase as a result of expected business failures due to the COVID-19 pandemic. Additional support within Council Tax is driving half of the pressure as households face financial difficulty. Any deficit realised at outturn will impact on the General Fund budget in future years, with the Government offering local authorities the ability to spread the deficit over a period of up to three years in equal increments as a result of the deficit being directly attributable to COVID-19.
114. The Council is participating in the 50% Business Rates Retention Pool for London, which provides scope for retaining additional growth while guaranteeing the level of income the Council would have received under the existing 50% Retention system. Business Rates projections below reflect this guaranteed position, with any additional funds available from the pool to be captured separately in budget setting reports as appropriate.

Table 17: Collection Fund

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
(131,835)	0	Council Tax	Gross Income	(131,835)	(131,233)	602
11,049	0		Council Tax Support	11,049	13,114	2,065
39	0		B/fwd Deficit	39	303	264
(120,747)	0		Sub-Total	(120,747)	(117,816)	2,931
(112,314)	0	Business Rates	Gross Income	(112,314)	(85,034)	27,280
(6,141)	0		Section 31 Grants	(6,141)	(26,866)	(20,725)
53,666	0		Less: Tariff	53,666	53,666	0
8,784	0		Less: Levy	8,784	4,236	(4,548)
(498)	0		B/fwd Surplus	(498)	(1,464)	(966)
(56,503)	0	Sub-Total	(56,503)	(55,461)	1,042	
(177,250)	0	Total Collection Fund	(177,250)	(173,277)	3,973	

115. At Month 2 a deficit of £2,931k is projected against Council Tax, the position includes an adverse variance reported against Gross Income of £602k, which is being driven by a smaller than forecast growth in the taxbase as a result of delays in property building during the pandemic alongside a reduction in the collection rate, forecasting to lead to an increase in the bad debt provision required for 2020/21. The majority of the pressure in Council Tax is driven by a £2,000k pressure within Council Tax Support as a result of increased demand as households face financial difficulties. The position is compounded by a pressure of £264k against the brought forward surplus as a result of an adverse movement at outturn within Council Tax, this is the result of the Council ceasing debt chasing activities at the end of 2019/20 due to the COVID-19 pandemic. Within this position, potential volatility in Discounts and Exemptions continue to be closely monitored.

116. A £1,042k deficit is reported across Business Rates at Month 2, the position includes an adverse variance against in-year activity of £2,008k with this variance being driven by an adverse position within Gross Rates of £27,280k. This is predominantly due to the Government's support package to assist businesses during the pandemic, including 100% rates relief for the retail sector, this relief is wholly funded by Section 31 Grants and explains the favourable position in this area, represented by an overachievement of grant income of £20,953k. In addition to this, the £27,280k adverse variance against gross rates assumes a reduction in the taxbase due to business failure caused by financial hardship during the pandemic. The additional support offered by Central Government was announced after the Council set the 2020/21 budget and explains why such large variances are being reported.
117. The in-year position includes a favourable position being reported against the Levy of £4,548k, which is the result of the reduction in the taxbase and lower gross rates yield for the Council, leading to a lower levy payment due to Central Government. In addition, a surplus is reported against the brought forward surplus of £966k, driven by a favourable movement at outturn as a result of clarity received from the London Pool position at year end.

Appendix C – HOUSING REVENUE ACCOUNT

118. The Housing Revenue Account (HRA) is currently forecasting a drawdown of reserves of £2,057k, which is a break-even position compared to the budget. This excludes the potential cost pressures of COVID-19, which are estimated at £1,011k. These pressures have not been included in the Month 2 forecast position for HRA revenue or capital, as firstly they may not all materialise and secondly they are at a level that is fundable in-year. In addition lobbying for specific HRA Covid-19 funding from government is ongoing.
119. The 2020/21 closing HRA General Balance is forecast to be £15,018k. The use of reserves is funding investment in new housing stock. The table below presents key variances by service area:

Table 18: Housing Revenue Account

Service	Month 2		Variance (+ adv / - fav)
	Revised Budget	Forecast Outturn	Variance (As at Month2)
	£'000	£'000	£'000
Rent Income	(57,872)	(57,872)	0
Other Income	(5,414)	(5,414)	0
Net Income	(63,286)	(63,286)	0
Housing Management	14,746	14,672	(74)
Tenant Services	3,754	3,828	74
Repairs	5,368	5,368	0
Planned Maintenance	4,040	4,040	0
Capital Programme Funding	20,790	20,790	0
Interest & Investment Income	15,385	15,385	0
Development & Risk Contingency	1,260	1,260	0
Operating Costs	65,343	65,343	0
(Surplus) / Deficit	2,057	2,057	0
General Balance 01/04/2020	(17,075)	(17,075)	0
General Balance 31/03/2021	(15,018)	(15,018)	0

Income

120. As at Month 2, both the rental income and other income is forecast to break even.
121. The number of RTB applications received in the first two months of 2020/21 was 8 compared to 31 for the same period in 2019/20; a reduction of 74%. There has been 1 RTB completion in the first two months of 2020/21 compared to 8 for the same period in 2019/20; a reduction of 88%. Both the reduction in RTB applications and sales is reflective of the COVID-19 circumstances and will be kept under review during the year. At this early stage in the year, the 2020/21 RTB sales forecast is 50, which is the same as the budget.

Expenditure

122. The Housing management service is forecast to underspend by £74k, £57k due to staffing and £17k on running costs.
123. Tenant services is forecast to overspend by £74k, £32k due to staffing, £39k due to an increase in the insurance premium and £3k on running costs.

124. The repairs and planned maintenance budget totals £9,408k and at this early stage in the year is forecast to break even.
125. As at Month 2 the capital programme funding, interest and investment income and the development and risk contingency budgets are forecast to break even.

COVID-19 cost pressures on the HRA

126. The table below summarises the potential HRA COVID-19 cost pressures identified to date which will be kept under review during the year. These pressures have not been included in the Month 2 forecast position for HRA revenue or capital, as firstly they may not all materialise and secondly they are at a level that is fundable in-year. In addition lobbying for specific HRA Covid-19 funding from government is ongoing.
127. The key pressures relate to repairs and maintenance totalling £431k due to unreported and potential catch up day-to-day repairs and void works; bad debt provision totalling £214k due to increasing arrears and the age of the arrears; and works to stock programme £222k due to project timing delays caused by COVID-19. Other pressures include housing management costs of £21k, and rental income costs of £123k as a result of the timing delays on the aforementioned works to stock programme.

128. **Table 19: HRA COVID-19 pressures**

HRA COVID-19 pressures	2020/21
	£'000
Repairs and Planned Maintenance	431
Development and Risk Contingency – Bad Debt Provision	214
Housing Management (workforce, PPE)	21
Rental Income impact	123
Total HRA Revenue	789
Works to Stock programme	222
Total HRA Capital	222
Total HRA (Revenue and Capital)	1,011

HRA Capital Expenditure

129. The HRA capital programme is set out in the table below. The 2020/21 revised budget is £65,609k. The 2020/21 forecast expenditure is £53,881k with a net variance of £11,728k of which £11,428k is due to re-phasing and £300k due to a cost under spend. This excludes the £222k cost pressures of COVID-19 identified in the table above. The position reflects an on capital spend reflects an initial view which will be refined in future reports as the impact of the pandemic on the programme is reviewed in more detail.

Table 20: HRA Capital Expenditure

Programme	2020/21 Revised Budget	2020/21 Forecast	2020/21 Cost Variance Forecast V Revised Budget	2020/21 Project Re-Phasing	Total Project Budget 2020-25	Total Project Forecast 2020-25	Total Project Variance 2020-25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Projects (Note 1)							
New General Needs Housing Stock	39,867	35,640	(175)	(4,052)	141,676	141,502	(175)
New Build - Shared Ownership	6,868	3,367	(125)	(3,376)	14,615	14,489	(125)
New Build - Supported Housing Provision	816	816	0	0	816	816	0
Total Major Projects	47,551	39,823	(300)	(7,428)	157,107	156,807	(300)
HRA Programmes of Work							
Works to stock programme	15,870	11,870		(4,000)	60,231	60,231	0
Major Adaptations to Property	2,188	2,188			10,129	10,129	0
Total HRA Programmes of Work	18,058	14,058	0	(4,000)	70,360	70,360	0
Total HRA Capital	65,609	53,881	(300)	(11,428)	227,467	227,167	(300)

Note 1: see Annex A for a detailed breakdown of the major projects by scheme

Major Projects

130. The 2020/21 Major Projects programme revised budget is £47,551k. Forecast expenditure is £39,823k, with a re-phasing variance of £7,428k and a cost underspend of £300k forecast in 2020/21.

New General Needs Housing Stock

131. The 2020/21 General Needs Housing Stock revised budget is £39,867k. There is forecast re-phasing of £4,052k across the General Needs programme due to delays in the progress of several projects, partly arising from COVID-19 lockdown.
132. A cost under spend of £300k is forecast on the completed mixed tenure development at Acol Crescent, apportioned across general needs and shared ownership, after agreement of the final account with the contractor.
133. The redevelopment of Maple and Poplar Day Centres were put on hold due to the COVID-19 crisis. The construction works have been tendered and a contractor is ready to be appointed. A total of 34 units will be constructed comprising 50% general needs social housing and the remainder being shared ownership.
134. Works are in progress on site for the redevelopment of the former Willow Tree depot into general needs housing and are expected to be complete in April 2021.
135. Construction works at the Nelson Road development were paused due to COVID-19 however the main contractor is due to recommence on site in early July 2020 with a view to complete the construction of the 6 new homes by March 2021.
136. Four buybacks have been formally approved in 2020/21 estimated to cost up to £1,286k inclusive of stamp duty, legal fees & expected void repairs costs.

New Build - Shared Ownership

137. The New Build Shared Ownership budget comprises schemes being delivered across five sites. These are expected to deliver 116 units in total.
138. The mixed tenure redevelopment of the former Belmore Allotments site has had planning approval and the tendering process for the construction contract is able to commence shortly. Works on site are not expected until early 2021 and this is reflected in the forecast.
139. Revised plans for the redevelopment of Woodside Day Centre have been reviewed following changes to the original plan for the ground floor. A planning application is to be submitted shortly followed by tenders. Construction works are not expected to proceed until next year.

New Build - Supported Housing

140. Construction of the supported Housing projects at Grassy Meadow and Park View are complete and sites are operational, with some minor external works at Grassy Meadow remaining to be completed in 2020/21. Liquidated damages continue to be held against the Park View contractor for delays with a legal adjudication process ongoing. Currently the total project costs are expected to come in within the revised budget pending any appeals from the contractor.

HRA Programmes of Work

141. The Works to Stock 2020/21 revised budget is £15,870k. Due mainly to the COVID-19 crisis forecast expenditure has reduced by £4,000k from budget across various work streams, with planned programmes in various stages of progress and some schemes continuing into next year.

HRA Capital Receipts

142. There has been 1 Right to Buy sale of council dwellings as at the end of May 2020 for a total gross sales value of £155k. A further 49 sales are forecast to bring the yearly total to 50, totalling £9,200k in 2020/21.
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. However it is expected that these monies will be paid back to the HRA in due course as Hillingdon Council has opted in 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, is re-routed back to individual councils through the GLA as a grant.
144. During 2020/21, the £8,385k receipts generated in 2017/18 could potentially become repayable unless the following expenditure profile is achieved Q1 £5,668k, Q2 £8,843k, Q3 £4,050k and Q4 £9,389k. Cumulative expenditure on 1 for 1 replacement from previous quarters above the minimum requirement can be carried forward.
145. However, in June 2020 the London Borough of Hillingdon has accepted the MHCLG's offer to temporarily relax the rules in response to the COVID-19 situation, whereby the 2020/21 Q1 and Q2 deadlines are extended to the Q3 deadline i.e. to 31/12/2020.

Annex A: HRA Capital Expenditure – Major Projects breakdown by scheme

Prior Years	Scheme	Unit Numbers	2020/21 Total Revised Budget	2020/21 Total Revised Forecast	2020/21 Variance	2020/21 Cost Variance	Proposed Re-phasing	Total Project Budget 2020-2025	Total Project Forecast 2020-2025	Total Project Variance 2020-2025
£'000			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
6,859	Acol Crescent	33	711	411	(300)	(300)		711	411	(300)
n/a	Internal Acquisitions and Developments		28,878	28,878	0	0	0	123,105	123,105	0
325	Belmore Allotments	86	4,220	2,314	(1,906)	0	(1,906)	10,493	10,493	0
315	Maple And Poplar	34	1,253	627	(626)	0	(626)	6,072	6,072	0
315	Willow Tree	10	2,455	1,905	(550)	0	(550)	2,627	2,627	0
31	2 East Way	1	203	100	(103)	0	(103)	203	203	0
25	Bartram Close	2	305	0	(305)	0	(305)	305	305	0
67	34-44 Sullivan Crescent	6	686	327	(359)	0	(359)	949	949	0
363	Nelson Road	6	1,895	1,421	(474)	0	(474)	1,944	1,944	0
285	Great Benty	2	471	236	(235)	0	(235)	471	471	0
1,297	Acquisition TCM House	28	10	10	0	0	0	10	10	0
556	Acquisition 191 Harefield Road	2	28	28	0	0	0	28	28	0
15,400	Acquisition 17 New Build Homes	17	265	265	0	0	0	265	265	0
39	Petworth Gardens	9	1,533	767	(766)	0	(766)	3,104	3,104	0
14,600	Parkview	60	786	786	0	0	0	786	786	0
20,556	Grassy Meadow	88	30	30	0	0	0	30	30	0
36	113-127 Moorfield Road	5	946	718	(228)	0	(228)	1,089	1,089	0
403	Woodside Day Centre	27	2,876	1,000	(1,876)	0	(1,876)	4,915	4,915	0
51,472		416	47,551	39,823	(7,728)	(300)	(7,428)	157,107	156,807	(300)
12,691	General Needs Housing Stock	152	39,867	35,640	(4,227)	(175)	(4,052)	141,676	141,502	(175)
3,625	New Build - Shared Ownership	116	6,868	3,367	(3,501)	(125)	(3,376)	14,615	14,489	(125)
35,156	New Build - Supported Housing	148	816	816	0	0	0	816	816	0
51,472		416	47,551	39,823	(7,728)	(300)	(7,428)	157,107	156,807	(300)

Appendix D - GENERAL FUND CAPITAL PROGRAMME

146. As at Month 2 an under spend of £22,441k is reported on the 2020/21 General Fund Capital Programme of £113,271k, due mainly to re-phasing of project expenditure into future years. The 2020/21 forecast under spend is largely due to an initial assessment of the impact of various schemes being put on hold during the Coronavirus pandemic. Further work is being undertaken to refine these projections to reflect the practicalities of restarting these projects in view of their current status and market conditions. The forecast outturn variance over the life of the 2020/21 to 2024/25 programme is an under spend of £3,623k.
147. General Fund Capital Receipts of £8,027k are forecast for 2020/21, with a shortfall of £1,132k in total forecast receipts to 2024/25.
148. Overall, Prudential Borrowing required to support the 2020/21 to 2024/25 capital programmes is forecast to be over budget by £2,586k. This is due to a combined shortfall of £2,632k on other sources of funding (capital receipts and CIL), offset by cost under spend of £46k on Council resourced schemes.

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 2020.

Table 21: General Fund Capital Programme Summary

	Total Project Budget 2020-2025	Total Project Forecast 2020-2025	Total Project Variance
	£'000	£'000	£'000
Schools Programme	20,328	20,328	-
Main Programme	189,343	189,297	(46)
Programme of Works	168,258	164,681	(3,577)
General Contingency	7,500	7,500	-
Total Capital Programme	385,429	381,806	(3,623)

150. The revised five year capital programme budget includes re-phasing approved at June Cabinet of £26,047k funding from 2019/20 for various continuing schemes and programmes.

Schools Programme

151. The Schools Expansions programme is reporting an overall break even position although there remain cost risks on additional items beyond the original contract scope for both Vyners and Ruislip High School expansions. Works at Ruislip High were delayed due to COVID-19 lockdown and will not be ready for September term time, with completion now expected in February 2021.
152. Work has commenced on installing a modular classroom at Hedgwood primary school for pupils with special educational needs and will be ready for September 2020 term, funded from

the Special Provision Capital Fund. Other plans for the remainder of the grant are under feasibility review.

153. The approved programme includes £2,850k for additional temporary classrooms in 2020/21 however it is not anticipated this will be fully required this year based on current demand for school places.

Major Projects

154. Including prior years, the Major Projects programme includes £50,000k prudential borrowing to finance the housing company Hillingdon First with construction work in progress at the residential development site in South Ruislip. The budget will also finance identified potential acquisitions of development land and commencement of construction of other sites
155. The programme includes £15,970k for a major residential development at the Falling Lane site in Yiewsley which will be self-financing from the sale of discounted market sale properties. The scheme is temporarily on hold during the Coronavirus pandemic.
156. The construction works contract for the provision of a new £30,000k leisure centre in Yiewsley/West Drayton has been tendered and is currently under evaluation.
157. The new Shopping Parades Initiative programme reports an under spend of £46k as a secondment post is no longer required with lower than anticipated shop front grants at this stage, possibly impacted by COVID-19. Design work on shop fronts will be completed this year with public realm work paused until future Transport for London funding or other sources can be identified.
158. The Uxbridge cemetery gatehouse refurbishment project is on hold for a year with the budget re-phased into next year to reflect this.

Programmes of Works

159. The 2020/21 Transport for London programme has been severely curtailed with the previously agreed LIP grant significantly reduced due to COVID-19 and the impact it has had on TFL's finances from reduced tube fares. As a consequence TFL have agreed to fund only £156k in respect of sunk costs and social distancing measures, resulting in a £3,577k expenditure and grant financing shortfall.
160. A number of Chrysalis outdoor gyms and playgrounds projects have been put on hold due to COVID-19 and are not expected to be completed this financial year at this stage.
161. The libraries refurbishment programme continues to progress and is forecast to be completed this financial year. The leisure centre refurbishment programme is in early stages with works at Hillingdon Sports and Leisure Centre currently being progressed.
162. Works are about to commence on relocating services to the mezzanine area at the Civic Centre. A number of schemes within the Civic Centre and Property Works Programme are in various stages of progress, including projects carried forward from 2019/20. Planned scope of works for the currently uncommitted budget are under review with some projects on hold during the Coronavirus pandemic.
163. Works are in various stages of progress on numerous carriageway refurbishments within the Highways improvement programme with £2,569k of new works recently approved. Under

Corporate Technology and Innovation, the project to upgrade computer hardware and transition to Windows 10/Microsoft 365 commenced in January and is in progress.

164. There have been a number of COVID-19 related general equipment capitalisation items arising this year, however, it is expected this will be managed from the existing approved budget at this stage.

Capital Financing - General Fund

165. Table 20 below outlines the latest financing projections for the capital programme, with an adverse medium term variance of £2,586k reported on Prudential Borrowing.

Table 22: General Fund Capital Programme Financing Summary

	Revised Budget 2020/21 £'000	Forecast 2020/21 £'000	Variance £'000	Total Financing Budget 2020-2025 £'000	Total Financing Forecast 2020-2025 £'000	Total Variance £'000
Council Resource Requirement						
Self-Financing Schemes	20,629	19,379	(1,250)	62,160	62,160	-
Invest to Save Schemes	8,126	7,699	(427)	11,126	11,126	-
Service Provision	65,193	51,462	(13,731)	219,268	219,222	(46)
Total Council Resources	93,948	78,540	(15,408)	292,554	292,508	(46)
Financed By						
Capital Receipts	9,431	8,027	(1,404)	52,820	51,688	(1,132)
CIL	3,500	2,000	(1,500)	17,500	16,000	(1,500)
Prudential Borrowing	81,017	68,513	(12,504)	222,234	224,820	2,586
Total Council Resources	93,948	78,540	(15,408)	292,554	292,508	(46)
Grants & Contributions	19,323	12,290	(7,033)	92,875	89,298	(3,577)
Capital Programme	113,271	90,830	(22,441)	385,429	381,806	(3,623)

166. Forecast capital receipts in 2020/21 amount to £8,027k after financing transformation costs. One sale has been completed for £937k (excluding the deposit received in 2019/20), and offers have also been accepted on two marketed residential properties. Several former garage sites are planned for auction sales later this year. The forecast also includes General Fund share of Right to Buy (RTB) sales of £1,658k based on a forecast of 50 RTB sales this year. There is an overall shortfall of £1,132k due partly to revised lower valuations on two sites based on smaller residential development schemes for planning consent, and one previously identified site is not expected to be sold.

167. A shortfall of £1,500k is forecast on Community Infrastructure Levy (CIL) receipts (after administration fees) as developer activity has been affected by COVID-19 with a subsequent impact on timing of CIL payments. 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.

168. Forecast grants and contributions are £3,577k lower than the revised budget, due to the previously mentioned cut to the 2020/21 TFL LIP grant. The adverse movement in prudential borrowing in 2020/21 of £2,586k is mainly due to the combined shortfall of capital receipts and CIL income.

ANNEX A - Schools Programme

Prior Year Cost	Project	2020/21 Revised Budget	2020/21 Forecast	2020/21 Cost Variance	Forecast Re-phasing	Total Project Budget 2020-2025	Total Project Forecast 2020-2025	Total Project Variance 2020-2025	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										
16,032	New Primary Schools Expansions	367	367	0	0	367	367	0	367	0	0
16,868	Secondary Schools Expansions	5,691	5,691	0	0	9,571	9,571	0	9,571	0	0
0	Additional Temporary Classrooms	2,850	600	0	(2,250)	6,650	6,650	0	4,400	2,250	0
458	Schools SRP	2,042	1,000	0	(1,042)	3,500	3,500	0	0	3,500	0
0	Meadow School	240	240	0	0	240	240	0	240	0	0
33,358	Total Schools Programme	11,190	7,898	0	(3,292)	20,328	20,328	0	14,578	5,750	0

APPENDIX B – Major Projects

Prior Year Cost	Project	2020/21 Revised Budget £'000	2020/21 Forecast £'000	2020/21 Cost Variance £'000	2020/21 Forecast Re-phasing £'000	Total Project Budget 2019-24 £000	Total Project Forecast 2019-24 £000	Total Project Variance 2019-24 £000	Project Forecast Financed by:		
									Council Resources £000	Government Grants £000	Other Cont'ns £000
	Community Commerce & Regeneration										
0	New Theatre	1,000	50	0	(950)	44,000	44,000	0	42,950	0	1,050
963	New Yiewsley Leisure Centre	937	469	0	(468)	29,037	29,037	0	29,037	0	0
69	Yiewsley/West Drayton Comm Centre	1,931	966	0	(965)	1,931	1,931	0	1,931	0	0
773	Hillingdon Outdoor Activity Centre	2,000	1,500	0	(500)	25,727	25,727	0	0	0	25,727
0	New Museum	500	50	0	(450)	5,632	5,632	0	4,882	0	750
0	Shopping Parades Initiative	600	457	(46)	(97)	2,896	2,850	(46)	2,105	590	155
7,294	Hayes Town Centre Improvements	2,183	437	0	(1,746)	2,183	2,183	0	299	350	1,534
1,597	Uxbridge Change of Heart	492	492	0	0	492	492	0	438	0	54
93	Battle of Britain Underground Bunker	1,412	1,412	0	0	1,462	1,462	0	1,462	0	0
58	RAGC Expansion	915	458	0	(457)	1,356	1,356	0	1,356	0	0
7	Uxbridge Mortuary Extension	993	993	0	0	1,224	1,224	0	609	0	615
2	1 & 2 Merrimans Housing Project	470	235	0	(235)	619	619	0	619	0	0
31	Uxbridge Cemetery Gatehouse	0	0	0	0	543	543	0	543	0	0
0	Uniter Building Refurbishment	390	100	0	(290)	390	390	0	390	0	0
0	Botwell Leisure Centre Football Pitch	0	0	0	0	200	200	0	200	0	0
	Planning Transportation and Recycling										
0	Cranford Park Heritage Lottery Project	493	173	0	(320)	2,597	2,597	0	215	1,783	599
	Finance Property and Business Services										
6,871	Housing Company Financing	18,129	18,129	0	0	43,129	43,129	0	43,129	0	0
250	Yiewsley Site Development	2,500	1,250	0	(1,250)	15,970	15,970	0	15,970	0	0
0	Belmore Allotments Development	0	0	0	0	4,605	4,605	0	3,061	0	1,544
0	Purchase of Uxbridge Police Station	5,000	5,000	0	0	5,000	5,000	0	5,000	0	0
1,485	Bessingby Football/Boxing Clubhouse	111	111	0	0	111	111	0	111	0	0
2,552	Cedars and Grainges Car Park	119	119	0	0	119	119	0	119	0	0
6,761	Battle of Britain Visitors Centre	120	120	0	0	120	120	0	120	0	0
28,806	Total Major Projects	40,295	32,521	(46)	(7,728)	189,343	189,297	(46)	154,546	2,723	32,028

ANNEX C - Programme of Works

Prior Year Cost	Project	2020/21 Revised Budget	2020/21 Forecast	2020/21 Cost Variance	Forecast Re-phasing	Total Project Budget 2020-2025	Total Project Forecast 2020-2025	Total Project Variance 2020-2025	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
N/A	School Building Condition Works	4,706	4,706	0	0	10,906	10,906	0	2,731	7,200	975
N/A	Sports Clubs Rebuild / Refurbishments	750	375	0	(375)	3,750	3,750	0	3,750	0	0
N/A	Bowls Clubs Refurbishments	556	556	0	0	556	556	0	556	0	0
N/A	Leisure Centre Refurbishment	1,946	250	0	(1,696)	3,097	3,097	0	3,097	0	0
N/A	Libraries Refurbishment Programme	2,320	2,320	0	0	2,320	2,320	0	2,320	0	0
N/A	Youth Provision	1,620	810	0	(810)	3,620	3,620	0	3,620	0	0
N/A	Harlington Road Depot Improvements	586	586	0	0	586	586	0	586	0	0
N/A	Property Works Programme	3,227	2,566	0	(661)	8,986	8,986	0	8,986	0	0
N/A	Civic Centre Works Programme	5,156	3,868	0	(1,288)	8,177	8,177	0	8,177	0	0
N/A	CCTV Programme	284	284	0	0	384	384	0	384	0	0
N/A	Highways Structural Works	15,684	15,684	0	0	47,684	47,684	0	47,684	0	0
N/A	HS2 Road Safety Fund	645	645	0	0	645	645	0	0	0	645
N/A	Transport for London	3,894	156	(3,577)	(161)	17,296	13,719	(3,577)	0	13,558	161
N/A	Street Lighting Replacement	924	462	0	(462)	2,403	2,403	0	2,283	0	120
N/A	Road Safety	310	310	0	0	910	910	0	910	0	0
N/A	Disabled Facilities Grant	2,852	2,852	0	0	14,260	14,260	0	0	14,260	0
N/A	Equipment Capitalisation - Social Care	2,359	2,359	0	0	11,795	11,795	0	3,530	8,265	0
N/A	PSRG/LPRG	100	100	0	0	500	500	0	500	0	0
N/A	Corporate Technology and Innovation	3,984	3,984	0	0	7,440	7,440	0	7,440	0	0
N/A	Environmental and Recreational Initiatives	1,240	1,240	0	0	2,740	2,740	0	740	0	2,000
N/A	Playground Replacement Programme	170	109	0	(61)	420	420	0	420	0	0
N/A	Equipment Capitalisation - General	765	765	0	0	3,825	3,825	0	3,825	0	0
N/A	Leader's Initiative	356	273	0	(83)	1,156	1,156	0	1,156	0	0
N/A	Car Park Pay & Display Machines Replacement	1,040	1,040	0	0	1,040	1,040	0	1,040	0	0
N/A	Purchase of Vehicles	2,960	1,535	0	(1,425)	7,022	7,022	0	7,022	0	0
N/A	Chrysalis Programme	1,127	351	0	(776)	5,127	5,127	0	5,127	0	0
N/A	Section 106 Projects	454	454	0	0	454	454	0	0	0	454
N/A	Devolved Capital to Schools	271	271	0	0	1,159	1,159	0	0	1,159	0
	Total Programme of Works	60,286	48,911	(3,577)	(7,798)	168,258	164,681	(3,577)	115,884	44,442	4,355

Appendix E – Treasury Management Report as at 31 May 2020

Table 23: Outstanding Deposits – Average Rate of Return 0.28%

Period	Actual (£m)	Actual (%)	Benchmark (%)
Call Accounts and MMF's*	26.6	64.0	70.00
Up to 1 Month Fixed-Term Deposits	0.0	0.0	
Over 1 Month Fixed-Term Deposits	0.0	0.00	0.00
Total	26.6	64.0	70.00
Strategic Pooled Funds	15.0	36.0	30.00
Total	41.6	100.00	100.00

*Money Market Funds

169. Deposits are held with UK institutions, all of which hold a minimum A- Fitch (or lowest equivalent) long-term credit rating and AAA rated Money Market funds. UK deposits are currently held in NatWest Bank plc, Lloyds Bank plc and Handelsbanken plc. There is also an allocation to Strategic Pooled Funds.
170. The average rate of return on day-to-day operational treasury balances is 0.28%. As part of the Council's investment strategy for 2020/21, the Council continues to hold a total of £15m in three long-dated strategic pooled funds (£5m in each). The strategic pooled funds have a 3-5 year investment horizon with dividends being distributed periodically.
171. The Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions whenever possible. However, with average balances being lower than historic levels, the majority of funds need to be held in instant access facilities to manage daily cash flow. It is therefore not possible to fully protect Council funds from bail-in risk. At the end of May, 100% of the Council's day-to-day operational treasury investments had exposure to bail-in risk, reducing to 0% once instant access facilities are excluded from the total bail-in percentage.
172. Liquidity was maintained throughout May by placing surplus funds in instant access accounts and making overnight deposits with the DMADF. Due to adverse market conditions, as a result of COVID-19, all balances were placed with next day availability therefore funds were accessible to cover cash outflows.

Table 24: Outstanding Debt - Average Interest Rate on Debt: 3.25%
Average Interest Rate on Temporary Borrowing: 0.89%

	Actual (£m)	Actual (%)
General Fund		
PWLB	46.60	15.89
Long-Term Market	15.00	5.12
Temporary	50.00	17.05
HRA		
PWLB	148.57	50.68
Long-Term Market	33.00	11.26
Total	293.17	100.00

173. During May, £10m of temporary borrowing reached maturity and a scheduled £0.33m PWLB EIP instalment payment was made. Gilt yields remained fairly flat throughout the month. With the ongoing need to take further borrowing and with restrictive premiums, early repayment of debt remains unfeasible.

174. There were no breaches of the Prudential Indicators or non-compliance with the Treasury Management Policy and Practices. In order to maintain liquidity for day-to-day business operations during June, cash balances will be placed in instant access accounts and overnight deposits. In addition, cash flow forecasts indicate temporary borrowing of around £25m is required to ensure minimum cash levels are maintained throughout June. This replaces temporary borrowing that has matured so far this year or is due to mature in June.

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

176. 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.

Table 25: Consultancy and agency assignments

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Finance						
Assistant Category Manager (construction services)	01/12/2019	02/03/2020	25/09/2020	30	60	90
Finance Business Partner (SCE Team)	03/02/2020	22/06/2020	31/12/2020	47	71	118
Finance Assessment Officer	01/04/2019	20/07/2020	31/03/2021	72	37	109
Social Care						
Team Manager	17/07/2017	29/06/2020	02/08/2020	308	10	318
Senior Social Worker	01/04/2013	29/06/2020	02/08/2020	249	8	257
Social Worker	06/04/2017	29/06/2020	02/08/2020	239	8	247
Social Worker	23/10/2017	29/06/2020	02/08/2020	187	6	193
Social Worker	16/12/2016	29/06/2020	02/08/2020	276	8	284
Social Worker	21/08/2016	29/06/2020	02/08/2020	278	8	286
Social Worker	10/07/2017	29/06/2020	02/08/2020	207	8	215
Social Worker	07/11/2016	29/06/2020	02/08/2020	287	8	295
Social Worker	04/05/2015	29/06/2020	02/08/2020	331	7	338
Social Worker	13/04/2015	29/06/2020	02/08/2020	372	8	380
Social Worker	11/07/2016	29/06/2020	02/08/2020	299	8	307
Social Worker	01/08/2015	29/06/2020	02/08/2020	338	9	347
Social Worker	27/10/2016	29/06/2020	02/08/2020	270	8	278
Social Worker	01/12/2016	29/06/2020	02/08/2020	220	7	227
Educational Psychologist	04/02/2019	29/06/2020	02/08/2020	205	14	219
Educational Psychologist	15/11/2015	29/06/2020	02/08/2020	383	10	393
Special Needs Officer	01/12/2016	29/06/2020	02/08/2020	237	7	244
Social Worker	11/08/2014	29/06/2020	02/08/2020	470	8	478
Social Worker	01/01/2013	29/06/2020	02/08/2020	488	8	496
Social Worker	01/04/2013	29/06/2020	02/08/2020	284	8	292
Social Worker	26/08/2016	29/06/2020	02/08/2020	267	7	274
Support Worker	20/12/2015	29/06/2020	02/08/2020	129	4	133
Social Worker	04/07/2016	29/06/2020	02/08/2020	322	8	330
Social Worker	03/07/2016	29/06/2020	02/08/2020	326	9	335
Social Worker	21/11/2016	29/06/2020	02/08/2020	260	8	268
Social Worker	01/01/2013	29/06/2020	02/08/2020	485	8	493
Senior Social Worker	29/06/2017	29/06/2020	02/08/2020	250	8	258
Senior Educational Psychologist	15/08/2016	29/06/2020	02/08/2020	334	14	348
Social Worker	02/07/2017	29/06/2020	02/08/2020	201	8	209
Independent Domestic Violence Advocate	01/10/2018	29/06/2020	02/08/2020	91	5	96
Senior Social Worker	30/04/2012	29/06/2020	02/08/2020	290	8	298

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Education Health and Care Officer	04/03/2019	29/06/2020	02/08/2020	80	6	86
Senior Social Worker	21/11/2017	29/06/2020	02/08/2020	106	8	114
Senior Social Worker	19/12/2011	29/06/2020	02/08/2020	112	9	121
Social Worker	01/04/2018	29/06/2020	02/08/2020	178	8	186
Social Worker	24/11/2015	29/06/2020	02/08/2020	135	5	140
Social Worker	01/04/2013	29/06/2020	02/08/2020	101	8	109
SEND Officer	04/11/2019	29/06/2020	02/08/2020	54	9	63
Approved Mental Health Worker	05/02/2018	29/06/2020	02/08/2020	125	5	130
AMHP	04/02/2019	29/06/2020	02/08/2020	108	7	115
AMHP	03/06/2019	29/06/2020	02/08/2020	83	7	90
Social Worker POA	01/07/2019	29/06/2020	02/08/2020	77	7	84
AMHP	01/07/2019	29/06/2020	02/08/2020	77	7	84
Social Worker	03/08/2019	29/06/2020	02/08/2020	67	7	74
AMHP	30/09/2019	29/06/2020	02/08/2020	58	7	65
AMHP	30/09/2019	29/06/2020	02/08/2020	58	7	65
Social Worker	01/11/2019	29/06/2020	02/08/2020	58	8	66
Senior Social Worker	04/11/2019	29/06/2020	02/08/2020	53	8	61
AMHP	04/11/2019	29/06/2020	02/08/2020	50	7	58
AMHP	04/11/2019	29/06/2020	02/08/2020	83	12	96
Social Worker (CHC)	03/01/2017	29/06/2020	02/08/2020	170	5	174
Support Worker	03/04/2017	29/06/2020	02/08/2020	113	4	116
Registered Manager	04/02/2019	29/06/2020	02/08/2020	57	6	63
Support Worker	03/10/2016	29/06/2020	02/08/2020	88	2	90
Support Planner	03/09/2018	29/06/2020	02/08/2020	62	3	65
Care Worker	06/07/2016	29/06/2020	02/08/2020	114	3	117
Care Worker	06/03/2017	29/06/2020	02/08/2020	94	3	97
Brokerage Officer	03/09/2018	29/06/2020	02/08/2020	53	3	55
Nursery Practitioner	01/10/2017	29/06/2020	02/08/2020	88	3	91
SENDIASS Manager	29/04/2019	29/06/2020	02/08/2020	105	9	114
Senior Early Years Practitioner	01/04/2018	29/06/2020	02/08/2020	49	3	52
Early Years Practitioner	01/04/2018	29/06/2020	02/08/2020	61	3	63
Early Years Practitioner	06/02/2017	29/06/2020	02/08/2020	87	3	90
Early Years Practitioner	01/04/2018	29/06/2020	02/08/2020	60	3	63
Early Years Practitioner	01/04/2018	29/06/2020	02/08/2020	60	3	63
Early Years Practitioner	25/03/2016	29/06/2020	02/08/2020	95	3	97
Nursery Officer	05/09/2016	29/06/2020	02/08/2020	89	3	92
Early Years Practitioner	23/02/2015	29/06/2020	02/08/2020	121	3	123
Service Development & Quality Assurance Officer	01/04/2019	29/06/2020	02/08/2020	146	11	157
FIS Officer	01/04/2018	29/06/2020	02/08/2020	72	4	76
Online Services Co-ordinator	04/03/2019	29/06/2020	02/08/2020	89	6	96
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	29/06/2020	02/08/2020	80	9	89

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Project Manager/Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	29/06/2020	02/08/2020	84	9	93
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	29/06/2020	02/08/2020	81	9	89
Environment, Education & Community Services						
Post-16 Tracking Worker	03/01/2019	02/07/2020	01/10/2020	43	7	50
CME Tracker	01/08/2018	02/07/2020	01/10/2020	104	15	119
Building Services, Transport & Business Improvement						
Senior Land Contamination Officer	18/11/2018	29/06/2020	27/09/2020	114	18	132
Corporate Resources & Service						
Housing Lawyer	07/07/2014	22/06/2020	21/12/2020	348	33	381

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